



AFB/B.46-47/6
13 August 2026

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT INCEPTION DATE
(SIGNIFICANT DELAY): THE PACIFIC COMMUNITY (PAPUA
NEW GUINEA)**

Background

1. The Adaptation Fund Board (the Board) at its fortieth meeting approved a five-year project titled "*Adaptation of Small-Scale Agriculture for Improved Food Security of Resilient Communities in Papua New Guinea (ASSA)*", submitted by The Pacific Community (SPC), for a total amount of US\$ 10,000,000 (Decision B.40/12).
2. The project objective is to enhance the sustainability of main agricultural value chains through the adoption of climate-smart practices, contributing to improving the produces' quality, increasing access to markets, and creating green jobs for women and youth in vulnerable communities.
3. As mandated by the Decision, an agreement was prepared and signed between the Board and SPC on 12 May 2023, and the first cash transfer took place on 17 May 2023, setting an original inception target date of 17 November 2023.
4. As part of its regular portfolio monitoring, the secretariat has regularly follow-up with SPC on the estimated project inception date, guiding SPC on compliance with the Fund's Policy for Project/Programme delays (amended in April 2025). On 15 July 2026, SPC submitted a request for extension of project inception date from 17 November 2023 to 12 October 2026.
5. According to SPC, the primary cause of the delay was the establishment of a dedicated Government Trust Account to receive and manage Adaptation Fund grant resources. This process required extensive coordination across government entities and the issuance of the necessary Trust Instruments. Despite continuous follow-up by the Department of Agriculture and Livestock (DAL) and SPC, the Trust Account was only established in September 2025, with the final bank confirmation and payment request documentation submitted to SPC in October 2025.
6. Following the transfer of funds, SPC immediately supported DAL in advancing project start-up activities, including the preparation of Terms of Reference for the Project Management Unit (PMU) and consultations with key stakeholders. SPC also undertook a mission to Papua New Guinea in October 2025 to agree on implementation arrangements, recruitment timelines, and preparations for the project inception phase and inception workshop. Between January and June 2026, further consultations were required to finalize the project's implementation arrangements, resulting in additional delays to project commencement.
7. Recruitment of the PMU has now commenced. With the key implementation arrangements finalized and recruitment underway, the project is expected to formally enter the inception phase, including the inception workshop, by October 2026, or earlier should key PMU personnel be recruited ahead of schedule.

Secretariat's review of the request

8. Following a review of the request by the secretariat and considering the explanation provided by SPC, the secretariat is of the view that the request for extension of project inception date (significant delay) is justified.
9. The Secretariat acknowledges that the Designated Authority has been notified, in accordance with the amended Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

10. The Board may consider and decide to approve the request for extension of project inception date (significant delay) from 17 November 2023 to 12 October 2026 for the project “*Adaptation of Small-Scale Agriculture for Improved Food Security of Resilient Communities in Papua New Guinea (ASSA)*” as requested by SPC.

Annex

1. Request for extension of project inception date from SPC

Annex 1: Request for extension of the project inception date from SPC**D. REQUEST FOR DELAY OF PROJECT/PROGRAMME INCEPTION**

Implementing Entity Name: The Pacific Community (SPC)			
AF Project/programme ID:			
Project/programme Title: Adaptation of Small-Scale Agriculture for Improved Food Security of Resilient Communities in Papua New Guinea (ASSA)			
Country(ies): Papua New Guinea			
Project/Programme Approval (date): 24 March 2023			
Expected Project/programme Start (date)	17 November 2023	Expected Project/programme Start (date)	12 October 2026

Reasons/ justification for delay in the project's/programme's inception and the number of months of delay from the project approval date

The project was approved by the Adaptation Fund Board on 24 March 2023. While implementation could not commence immediately, significant efforts were undertaken by both the Department of Agriculture and Livestock (DAL) and the Pacific Community (SPC) to establish the necessary institutional, financial and implementation arrangements required for project start-up.

The primary source of delay related to the establishment of a dedicated Government Trust Account for the receipt and management of Adaptation Fund grant resources. As the project is funded through a grant to the Government of Papua New Guinea, DAL sought to ensure that project funds would be managed through established government financial systems and appropriate fiduciary arrangements. This process required extensive coordination within Government and the issuance of the necessary Trust Instruments. Despite continuous follow-up by DAL and SPC, the Trust Account was only established in September 2025, with the final bank confirmation and payment request documentation provided to SPC in October 2025, enabling the transfer of the first tranche of project funds.

Following the transfer of funds, SPC immediately supported DAL to advance project start-up activities, including the development of Project Management Unit (PMU) Terms of Reference and consultations with key stakeholders. SPC visited Papua New Guinea in October 2025 to agree on implementation arrangements, recruitment timelines, and preparations for the project inception phase and inception workshop.

Subsequently, in January 2026, DAL expressed its intention to engage the Global Green Growth Institute (GGGI) as a technical implementation partner. This proposal required extensive discussions among DAL, GGGI and SPC, including legal reviews to ensure that any proposed arrangements were fully aligned with the Adaptation Fund Grant Agreement and the subsidiary agreement between SPC and DAL. Several months were devoted to exploring feasible implementation modalities and clarifying roles and responsibilities. Ultimately, no agreement could be reached between DAL

and GGGI, and in June 2026 DAL confirmed its decision to proceed directly with project implementation without GGGI involvement.

Following this decision, the PMU Terms of Reference were updated and recruitment processes have now commenced. With the key implementation arrangements resolved and recruitment underway, the project is expected to formally commence through the inception phase and inception workshop by October 2026, or earlier should the key PMU personnel be recruited ahead of schedule.

Challenges (in addition to those mentioned in section 1) that may extend the project/programme completion date)

The project is currently expected to be completed within the approved implementation period. Factors that could affect implementation timelines include delays in recruitment of project personnel, procurement processes, logistical challenges associated with implementation in remote locations, weather-related disruptions, and coordination requirements across multiple stakeholders and government agencies.

However, the key start-up constraints that delayed project inception have now largely been resolved. The Government Trust Account has been established, project funds have been transferred, implementation arrangements have been clarified, and recruitment of the PMU is underway. Project implementation is progressing and the inception phase is expected to commence once the key PMU personnel are recruited.

SPC and DAL will maintain close coordination throughout implementation, with SPC providing regular implementation support, oversight and monitoring to identify and address any emerging bottlenecks in a timely manner. This proactive approach is expected to minimise delays and support completion of the project within the approved implementation period.

Please confirm whether the Environmental and Social Policy related risks screening presented in Part II.K of the project document and the associated mitigation measures presented in Part III.C and related Environmental and Social Management Plan are still valid, or provide a revised fully developed project/programme document in track changes highlighting the revised elements if necessary.

The Environmental and Social Policy (ESP) risk screening presented in Part II.K of the approved project document, the mitigation measures presented in Part III.C, and the associated Environmental and Social Management Plan (ESMP) remain valid.

While project implementation has been delayed, the project scope, objectives, outputs, activities, implementation arrangements, target provinces (Enga, Milne Bay and New Ireland), and intended beneficiaries remain unchanged from those approved by the Adaptation Fund Board. No new activities, infrastructure investments,

locations, or implementation modalities have been introduced that would materially alter the environmental and social risk profile of the project.

The environmental and social risks identified during project design remain relevant and adequately addressed through the existing mitigation measures and ESMP. Consequently, the project's environmental and social risk categorisation remains unchanged and no revision to the ESP screening, mitigation measures, or ESMP is considered necessary at this stage.

As part of project inception, SPC and DAL will nevertheless review the ESMP and safeguard requirements with the PMU and relevant stakeholders to ensure effective implementation, monitoring and reporting throughout project execution.

Please describe the consultative process carried out, including the list of stakeholders consulted and the consultation outcomes, in the context of the request for delay in project/programme inception.

Throughout the period between project approval and project inception, SPC maintained regular communication DAL, as the Executing Entity, and the Climate Change and Development Authority, in its role as Adaptation Fund Designated Authority. Consultations focused on resolving the institutional and operational requirements necessary for project commencement, including establishment of the Government Trust Account, transfer of project funds, recruitment of the PMU, project governance arrangements, and implementation planning. Following the transfer of the first tranche of funds in late 2025, SPC undertook consultations with DAL and relevant stakeholders to discuss implementation arrangements, recruitment timelines, and preparations for the inception phase and inception workshop.

During early 2026, additional consultations were held between DAL, SPC and GGGI regarding a proposal to engage GGGI as a technical implementation partner. These discussions examined potential implementation modalities and institutional arrangements to ensure consistency with the Adaptation Fund Grant Agreement and the subsidiary agreement between SPC and DAL. Following extensive consultations, DAL decided to proceed with project implementation as per the original implementation arrangements and without direct GGGI engagement.

The consultations confirmed the continued relevance of the project objectives, activities and target beneficiaries, as well as the Government of Papua New Guinea's commitment to implementation. Stakeholders agreed on the way forward, including finalisation of PMU recruitment, commencement of inception activities, and organisation of the project inception workshop once key personnel are in place.

Implementing Entity certification

This request for delay of project/programme inception has been prepared in accordance with Adaptation Fund policies and procedures, and delay on project/programme start has been agreed by participating executing entities and has been notified to the designated authority(ies) (DA).	
Name & Signature 	
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