



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

DECOMMITMENT OF UNUTILIZED PROJECT FORMULATION GRANTS

Strategic Issues

- a) Optimizing the allocation of limited financial resources is a key priority for the Adaptation Fund.
- b) When Adaptation Fund project formulation grants are approved by the Board, they are committed by the Trustee for use by an Implementing Entity upon the signing of the project legal agreement between the Board and the Implementing Entity.
- c) Once an Implementing Entity signs the project legal agreement, the Trustee disburses the funds to the Implementing Entity.
- d) Project Formulation Grants that are committed for use by an IE but not disbursed and that the Implementing Entity will or can no longer use should be uncommitted and made available for other purposes.

Purpose

1. This paper presents to the Project and Programme Review Committee (PPRC) a proposal to consider recommending to the Board that it decommit four unused Project Formulation Grants (PFGs), which were approved by the Board but not utilized by the respective Implementing Entities (IEs). This will allow these funds to be available for future Board funding decisions.

Recommended Decisions

2. The Project and Programme Review Committee, having considered document AFB/PPRC.36/5 and recalling decision B.38/15, recommends that the Board decide to decommit the Project Formulation Grant PFG of US\$ 50,000 approved through decision B.38/15 for the project “Increasing the Resilience of Vulnerable Populations in Costa Rica by Scaling Up Adapta2+” for Costa Rica (AF00000257, Fundecooperacion)
3. The Project and Programme Review Committee, having considered document AFB/PPRC.36/5 and recalling decision B.37/20, recommends that the Board decide to decommit the Project Formulation Grant of US\$ 100,000 approved through decision B.37/20 for the project “Strengthening the Adaptive Capacity of Coastal Communities of Cuba and Panama to Climate Change through the Binational Exchange of Best Practices for Climate Management and Local Food Security” for Cuba and Panama (AF00000266, Food and Agriculture Organization (FAO)).
4. The Project and Programme Review Committee, having considered document AFB/PPRC.36/5 and recalling decision B.36/16, recommends that the Board decide to decommit the Project Formulation Grant of US\$ 100,000 approved through decision B.36/16 for the project

“Strengthening Resilience to Climate and Covid-19 Shocks through Integrated Water Management on the Sudan – Chad Border Area (SCCIWM)” for Chad and Sudan (AF00000248, FAO).

Background

5. As part of its work to review the grant portfolio of the Adaptation Fund (the Fund), the Secretariat identified three PFGs that the Board had approved and which the Trustee had then committed for disbursement from the Adaptation Fund Trust Fund to the respective IEs who applied for these PFGs, pending confirmation that the project legal agreements for these three PFGs were signed (see paragraph 7 and table 1 below). The Secretariat additionally determined that the respective IEs did not sign the project legal agreements for these PFGs and that therefore the funds for these three PFGs remain committed but not disbursed. Lastly, the Secretariat confirmed that subsequent to the Board’s approval of the PFGs and the commitment of funds for the three PFGs, the respective IEs submitted full proposals, all of which the Board approved.
6. PFGs are approved exclusively for the formulation of proposals for specific project concepts or pre-concepts. However, once the Board approves the full proposal, IEs are no longer eligible to use a PFG since the project formulation has been completed and the full proposal approved by the Board. At the same time, any previously committed amount of funding that has not been spent under a signed agreement remains unavailable for other purposes until it has been decommitted.
7. The following list provides information regarding the PFGs in question, the IE that applied for the PFG, the dates of approval of each PFG, and the status of fully developed proposals submitted by each IE. As of the date of this paper, the PFG agreements for these projects remain unsigned:
 - (a) The Board approved the PFG of US\$ 50,000 for Fundecooperacion’s concept “Increasing the Resilience of Vulnerable Populations in Costa Rica by Scaling Up Adapta2+” (Costa Rica) on April 8, 2022 (Decision B.38/15). Fundecooperacion submitted the fully developed proposal on May 2, 2022, and the proposal was approved by the Board on July 28, 2022 (Decision B.38-39/8).
 - (b) The Board approved the PFG of US\$ 100,000 for FAO’s concept “Strengthening the Adaptive Capacity of Coastal Communities of Cuba and Panama to Climate Change through the Binational Exchange of Best Practices for Climate Management and Local Food Security” (Cuba & Panama) on October 21, 2021 (Decision B.37/20). This project idea was transferred from FAO to IFAD. IFAD submitted the fully developed proposal on January 8, 2024, and the proposal was approved by the Board on April 11, 2025 (Decision B.44/29).
 - (c) The Board approved the PFG of US\$ 100,000 for FAO’s concept “Strengthening Resilience to Climate and Covid-19 Shocks through Integrated Water Management on the Sudan – Chad Border Area (SCCIWM)” (Chad & Sudan) on April 8, 2021 (Decision B.36/16). FAO submitted the fully developed proposal on January 10, 2022, and the proposal was approved by the Board on April 8, 2022 (Decision B.38/30).
8. In light of the unused PFGs and given the respective IEs are no longer eligible to use the PFGs approved for their use, the Secretariat recommends the PPRC recommend to the Board that the Board decommit the funds allocated for the three PFGs so those funds can be freed for other uses.

Table 1: List of projects that were formulated without utilizing the approved PFGs

Country(ies)	Project title	IE	Approved PFG	PFG approval decision and date	Status
Costa Rica	(AF00000257) Increasing the Resilience of Vulnerable Populations in Costa Rica by Scaling Up Adapta2+	Fundecooperacion	US \$50,000	B.38/15 (April 8, 2022)	The full proposal was submitted on May 2, 2022 for B.38-39 and approved on July 28, 2022 by B.38-39/8.
Cuba, Panama	(AF00000266) Strengthening the Adaptive Capacity of Coastal Communities of Cuba and Panama to Climate Change through the Binational Exchange of Best Practices for Climate Management and Local Food Security	FAO	US \$100,000	B.37/20 (October 21, 2021)	This project idea was transferred from FAO to IFAD. The full proposal (AF00000378) was submitted by IFAD on January 8, 2024 and approved on April 11, 2025 by B.44/29.
Chad, Sudan	(AF00000248) Strengthening Resilience to Climate and Covid-19 Shocks through Integrated Water Management on the Sudan – Chad Border Area (SCCIWM)	FAO	US \$100,000	B.36/16 (April 8, 2021)	The full proposal was submitted on January 10, 2022 for AFB38 and approved on April 8, 2022 by B.38/30.