



ADAPTATION FUND

Adaptation Fund Board Secretariat

Approval of request for a three-and-a-half month no-cost extension of the project completion date: International Fund for Agricultural Development (Georgia)

Weight of request: Minor

Summary of request

On 27 April 2026, the International Fund for Agricultural Development (IFAD) submitted a request for a three-and-a-half no-cost extension for the project “*Dairy Modernization and Market Access: Adaptation Component (DiMMAAdapt)*”. The implementation delays are attributed to a combination of external factors affecting the enabling environment for sustainable pasture management.

The Pasture Law remains under review by Parliament and is critical for establishing the legal and institutional framework required for sustainable pasture management. As a result, core activities, including pasture restoration, reforestation, water resource management and erosion control, have been slowed by unresolved issues related to land registration, categorization, and ownership. The transfer of ownership of pasturelands from the State to one of the municipalities (Akhaltzikhe municipality) has also taken considerably longer than originally anticipated, resulting in further delays in implementation.

The technical and administrative bottlenecks have been compounded by the limited availability of qualified service providers in the local market to undertake specialized pasture restoration works.

Implementation progress was further affected by an institutional matter reported on 14 August 2025, when IFAD was notified by the DiMMAAdapt Project Management Unit that the Investigation Service of the Ministry of Finance of Georgia had initiated an inquiry concerning certain staff members of the Rural Development Agency (RDA), the entity responsible for managing the project’s matching grant component. As a precautionary measure, IFAD requested the temporary suspension of interactions and financial transactions with the RDA. This paused the grant call process initiated on 1 August 2025, resulting in delays until 11 March 2026. Following formal communication from the Government of Georgia, confirming the eligibility of all pre-selected beneficiaries in line with project criteria, and that no implicated individuals would be involved, IFAD lifted the suspension on 11 March 2026.

Secretariat’s review of the request

The Secretariat has reviewed the request and the reasons provided by IFAD and considers the request for a three-and-a-half-month no-cost extension of the project completion date to be justified. It also acknowledges that the Designated Authority has been duly notified, in line with the Policy for Project/Programme Delays.

Conclusion

Following the review of the request for a three-and-a-half-month no-cost extension submitted by IFAD for the project “Dairy Modernization and Market Access: Adaptation Component (DiMMAAdapt)” implemented in Georgia, this has been cleared by the Secretariat as per Decision B.44/44 and the Policy for Project/Programme Delays.

Clearance: AFBSEC-2026-17