



ADAPTATION FUND

## **Adaptation Fund Readiness Webinar #7:**

### **Managing Change in Adaptation Fund-funded projects / programmes**

**Thursday, October 25, 2018**

**9:00 - 10:30 am Eastern Standard Time (New York, GMT/ UTC -4:00)**

**via Webex**

#### **Introduction**

The seventh Adaptation Fund (the Fund) webinar for accredited National Implementing Entities (NIEs) took place on Thursday, October 25, 2018 as part of the Fund's Readiness Programme for Climate Finance. The webinar, which was hosted by the Adaptation Fund Board Secretariat (the secretariat), discussed the topic: Project implementation - Managing change in adaptation projects and programmes. This follows the consolidation, by the Adaptation Fund Board (the Board), of all its previous decisions related to requests for direct project services, requests for material change, and requests for revision of original activity/output/outcome and/or associated indicators and targets, into annex seven of the Fund's Operational Policies and Guidelines (OPGs).

The webinar discussion articulated the rationale for change in project / programmes, highlighting the dynamic and often shifting conditions in developing countries (political, economic, geographic, security etc.), the necessary procedure for requesting change through the Adaptation Fund Secretariat and Board, and the do's and don'ts of this type of request. Martina Dorigo, AFBSec's program analyst, gave an overview of the Annex 7 to the OPG, before representatives from two NIES, Mandy Barnett (South African National Biodiversity Institute - SANBI) and Shelia McDonald-Miller (Planning Institute of Jamaica - PIOJ) shared their experiences on managing change in their respective projects. For this particular webinar, the secretariat invited the United Nations Development Programme (UNDP), an accredited Multilateral Implementing Entity (MIE) of the Fund, to share its experience with managing change in projects/programmes, even though these webinars are usually exclusively for NIES. The UNDP had projects under implementation with the Adaptation Fund and had made some requests to the secretariat for change, including requests for changes in indicators and for project direct services.

#### **Webinar Proceedings**

##### **Presentation by Martina Dorigo, AFB secretariat**

Presentation by the secretariat

The Board cannot oversee projects directly and therefore transfers that role to the Fund's implementing entities (IEs) and executing entities (EEs), specifically on operational management, activity implementation and activity execution. The Board does not differentiate between MIEs,

RIEs and NIEs in terms of expected roles and responsibilities. The EEs are more active in the field (day-to-day project operation and activities).

The dual function of an accredited entity playing both IE and EE roles is not encouraged and should happen only on an exceptional basis. To assume this dual role, a written request by the recipient country in addition to an endorsement by the Designated Authority (DA) and a strong rationale for such a request should be sent to the secretariat. In such situations, the execution costs should be capped at 1,5% of the total project / programme cost (excluding IE fees).

An IE can identify a need for the provision of Direct Project Services (DPS) prior to project approval but also during project implementation. The AF cannot accept to be informed of a change in roles once this is a *fait accompli* at the country level.

The Project Performance Report (PPR) and mid-term review can be used to adequately report on project/programme performance, NOT request, changes in projects.

### **Presentation by Dr. Mandy Barnett, South African National Biodiversity Institute (SANBI), South Africa**

Dr. Barnett discussed an amendment to the project disbursement schedule in 2017. She discussed a project in the Greater uMngeni catchment in SA, whose disbursement schedule had needed amendment. She asked whether the Fund's OPG Annex 7 considers this type of change.

**Secretariat response:** The disbursement schedule issue was not currently covered by Annex 7, but rather the IE would need to submit an official letter explaining the rationale for the change. Whilst it is understood that the disbursement schedule submitted together with a fully developed project/programme proposals tentative, if however, an entity does not disburse the amount received in a prior tranche, the Board does not release the next tranche.

**Q:** What is the process for a project that requires more time before being completed?

**A:** The Secretariat should be informed at least six months before the original intended completion date of the project, accompanied by a clear rationale by the IE justifying this request.

### **Presentation by Shelia McDonald-Miller, Planning Institute of Jamaica (PIOJ), Jamaica**

The PIOJ had 2 types of changes, the "simpler" one was the no cost extension; and the more "extensive, far-reaching" one was material change, requiring more than 50% of the entire program budget to be impacted and a change in scope, outputs, outcomes and related indicators and the disbursement schedule, in addition to a new geographic location.

The change was triggered by stakeholders' needs.

The change was managed at several levels involving senior management at PIOJ, the DA, the EE, the program steering committee and the citizenry. PIOJ engaged all stakeholders and held several formal and informal meetings, including with the community leaders.

In retrospect, PIOJ expressed that it should have worked more closely with "community influencers, local champions and gate-keepers" and taken the decision to change the project earlier.

### **Keti Chachibaia, United Nations Development Programme (UNDP)**

The UNDP project in Myanmar experienced dramatic changes when the country suddenly opened to the world, to outside investments, to development banks, projects etc. Changes included the

project target and scope (50% of initially identified beneficiaries were now better off due to improved local economic conditions and so could no longer qualify as project beneficiaries) and changes in the cost of investment and wages.

In the project in Mali, the project site became a restricted area (Timbuktu region) due to the political environment, and the IE's access was obstructed. Since UNDP could not change the project geography, given that the project rationale was defined by its geography, this change was managed by working with organizations that were already active in the area, through sub-contracting and partnerships.

## Q&A

**Q:** What had prompted requests for DPS by the UNDP?

**A:** UNDP has clear roles for project oversight and project cycle management functions between the IE and EEs. UNDP uses the National Implementation Modality as a tool to assess EE or implementing entity partner capacity for procurement, financial management systems etc during project development. At times if the assessment concludes that the EE has insufficient capacity in certain areas of execution, the EE requests UNDP to support the EE in those areas. In the case of one of the projects by UNDP, the EE had commissioned a third party to undertake various execution services, but there had been delays in procurement and execution by that party. The EE had then requested UNDP to support those project execution services, hence the request to the Board.

**Comment by PIOJ:** The ESP and gender policy had been approved by the Board after the original PIOJ program had been approved. There was therefore a lot of work involved in making sure that the change that happened in the PIOJ project was compliant with the updated Adaptation Fund policy and guidelines.

**Q:** Does a material change involving budget have to be requested through the PPR or through an official letter?

**A:** The IE must submit a formal request to the secretariat by written communication accompanied by supporting documents. The PPR is merely a reporting document for measuring progress. To illustrate the point, a certain IE submitted a PPR with a revised results framework, with revised outputs and indicators. This is not recommended, and the IE was requested to resubmit the PPR sticking with the originally-approved framework in order for the PPR to be approved and the next tranche to be released. Requests for change must therefore be submitted to the secretariat, and approved by the Board, prior to making any changes in the PPR.

**Q:** Do changes in indicators have to be approved by the Board? And is there a deadline, after which changes are not allowed?

**A:** The meeting was referred to slide 8 of the presentation by the secretariat. Any changes in project output or outcome indicators, and/or associated targets are allowed only until the submission of the first PPR, and through written request to the secretariat with a DA endorsement letter. This request undergoes a full technical review of the revised fully-developed project subject to 2 weeks non-objection approval by the board. This is all allowed up to the 1<sup>st</sup> year of project implementation.

## Webinar close

The webinar concluded with announcements from the secretariat that the discussion would continue on the online platform for the community of practice (slack<sup>1</sup>), that a committee for the Community of Practice for Direct Access Entities (CPDAE) had been nominated by participants at the 5<sup>th</sup> annual NIE seminar<sup>2</sup>, and that the next webinar would be held in April 2019.

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<sup>1</sup> <https://www.directaccesscommunity.org/>

<sup>2</sup> See report at: <https://www.adaptation-fund.org/readiness/news-seminars/>