



ADAPTATION FUND

AFB/EFC.26.b/4
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Adaptation Fund Board
Ethics and Finance Committee
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Agenda item 4

**REPORT ON THE ADAPTATION FUND'S RESPONSE TO THE
COVID-19 PANDEMIC AND ADAPTIVE MEASURES TO
MITIGATE ITS IMPACT ON THE FUND'S PORTFOLIO**

Introduction

1. This document provides an update to the Adaptation Fund Board (the Board) on the ongoing impact of the COVID-19 pandemic on the Adaptation Fund (the Fund) portfolio. It also presents the steps being taken by the Adaptation Fund Board Secretariat (the secretariat) to mitigate this impact and support eligible countries to tackle the climate change threats, despite the challenging situation created by this pandemic.
2. The document further presents options for the Board's consideration and decision in response to short-term and long-term effects of the pandemic on the operations of the Fund.

Background

3. The novel coronavirus outbreak which developed into a pandemic in early 2020, has impacted most countries around the world and created multiple and unpredictable challenges. The Fund recognizes that the rapidly evolving situation regarding the spread of COVID-19 creates uncertainty and constraints for project implementation that may interfere with the planned implementation of some projects and programmes activities. The pandemic and its direct and indirect economic and social consequences are radically changing the needs, vulnerabilities, and operating environments of the countries and communities, which may in turn influence the identification and design of new projects.
4. Considering the challenges created by the pandemic and measures taken by countries to limit the spread of the virus and the need to ensure the Fund's continued support to developing countries, the Board has employed its flexibility and adaptability to continue its regular work. It also has taken extraordinary decisions to organize its work virtually and through the intersessional process. In this context, several meetings and decisions were successfully completed virtually including the meeting of the first part of thirty-fifth meeting of the Board (AFB.35.a) organized virtually on 2 April 2020; an additional meeting of the Project and Programme Review Committee (PPRC) held virtually reviewed and recommended for approval six new concrete projects for a total amount of USD 31 million that were subsequently approved by the Board; approval of the administrative budgets of the Board, the secretariat, and the trustee for the fiscal year 2021, and for the AF-TERG for fiscal years 2021–2022, the work plan of the secretariat, and the AF-TERG strategy and work programme; the virtual Meeting of the Resource Mobilization Task Force of the Board organized on 17 June 2020 as well as the thirty-fourth meeting of the Board's Accreditation Panel held on 9-10 September 2020.
5. At the beginning of the pandemic, the secretariat took proactive measures to support countries and implementing entities (IEs) in mitigating the effects of COVID-19 and minimize the disruption caused by the pandemic. Among others, measures included: (i) a notification published on the Fund's website in March 2020 to encourage all IEs to consider adaptive management options included in the Fund's Operational Policies & Guidelines (OPG) in order to proactively mitigate any disruption in project implementation; (ii) countries and entities were advised to consider requesting extension of project completion date and notification of project start up delays beyond the standard six-month timeline set by the Board; and (iii) flexibility for IEs to undertake virtual implementation of certain projects activities including inception meetings, supervision activities or stakeholder consultations, when the circumstances allow.
6. The secretariat has also continued the delivery of its work programme with an adjustment of some budget lines in a way that resources initially allocated for knowledge management and

other travel and events, for instance, were reallocated to work that was able to be completed remotely and virtually (studies, publications and outreach etc.)

7. To further understand the impact of the pandemic on the Fund's portfolio and to tailor Fund's response to adequately address these new challenges, the secretariat conducted a survey targeting the IEs which were designed to assess the impact of COVID-19 on their portfolio. The survey was jointly conducted with the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) during the month of June 2020. The detailed result of the survey and the list of questions are available in Annex 2 to this document.

Status overview of AF portfolio

8. As of September 2020, the Fund's portfolio includes a total of 105 concrete adaptation projects, benefiting the most vulnerable communities to climate change and serving more than 9.3 million Direct beneficiaries, and nearly 18 million indirect beneficiaries. The Fund is active in 102 developing countries, with nearly half of the portfolio in Least Developed Countries (LDCs) or Small Island Developing States (SIDS).

9. A total of 69 projects are currently under implementation for a total amount of USD 478 million, or 64% of the active portfolio. It is expected that a total of 22 additional projects will enter implementation stage by the end of 2020.

10. To date, the Trustee has disbursed a total of USD 450 million to IEs in project funding, or a disbursement rate of 68% at the portfolio level, and projects' implementation ratings are on average satisfactory (prior to COVID-19 period).

Adaptive management of the portfolio by the secretariat and IEs

11. Since the beginning of the pandemic, the secretariat has continued to work closely with IEs to respond to project implementation issues and other related requests. The secretariat has processed an increasing number of project milestones change including postponement of project inception date, extension of project completion date, change of project outcomes, outputs and other restructuring requests caused by COVID-19.

12. At the very early stage of the pandemic (March 2020), the secretariat issued a public notification on the Fund's website to encourage all IEs to consider adaptive management options in line with the Fund's Operational Policies & Guidelines (OPG) in order to mitigate any disruption in project implementation. Other measures include the option to hold virtual stakeholder consultations when the context allows an equal participation of all.

13. The secretariat has also adapted its working modality to allow more flexibility for project monitoring and evaluation. For example, the secretariat has conducted the first part of its first ever virtual portfolio monitoring mission in August 2020 in Costa Rica with the country's national implementing entity, *Fundecooperación para el Desarrollo Sostenible* (Fundecooperación). The three-day event was simultaneously webcast in Spanish and English, and featured speakers from the Costa Rican Ministry of Environment and the Ministry of Agriculture, including then-Minister of Environment and Energy, Carlos Manuel Rodríguez (at the time of this report, the CEO and Chairperson of the Global Environment Facility), Fundecooperación, the Board, secretariat, beneficiaries and project executing entities.

14. In addition, in order to continue to provide support to countries, the Board has taken decisions to organize its work virtually and through the intersessional process, which includes the intersessional *Ad Interim* projects and programmes review cycle. Through two cycles of intersessional reviews, 11 new concrete projects for a total amount of USD 56 million were approved between the first and second session of the thirty-fifth Board meeting. The first batch of approved projects in early June made the Adaptation Fund the first multilateral climate fund to approve projects virtually during the pandemic.

15. During the last six months since March 2020, the secretariat has processed for Board consideration a total of sixteen (16) no-cost extension of project completion date, an increase of 130% compared to preceding, pre-COVID-19 period of six months (Table 1). Most of the requests have been submitted on a very short notice and less than 6 months prior to original project completion date, as required by the Fund's policy.

Board document Ref	Country	AE	Additional time for project completion
Pre-COVID-19 (#7) - (Oct 2019 - March 2020)			
AFB/B.34-35/.1	Belize	IBRD	6 months
AFB/B.34-35/.2	Cambodia	UN Environment	6 months
AFB/B.34-35/.5	Ghana	UNDP	8 months
AFB/B.34-35/.7	South Africa	SANBI	9 months
AFB/B.34-35/.8	Sri Lanka	WFP	4 months
AFB/B.34-35/.9	Costa Rica	Fundecooperación	18 months
AFB/B.34-35/13	Seychelles	UNDP	4 months
FY20-Post-COVID-19 (#16) - (April - Sept 2020)			
AFB/B.35.a-35.b/.1	Jordan	MOPIC	18 months
AFB/B.35.a-35.b/.3	Egypt	WFP	2 months
AFB/B.35.a-35.b/.5	Uruguay	ANII	5 months
AFB/B.35.a-35.b/.8	Jamaica	PIOJ	12 months
AFB/B.35.a-35.b/.10	Kenya	NEMA	18 months
AFB/B.35.a-35.b/.11	Cambodia	UN Environment	13 months
AFB/B.35.a-35.b/.12	Sri Lanka	WFP	3 months
AFB/B.35.a-35.b/.14	Mauritius	UNDP	2 months
AFB/B.35.a-35.b/.16	India (1)	NABARD	9 months
AFB/B.35.a-35.b/.17	Lebanon	IFAD	18 months
AFB/B.35.a-35.b/.18	Uruguay	ANII	3 months
AFB/B.35.a-35.b/.19	Morocco	ADA	18 months
AFB/B.35.a-35.b/.20	India (2)	NABARD	12 months
AFB/B.35.a-35.b/.21	India (3)	NABARD	9 months
AFB/B.35.a-35.b/.22	India (4)	NABARD	12 months

16. Given the current situation of the pandemic in most countries and based on various conversations with IEs, the secretariat expects to receive more requests from IEs and countries in the coming months.

17. In addition, the secretariat has received an unprecedented number of notifications of project inception delays (7), a significant number of requests for project material change (5), and requests for project restructuring (2).

18. Another issue created by the COVID-19 pandemic is the inability of IEs to meet the reporting milestones for projects at advanced stage of implementation. Overall, more than 30 projects have not submitted their project performance reports (PPR) on time (Annex 1). Meanwhile, it is difficult to ascertain whether the delays are caused by COVID-19 only. About 12 projects have indicated a direct link between COVID-19 restrictions and the inability of IEs to prepare and submit PPRs on time.

19. Without a proactive action by the Fund and its IEs, this figure is expected to only increase considering the impact of COVID-19 on project activities on the ground.

Summary of results of the survey

20. This section provides a brief summary of the results of the survey conducted in June 2020. The detailed results included in Annex 2 present a deeper analysis of proposed measures in this report and inform the secretariat and the Board on their response to COVID-19 impact on the Fund's project development and execution over the short to medium term.

21. The survey was sent to 49 IEs out of which 31 were NIEs, 12 MIEs and 6 RIEs. The secretariat received 57% response rates from all IEs, including NIEs (68%), MIEs (42%) and RIEs (33%). In terms of regional distribution, 73% of the respondents were from Latin America and the Caribbean, 67% from Africa, 29% from Asia/Pacific, and 33% from other regions (including multinational projects).

Responses received (Count of individuals)				
	NIE	MIE	RIE	Total
Asia	40%	0%	0%	29%
Africa	69%	67%	50%	67%
LAC	83%	0%	33%	73%
Other	0%	37%	0%	33%
Total	68%	42%	33%	57%

22. In general, IEs indicated that COVID-19 is expected to have a moderate to high impact on their portfolio (78% of respondents) and that significant implementation issues are expected to arise in the coming months (80%).

23. COVID-19 has already significantly impacted the delivery of project activities on the ground. About 67% of respondents said they were already seeing significant delays in field activities; 56% have experienced project start delays due to COVID-19 and 52% are not able to conduct monitoring and evaluation activities on the ground.

24. The national implementing entities (NIEs) seem to be more affected by the pandemic than multinational or regional entities. More than 75% of NIEs respondents have reported medium to high impact of COVID-19 on their portfolio. Dedicated support to NIEs should be envisaged to limit the adverse effect of the pandemic on their activities.

25. Despite these additional challenges, the survey results confirm the relevance of the Fund's portfolio under implementation for most countries despite the effects of the pandemic. Only one

third consider project change or restructuring due to COVID-19. About 62% of respondents anticipate submitting a request for no-cost project extension or delay in reporting milestones.

26. Half of the respondents found that the pandemic has increased the climate vulnerability of the Fund's target population but also economic and social aspects. Future project design could integrate non-climate dimensions such as health and sanitary related activities.

27. A large majority of IEs (70%) anticipate longer term effects from the COVID-19 pandemic and the economic crisis it may trigger. All regions seem to be affected equally.

28. In terms of new project design and development, about 80% of respondents foresee medium to high impact of COVID-19 on the design of new adaptation projects for future Adaptation Fund financial support. Most challenges are related to the limited ability to conduct stakeholder consultations, difficulties in hiring international experts and other activities funded by project preparation grants.

29. The majority of IEs (61%) reported an increased interest in applying for funding from the Adaptation Fund's innovation facility, including small innovation grants (for NIEs only) or large innovation grants (for all IEs) to develop projects for piloting or replicating new innovation and scaling-up of existing innovations. This confirms the heightened relevance of supporting innovation for climate change adaptation and broader resilience to compound risks due to COVID-19.

Secretariat's analysis and proposed actions for Board's consideration in response to COVID-19

30. Whilst the current pandemic calls for actions from all partners to support building resilience beyond the climate threats, the Fund's immediate response to address its portfolio implementation issue is a pressing matter. The increasing number of project change requests (milestone, major change, etc.) is a sign that an immediate and holistic approach is needed in order to allow greater flexibility in project implementation to ensure that projects continue delivering results on the ground.

31. Considering the results of the survey which confirms the need of the flexibility in the implementation of the projects/programmes in order to address and/or mitigate the impacts of COVID-19 on the projects/programmes, the Board might consider allowing, on a temporary basis, flexible application of the relevant provisions of the Fund's Policy on Project/Programmes delays (AFB/B.34-35/6) and of the Operational Policies and Guidelines (OPG)' Annex 7, Project/Programme Implementation, as further described in the following paragraphs.

32. The secretariat, after conducting a comprehensive analysis of the current portfolio and taking into account the feedback from the IEs, recommends the Board that it consider three (3) actions which would help address the immediate needs expressed by the Fund's stakeholders as contained in the detailed survey results.

- a. **A blanket no-cost extension of project completion date up to 12 months for the concrete adaptation project/programme which has been delayed due to COVID-19 and was set to be completed within next 24 months**

33. In order to provide additional time for projects to adjust to the existing challenging situation related to COVID-19 and to ensure delivery of results for climate resilience, the Board may

consider granting a blanket no-cost extension of completion date for concrete adaptation projects which are experiencing delays and implementation challenges created by restrictions imposed by countries to cope with COVID-19, with the following conditions and process:

- a. Only projects with completion date set within 24 months from the date of extension request will be eligible for the request of such extension.
- b. The request must contain only the request for extension of the concrete adaptation project/programme completion up to 12 months and include a justified rationale for the need of extension related to COVID-19.
- c. The request must be submitted in accordance with Fund's policy on Project/Programme Delays (Document AFB/B.34-35/12):
 - i. The IE must submit such request at least six months prior to the completion date in accordance with Fund's policy on Project/Programme Delays (Document AFB/B.34-35/12);
 - ii. The IE must specify the reasons and justification for the extension, using the template in Annex A of Fund's policy on Project/Programme Delays (Document AFB/B.34-35/6);
 - iii. The request is submitted for a no-cost extension of project completion date;
 - iv. The originally approved scope of the project will not change despite the extension of the completion date; and
 - v. The DA must be notified of such extension request, using the Annex A of Fund's policy on Project/Programme Delays (Document AFB/B.34-35/12).
- d. The request for extension needs be submitted to the secretariat and will be reviewed by the secretariat for its eligibility for a blanket extension as approved by the Board. The process would not require a separate approval by the Board.
 - i. If the secretariat's review finds that the request meets the criteria, the secretariat will record and document the new project completion date and officially communicate it to the IE.
 - ii. If the secretariat's review finds that the request does not meet the criteria, the secretariat will inform the IE which may decide to resubmit a regular request for extension of project/programme delays in accordance with Fund's policy on Project/Programme Delays (Document AFB/B.34-35/12);
- e. The blanket no-cost extension will be in effect during the period of the COVID-19 pandemic and until terminated by the Board.
- f. The secretariat will report on the blanket extension of the project completion date as part of the Annual Performance Report (APR) for consideration by the Ethics and Finance Committee (EFC) and the Board.

b. Flexible application of ‘material change’ (paragraph 6 of the Fund’s OPG ANNEX 7) for project budget reallocation up to 20% of total project budget to cover COVID-19 related measures

34. As highlighted in the detailed survey results and as expressed by a large number of IEs, the COVID-19 restrictions and mitigation measures imposed by countries have significantly delayed projects’ activities on the ground. Almost all countries across the globe have imposed social distancing and hygiene measures, which also apply to implemented projects. The Adaptation Fund Projects are facing an increased cost of goods and services due to the pandemic, including measures to ensure social distancing and hygiene which were not anticipated or covered by other sources of funding. Since all projects were approved prior to the pandemic, there was no dedicated budget for these activities. In addition, as per the Fund’s standard practice and the OPG, projects do not include a contingency budget which could be used to cover such activities.

35. The Fund’s OPG ANNEX 7 of Project/Programme Implementation defines a “material change” as “any cumulative total budget change at output-level between the revised budget and the original budget that involves ten per cent (10%) or more of the total budget of the project/programme”. However, as the results of the survey demonstrated, to allow the Fund-supported projects to continue implementation and comply with local and national regulations, the Board may want to consider temporarily employing flexible application of ‘material change’ which is defined in paragraph 6 of Annex 7 of the Fund’s Operational Policies and Guidelines (*Project/Programme Implementation*) with a view to allowing the IEs to implement, without seeking prior approval of the Board, budget reallocations across cost categories, i.e., an increase in budget for concrete adaptation actions to include the purchase of safety equipment; the reallocation of certain cost to support project’s new outputs like water, sanitation, and hygiene (WASH) services and use of other project cost so that they are able to cover unforeseen and urgent/necessary costs related to the pandemic.

36. Accordingly, the secretariat recommends that the Board decide to temporarily allow, in the context of paragraph 6 of Annex 7 of the Fund’s Operational Policies and Guidelines (*Project/Programme Implementation*) on project material change, an IE to implement changes in budget at output-level between the original budget and the revised budget, up to a maximum of 20% of total project budget, without seeking prior approval of the Board, provided that: (i) the concerned changes in budget are justified to be related to the COVID-19 and to enable the project or programme to achieve its originally set goals and objectives; and (ii) the IE must report to the Board on the project budget changes as part of its annual project performance report (PPR). It is noteworthy that any other budget reallocation not related to COVID-19 shall be subject to the requirements under the relevant OPG provisions and its Annex 7.

37. For changes in project budget exceeding 20% of total project budget related to COVID-19, prior to an implementation of any budget change, the IE must submit a request for a material change in accordance with OPG provisions and its Annex 7, together with a justification of such change related to COVID-19 related challenges, to the Board through the secretariat. Such requests should include at least: (i) a revised budget at output-level with comparison to the original; (ii) a revised results framework with comparison to the original; (iii) a written clarification on the change itself and the COVID-19 related reasons; and (iv) a letter from the designated authority endorsing this change induced by the pandemic.

38. Except paragraph 6, all other provisions of the OPG annex 7 remain in full force and effect, including the existing caps on an implementing entity’s fees and execution costs, that shall apply and not be exceeded due to the proposed changes.

39. The secretariat will annually report on the list of the project material changes which exceeds 20% of total budget through the Annual Performance Report to the EFC and the Board.

c. Encouraging countries to integrate a broader resilience in future AF programming

40. In the long term, the Adaptation Fund may take this opportunity to help countries integrate broader resilience dimensions into their COVID-19 recovery process. The Board may consider encouraging countries to reflect the needs of the COVID-19 recovery process in their project proposals to be submitted for new funding to the Fund. In line with the Fund's efforts to enhance complementarity and coherence, new programming by the Fund will seek to align with government recovery plans, and to take into account other planned or on-going recovery projects by other partners.

Recommendation

Having considered document AFB/EFC.26.b/4 and its Annexes I and II, the Ethics and Finance Committee (EFC) may want to recommend that the Board consider and decide to:

- a) Take note of the *Report on the Adaptation Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the Fund's Portfolio*, which highlights the importance of taking immediate actions to enable the projects and programmes supported by the Fund to continue delivering on their objectives;
- b) Temporarily approve a blanket no-cost extension of project completion date up to 12 months for eligible projects which have been delayed due to COVID-19 and were set to be completed within 24 months from the date of extension request provided that an implementing entity's request of such extension meets the criteria as described in paragraph 33 of Document AFB/EFC.26.b/4 ;
- c) Temporarily allow, in the context of paragraph 6 of Annex 7 of the Fund's Operational Policies and Guidelines (*Project/Programme Implementation*) on project material change, an implementing entity (IE) to implement changes in budget at output-level between the original budget and the revised budget, up to a maximum of 20% of total project budget, without seeking prior approval of the Board, provided that:
 - (i) the concerned changes in budget are justified to be related to COVID-19 and to enable the project or programme to achieve its originally set goals and objectives;
 - (ii) the IE must report to the Board on the project budget changes part of its annual project performance report; and
 - (iii) project budget changes not related to COVID-19 and changes exceeding 20% of total project budget related to COVID-19 shall be subject to the requirements as described under paragraphs 6-8 of Annex 7 of the Fund's Operational Policies and Guidelines (*Project/Programme Implementation*).
- d) Encourage countries to consider in their future programming of funding by the Adaptation Fund, matters related to COVID-19 in order to achieve a broader resilience and invite IEs

to work with countries to address the health and economic long-term impacts of COVID-19.

Annexes

1. Status of Adaptation Fund portfolio under implementation as of September 30, 2020
2. Detailed results of COVID-19 impact of Adaptation Fund portfolio

Annex 1 - Status of Adaptation Fund portfolio under implementation as of September 30, 2020

Project Title	Country	IE	Start date (inception)	AF funding (USD million)	Disbursement rate	Original completion date	Status update
An integrated approach to physical adaptation and community resilience in Antigua and Barbuda's Northwest McKinnon's watershed	Antigua and Barbuda	DoE	8/1/2017	9.97	73%	2/1/2021	PPR 2 delayed
Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province	Argentina	IBRD	6/11/2015	4.3	100%	6/11/2019	PPR 5 delayed
Strengthening land-based adaptation capacity in communities adjacent to protected areas in Armenia	Armenia	EPIU	9/26/2019	2.51	29%	9/26/2022	
Artik city closed stonepit wastes and flood manage	Armenia	EPIU		1.44	18%	7/26/2023	
Belize Marine Conservation and Climate Adaptation Initiative	Belize	IBRD	3/17/2015	6	100%	3/17/2020	PPR 5 delayed
Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	Cambodia	UNEP	5/21/2013	4.95	100%	5/21/2018	PPR 7 delayed
Enhancing resilience to climate change of the small agriculture in the Chilean region of O'Higgins	Chile	AGCID	8/18/2017	9.96	85%	8/18/2021	
Reducing Risk and Vulnerability to Climate Change in the Region of La Depresion Momposina in Colombia	Colombia	UNDP	3/21/2013	8.52	100%	3/21/2018	PPR 7 delayed
"Akamatutu'anga kia Tukatau te Ora'anga ite Pa Enuu" Pa Enuu Action for Resilient Livelihoods (PEARL)	Cook Islands	MFEM	12/6/2018	3	82%	12/6/2021	
Reducing the Vulnerability by Focusing on Critical Sectors (Agriculture, Water Resources and Coastlines) in order to Reduce the Negative Impacts of Climate Change and Improve the Resilience of these Sectors.	Costa Rica	Fundecoo-peracion	10/7/2015	9.97	86%	10/7/2020	PPR 4 delayed
Reduction of vulnerability to coastal flooding through ecosystem-based adaptation in the south of Artemisa and Mayabeque provinces	Cuba	UNDP	9/11/2014	6.07	100%	9/11/2019	PPR 5 delayed
Enhancing Climate Resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management Programme	Dominican Republic	IDDI	7/17/2019	9.95	40%	7/17/2023	
Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	Ecuador	WFP	11/29/2011	7.45	100%	11/29/2016	PPR 8 delayed
Building Resilient Food Security Systems to Benefit the Southern Egypt Region	Egypt, Arab Republic of	WFP	3/31/2013	6.9	100%	3/31/2017	PPR 7 delayed
Climate Change Adaptation Programme In Water and Agriculture in Anseba Region, Eritrea	Eritrea	UNDP	11/6/2012	6.52	100%	11/6/2017	PPR 7 delayed

Climate Smart Integrated Rural Development Project	Ethiopia	MOFEC	7/20/2017	9.99	81%	7/20/2021	PPR 2 delayed
Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks	Fiji	UN-Habitat	8/12/2018	4.24	14%	8/12/2023	PPR 1 delayed
Increased Resilience to Climate Change in Northern Ghana through the Management of Water Resources and Diversification of Livelihoods	Ghana	UNDP	5/23/2016	8.29	100%	5/23/2020	PPR 4 delayed
Scaling up climate-smart agriculture in East Guinea-Bissau	Guinea-Bissau	BOAD		9.98	30%	1/22/2025	PPR 4 delayed
Ecosystem-Based Adaptation at Communities of the Central Forest Corridor in Tegucigalpa	Honduras	UNDP	3/4/2019	4.38	43%	3/4/2023	
Climate Proofing of Watershed Development Projects in the States of Tamil Nadu and Rajasthan	India	NABARD	9/1/2016	1.34	100%	9/1/2019	PPR 3 delayed
Building Adaptive Capacities of Small Inland Fishermen Community for Climate Resilience and Livelihood Security, Madhya Pradesh, India	India	NABARD	11/18/2015	1.79	75%	11/18/2018	PPR 4 delayed
Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal	India	NABARD	5/28/2015	2.51	85%	5/28/2019	PPR 4 delayed
Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise	India	NABARD	6/23/2015	0.69	91%	6/23/2019	PPR 5 delayed
Climate smart actions and strategies in north western Himalayan region for sustainable livelihoods of agriculture-dependent hill communities	India	NABARD	8/22/2016	0.97	89%	8/22/2020	
Building Adaptive Capacities of Communities, Livelihoods and Ecological Security in the Kanha-Pench Corridor of Madhya Pradesh	India	NABARD	4/1/2017	2.56	64%	4/1/2022	PPR 3 delayed
Building Resilience of the Agriculture Sector to Climate Change in Iraq	Iraq	IFAD	12/10/2019	10	13%	12/10/2025	
Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security	Jamaica	PIOJ	11/2/2012	9.97	60%	5/2/2016	PPR 7 delayed
Increasing the resilience of poor and vulnerable communities to climate change	Jordan	MOPIC	7/13/2016	9.23	51%	7/13/2020	PPR 4 delayed
Integrated Programme To Build Resilience To Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya	Kenya	NEMA	1/29/2016	10	100%	1/29/2019	PPR 4 delayed

Enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in Lao PDR	Lao People's Democratic Republic	UN-Habitat	2/24/2017	4.5	87%	2/24/2021	
Building climate and disaster resilience capacities of vulnerable small towns in Lao PDR	Lao People's Democratic Republic	UN-Habitat	6/5/2020	5.5	15%	6/5/2024	
Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	Lebanon	IFAD	9/15/2015	7.86	51%	9/15/2019	PPR 4 delayed
Adapting to climate change through integrated risk management strategies and enhanced market opportunities for resilient food security and livelihoods	Malawi	WFP		9.99	25%	6/11/2025	PPR 4 delayed
Programme Support for Climate Change Adaptation in the vulnerable regions of Mopti and Timbuctou	Mali	UNDP	2/3/2016	8.53	100%	2/3/2019	
Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	Mauritania	WFP	8/14/2014	7.8	100%	8/14/2018	
Climate Change Adaptation Programme in the Coastal Zone of Mauritius	Mauritius	UNDP	8/30/2012	9.12	100%	8/30/2017	PPR 7 delayed
Enhancing the Climate Resilience of vulnerable island communities in Federated States of Micronesia	Micronesia, Federated States of	SPREP	3/13/2018	9	36%	3/13/2023	
Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia	Micronesia, Federated States of	MCT	7/3/2018	0.97	80%	7/3/2021	PPR 2 delayed
Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	Mongolia	UNDP	6/15/2012	5.5	100%	6/15/2018	PPR 8 delayed
Flood Resilience in Ulaanbaatar Ger Areas - Climate Change Adaptation through community-driven small-scale protective and basic-services interventions	Mongolia	UN-Habitat	2/28/2019	4.5	66%	2/28/2023	
Climate changes adaptation project in oasis zones - PACC-ZO	Morocco	ADA	12/14/2015	9.97	97%	6/14/2020	PPR 4 delayed
Pilot rural desalination plants using renewable power and membrane technology	Namibia	DRFN	7/16/2018	5	87%	7/16/2022	PPR 2 delayed
Adapting to Climate Induced Threats to Food Production and Food Security in the Karnali Region of Nepal	Nepal	WFP	10/26/2018	9.53	50%	10/26/2022	
Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger, through Modern Irrigation Techniques	Niger	BOAD		9.91	14%	3/17/2025	

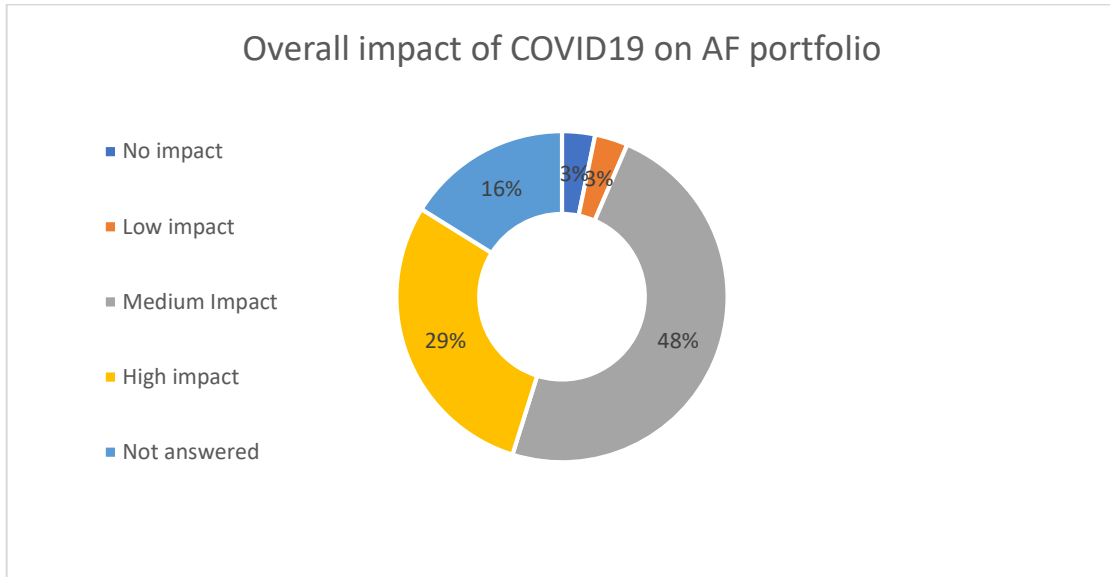
Adapting to climate change through integrated water management in Panama	Panama	Fundación Natura	6/6/2018	9.97	94%	6/6/2021	
Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco region of Paraguay	Paraguay	UNEP	4/11/2019	7.13	13%	4/11/2023	PPR 1 delayed
AYNINACUY: Strengthening the livelihoods of vulnerable highland communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Region of Arequipa, Peru	Peru	CAF	10/15/2018	2.94	63%	10/15/2021	
Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystems and Fisheries	Peru	PROFONANPE	5/17/2018	6.95	43%	5/17/2022	PPR 2 delayed
Integrating Flood and Drought Management and Early Warning for Climate Change Adaptation in the Volta Basin	Regional (Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo)	WMO	6/25/2019	7.92	25%	6/25/2023	PPR 1 delayed
Adapting to Climate Change in Lake Victoria Basin	Regional (Burundi, Kenya, Rwanda, Tanzania, United Republic of, Uganda)	UNEP	6/27/2018	5	65%	6/27/2021	PPR 2 delayed
Building adaptive capacity through food and nutrition security and peacebuilding actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area	Regional (Colombia, Ecuador)	WFP	5/3/2018	14	28%	5/3/2023	PPR 2 delayed
Building Urban Climate Resilience in South-eastern Africa	Regional (Comoros, Madagascar, Malawi, Mozambique)	UN-Habitat	6/23/2020	14	23%	6/23/2024	
Agricultural Climate Resilience Enhancement Initiative (ACREI)	Regional (Ethiopia, Kenya, Uganda)	WMO	8/30/2018	6.8	90%	8/30/2021	
Reducing Vulnerability to Climate Change in North West Rwanda through Community based adaptation.	Rwanda	MoE	6/2/2014	9.97	100%	6/2/2018	PPR 6 delayed

Reducing vulnerability and increasing resilience of coastal communities in the Saloum Islands (Dionewar and Fadiat)	Senegal	CSE	10/23/2018	1.35	38%	10/23/2021	PPR 1 delayed
Ecosystem Based Adaptation to Climate Change in Seychelles	Seychelles	UNDP	10/30/2014	6.46	90%	4/30/2020	PPR 1 delayed
Enhancing urban resilience to climate change impacts and natural disasters: Honiara	Solomon Islands	UN-Habitat	7/28/2018	4.4	19%	7/28/2022	
Building Resilience in the greater uMngeni Catchment, South Africa	South Africa	SANBI	12/11/2015	7.5	64%	12/11/2020	PPR 4 delayed
Taking adaptation to the ground: A small Grants Facility for enabling local-level responses to climate change	South Africa	SANBI	9/16/2015	2.44	94%	9/16/2019	PPR 4 delayed
Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	Sri Lanka	WFP	11/4/2013	7.99	100%	11/4/2016	PPR 6 delayed
Enhancing resilience of communities to climate change through catchment-based integrated management of water and related resources in Uganda	Uganda	OSS	5/7/2017	7.75	81%	5/7/2021	PPR 3 delayed
Building resilience to climate change and variability in vulnerable smallholders	Uruguay	ANII	10/22/2012	9.97	100%	10/22/2017	
Developing Climate Resilience of Farming Communities in the drought prone parts of UZBEKISTAN	Uzbekistan	UNDP	5/26/2014	5.42	89%	5/26/2020	PPR 6 delayed

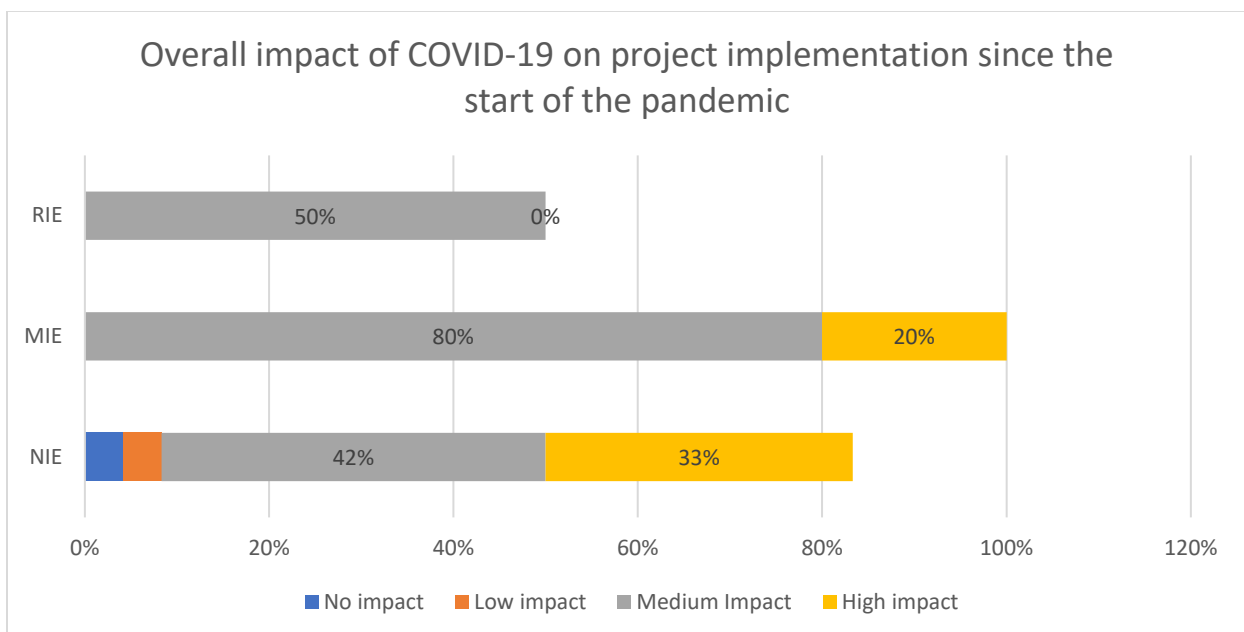
Annex 2 - Detailed results of COVID-19 impact of Adaptation Fund portfolio

What has been the overall impact of Covid-19 on your project(s) / programme(s) since the start of the pandemic?

1. A large number of IEs (78%) have seen a medium (48%) to high impact (29%) of COVID-19 on their operations since the start of the pandemic. NIEs and MIEs seem to be more impacted than RIEs; which can be explained by the large number of projects currently being implemented by NIEs and MIEs in the Fund’s portfolio.



2. The perception of COVID-19 impact by RIEs is limited as only 50% of them have seen medium impact despite the sizable part of portfolio implemented by RIEs. An in-depth analysis and interviews are needed to understand better this result.



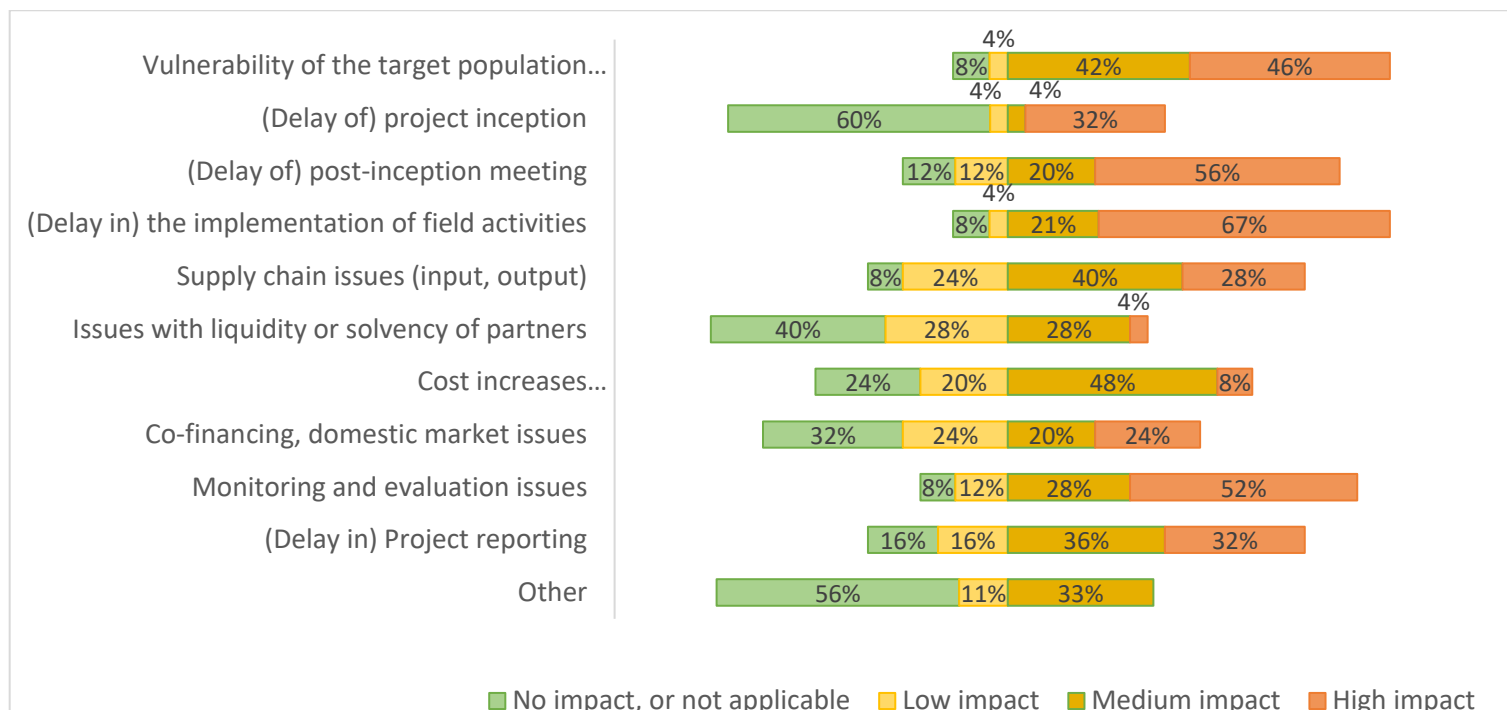
You indicated there to be an impact of Covid-19 on your project(s) / programme(s) since the start of the pandemic. What level of impact, if any, are you experiencing on the following project implementation related elements? (Please select the most appropriate level of impact for each element)

3. Considering the responses to the question above, the respondents are mainly NIEs and few MIEs. We requested IEs to indicate the level of COVID-19 impact during project implementation, including:

- ✓ Vulnerability of the target population (climate change and economic and social aspects)
- ✓ Delay of project inception
- ✓ Delay of post-inception meeting
- ✓ Delay in the implementation of field activities
- ✓ Supply chain issues (input, output)
- ✓ Issues with liquidity or solvency of partners
- ✓ Cost increases (including personnel, materials, security, inflation)
- ✓ Co-financing, domestic market issues
- ✓ Monitoring and evaluation issues
- ✓ (Delay in) Project reporting
- ✓ Other

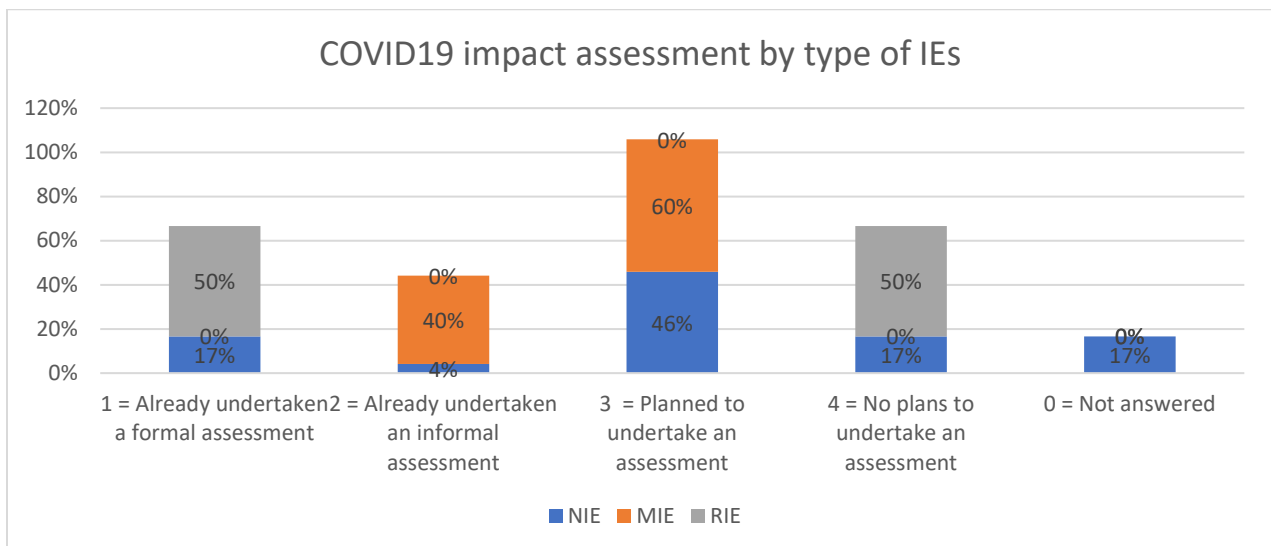
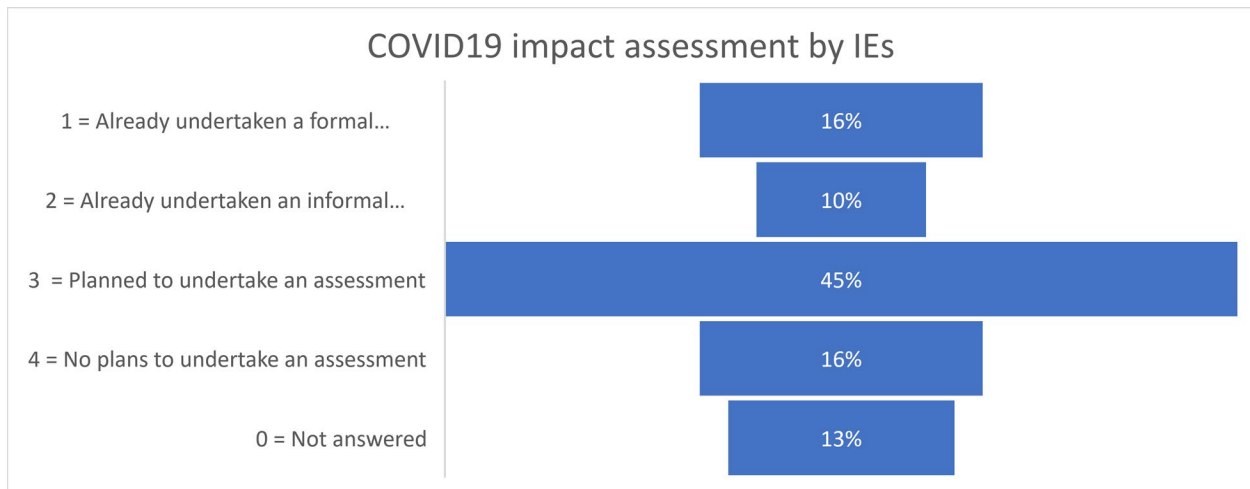
4. IEs have seen medium to high impact on 4 main areas: (1) Vulnerability of the target population; (2) Delay of post-inception meeting; (3) Delay in the implementation of field activities; and (4) Monitoring and evaluation issues.

5. Please note that this question and its results are related to projects under implementation only and do not reflect new project ideas covered by another question.



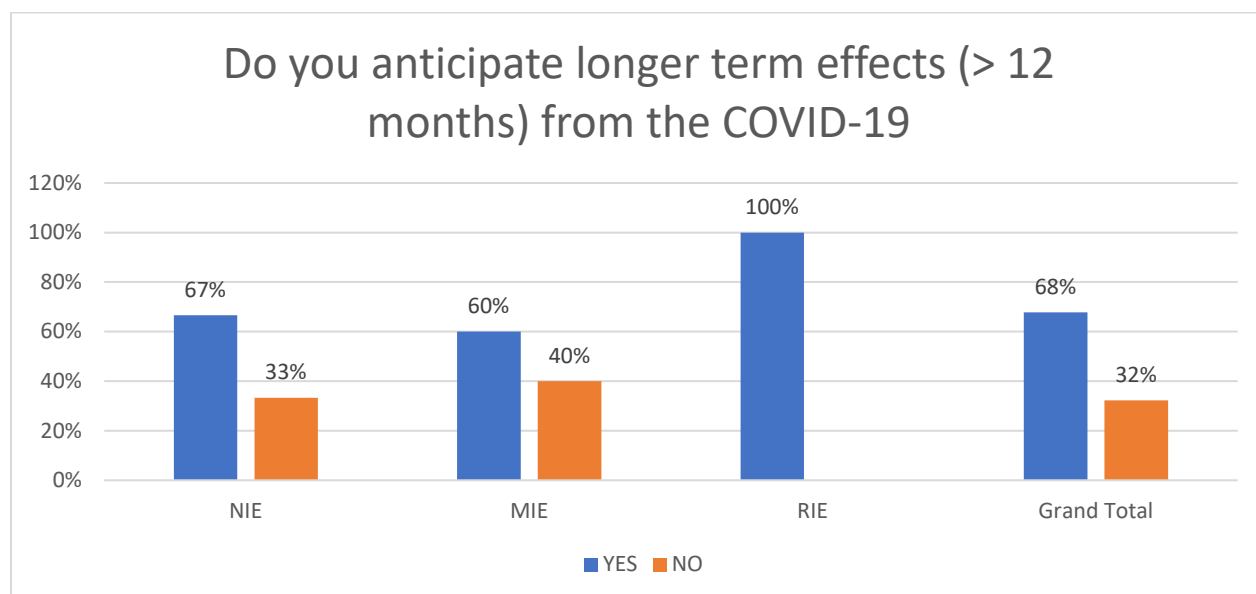
Has your organization already undertaken, or is planning to undertake, a formal or informal assessment of the anticipated impacts and risks of COVID-19 on your operations, more specifically on the Adaptation Fund project(s) / programme(s) under implementation?

6. At the beginning of the pandemic, the secretariat has received an initial assessment of COVID-19 impact from few IEs. In order to better respond to its stakeholders and understand how the respondents provided input to this survey, it was important to know how many IEs have carried out formal or informal impact assessment.
7. Only 29% of IEs have not done an impact assessment or do not plan to conduct any assessment. At least 26% of IEs have already assessed the anticipated impacts and risks of COVID-19 on their operations. Despite the resource and capacity constraints of NIEs, it is interesting to note that a significant number of NIEs have conducted such exercise (17%) compared to none of the MIEs.
8. The secretariat will follow up with those who indicated a future assessment, to better capture the results of such assessment and assist them with required measures to continue project delivery.



Do you anticipate longer term effects (> 12 months) from the COVID-19 pandemic and the economic crisis it may trigger?

9. In the long term, the COVID-19 pandemic is anticipated to impact communities and countries in multiple aspects, including environmental, social and economic. Almost 70% of respondents anticipate a long-term effect (more than 12 months) of COVID-19 and the anticipated challenges created by the related measures and challenges including lockdown and people mobility.
10. The perception of long-term effects is the same among all entities except the RIEs figures which can be explained by the very limited number of respondents (namely two).



How would those effects influence the targeting and design /development of adaptation projects that you might develop?

11. IEs responded to this question with an open answer and many comments below relate to the early stage of the pandemic and that it is still early to document the real effect on their economies. However, there seems to be a consensus that people's vulnerability, beyond climate vulnerability, will be exacerbated by the pandemic.

Local priorities may change, and climate projects may not be prioritized as highly as before; counterpart financing for projects may be affected;

Yes. The AF modality is a contribution by developed countries towards the LDCs. Since the pandemic is worldwide economic challenge, this will affect the contribution of funds to the AF and will automatically affect the flow of funds for project preparation and implementation. Likewise, LDCs will also have a challenge of raising counterpart funding towards the project implementation as required.

Capture a broader category of individuals who experienced increased economic vulnerability due to COVID-19. Design of projects that can enhance the country's food security. Design of stakeholder engagements and conduct of outreach events.

<p>Taking note of the fact that we have not yet experienced a full year cycle of the virus and the slow process of getting a vaccine, lockdowns may become seasonal and more frequent. As such, a new normal is emerging and issues of social distancing, self-isolating and working from home may continue , affecting the way we interact with project beneficiaries. Not many African communities are well equipped to work remotely. This will affect progress and speed in developing adaptation programmes</p>
<p>Consultation with targeted countries delayed, ownership of the projects not certain during this difficult situation</p>
<p>We are currently undertaking an assessment of all the effects that the delay caused by the pandemic will have on the [...] project, given that activities depend on the weather in the high mountains. This would probably not cause reorientation or redesign, but only adjustment in time. The other projects are in the inception phase and we are dealing with it through virtual meetings. A Biosafety Protocol will be included in all the projects, and we are seeing for each project what would be the effect on the budget, which will be different for each one.</p>
<p>If travel restrictions continue it may impact our ability to fully consult with stakeholders during project design. Some of this can be overcome through virtual means, but remote and isolated communities will be difficult to reach nor should we to stop the spread of COVID-19.</p>
<p>if lockdown and travel restrictions persist, it will become increasingly difficult to continue project activities in a normal manner, especially those related to field execution</p>
<p>The Government COVID 19 related laws (state of emergency), rules to adjust and live with the pandemic countrywide have an effect of all project related matters. Delays on implementing and executing of all activities</p>
<p>Lessons learned through the current COVID-19 crisis are being incorporated into the design of a Green Climate Fund project that is at the Concept Note stage</p>
<p>It would be important to extend the period of implementation and probably it would be necessary to re-formulate some of the activities that are expected in the short term.</p>
<p>As our borders are completely closed and we do not yet have COVID-19 in our country, we anticipate projects in the future being more food security/capacity focused to deal w/ the closed borders and lack of movement while at the same time, perhaps, anticipating recovery should the virus make it to our shores.</p>
<p>A probable effect is that some grants may be targeted not only considering adaptation goals for climate change, but also redirecting some funds for sanitary risks. Considering the social distancing disposed by the [...] government, a fact that may affect the design and development of projects is that the target population would not be in the possibility to participate in project activities, especially if it implies activities in the field (like trainings or meetings). Or the project should invest some budget in personal protective equipment to assure the safety for beneficiaries and project staff. In general, project activities and consulting will need to be readjusted in terms of scope, time and cost. Also, in relation to the aforementioned and as a result of a prioritization of activities in the project, we predict a reduction in budget execution, at least in the current year.</p>
<p>[...] has two projects under implementation. One is closing out and while close out activities and TE have been affected, this impact will not be long term. The second project is led by a district municipality, and municipal staff have been completely out of the office for several months. The focus of the municipality is now service delivery in the context of COVID-19 recovery, and it is not clear how the municipal leadership will prioritise the AF project. Restrictions on travel have also made face to face meetings impossible.</p>
<p>limit the consultation of stakeholders in the process of development of our adaptation project.</p>

Movements are restricted which means business, as usual, cannot be carried out. The challenge is to find appropriate means to undertake businesses that may take some time to establish the means of doing the business. In particular, the project formulation, data collections will be hampered that may lead to delay in project construction and implementation.

Experience has shown that the pace of approval has slowed.

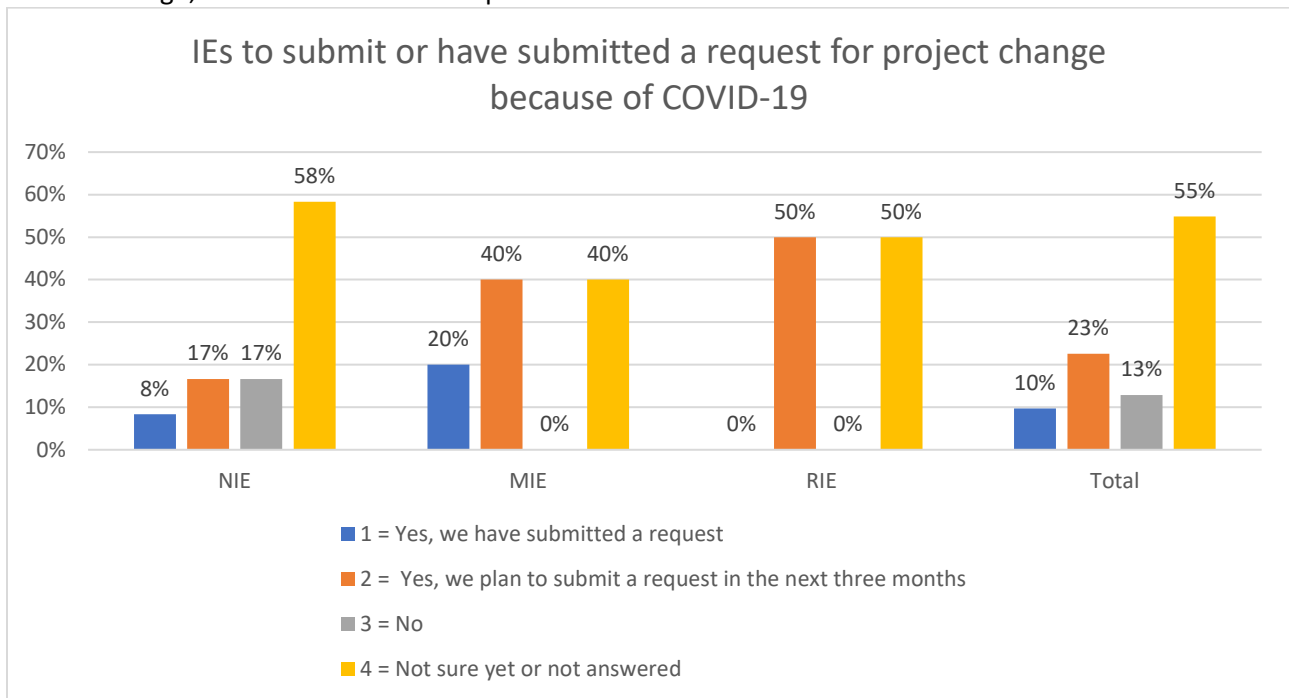
It is unclear how the pandemic will impact on contractors. Contractors are at high risk of bankruptcy and it is a risk to contract at this time.

Have you submitted, or do you anticipate submitting (in the next 3 months) a request for a change in your project because of the COVID-19 pandemic? (A project change such as a no-cost extension, outputs, activities, material change, budget reallocation)

12. The secretariat has already received about 12 requests for project extensions (inception mission or project completion date) and about 3 requests for project change not necessarily due to COVID-19. We anticipate this trend is expected to continue over the next months while the pandemic is still affecting almost all countries around the globe.

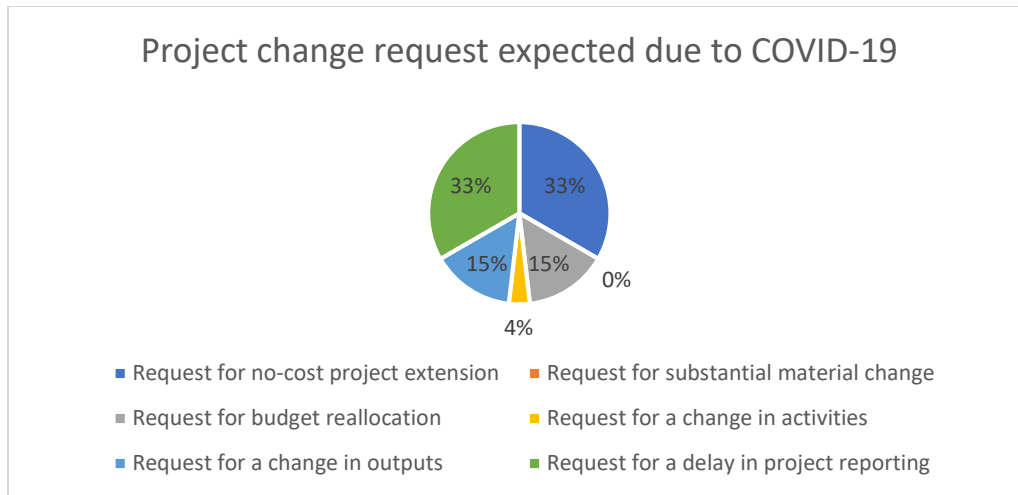
13. However, only one third of respondents have submitted or expect to submit a request for project change due to COVID-19. One possible reason for these differing feedbacks could be that many countries may not have experienced as many delays and challenges due to COVID-19 by the time the survey was conducted. The secretariat will monitor the requests by IEs and provide guidance as appropriate.

14. However, given the uncertainty created by the pandemic and since many countries are still implementing measures on a daily basis, many IEs are not sure about the need to request a project change; about 55% have not responded or are not sure about the action to take.

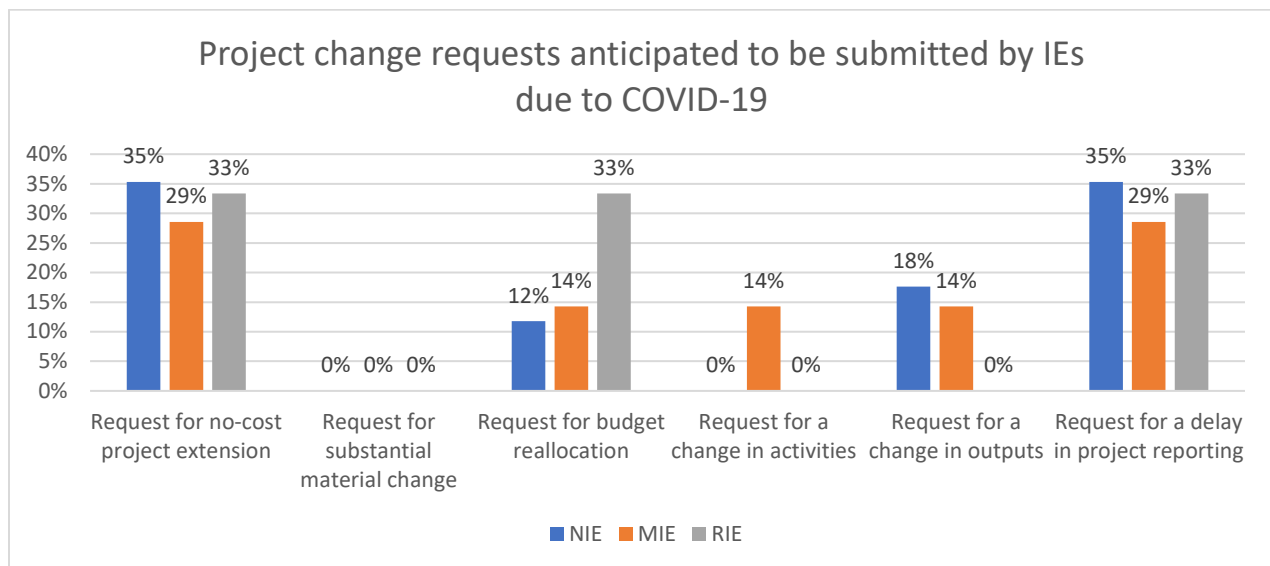


You indicated that you have submitted, or you anticipate submitting a request for a change in your project(s) / programme(s). Could you indicate which type of change you submitted or anticipate to submit?

15. Among the type of project change expected from IEs, it is interesting to note that none of the entity plans to submit a request for material change due to COVID-19. This result may be interpreted that AF funded projects' objectives and activities largely remain relevant despite the challenges induced by COVID-19. Many AF projects have supported COVID-19 related measures in various countries, including hygiene and sanitation activities.

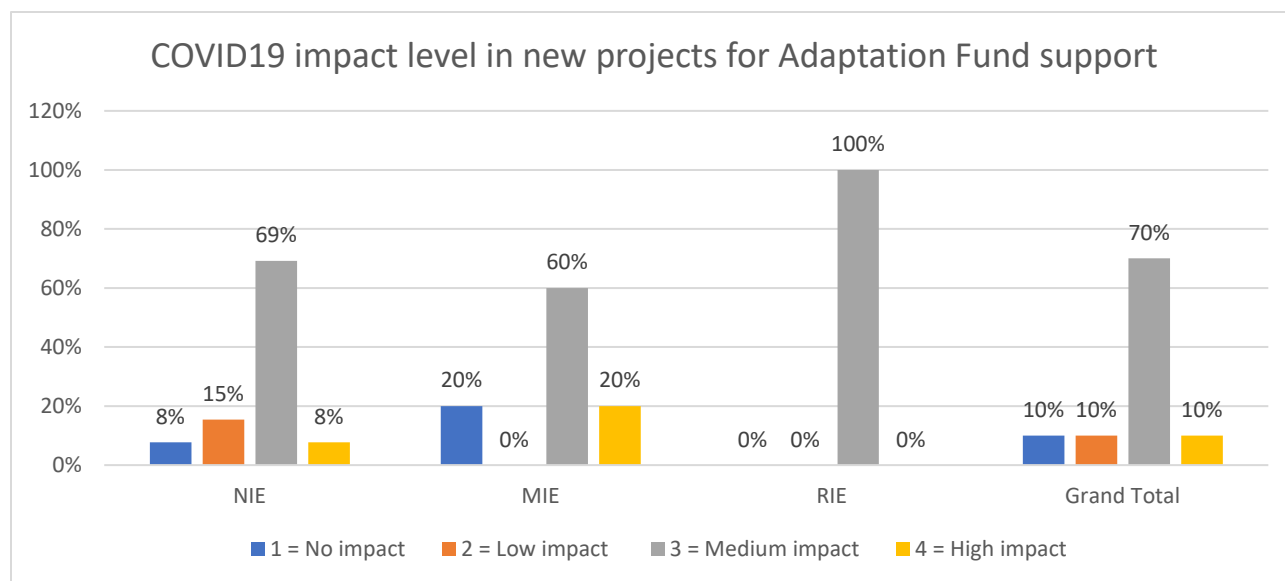


16. However, in contrast to the previous question, about 33% of respondents still plan to submit a request for no-cost extension due to COVID-19. This result correlates with the trend the secretariat has seen over the past few months.



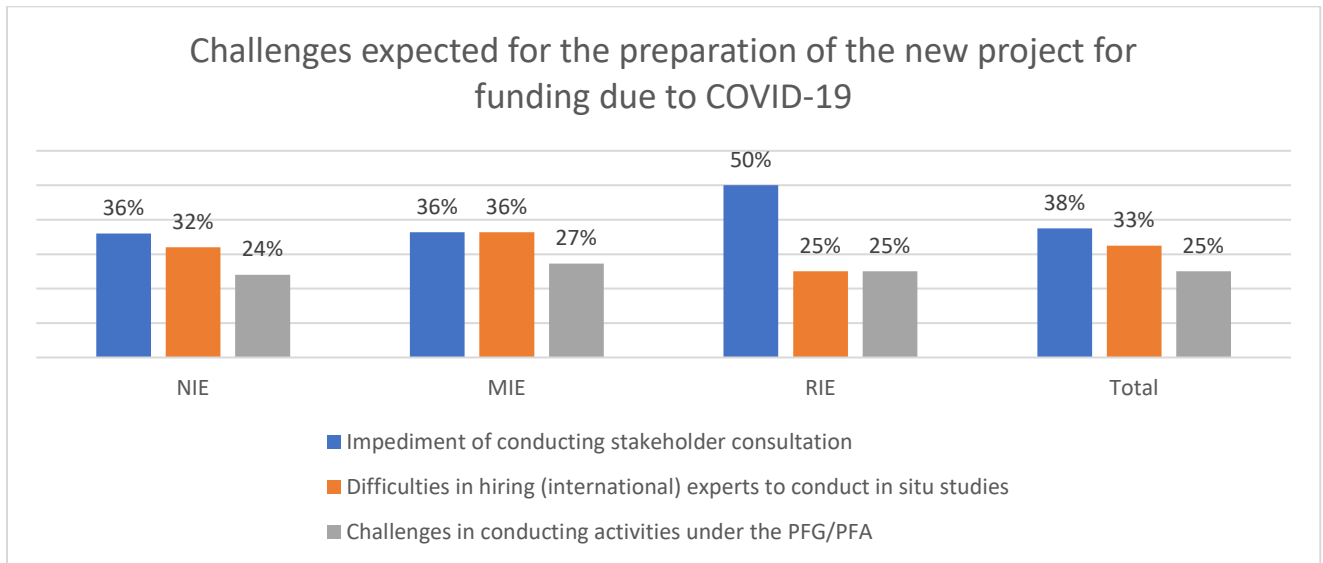
What impacts due to COVID-19 (including both the health impact and the social and economic hardships that may result from it) do you foresee on the design / development of new adaptation project(s) / programme(s) for future Adaptation Fund finance?

17. A very large number of respondents (80%) expect COVID-19 to have a medium to high impact on the design of new projects and programmes to be funded by the Adaptation Fund. This perception is shared across the partnership including NIEs, RIEs and MIEs. Considering the huge damages inflicted by COVID-19 on all sectors, countries and IEs will need to prioritize actions for building resilience beyond climate change. Some sectors such as health, water management, infrastructure and livelihoods in general are expected to attract more attention post-COVID-19.

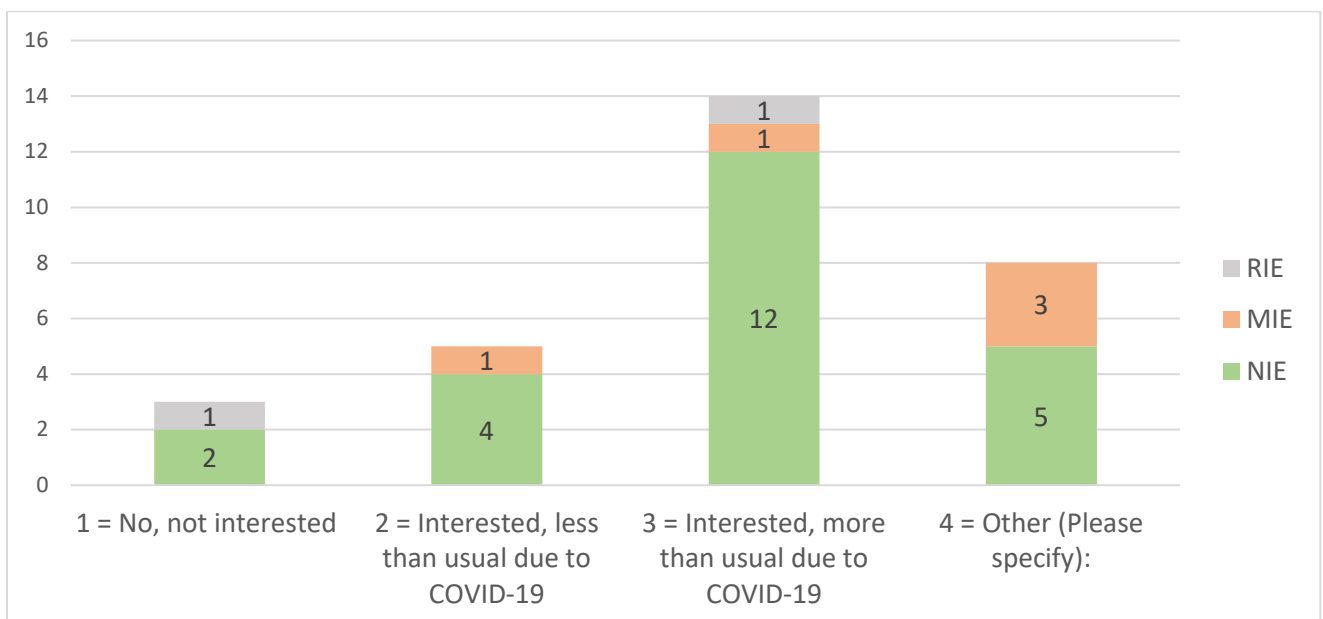


You indicated to foresee an impact due of COVID-19 on the design / development of new adaptation project(s) / programme(s) for future Adaptation Fund financial support. Which challenges do you anticipate for the preparation of the new project for funding due to COVID-19 (including both the health impact and the social and economic hardships that may result from it)?

18. A deeper analysis of the pandemic impact on new project development reveals the main challenges related to project design in the context of COVID-19. IEs have rated the top three challenges as follows: (1) stakeholder’s consultation, (2) international experts hiring and (3) difficulties to conduct other project preparation activities funded by PFGs/PFAs.

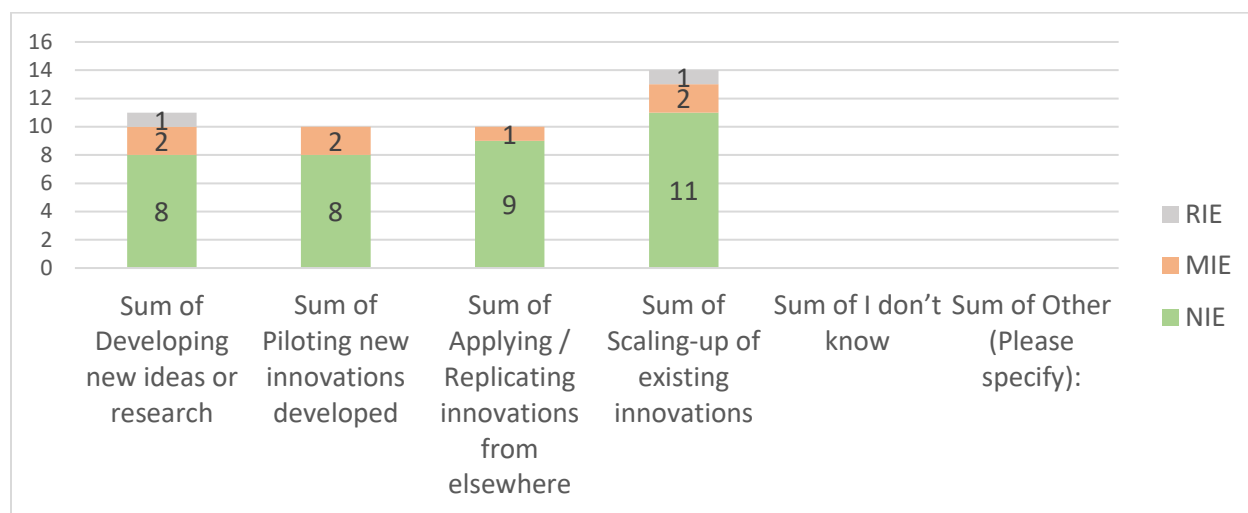


Are you interested in applying for funding for innovation, such as the small grants (NIEs only) or large grants (all IEs, not yet launched) in the next 6 months?



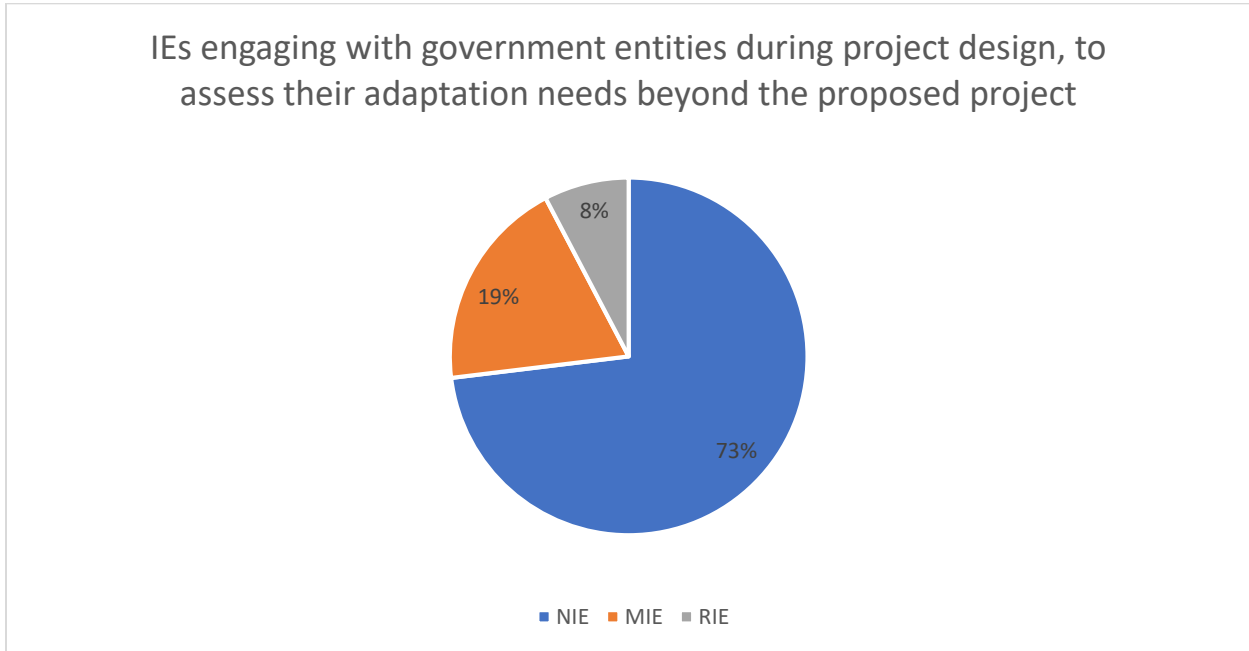
The majority of the respondents indicated interest in funding for innovation, more than usual, due to COVID-19. Several responded “Other” and clarified that they had either already applied for funding (4 respondents) or are ineligible (1), while a couple provided neutral or unclear comments. One indicated that the capacity challenges and staff constraints in addition to challenges of COVID-19 prevented them from pursuing the funding opportunity. Overall, this increased interest points to a possible trend of increased and compounding risks revealing even more urgent needs for innovation in the area of building resilience to climate change and beyond.

You indicated to be interested in applying for funding for innovation. What do you think are the most urgent needs for innovation in adaptation right now? (Check all that apply)



Interest in innovation is high across the different types of innovation confirming the relevance of all expected results of the Fund’s innovation pillar under the Medium-term strategy. There was no clear preference for the type of innovation that respondents in the aggregate think are most urgent, which also indicates that currently there is no unified vision for what kind of innovation should be supported by the Adaptation Fund, i.e. there seems to be no clarity on scope and “niche” of the Adaptation Fund in the space of innovation (which was also a finding from a separate analysis by the secretariat). There was an interest in building adaptation capacity in some of the health-related aspects of climate change. The following comment was made as well by one respondent: *“COVID-19 has revealed number of inherent vulnerabilities in many developing countries such as unstable water availability, disruptions caused in input production and supply chains and impacts on food systems and food security. Although some of the solutions are readily available for an upscale a lot more of innovations need to be brought about especially in the areas of sustainable green employment for adaptation solutions (e.g. for ecosystem maintenance and restoration works), digitalization of climate information and adaptation services, especially in the area of climate and health monitoring and early response. Technological, institutional and business innovations are urgently needed to develop sustainable – low carbon and climate resilient food value chains, strengthen and empower farming communities through aggregations and agriculture enterprises, especially the women in the sector, reform land use and sector policies that are fully compatible with supporting ecosystems’ integrity and develop agricultural sector data and information systems that will help ensure transparency and predictability for the sectoral planning.”*

During project design and preparation, do you engage with government entities to assess their adaptation needs beyond the proposed project?



Which national document/strategy do you use to prepare the project?

