



## ADAPTATION FUND

AFB/PPRC.37/34/Add.1  
April 7-8, 2026

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Adaptation Fund Board  
Project and Programme Review Committee  
Thirty-seventh meeting  
Bonn, Germany

Agenda Item 7 c)

### **PROJECT FORMULATION GRANT FOR LLA SINGLE COUNTRY PROPOSAL FOR COSTA RICA (2)**

## 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”.*

7. At its forty-second meeting the Board approved modifications to project formulation grants contained in document AFB/PPRC.33/40. Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- a) *That project formulation grants (PFGs) be made available for projects submitted through national, regional and multilateral implementing entities;*
- b) *That the maximum size of the PFG for single country projects for all windows, inclusive of the management fee, be set as follows:*
  - (i) For projects below US\$ 2,000,000, the limit is set at US\$ 50,000;*
  - (ii) For projects at or above US\$ 2,000,000 and below US\$ 5,000,000, the limit is set at US\$ 100,000;*
  - (iii) For projects at or above US\$ 5,000,000, the limit is set at US\$ 150,000;*
- c) *That an additional PFG amount (inclusive of the management fee) can be provided on a case-by-case basis for locally-led adaptation projects up to a maximum of US\$ 100,000, and that such amount should be dedicated to support activities that enable decision-making by local actors over how adaptation actions are defined, prioritized, designed and implemented;*
- d) *That the maximum size of the PFG for all regional projects, inclusive of the management fee, is set as follows:*
  - (i) For regional projects of US\$ 5,000,000 and above, and with less than three countries, the limit is set at US\$ 150,000;*
  - (ii) That this limit increase by US\$ 15,000 for each additional country involved, up to a maximum of US\$ 250,000;*
- e) *That requests for a PFG should be made at the same time as the submission of a project concept or pre-concept to the secretariat using the revised PFG form in annex I to document AFB/PPRC.33/40;*

- f) *That, for a PFG at the pre-concept stage, up to 20 percent of the maximum amount of the PFG set in out in subparagraphs (b), (c) and (d) above could be granted;*
- g) *That only activities that support project preparation and formulation would be eligible for PFG funding, as per paragraph 32 of document AFB/PPRC.33/40.*

*(Decision B.42/37)*

## **II. The Project Formulation Grant Request**

8. This addendum to the document, AFB/PPRC.37/34 “LLA Single Country Proposal for Costa Rica (2)” 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 note proposal for the project AF00000444 “*Grass-roots of Adaptation – Strengthening community climate resilience through locally led adaptation in Costa Rica*”. This proposal was submitted by Fundecooperación para el Desarrollo Sostenible, which is a National Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-sixth Board meeting.

9. 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. The \$150,000 Project Formulation Grant (PFG) will support stakeholder mapping and participatory consultations, environmental and social risk assessments, and the development of a gender and generational inclusion strategy. It will also support coordination with local governments and partners, the design of monitoring and evaluation and USP management frameworks, and the preparation and submission of a fully developed proposal.

10. Therefore, the PPRC may want to consider and recommend to the Board to approve the PFG Request, provided that the related concept note proposal is endorsed.



**Revised PFG Submission Form<sup>1</sup> (additions in red)**  
**Project Formulation Grant (PFG)**

**Submission Date:** 11<sup>th</sup> July, 2025

**Adaptation Fund Project ID:**

**Country/ies:** Costa Rica

**Title of Project/Programme:** Grass-roots of Adaptation – Strengthening community climate resilience through locally led adaptation in Costa Rica

**Type of IE (NIE/RIE/MIE):** National Implementation Entity

**Implementing Entity:** Fundecooperación Para el Desarrollo Sostenible

**Executing Entity of this PFG:** ; Fundecooperación Para el Desarrollo Sostenible

**Executing Entity/ies for the proposed project:** Local Governments, Local Organizations, NGO's, others.

Formatted: English (United States)

**A. Project Preparation Timeframe**

<b>Start date of PFG</b>	April 202 <del>5</del>
<b>Completion date of PFG</b>	March-Feb 202 <del>7</del> 6

**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>
Stakeholder Mapping and Participatory Consultation	Comprehensive stakeholder map and engagement report, including a list of key actors, participation strategies, and documented community priorities.	23 550	Funds for stakeholder analysis, engagement logistics, facilitation, workshops logistics, translation, and tailored participation strategies targeted at youth, women, and indigenous communities.
Environmental and Social Risk Assessments and Safeguards	Environmental and social impact assessment report with identified risks, mitigation measures, and safeguards for project implementation.	27 200	Resources for conducting impact assessments, mitigation planning, consultations with local communities, and development of safeguard documentation

<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.

<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>
Gender and Generational Strategy Development	Gender and youth inclusion strategy, with clearly defined actions, indicators, and implementation plan	22 900	Consultancy services, technical staff, trainings of EE and NIE staff, funding for tools such as data analysis, participatory workshops, and expert consulting to identify barriers and develop inclusive strategies promoting youth and women's participation.
Coordination with Government, Academia, and Innovation Actors	Partnership agreements, coordination frameworks, and a stakeholder engagement plan for ongoing collaboration	22 700	Budget for meetings, workshops, collaboration agreements, and communication platforms to foster inter-institutional synergy and leverage research and innovation networks.
Proposal development and submission	The proposal is complete and approved by the Adaptation Fund.	22 300	Consultancy services, technical staff, resources for technical writing, editing, translation, formatting, and alignment with fund guidelines, including expert support for strategy coherence.
Design of Monitoring & Evaluation (M&E) mechanism and USP management manuals and procedures	Monitoring and evaluation framework, including tools, indicators, and USP management manuals, ready for adoption during project implementation	19 600	Consultancy services, technical staff, funds for developing tailored monitoring tools, manuals, templates, and capacity-building activities to ensure transparent, scalable, and adaptive project management.
NIE fee		11 750	8,5% of project cost. Management fees for administrative cost, procurement costs, financial accountability, bank fees
<b>Total Project Formulation Grant</b>		<b>\$150.000</b>	

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

**Stakeholder Mapping and Participatory Consultation:**

A comprehensive stakeholder mapping exercise will identify key local actors, including municipalities, community leaders, local organizations, women, youth, and indigenous groups. Tailored engagement strategies will be developed to facilitate inclusive and representative participation across different territories.

Consultations—through workshops, interviews, and focus groups—will actively incorporate local knowledge and priorities, ensuring that the project design responds directly to community needs, aligns with local adaptation plans, and enhances local ownership. These processes will validate community-specific risks, opportunities, and resilience strategies, establishing a solid foundation for the project’s relevance and sustainability.

**Environmental and Social Risk Assessments and Safeguards**

Systematic risk assessments will focus on potential impacts to local ecosystems, cultural sites, and livelihoods at the community and municipal levels. These analyses will ensure compliance with the Adaptation Fund’s safeguards and national regulations, with special emphasis on vulnerabilities identified through local and municipal adaptation plans. Based on findings, context-specific mitigation measures will be designed to prevent harm, support resilience-building, and ensure environmental and social equity at the local level.

**Gender Analysis and Strategy Development**

A gender analysis will be conducted with a focus on local dynamics, including intra-community roles, decision-making processes, and access to resources. The resulting gender strategy will promote active participation of women, youth, and vulnerable groups in local adaptation activities, ensuring their voices influence planning and implementation. This approach will facilitate equitable benefit sharing, strengthen local social cohesion, and promote community-led solutions aligned with municipal adaptation priorities. This Strategy is expected to provide a firm basis to ensure strong participation of women during project implementation.

**Coordination with Local Governments and Community Stakeholders**

Active engagement with municipalities and local authorities will be prioritized to support integration of the project within existing local adaptation plans and development strategies. This will foster coordination, facilitate resource mobilization, and ensure physical and institutional sustainability. Strengthening multi-stakeholder partnerships at the local level will enable ongoing feedback, local ownership, and post-project continuity.

**Proposal Development and Submission**

Building upon the above, all inputs—including local adaptation strategies, community feedback, and municipal priorities—will be integrated into a comprehensive proposal aligned with the Fund’s requirements. This will include developing a logical framework, theory of change, and indicators that are suited for local implementation and monitoring. The proposal will be finalized with quality review, translation, and formatting, ensuring it reflects true local leadership and context.

**Design of the Monitoring & Evaluation System and USP Manuals**

A locally-contextualized M&E framework will be developed to track progress and assess impacts at the community and municipal levels. Manuals for managing USPs will be tailored to local conditions, ensuring effective, transparent, and shared management of pilot activities. These tools will support adaptive management, foster local learning, and enable the scaling of successful practices within and across territories, ensuring long-term impact driven by local actors

<b>Budget breakdown</b>	<b>contractual services</b>	<b>technical staff</b>	<b>workshop logistics</b>	<b>communication materials (design and production)</b>	<b>local travel</b>	<b>total</b>
Stakeholder Mapping and Participatory Consultation	8000	5800	7500		2250	23 550,0
Environmental and Social Risk Assessments and Safeguards	12500	2900	7500	2500	1800	27 200,0
Gender and Generational Strategy Development	12500	2900	6000		1500	22 900,0
Coordination with local government, and community stakeholders	12000	2900	3000	2550	2250	22 700,0
Proposal development and submission	14000	5800	2500			22 300,0
Design of Monitoring & Evaluation (M&E) mechanism and USP management manuals and procedures	10000	2900	3000	2500	1200	19 600,0
					subtotal	138 250,0
					fee (8,5%)	11 750,0
					total	150 000,0

**For LLA Projects only:**

If requesting additional funding for LLA projects to enable devolving decision making to the local level, please specify the activities that would directly serve to enable devolving decision making to the lowest appropriate level and enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed, and implemented: Please provide justifications for their need and for the amount of additional funding required:

**No additional funding is requested.** All proposed activities aimed at strengthening local-level decision-making are included within the original budget, ensuring their feasibility without the need for complementary resources.

### 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
Marianella Feoli		July 11 <sup>th</sup> , 2025	Marianella Feoli Peña	+506 22254507	gerencia@fundecooperacion.org



July 11<sup>th</sup>, 2025  
DVGE-075-2025

Letter of Endorsement by Government  
Ministry of Environment and Energy

To: 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 "Grass-roots of Adaptation - Strengthening community climate resilience through locally led adaptation in Costa Rica"

In my capacity as designated authority for the Adaptation Fund in Costa Rica, I confirm that the above national grant proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in local communities in Costa Rica.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund and its Project Formulation Grant. If approved, the project will be implemented by Fundecooperacion para el Desarrollo Sostenible and executed by several executing entities.

Sincerely,

Carlos Isaac Pérez Mejía  
Viceministro de Gestión Estratégica

cc: Archivo / Consecutivo