



ADAPTATION FUND

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Adaptation Fund Board

**ADAPTATION FUND  
POLICY FOR PROJECT/PROGRAMME DELAYS  
(ADOPTED IN JULY 2013)**

## *Signing of legal agreement*

1. The first milestone for a project/programme comes after Board approval, with the signing of the legal agreement between the Board and the implementing entity. The Board established a standard of a maximum time lag of four months from the date at which the Board notifies an implementing entity of a project/programme approval, and the signing of the legal agreement. As outlined in the Operational Policies and Guidelines:

*If an implementing entity does not sign the standard legal agreement within four (4) months from the date of notification of the approval of the project/programme proposal, the funds committed for that project/programme will be cancelled and retained in the Trust Fund for new commitments (OPG para 57).*

## *Project start*

2. The Board has set a target of six months from the first cash transfer to project/programme start<sup>1</sup>. Each implementing entity has its own internal project cycle with different definitions for various milestones, including project start dates. Some may consider project start to be the date an implementing entity's board approves a project, others the date of first disbursement, still others the date of the signed agreement between the entity and the government. The Adaptation Fund Board decided to consider the start date the first day of the project/programme's inception workshop (Decision B.18/29).

3. Implementing entities can work to mitigate delays by working with the government, during project/programme design, to ensure a mutual understanding and commitment on how to proceed once a project/programme is approved. There are, however, many factors that are situation-specific and may be outside the control of the implementing entity. The six month target is therefore an average target for the Fund's portfolio. If a project/programme is not expected to start within six months, however, the implementing entity must send a notification to the secretariat with an explanation of the delay and an estimated start date. The Designated Authority (DA) must also be notified.

4. The secretariat will report to the Board through the Annual Performance Report (APR) on any project/programme start delays.<sup>2</sup> The Board may decide, on a case-by-case basis to cancel a project/programme if start-up delays are significant.

## *Project/programme Performance Reports*

5. Once a project/programme is approved and the first funds are transferred for the project/programme, an implementing entity is required to submit a project/programme performance report (PPR) on an annual basis to the Ethics and Finance Committee (EFC) through the secretariat.<sup>3</sup> The PPRs should be submitted on a rolling basis, one year after the start of project/programme implementation (date of inception workshop) and the last such report

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<sup>1</sup> Established through the *Annual Performance Report* as part of the Fund level management effectiveness and efficiency indicators

<sup>2</sup> The secretariat may alert the Board to any delays outside of the APR however must provide an update at least once a year on project status through the APR.

<sup>3</sup> An annual report is the minimum requirement. There may be cases where the Board requests more frequent reporting or additional reports, as for example through requirements linked to the accreditation of an implementing entity.

should be submitted six months after project/programme completion. This will be considered the project/programme completion report.<sup>4</sup>

6. PPRs are due no later than two months after the end of the reporting year. The Board made the decision to link the disbursement schedule to the submission of the PPR (Decision B.16/21). Once the PPR is submitted, the secretariat reviews the report and provides a recommendation to the Board as to whether additional funds should be transferred. In order to ensure that projects/programmes are not delayed the Board agreed to clear the recommendation and subsequent disbursement of funds intersessionally on a “non-objection” basis.

7. Delays in the submission of complete PPRs will result in delays of subsequent funding tranches to the project/programme.

### *Project completion*

8. Indicative project/programme completions must be included in project/programme proposals for funding. These are usually general estimates and expected completion dates will depend on when a project/programme starts implementation. For this reason, in the first PPR submitted to the secretariat the implementing entity should include, if applicable, a revised expected project/programme completion date. The revised date will be reviewed and cleared by the secretariat during its PPR clearance procedure. The date included in the first PPR will be the date that the project/programme will be tracked against.

9. If there are any project/programme implementation delays, these should be reported through the PPR and explanations given as to any delays. If the implementing entity expects a project/programme requires additional time to close, the implementing entity must submit a request for extension (see template in Annex A). The request for extension should be submitted as soon as it becomes clear that there are obstacles to a project/programme closing on time and no later than six months prior to the expected project/programme completion date. All project/programme extensions must be approved by the Board.

10. An implementing entity may request for a project/programme extension for up to 18 months beyond the original completion date if (i) no additional funds are required; (ii) the project/programme’s originally approved scope will not change; and (iii) the entity provides reasons and justifications for the extension. The DA must be notified of an extension request. Additional time beyond 18 months may be granted under exceptional circumstances

11. In addition to the project/programme completion report, due six months after the project/programme has closed, as described in the standard legal agreement a final audited financial statement of the implementing entity grant account, prepared by an independent auditor or evaluation body, must be submitted to the Ethics and Finance Committee through the secretariat within six (6) months of the end of the implementing entity’s financial year during which the project/programme is completed.

12. Finally, from section 7, 7.01 “...a final evaluation report, prepared by an independent evaluator selected by the [Implementing Entity]. The final evaluation report shall be submitted

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<sup>4</sup> The standard legal agreement requires a project/programme completion report (p.6): “including any specific [Project]/[Programme] implementation information, as reasonably requested by the Board through the Secretariat, within six (6) months after [Project]/[Programme] completion.”

within nine (9) months after [Project]/ [Programme] completion. Copies of these reports shall be forwarded by the [Implementing Entity] to the Designated Authority for information.”

13. An implementing entity which does not submit the requested reports on time will temporarily be non-eligible to apply for any new funding from the Board. The non-eligibility can be lifted once the audited report, final evaluation report or project completion report are submitted to the secretariat and cleared.

**Annex A: Request for extension**

*Request for extension of project/programme completion date*

<b>AF Project/programme ID:</b>			
<b>Project/programme Title:</b>			
<b>Country:</b>			
<b>Project/Programme Approval (date)</b>			
<b>Expected Project/programme Completion (date)</b>		<b>Proposed Revised Completion (date):</b>	

*Reasons/justifications for the extension of project/programme completion:*

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*Implementing Entity certification*

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.	
<i>Name &amp; Signature</i> Project/programme contact person	
Date: <i>(Month, Day, Year)</i>	Tel. and Email: