

Post B.43 Webinar

POTENTIAL OPTIONS TO REVISE PROJECT POST APPROVAL POLICIES



ADAPTATION FUND

Helping developing countries build resilience and adapt to climate change

Document: AFB/EFC.34/8

Decision 43/28

- To request the secretariat to propose, for the consideration of the EFC at its thirty-fifth meeting and taking into consideration the discussion at the thirty-fourth meeting of the EFC:
 - I. Revisions to the Policy for Project Implementation, as set out in annex 7 to the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (AFB/EFC.21/5), and to the Policy for Project/Programme Delays (AFB/B.34-35/6);
 - II. An action plan for the implementation of the present decision.

Background

Policy for Project/Programme Implementation (OPG Annex 7) October 2017 - Decision B.30/39

- Revisions to the project results framework
- Direct project services
- Material change (budget variation at output level involving 10% or more of the total budget)

Policy for Project/Programme Delays (last updated in October 2019) - Decision B.34-35/12

- Delays in project inception (regular projects and readiness grants)
- No-cost extension of project completion date



WHAT HAS HAPPENED SINCE THEN

- ❑ Adaptation Fund portfolio continues to grow steadily counting 180 projects
- ❑ Several projects continue to face implementation challenges, resulting in requests for changes to projects or timelines.
- ❑ The two main policies for post-approval management do not fully respond to the full suite of challenges related to project implementation.
- ❑ The policy limitations cover both regular projects and non-regular (innovation, readiness, learning grants)



IDENTIFIED GAPS IN AF POLICIES ON PROJECT POST APPROVAL REVISIONS

Cancellation and delay policies

- Does not provide clarity on initiating cancellation processes
- Does not cover what constitutes significant delays to project start.
- No guidance on projects with considerable delays in inception.
- **Does not cover Small Grants:** Innovation and learning

Requests for project changes

- Does not cover changes to implementation arrangements
- Does not cover changes to the disbursement schedule
- Does not cover changes to targeted site changes
- Does not cover changes to implementing entity or executing entities' legal status/name, etc
- **Does not cover Small Grants** (innovation and learning grants).
- **Approval bottleneck:** all changes must be board-approved, which slows response time.

Readiness Grants

- High rate of non-compliance with reporting deadlines, due to internal factors within implementing entities (IEs).

Innovation & Locally Led Adaptation Projects

- Projects might need more flexible options, but lack of clear policy guidelines for post-approval changes and specific thresholds for material change.

Learning Grants

Monitoring reports are often delayed. Single-tranche disbursement leads to reduced incentive for timely reporting.



Expected changes/amendments/revisions

Clear Definitions and added guidance:

1. Major vs. minor project changes, including restructuring guidelines, significant delays, etc.
2. Consider increasing threshold for material change for LLA and innovation projects.

Cancellation clauses:

Procedure for initiating for project/programme cancellation due to significant inception delays.

Comprehensives coverage

To cover both regular and small grants

Delegation of approval for minor request to sec

1. No-cost extensions up to 18 months;
2. Revisions in project results framework;
3. Change in project disbursement schedule;
4. Requests of project budget reallocation up to 20%
5. Requests for EE change that do not imply material change of project outcomes

Expected output and outcome



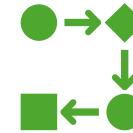
Single comprehensive guidance document



Standardized Templates: all templates will be updated including new once created



Reporting Mechanisms: annual report to the Board on delegated functions



Efficiency Gains: faster decision making