



ADAPTATION FUND

Notification to Implementing Entities of the Adaptation Fund regarding Fund's response to COVID-19 and adaptive measures to mitigate impacts on its portfolio of projects

Washington, D.C. (*December 23, 2020*) – As most countries around the world continue to experience the effects of the pandemic of the coronavirus disease 2019 (COVID-19) and face the multiple and unpredictable challenges caused by it, the Adaptation Fund has been actively working to support eligible countries to adapt and build resilience to climate change.

Considering the uncertainties and constraints imposed by the pandemic on project implementation and to enable implementing entities (IEs) to continue delivery of projects and programmes and mitigate impacts on the performance of projects/programmes funded by the Fund, the Adaptation Fund Board (the Board) has approved at the second session of its thirty fifth meeting (AFB.35.b), a set of measures as immediate actions to mitigate the effects of the pandemic on its portfolio.

These measures complement the actions already taken by the Board and its secretariat at the very beginning of the pandemic, including among others, approval of projects and programmes through virtual settings, virtual meetings of the Board's committees as well as notification to implementing entities (IEs) on the possibility to apply adaptive management options included in the Fund's Operational Policies & Guidelines (OPG).

[The Adaptation Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the fund's portfolio](#) approved at the second session of the thirty fifth meeting of the Board includes the following measures available to IEs to help them address the immediate challenges created by the COVID-19 pandemic:

- I. 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**

The Board has decided to temporarily approve a blanket no-cost extension of the project completion date up to 12 months for eligible projects/programmes which have been delayed due to COVID-19 and were set to be completed within 24 months from the date of the extension

request, provided that an IE's request of such extension meets the criteria as described in paragraph 33 of document [AFB/EFC.26.b/4](#).

IEs are invited to submit a request for extension with a justification related to COVID-19 impacts on the project/programme for the secretariat's review of its eligibility for the blanket extension approved by the Board. IEs can apply the standard template for a project extension request, which can be found in Annex A of the [Policy for Project Delays](#).

The blanket no-cost extension will be in effect during the period of the COVID-19 pandemic and until terminated by the Board.

II. 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

The Board has decided 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, IEs to implement budget reallocations at the output-level between the original budget and the revised budget, up to a maximum of 20 per cent of the total project budget (excluding the project fees), without seeking prior approval of the Board, provided that (i) the concerned reallocations in the 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 reallocations as part of its annual project performance report; (iii) the project budget reallocations not related to COVID-19 and changes exceeding 20 per cent 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).

Any other budget reallocation not related to COVID-19 or exceeding the maximum 20% shall be subject to the requirements under the relevant OPG provisions and its Annex 7.

For reallocations in project budget exceeding 20% of total project budget related to COVID19, 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 the 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.

III. Encouraging countries to integrate a broader resilience into future AF programming

The Board has also decided to encourage countries to consider matters related to COVID-19 within the mandate of the Adaptation Fund in their future programming of funding by the Adaptation Fund, in order to achieve a broader resilience by reflecting, as appropriate, the objectives of government recovery plans in future programming.

In light of the above, the secretariat encourages all implementing entities to consider applying these measures approved by the Board in order to mitigate the effects of the current pandemic on their portfolio for projects and programmes currently under implementation as well as in future programming.

Furthermore, the secretariat requests IEs to continue applying adaptive management options included in the Fund's [Policy on Project/Programme Delays \(Updated March 2019\)](#), including provisions related to project inception delays using the template in [Annex D of the aforementioned policy document](#).

Template and guidance documents

IEs are invited to use the standard OPG templates to submit requests in line with the above-mentioned measures including a request for project completion date extension and project material change related COVID-19 pandemic.

The secretariat would like to take this opportunity to thank all of its implementing entities and partners for their ongoing efforts to tackle the climate change threats that our recipient countries face, despite the challenging situation created by this COVID-19 pandemic. The secretariat remains available to help with any request related to the implementation of the measures listed above.

Additional information

Should implementing entities require further clarification, please contact the Secretariat at afbsec@adaptation-fund.org and copy Mr. Mahamat Assouyouiti massouyouiti@adaptation-fund.org and Ms. Martina Dorigo mdorigo@adaptation-fund.org.

ABOUT the ADAPTATION FUND

Since 2010, the Adaptation Fund has committed about US\$ 778 million for climate change adaptation and resilience projects and programmes, including 114 concrete localized adaptation projects in the most vulnerable communities of developing countries around the world with over 9 million direct beneficiaries. It also pioneered Direct Access and Enhanced Direct Access, empowering countries to access funding and develop projects directly through accredited national implementing entities.

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