



**ADAPTATION FUND**

AFB/PPRC.37/45/Add.1  
7-8 April 2026

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

Agenda Item 9 b)

**PROJECT FORMULATION GRANT FOR  
COSTA RICA**

## 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”.*

### **Project Formulation Support for Large Innovation Projects**

7. At its thirty-sixth meeting, the Board considered the document AFB/PPRC.27/28, *Programme on Innovation: Operationalization of Large Grants for Innovation*, which stipulates the project formulation support for single country and regional large innovation projects/ programmes as follows:

*“National implementing entities (NIEs) that are at the concept development stage of the Fund’s project cycle process have the option to request a project formulation grant (PFG) up to a maximum of US\$ 30,000 per project together with their submission of the project concept to the Board. PFGs can support project formulation activities, including among others feasibility studies or consultations. A PFG could only be awarded when a project concept has been presented to and endorsed by the Board. The template for a Request for Project Formulation Grant (PFG) is available under Project Proposal Materials. To complement the PFGs and support the undertaking of specialist technical assessments during project preparation and design, the Board has also made available Project Formulation Assistance (PFA) grants under the Readiness Programme, up to a maximum of US\$ 20,000 per project, which are also available to NIEs that apply for innovation large grants. PFGs would be funded from the provision dedicated to the Large Grants for Innovation whereas PFAs would be financed outside the provision. For a project for which PFG funding is sought, the total amount of funding inclusive of PFG (but not PFA) cannot exceed US\$ 5 million.*

*Regional and multilateral implementing entities (RIEs and MIEs) that are at the concept development stage of the Fund’s project cycle process have the option to request a PFG up to a maximum of US\$ 30,000 per project together with their submission of the regional project concept to the Board.”*

8. Following the discussion, the Board decided:

*(a) To approve the Innovation Large Grant Project Proposal template, the Review Criteria template and the Instructions for Preparing a Proposal for*

*Innovation Large Grants, as described in annexes II, III and IV to document AFB/PPRC.27/28;*

*(b) To launch the request for proposals so that submissions of Innovation Large Grants proposals are invited to be considered as early as the thirty-seventh meeting of the Board.*

*(Decision B.36/24)*

9. In its thirty-seventh meeting, the Board decided to raise the maximum of individual project formulation grants available to national implementing entities:

*(d) To raise the maximum amount of individual project formulation grants available to national implementing entities to US\$ 50,000*

**(Decision B.37/1 (d))**

37. At its forty-second meeting 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**

10. This addendum to the document AFB/PPRC/37/45 “Proposal for Large Innovation Project for Costa Rica” 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 for the large innovation project titled “Harvesting Resilience and Innovation: Youth and Women Leading Climate Adaptation in Costa Rica”. This proposal was submitted by Fondecoperacion para el Desarrollo Sostenible (FDSCR), 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.

11. 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 which include stakeholder mapping and participatory consultation, environmental and social risk assessment and safeguards, gender and generational strategy development, coordination with government, academia, and innovation actors, proposal development and submission, and design of monitoring and evaluation mechanism and USP management manuals and procedures. The proposed activities were aligned with the goal of the project and would develop the project proposal and stakeholder consultations.

12. 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:** July, 2025

**Adaptation Fund Project ID:**

**Country/ies:** Costa Rica

**Title of Project/Programme:** Harvesting Resilience and Innovation: Youth and Women Leading Climate Adaptation in Costa Rica.

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

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

**Executing Entity/ies:** Ministry of Agriculture and Livestock (MAG), Academia/universities, Agricultural Technical Colleges, NGO’s, local organization, other.

**A. Project Preparation Timeframe**

<b>Start date of PFG</b>	Oct, 2025
<b>Completion date of PFG</b>	March, 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>
Stakeholder Mapping and Participatory Consultation	Comprehensive stakeholder map and engagement report, including a list of key actors, participation strategies, and documented community priorities.	25 550	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,	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.

	and safeguards for project implementation.		
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	19 700	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.	23 300	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 administratives cost, procurement costs, financial accountability, bank fees and transfers 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:

## **1. Stakeholder Mapping and Participatory Consultation**

A comprehensive stakeholder mapping exercise will be conducted to identify key actors within the innovation ecosystem, including universities, research centers, technical colleges, local governments, producer organizations, youth groups, indigenous communities, women, and other relevant actors. This process will classify stakeholders based on their influence and interest, allowing for tailored engagement strategies that foster active participation. Special emphasis will be placed on involving youth and innovative actors to ensure that generational integration drives the project's transformative potential.

Consultations—including workshops, interviews, focus groups, and co-creation spaces—will actively engage women, youth, indigenous peoples, local authorities, universities, and research institutions. This inclusive approach will facilitate the exchange of local knowledge and scientific expertise, validate risk assessments, and prioritize community and sectoral needs, ensuring the project's design is contextual, relevant, and capable of generating high-impact innovations through synergies with academia and innovation hubs.

## **2. Environmental and Social Risk Assessments and Safeguards**

Systematic environmental and social risk assessments will be conducted to identify potential impacts on ecosystems, cultural heritage, livelihoods, and vulnerable populations. These assessments will ensure full compliance with the Adaptation Fund's safeguards, national legislation, and international standards. Based on these insights, targeted mitigation measures will be developed to avoid harm, bolster resilience, and promote social equity and environmental integrity, especially considering the unique vulnerabilities and opportunities present within local and indigenous communities.

## **3. Gender and Generational Strategy Development**

A detailed gender and youth analysis will be carried out using tools such as sex-disaggregated data, intersectional analysis, and participatory methods. This will identify barriers and opportunities for the active participation of women, youth, and vulnerable groups, with particular focus on engaging young innovators and leaders in the agricultural sector. The resulting gender and generational strategy will promote equitable access to resources, leadership opportunities, and decision-making processes, fostering a participatory, inclusive innovation process that ensures shared benefits and sustainable transformation.

## **4. Coordination with Government, Academia, and Innovation Actors**

Strong linkages will be established with local and national government agencies, universities, research centers, innovation hubs, and civil society. This multi-stakeholder coordination will support policy coherence, avoid duplication, and facilitate the integration of innovative practices within broader adaptation and rural development frameworks. Engagement with universities and research institutions will be prioritized to leverage cutting-edge scientific research, digital technologies, and innovation labs, creating a vibrant ecosystem where generational knowledge can be integrated with scientific advances—such as digital tools, AI, IoT, and bioeconomy approaches—to accelerate adaptation solutions.

## **5. Proposal Development and Submission**

Building on the prior engagement and technical inputs, all relevant social, environmental, and innovation insights will be consolidated into a comprehensive proposal. This will include drafting the logical framework, theory of change, detailed budget, and alignment with the Fund's Results Framework. The process will involve technical writing, translation, and layout, ensuring clarity, coherence, and strategic alignment. A strong focus will be placed on designing a results-based M&E framework that captures innovation processes, social impacts, and environmental outcomes, supporting adaptive management. A risk management plan will be integrated to proactively identify and mitigate potential challenges.

## **6. Design of the Monitoring & Evaluation System and USP Manuals**

A customized M&E system will be developed to continuously monitor project performance, innovation outcomes, gender and youth inclusion, and community resilience. Concurrently, manuals for managing Unidentified SubProjects (USPs) will be created to standardize procedures, documentation, and reporting. These tools will ensure transparent, accountable, and scalable project management, underpinning long-term

success, replication, and scaling of innovative and locally-led adaptation practices—driven by youth and strengthened through academic and research collaborations.

### 7. NIE fee

The NIE fee is 8,5%, and will cover the institutional support and follow up services of Fundecooperación, to facilitate smooth operation, administration, and oversight—ensuring the effective execution of all project activities and compliance with fund requirements.

### Budget breakdown

Budget breakdown	contractual services	technical staff	workshop logistics	communication materials (design and production)	local travel	total
Stakeholder Mapping and Participatory Consultation	10000	5800	7500		2250	25 550,0
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 Government, Academia, and Innovation Actors	9000	2900	3000	2550	2250	19 700,0
Proposal development and submission	15000	5800	2500			23 300,0
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

### 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 Peña		July 11 <sup>th</sup> , 2025	Marianella Feoli Peña	+506 2225 4507	gerencia@fundecooperacion.org