

Adaptation Fund Board
Project and Programme Review Committee
Thirty-Eighth meeting
Bonn, Germany

DECOMMITMENT OF UNUTILIZED PROJECT FORMULATION GRANTS

Strategic Issues

- a) Optimizing the allocation of limited financial resources is a key priority for the Adaptation Fund.
- b) When Adaptation Fund project formulation grants are approved by the Board, they are committed by the Trustee for use by an Implementing Entity upon the signing of the project legal agreement between the Board and the Implementing Entity.
- c) Once an Implementing Entity signs the project legal agreement, the Trustee disburses the funds to the Implementing Entity.
- d) Project Formulation Grants that are committed for use by an IE but not disbursed and that the Implementing Entity will or can no longer use should be uncommitted and made available for other purposes.

Purpose

1. This paper presents to the Project and Programme Review Committee (PPRC) a proposal to consider recommending to the Board that it decommit two unused Project Formulation Grants (PFGs), which were approved by the Board but not utilized by the respective Implementing Entities (IEs). This will allow these funds to be available for future Board funding decisions.

Recommended Decisions

2. The Project and Programme Review Committee, having considered document AFB/PPRC.38/3 and recalling decision B.30/30, recommends that the Board decide to decommit the Project Formulation Grant PFG of US\$ 20,000 approved through decision B.30/30 for the project “Increasing local communities’ adaptive capacity and resilience to climate change through forest landscape restoration” for Côte d’Ivoire and Guinea (AF00000120, African Development Bank (AFDB))
3. The Project and Programme Review Committee, having considered document AFB/PPRC.38/3 and recalling decision B.39/23, recommends that the Board decide to decommit the Project Formulation Grant of US\$ 49,000 approved through decision B.39/23 for the project “Climate-Resilient Agriculture Chains in Niger (CRAC-Niger)” for Niger (AF00000299, Banque Agricole du Niger (BAGRI)).

Background

4. As part of its work to review the grant portfolio of the Adaptation Fund (the Fund), the Secretariat identified two PFGs that the Board had approved and which the Trustee had then committed for

disbursement from the Adaptation Fund Trust Fund to the respective IEs who applied for these PFGs, pending confirmation that the project legal agreements for these two PFGs were signed (see paragraph 7 and table 1 below). The Secretariat further determined that the respective IEs did not sign the project legal agreements for these two PFGs. As a result, the corresponding funds remain committed but undisbursed. In addition, the Secretariat confirmed that the accreditation status of both IEs expired in 2022 and was officially changed to “not accredited” in 2026.

5. PFGs are approved exclusively for the formulation of proposals for specific project concepts or pre-concepts. However, once the IEs lost their accreditation status and the related PFG agreements remained unsigned, they are no longer eligible to receive a PFG. At the same time, any previously committed amount of funding that has not been spent under a signed agreement remains unavailable for other purposes until it is formally decommitted.
6. The following list provides information regarding the PFGs in question, the IE that applied for the PFG, the dates of approval of each PFG, and the status of fully developed proposals submitted by each IE. As of the date of this paper, the PFG agreements for these projects remain unsigned:
 - (a) The Board approved the PFG of US\$ 20,000 for AfDB’s pre-concept “Increasing local communities’ adaptive capacity and resilience to climate change through forest landscape restoration” (Côte d’Ivoire and Guinea) on October 10, 2017 (Decision B.30/30). AfDB’s accreditation status expired on April 20, 2022. The status was subsequently changed to “not accredited” on February 18, 2026.
 - (b) The Board approved the PFG of US\$ 49,000 for BAGRI’s concept “Climate-Resilient Agriculture Chains in Niger (CRAC-Niger)” (Niger) on October 14, 2022 (Decision B.39/23). BAGRI’s accreditation status expired on November 8, 2022. The status was subsequently changed to “not accredited” on March 18, 2026.
7. In light of the unused PFGs and given the respective IEs are no longer eligible to use the PFGs approved for their use, the Secretariat recommends the PPRC recommend to the Board that the Board decommit the funds allocated for the two PFGs so those funds can be freed for other uses.

Table 1: List of PFGs recommended for decommitment

Country(ies)	Project title	IE	Approved PFG	PFG approval decision and date	Status
Côte d'Ivoire, Guinea	(AF00000120) Increasing local communities' adaptive capacity and resilience to climate change through forest landscape restoration	African Development Bank (AFDB)	US \$20,000	B.30/30 (October 10, 2017)	AfDB's accreditation status expired on April 20, 2022. The status was subsequently changed to "not accredited" on February 18, 2026. The PFG agreement was not signed before that.
Niger	(AF00000299) Climate-Resilient Agriculture Chains in Niger (CRAC-Niger)	Banque Agricole du Niger (BAGRI)	US \$49,000	B.39/23 (October 14, 2022)	BAGRI's accreditation status expired on November 8, 2022. The status was subsequently changed to "not accredited" on March 18, 2026. The PFG agreement was not signed before that.