



ADAPTATION FUND

AFB/PPRC.34/25/Add.1
11 September 2024

Adaptation Fund Board
Project and Programme Review Committee
Thirty third Meeting
Bonn, Germany, 8-9 October 2024

Agenda Item 5c)

**PROJECT FORMULATION GRANT FOR
ARGENTINA, CHILE, COLOMBIA, PERU**

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.34/25 “Proposal for Argentina, Chile, Colombia, Peru” includes a request for a Project Formulation Grant, requesting a budget of US\$ 36,000, which was received by the secretariat along with the pre-concept for the regional programme AF00000383 “AdaptAndes: Enhancing socio ecosystems resilience, knowledge management and regional cooperation and governance across the Andes”. This proposal was submitted by United Nations Environment Programme (UNEP), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-third 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 consultation processes; concept formulation.

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



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 16 August 2024

Adaptation Fund Project ID: N/A

Country/ies: Argentina, Chile, Colombia, Peru

Title of Project/Programme: AdaptAndes: Enhancing socioecosystems resilience, knowledge management and regional cooperation and governance across the Andes.

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

Implementing Entity: United Nations Environment Programme (UNEP)

Executing Entity: UNEP (Activity 1) and CONDESAN (Activity 2)

A. Project Preparation Timeframe

Start date of PFG	1 November 2024
Completion date of PFG	1 November 2025

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
1. Concept formulation*	Outputs 1-3	24,940	Consultancy firm. Output based price.
2. Consultation processes*	Outputs 1-3	8000	4 multi-stakeholder workshops, one in each country
Activity total		32940	
IE Fee		3060	
Total Project Formulation Grant		36,000	

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

¹ As presented in AFB/PPRC.33/40 Annex 1.

² The proposal should include a detailed budget with budget notes indicating the break-down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.



República Argentina - Poder Ejecutivo Nacional
1983/2023 - 40 AÑOS DE DEMOCRACIA

Nota

Número: NO-2023-91897597-APN-DGPFYCI#MAD

CIUDAD DE BUENOS AIRES

Martes 8 de Agosto de 2023

Referencia: Endoso Nota de Pre Concepto del Proyecto "AdaptAndes: Mejorando la resiliencia de los socioecosistemas, la gestión del conocimiento y la cooperación y gobernanza regional en los Andes"

A: The Adaptation Fund Board (Email: Secretariat@Adaptation-Fund.org),

Con Copia A: Amparo Quiroga (DGYMP#MAD), Guido Pablo Veneziale (DNPYOAT#MAD), María Celeste Escalada (DGYMP#MAD), María Cecilia Vaquer (DGYMP#MAD),

De mi mayor consideración:

Sres. Fondo de Adaptación

Distinguidos miembros,

En mi calidad de Autoridad Nacional designada para el Fondo de Adaptación en la República Argentina, confirmo que la propuesta de proyecto regional anterior está de acuerdo con las prioridades nacionales del gobierno en la implementación de actividades de adaptación para reducir los impactos adversos y los riesgos que plantea el cambio climático en Argentina.

En consecuencia, me complace respaldar la propuesta de proyecto anterior con el apoyo del Fondo de Adaptación. Si se aprueba, el mismo será implementado por el Programa de las Naciones Unidas para el Medio Ambiente (PNUMA) y ejecutado por el Ministerio de Ambiente y Desarrollo Sostenible de Argentina.

Sin otro particular, aprovecho la oportunidad para expresarles las seguridades de mi más alta y distinguida consideración.

Letter of endorsement from the Government of the Republic of Argentina: Project "AdaptAndes: Enhancing socioecosystems resilience, knowledge management and regional cooperation and governance across the Andes"

The Adaptation Fund Board

Distinguished members,

In my capacity as Designated National Authority for the Adaptation Fund in the Republic of Argentina, 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 Argentinian.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by United Nations Environment Program (PNUMA) and executed by Ministry of Environment and Sustainable Development of Argentina.

Please accept the assurances of my highest consideration and personal esteem.

Sin otro particular saluda atte.

Digitally signed by Gastón Documental Electrónica
Date: 2023.08.08 14:59:02 -03:00

Martín Manuel Illescas
Director General
Dirección General de Proyectos con Financiamiento Externo y Cooperación
Internacional
Ministerio de Ambiente y Desarrollo Sostenible

Digitally signed by Gastón Documental
Electrónica
Date: 2023.08.08 14:59:02 -03:00



ADAPTATION FUND

**Letter of Endorsement by Government
Chile**

July 31th 2023


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

Subject: Endorsement for "AdaptAndes: Enhancing socioecosystems resilience, knowledge management and regional cooperation and governance across the Andes"

In my capacity as designated authority for the Adaptation Fund in Chile, 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 Andean region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations Environment Programme (UNEP) and executed by the Consorcio para el Desarrollo Sostenible de la Ecorregión Andina (CONDESAN), Technical Secretariat of the Andean Mountain Initiative.

Sincerely,


Ms. Jenny Mager Santos
Head of the Climate Change Division
Ministry of Environment of Chile

Bogotá, D. C. 16 de agosto de 2023 **Radicado: 14002023E2027647**

Señores

FONDO DE ADAPTACIÓN

Correo: Secretariat@Adaptation-Fund.org

ASUNTO: Carta Endoso - Nota de Pre-Concepto. Proyecto: "Vulnerabilidad y Adaptación al Cambio Climático en la Región Andina".

Estimados miembros

En mi calidad de Autoridad Nacional designada ante el Fondo de Adaptación para la República de Colombia, confirmo que la propuesta de proyecto regional denominada: **AdaptAndes, Aumentando la resiliencia socioecosistémica, conocimiento, manejo, cooperación regional y la gobernanza a través de los Andes**", se encuentra acorde a las prioridades de país en materia climática y responde a los compromisos nacionales para la reducción de los impactos adversos, la adaptación y la reducción del riesgo ante el cambio climático en la región Andina.

En consecuencia, me complace respaldar la propuesta de proyecto ante el Fondo de Adaptación. De igual forma, de ser aprobada la iniciativa, será implementada por el Programa de las Naciones Unidas para el Medio Ambiente (PNUMA) y ejecutada por el Consorcio para el Desarrollo Sostenible de la Ecorregión Andina (CONDESAN), secretaria técnica de la Iniciativa Andina de Montañas (AMI).

Cordialmente,



Subject: Endorsement for "AdaptAndes: Enhancing socioecosystems resilience, knowledge management and regional cooperation and governance across the Andes".

Distinguished members

In my capacity as designated authority for the Adaptation Fund in Republic of Colombia, I confirm that the regional Project proposal: **"AdaptAndes: Enhancing socioecosystems resilience, knowledge management and regional cooperation and governance across the Andes"**, 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 Andean region.

Accordingly, I am pleased to endorse the above project with support from the Adaptation Fund. If Approved, the project will be implemented by the United Nations Environment Programme (UNEP), and executed by the Consorcio para el Desarrollo Sostenible de la Ecorregión Andina (CONDESAN), technical secretariat of the Andean Mountain Initiative (AMI).

Sincerely,



MARÍA TERESA BECERRA RAMÍREZ

Jefe Oficina de Asuntos Internacionales

Proyectó: Jerson Leonardo González Umaña, contratista OAI

Los arriba firmantes declaramos que hemos revisado el presente documento y lo encontramos ajustado a las normas y disposiciones legales y/o técnicas vigentes y, por lo tanto, bajo nuestra responsabilidad lo presentamos para la firma del Remitente



PERÚ

Ministerio
del Ambiente

Viceministerio de
Desarrollo Estratégico de
los Recursos Naturales

Dirección General
de Cambio Climático
y Desertificación

"Decenio de la Igualdad de Oportunidades para mujeres y hombres"
"Año de la unidad, la paz y el desarrollo"

Lima, August 16th 2023

LETTER N° 00086-2023-MINAM/VMDERN/DGCCD

Messrs.

The Adaptation Fund Board

c/o Adaptation Fund Board Secretariat

Washington

United States

Email: Secretariat@adaptation-fund.org

Fax: 202 522 3240/5

Subject : Endorsement for the regional project: "AdaptAndes: Enhancing Socioecosystems Resilience, Knowledge Management and Regional Cooperation and Governance across the Andes".

The Ministry of the Environment of Peru is the governing body of the National Climate Change Strategy of Peru and the Designated Authority for the Adaptation Fund through the General Directorate of Climate Change and Desertification.

On this framework, we received the pre-concept note AdaptAndes: Enhancing Socioecosystems Resilience, Knowledge Management and Regional Cooperation and Governance across the Andes proceeding to assess it. We would like to underline that the project will contribute increasing the resilience of the Andean socio-ecosystems and communities by integrating Ecosystem-based Adaptation (EbA) and Community based Adaptation (CbA) approaches to reduce climate-related risks, improving knowledge and information management around climate change adaptation.

Finally, I am pleased to endorse the pre-concept note mentioned above to apply to Adaptation Fund. If approved, we will ensure that the project is aligned with our climate change adaptation targets and that is duly coordinated between the United Nations Environment Programme (UNEP) and Consorcio para el Desarrollo Sostenible de la Ecorregión Andina (CONDESAN).

We appreciate your attention very much and thank you for your kind consideration.

Sincerely yours,

Milagros Sandoval Díaz

Head of the General Directorate of Climate Change and Desertification

Ministry of the Environment

Designated Authority

CC: VMDERN

File number: 2023421045

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