



## ADAPTATION FUND

AFB/PPRC.35/29/Add.1  
17 March 2025

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Adaptation Fund Board  
Project and Programme Review Committee  
Thirty fifth Meeting  
Bonn, Germany, 8-9 April 2025

Agenda Item 6e)

### **PROJECT FORMULATION GRANT FOR COSTA RICA, PANAMA**

## 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.35/29 “Proposal for Costa Rica, Panama” includes a request for a Project Formulation Grant, requesting a budget of US\$ 30,000, which was received by the secretariat along with the concept for the regional programme AF00000398 Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management”. This proposal was submitted by World Meteorological Organization (WMO), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-fourth 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; and development of concept note.

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 Form<sup>1</sup> (additions in red)**

**Project Formulation Grant (PFG)**

**Submission Date:** 13 November 2024

**Adaptation Fund Project ID:** AF00000398

**Country/ies:** Costa Rica, Panamá, Central America

**Title of Project/Programme:** Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management

**Type of IE (NIE/RIE/MIE):** Multilateral Implementing Entity

**Implementing Entity:** World Meteorological Organization (WMO)

**Executing Entity/ies:** Regional Committee for Water Resources (CRRH), Global Water Partnership (GWP), and WMO

**A. Project Preparation Timeframe**

<b>Start date of PFG</b>	March 2025
<b>Completion date of PFG</b>	August 2025

**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>
1. Technical assistance for integration of the concept note	Final concept note	US\$ 15,000	Consultancies for 30 days at US\$ 500 per day
2. Organization of a stakeholders' validation workshop	Workshops held for regional and national partners  Validated concept note	US\$ 12,300	Travel arrangements and/or meeting arrangements for up to US\$ 12,300

<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.

Administration Support (Implementing Entity fee)		US\$ 2,700	Lumpsum for coordination of consultants, travel, consultations, etc.
<b>Total Project Formulation Grant</b>	-	<b>US\$ 30,000.00</b>	-

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

**Activity 1. Technical assistance for integration of the concept note.** Based on the information gathered, the comments and feedback received and the results of the national consultations with the counterparts, the concept note document will be prepared and updated as necessary, not only complementing the description of the project scope and its different components, but also adjusting and complementing the context information and its justification, its benefits and valuation, related risks and sustainability aspects, as well as political and organizational aspects. Once this new version has been integrated, it will be submitted again to the counterparts for comments, feedback, and validation in order to integrate the final version of the document. [Consultancies: 30 days at US\$ 500/day = US\$ 15,000]

**Activity 2. Organization of a stakeholders’ validation workshop.** Consultations are planned in each country (Costa Rica and Panama) in order to include all identified stakeholders. The objective is to present them with the scope of the concept note (prepared in coordination by all key stakeholders and executing agencies), confirm their agreement, provide clarifications and changes if necessary, and gather additional information relevant to develop the final version. The organization and development of the consultations will be carried out in coordination with counterparts in each country and executing entities. [Travel, interpretation, meeting documents, meeting organization and facilities: up to US\$ 12,300]

**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:

**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
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Moyenda Chaponda World Meteorological Organization	<i>Moyenda Chaponda</i>	December, 6, 2024	Luis Roberto Silva Vara	+41 22 730 8488	lsilvavara@wmo.int
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Viceministerio de Gestión Estratégica

07th June 2024  
DVGE-109-2024

To: Adaptation Fund  
c/o: Adaptation Fund Board Secretariat  
E-mail: [Secretariat@Adaptation-Fund.org](mailto:Secretariat@Adaptation-Fund.org)

Subject: Endorsement letter for the pre-concept note of "Adapting national and regional Water Resources Management to climate extremes through Hydro-climatic Information, Early Warning Systems and Decision Support Tools"

In my capacity as the designated authority for the adaptation fund in the Republic of Costa Rica, I confirm that the above regional project proposal aligns with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts and risks posed by floods and droughts in the country.

Accordingly, I endorse the above project proposal with appreciation of the support from the adaptation fund. If approved, the project will be implemented by the World Meteorological Organization (OMM) and executed by the Comité Regional de Recursos Hídricos (CRRH), the Global Water Partnership (GWP) and the World Meteorological Organization (OMM), in close coordination with the Instituto Meteorológico de Costa Rica (IMN).

Sincerely,

Ing. Carlos Isaac Pérez Mejía  
Vice- Minister of Strategic Management  
Ministry of Environment and Energy

Cc: Franz Tattenbach Copra, Ministro de Ambiente y Energía  
Adriana Bonilla, Directora Cambio Climático MINAE  
Archivo/ Consecutivo



Panama, 4 December 2024  
DM-N-1134-2024

To: Adaptation Fund

Ref.: Subject: Endorsement letter for the pre-concept note of "Adapting national and regional Water Resources Management to climate extremes through Hydro-climatic Information, Early Warning Systems and Decision Support Tools".

In my capacity as the designated authority for the adaptation fund in the republic of Panama, I confirm that the above regional project proposal aligns with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts and risks posed by floods and droughts in the country.

Accordingly, I endorse the above project proposal with appreciation of the support from the adaptation fund. If approved, the project will be implemented by the World Meteorological Organization and executed by the Comité Regional de Recursos Hídricos, the Global Water Partnership and the World Meteorological Organization, in close coordination with the Instituto de Meteorología e Hidrología de Panamá (IMHPA).

Sincerely,



Juan Carlos Navarro  
Minister



C.C.: Adaptation Fund Board Secretariat

JCN/es/pa