

Approval and operations procedures

1. **Adaptation Fund project/programme approval process:** Eligible developing country Parties to the Kyoto Protocol may submit project/programme proposals directly to the Adaptation Fund Board Secretariat (AFBSEC) via their National Implementing Entities (NIEs) or via Multilateral Implementing Entities (MIEs). NIEs/MIEs have to be accredited by the Adaptation Fund Board (AFB) to be eligible as an implementing entity for the purpose of submitting projects to the Adaptation Fund. They should also meet the fiduciary standards and other qualifications provided by the Board. There are two approval processes under the Adaptation Fund project¹ cycle: (i) a one-step approval process; and (ii) a two-step approval process. All small-size projects/programmes will follow the one-step approval process, while regular projects/programmes may follow either the one-step approval or the two-step approval process, depending on the stage of project/programme preparation, and at the discretion of the project/programme proponent. The following section outlines the steps of the approval processes.

2. **Single-step approval process:** This process may be used for small-size projects/programmes or regular projects/programmes with proposals that are already fully-prepared. Approval process includes the following steps:

- (a) Eligible Parties submit a fully-prepared project/programmes document to the AFBSEC at least nine weeks before the next AFB meeting.
- (b) The AFBSEC will screen all proposals and prepare a [Technical Review](#) for each project/programme. The AFBSEC will submit a collection of proposals consisting of technical reviews for all projects/programmes to the Project and Program Review Committee (PPRC) at least seven (7) days prior to the next AFB meeting.
- (c) The PPRC meeting will be held back-to-back to the Adaptation Fund Board (AFB) meeting. The PPRC will review and prepare recommendations for submission to the Board the next day(s).
- (d) AFB approves/does not approve/rejects the recommendations during the meeting.
- (e) All approved projects will be posted on the AF website following the conclusion of its meeting.

3. **Two-step approval process:** The two-step approval process may be used for regular projects;/programmes if it is so decided by the proponent Party: (i) project concept approval; and (ii) fully developed project document approval. Each of these steps is subject to the same approval process as the single approval process, i.e., the project/programme is subjected to the single approval process twice. The rationale for choosing such a process is for a country to receive feedback or guidance from the AFB upstream before a project has been fully prepared.

¹ In what follows the term project will refer to both programmes and projects unless otherwise stated.

The following two documentations are required to be submitted at each step following the same procedures as the single approval process:

- (a) 1st step: Regular Project/Programme Concept.
- (b) 2nd step: Regular Fully Developed Project/Programme Document.

4. **Documentation required in the submission:**

- (a) *Project/Programme Concept*: used for the first step of the two-step approval process (only for regular projects that have not been fully developed);
- (b) *Fully Developed Project/Programme Document* prepared by NIEs/MIEs for both small-sized and regular projects;
- (c) Endorsement Letter signed by the country's Designated Authority for Adaptation Fund.²

5. **Categories of projects under the Adaptation Fund:**

- (a) Small-Sized projects and programmes (SPs): defined as project proposals requesting up to \$1.0 million.
- (b) Regular-Sized projects and programmes (RPs): project proposals requesting more than \$1.0 million]

6. **Definitions of Terms:**

- (a) Project: A concrete adaptation project is defined as a set of activities aimed at addressing the adverse effects of climate change and build in climate change resilience.
- (b) Programme: An adaptation programme is a process, a plan or an approach for addressing climate change impacts which are broader than the scope of an individual project. Further guidance on how to present programmes for approval can be found in the 'Instructions for presenting a request for funding from the Adaptation Fund'.

7. **Financing and Transfer of funds:** The financing of projects/programmes via transfer of funds is a process that commences once projects/programmes are approved for funding by the AFB.

- (a) Financing: funding for projects and programs will be on a full adaptation cost basis to address the adverse effects of climate change.³

² The Designated Authority referred to in paragraph 20 of the "Operational policies and guidelines for Parties to access resources from the Adaptation Fund" (OPG).

³ Para. 14 of the "OPG, and para. 12 of the "Strategic Priorities, Policies, and Guidelines of the Adaptation Fund."

- (b) Transfer of funds: The Trustee will transfer funds on the written instruction of the Board, signed by the Chair, the Vice-Chair, or any other Board Member designated by the Chair, and report to the Board on the transfer of funds.