



## ADAPTATION FUND

### **Notification to Adaptation Fund National, Regional and Multilateral Implementing Entities regarding Fund's update on temporary measures taken as a response to the COVID-19 pandemic**

*Washington, D.C. (May 23, 2023)* - During the second session of its thirty-fifth meeting in October 2022, the Adaptation Fund Board had considered and approved the Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the Fund's portfolio (Board Decision B.35.b/16).

These measures included:

- (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 from the date of the extension request, and provided that the implementing entity's request of such extension meets the criteria as described in paragraph 33 of document [AFB/EFC.26.b/4](#);
- (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;
- (iii) Encouraging countries to integrate a broader resilience into future AF programming.

Considering the ongoing global vaccination efforts for COVID-19 and the fact that many countries are gradually lifting the COVID-19 and other health restrictions related to the spread of the virus, the Board considered the revision of its response to mitigate the effect of the pandemic on the Fund's portfolio, as contained in Board Decision B.40/69.

[The update report on 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 fortieth meeting of the Board in March 2023 through Decision B.40/69, includes the above-mentioned measures available to Implementing Entities (IEs) as follows:

- (i) Set a limit of two requests per project for a no-cost extension of a project completion date delayed due to COVID-19 as referred to in the Decision;

Such limitation of two requests per project applies to all projects, including those which have already been granted an extension of project completion date following approval of Decision B.35.b/16.

IEs can submit a maximum of two requests 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 use the standard template for a project extension request, which can be found in Annex A of the [Policy for Project Delays](#). The criteria described



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in paragraph 33 of document [AFB/EFC.26.b/4](#) will be applied to all new request of no-cost extension of project completion date.

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

For non-COVID19 related project delays, IEs need to resubmit a regular request for extension of project completion date, which requires Board's consideration and approval in accordance with Fund's policy on Project/Programme Delays (Document AFB/B.34-35/12).

IEs are invited to use the standard OPG template to submit all requests for project completion date extension (using [Annex A of the Policy for Project Delays](#)).

- (ii) Discontinue the application of the flexible application of "material change" related to COVID-19, as described in paragraphs 34–39 of document AFB/EFC.26.b/4;

The Board decided to discontinue the flexible application of 'material change' (paragraph 6 of the Fund's OPG Annex 7) for project budget reallocation up to 20% of the total project cost to cover COVID-19 related measures, considering that no such requests had been received.

Any regular budget reallocation above 10% of the total project cost shall be subject to the requirements described under paragraphs 6-8 of the [Annex 7](#) of the Fund's Operational Policies and Guidelines (Project/Programme Implementation). 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 (iv) a letter from the designated authority endorsing this change.

- (iii) Reiterate its encouragement to 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.

The Board has also decided to reiterate its encouragement to 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. The COVID-19 pandemic has, in fact, demonstrated that building climate resilience should be a holistic approach which should integrate all aspects of resilience far beyond climate change dimensions.

In light of the above, the secretariat encourages all implementing entities to take note of these updated provisions approved by the Board in order to continue mitigating the effects of the current pandemic on their portfolio for projects and programmes currently under implementation as well as in future programming.



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Furthermore, the secretariat requests IEs to continue applying adaptive management options included in the Fund's [Policy on Project/Programme Delays \(Updated March 2019\)](#).

### **Additional information**

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

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### **ABOUT THE ADAPTATION FUND**

Since 2010, the Adaptation Fund has committed over 1 billion for climate change adaptation and resilience projects and programmes, including 150 concrete, localized projects in the most vulnerable communities of developing countries around the world with over 38 million total beneficiaries. It also pioneered Direct Access and Enhanced Direct Access, empowering countries to access funding and develop local projects directly through accredited national implementing entities.

Communications: Matthew Pueschel, [mpueschel@adaptation-fund.org](mailto:mpueschel@adaptation-fund.org) or +1-202-473-6743