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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 9

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Sub-Saharan Africa for 2022-2026 Part 2

Action Document for “EU contribution to the Adaptation Fund”

MULTIANNUAL PLAN

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	EU contribution to the Adaptation Fund OPSYS number: ACT-61191 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>).
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in the Sub-Saharan Africa region and in Small Island Developing States.
4. Programming documents	Multi-Annual Indicative programme for Sub-Saharan Africa Regional 2021-2027 NDICI-Global Europe Global Challenges Multi-Annual Indicative programme for 2021-2027
5. Link with relevant MIP(s) objectives / expected results	<u>Sub-Saharan Africa MIP:</u> <i>Specific Objective 1:</i> Strengthen climate resilience at continental level and support African climate action in line with the goals of the Paris Agreement <u>Global challenges MIP:</u> <i>Sub-priority 2.1:</i> Climate change and disaster risk reduction
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	<u>Sub-Saharan Africa MIP:</u> <i>Priority area 3: Green Transition</i> <u>Global challenges MIP:</u>

	<i>Priority area 2: Planet</i> <u>DAC sectors</u> 410 General Environment Protection			
7. Sustainable Development Goals (SDGs)	Main SDG: SDG13 (Take urgent action to combat climate change and its impacts) Other significant SDGs: 1. SDG5 (Gender equality and women's empowerment) 2. SDG6 (Ensure availability and sustainable management of water and sanitation for all) 3. SDG11 (Make cities and human settlements inclusive, safe, resilient and sustainable) 4. SDG 15 (Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss)			
8 a) DAC code(s)	41010 - Environmental policy and administrative management (96.1%)			
8 b) Main Delivery Channel	World Bank – 44001			
9. Involvement of multilateral partners	Yes			
10. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
11. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ transport people2people energy digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
13. Amounts concerned	<p><u>Total amount of EU budget contribution EUR 100 000 000</u></p> <p>Total estimated cost from SSA Regional envelope for 2022: EUR 80 000 000</p> <p>14 02 01 20 West Africa: EUR 20 000 000</p> <p>14 02 01 21 East and Central Africa: EUR 20 000 000.</p> <p>14 02 01 22 Southern Africa and Indian Ocean: EUR 40 000 000.</p> <p><u>This contribution will be complemented by a contribution of EUR 20 million from the Global Challenges for 2022:</u></p> <p>14 02 02 41 Planet — Global Challenges EUR 20 000 000.</p>			
MANAGEMENT AND IMPLEMENTATION				
14. Type of financing	Other: Direct management with the World Bank			

1.2 Summary of the Action

The Action aims at enhancing climate adaptation and resilience in Sub-Saharan Africa in line with the developed countries' collective goal of providing USD 100 billion per year in climate finance to developing countries until 2025.

The Action has clear political prominence, as highlighted at the 26th Conference of the Parties to the United Nations

Framework Convention on Climate Change (UNFCCC COP26) held in Glasgow in November 2021. On this occasion, the European Commission's Executive Vice-President, Frans Timmermans, pledged a EUR 100 million support to the Adaptation Fund. The final document of the COP26 also emphasised the role of local governments, which are key enablers of the Covenant of Mayors initiative. The launch of this action prior to COP27 to be held in November 2022 in Sharm-el-Sheik (Egypt) will allow the EU to deliver on this specific commitment and to the USD 100 billion goal in climate finance, in a context where adaptation and climate finance will feature as top priorities of the upcoming COP.

The Action will enhance climate adaptation and resilience in Sub-Saharan Africa with EUR 80 million from the SSA Multiannual Indicative Programme (MIP). This will be complemented by additional EUR 20 million from the Global Challenges MIP for the potential benefit of Small Island Developing States (SIDS).

The Adaptation Fund is a major international instrument under the Paris Agreement on Climate Change. The EU contribution will assist the most vulnerable developing country Parties to the Paris Agreement in meeting the costs of climate-resilient measures through the implementation of projects and programmes addressing adaptation needs in a number of sectors, including agriculture; disaster risk reduction; food security; forestry; rural development; urban development; and water management. The Adaptation Fund is a Financial Intermediary Fund to which the World Bank serves as interim trustee. While the political objective is to sign an agreement with the World Bank in 2022 and before COP27, the timing of the signature will depend on developments linked to legal and contractual arrangements related to FIFs that are currently being discussed amongst Commission services.

2 RATIONALE

2.1 Context

The Covid-19 pandemic has intensified fragilities and the impact of climate change on African population, particularly affecting women, the young and people living in the most vulnerable situations. The rapid and continuous population growth puts additional pressure on natural resources, the labour market and service delivery. The economic hardships have caused significant social dislocation, with far too many being thrust back into poverty. In many countries, per capita incomes will not return to pre-crisis levels until 2025. The number of extreme poor in sub-Saharan Africa is projected to have increased by more than 32 million and with each flood or drought in the region, food insecurity increases by 5–20 percentage points.¹

At the same time, the aftermath of COP26 and preliminary talks on COP27 have witnessed the growing importance of climate adaptation interventions, in particular in African contexts where the World Meteorological Organization estimates for instance adaptation costs at USD 30–50 billion each year over the next decade to avoid higher costs of disaster relief. In an effort of solidarity, developed countries agreed to at least double their collective contribution to adaptation finance from 2019 levels by 2025 (estimated as a rise from USD 20 billion to 40 billion annually). This will help address the recurring adaptation finance shortage and will further contribute to the collective goal of providing USD 100 billion per year in climate finance to developing countries by 2025.

The EU calls for a strategic partnership with Africa to tackle together these emerging challenges and to pursue common interests. The Multi-Annual Indicative Programme for Sub-Saharan Africa (regional MIP) will contribute to this objective, in full coherence with the United Nations 2030 Sustainable Development Agenda, the 1992 UN Framework Convention on Climate Change (UNFCCC), the 2015 Paris Agreement and its rulebook, which form the main international policy framework for climate action. The contribution to the Adaptation Fund specifically aims at implementing the decisions of the UNFCCC COP26 held in Glasgow in November 2021.

The intervention described in this document will be instrumental to achieving the objective of promoting climate resilience and bridging the global gap on adaptation finance set out in the EU Strategy on Adaptation to Climate Change.

¹ World Meteorological Organization, *State of the Climate in Africa 2020*, WMO-No. 1275, 2021.

The Action is in line with the objectives of the NDICI-Global Europe and will contribute towards the achievement of its climate spending target (estimated contribution: 100%).

The Action is also fully in line with EU's external action priorities on climate change as set in the Green Deal Communication (2019) as well as in the recent EU Council Conclusions on Climate and Energy Diplomacy (January 2021) and the EU Council Conclusions on the Preparation for COP26 (October 2021).

The Action is also in line with the Lima work programme on gender and its gender action plan and will contribute to the implementation of the EU Gender Action Plan (GAP III 2021 -2025), specifically to the thematic area of engagement "addressing the challenges and harnessing the opportunities offered by the green transition".

2.2 Problem Analysis

In Sub-Saharan Africa, climate change is predicted to greatly affect a significant proportion of the population, who are often hardest hit by weather catastrophes, desertification, and rising sea levels, but who have contributed the least to the problem of global warming.² In the continent, climate change has already contributed to worsening food security, reduced the predictable availability of fresh water, and exacerbated the spread of disease and other threats to human health.³ Helping the most vulnerable countries and communities is an increasing challenge and an imperative for the international community, which will not be met unless more climate adaptation efforts are channelled to the region, beyond what is already provided to achieve international development objectives.

To address these needs, the EU contribution to the Adaptation Fund will allow an increase in size and impact of programmes targeting climate adaptation in Sub-Saharan Africa. Here, the Adaptation Fund is actively supporting projects addressing the multifaceted impact of climate changes in several sectors including agriculture, food security, forests, coastal zone management, disaster risk reduction, ecosystem-based adaptation, urban development, water management. Proposals validated by the Adaptation Fund Board are required to demonstrate their expected economic, social and environmental benefits, with particular reference to the most vulnerable communities and groups. Projects/programmes supported by the Fund shall not increase the vulnerability of beneficiaries or non-beneficiaries, nor reduce their capacity to adapt to climate change. Any risk of marginalization of minority groups or indigenous people is ruled out systematically during the screening and formulation phase. All proposed projects/programmes shall demonstrate compliance with the Fund's environmental and social principles and Gender Policy throughout the project/programme lifecycle, including design, execution, monitoring, and evaluation.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Key stakeholders are partner countries' governments (USD 337 million or 39% of the total Adaptation Fund portfolio is channelled to SSA countries to date). Besides being key actors in project implementation, developing country governments hold the majority in the Adaptation Fund Board and influence its decision-making process.

Implementing entities are essential intermediary beneficiaries accredited by the Adaptation Fund. They consist of multilateral (UN agencies, multilateral development banks), regional, and national (ministries, agencies, institutions, etc.) organisations.

The final beneficiaries are vulnerable communities in developing countries, with a global reach of 100 countries, 19 small island developing states and 33 least developed countries, serving about 28 million total beneficiaries.

Other important stakeholders include:

1. Civil society organisations contribute to the work of the Adaptation Fund in a variety of ways, including

² World Meteorological Organization, *op.cit.*, 2021.

³ Food and Agriculture Organization (FAO), *Climate Change Predictions in Sub-Saharan Africa: Impacts and Adaptations (CLIMAFRICA)*, 2016.

resource mobilisation, real-time updates on and assessments of supported projects, input from the intended beneficiaries, and knowledge management.

2. UN and UNFCCC bodies. The Adaptation Fund is currently serving the Paris Agreement and is one of the financing mechanisms of the UNFCCC. The Fund is financed in part by government and private donors, and also from a 2% share of proceeds of Certified Emission Reductions (CERs) issued under the Kyoto Protocol's Clean Development Mechanism projects. UN bodies have therefore a stake in the proper financing and correct functioning of the Fund.
3. Donors. The Adaptation Fund is mainly funded by developed countries and CERs. It also receives contributions by sub-national governments and private actors.
4. Global Environment Facility (GEF). The Adaptation Fund is housed at the GEF on an interim basis.
5. World Bank. The World Bank serves as the interim trustee of the Adaptation Fund by invitation of the Parties to the Kyoto Protocol. On behalf of the Fund, the World Bank performs two core functions: it sells the Certified Emission Reduction certificates that help support the fund and manages the Adaptation Fund trust fund.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to enhance climate adaptation and resilience in Sub-Saharan Africa and globally.

The Specific Objective (Outcome) of this action is:

1. Increased availability of climate adaptation finance in Sub-Saharan African and in Small Island Developing States

The Outputs to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are:

1. Improved access of vulnerable population to climate adaptation finance in Sub-Saharan African and in Small Island Developing States (contributing to Specific Objective 1)

3.2 Indicative Activities

Activities related to the Adaptation Fund contribution will vary depending on the projects and programmes planned by the Fund and will be determined into detail at a later stage. Recurring activities of the projects and programmes include:

1. Reducing exposure to climate-related hazards and threats;
2. Strengthening institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses;
3. Strengthening awareness and ownership of adaptation and climate risk reduction processes at local level;
4. Diversifying and strengthening livelihoods and sources of income for vulnerable people in targeted areas;
5. Supporting the development and dissemination of innovative adaptation practices, tools and technologies.

3.3 Mainstreaming

Environmental Protection & Climate Change

Climate change (adaptation and resilience) and environment are key priorities of the Adaptation Fund, systematically mainstreamed in each and every operation. Specifically, the Adaptation Fund's Environmental and Social Policy (ESP) ensures that projects and programmes supported by the Fund promote positive environmental and social benefits, and mitigate or avoid adverse environmental and social risks and impacts. Managing these risks is integral to the success of the projects/programmes and the desired outcomes are described in the 15

environmental and social principles of the Environmental and Social Policy. The ESP is operationalized at the Fund level at two key stages: during the process of accrediting Implementing Entities (IEs); and during the process of project and programme review, both at the IE and the Adaptation Fund Board levels. In addition, through its portfolio monitoring functions, the Fund ensures ESP and Gender Policy compliance during project's implementation through the performance-based disbursement approach.

SEA (Strategic Environmental Assessment), EIA (Environmental Impact Assessment) and CRA (Climate Risk Assessment) screening are not necessary.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 (significant objective). The Action will encourage i) the participation of women in all the events, trainings, etc; ii) gender and human rights responsive plans, strategies, and studies; and iii) gender responsive monitoring and evaluation. The Action considers that gender inequality is crucial for climate adaptation.

This is justified by the fact that the Adaptation Fund ensures ESP and Gender Policy compliance during project implementation through the performance-based disbursement approach. The initiative permanently seeks to strengthen its gender mainstreaming approach.

The Fund's principles-based Gender Policy (GP) and its accompanying Gender Action Plan (GAP-2) 2021-2023 aim at mainstreaming gender and ensuring that projects and programmes supported by the Fund provide women and men with an equal opportunity to build resilience, address their differentiated vulnerabilities and increase their capability to adapt to climate change impacts.

Human Rights

Access to a safe and clean environment is a human right (United Nations Human Rights Council 48th session, October 2021). Both components of this Action have a focus on enable people amongst the poorest in the world better access to this human right. Human rights-based approach and its key principles (participation, non-discrimination, accountability and transparency) will be integrated throughout the action.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. Climate change has a direct impact on the rights of people with disabilities according to the Office of the High Commissioner for Human Rights.

Provisions are in place to ensure final beneficiaries of the Adaptation Fund projects are not harmed. Implementing entities must identify groups at risk using disaggregated data and mitigation measures to avoid adverse impact. According to the Adaptation Fund's ESP Principle 3 on Marginalized and Vulnerable Groups: "Projects/programmes supported by the Fund shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS."

Democracy

The action tackles democratic processes through the central role of inclusiveness and civil society participation in local governance and aligning with devolution initiatives.

Conflict sensitivity, peace and resilience

The action does not directly address situations of conflict and crisis although both components operate in zones where risk of crisis exist.

Disaster Risk Reduction

Disaster risk reduction and early warning systems are amongst the areas of action of the Adaptation Fund. The Action might thus contribute to the funding of programmes enacting the 4 Sendai Framework priorities for action (better understanding of disaster risk, etc.) in Sub-Saharan Africa.

Other considerations if relevant

None.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Internal Risk (legal aspects)	Risk 1: Legal and contractual issues impede a contribution to Financial Intermediary Funds managed by the World Bank – as it is the case for the Adaptation Fund. Funds risk to be de-committed, with major reputational damage for the EU.	High	High	Commission services (INTPA, CLIMA, BUDG, LS) to identify options to address this matter and make the EU contribution to the Adaptation Fund viable.
Planning, processes and systems	Risk 2: EU priorities are not reflected in the Adaptation Fund steering and programming decisions	Medium	Medium	EU membership in the Adaptation Fund Board will be negotiated with relevant counterparts in the Adaptation Fund and the UNFCCC Secretariat in cooperation with DG CLIMA. A structured outreach to EU Member States currently sitting on the Board is considered to be put in place ahead of the partial renewal of the Board membership scheduled at COP27 to build support for the EU ask.
Planning, processes and systems	Risk 3: EU contribution is channelled to projects outside SSA and SIDS countries. Limited additionality compared to an EU intervention.	Medium	High	Geographical earmarking of funds (linked to the structure of the budget of this Action) will be applied following a notional approach through regular monitoring of the projects pipeline and funding decisions with the aim to ensure that the regional distribution of allocations is in line with EU expectations. The approach will allow to assess the degree of additionality of the EU contribution.
External environment	Risk 4: Implementing entities lack capacity to implement projects	Low	High	<p>The Adaptation Fund thoroughly assesses implementing entities through its accreditation process. This aims to only select organisations with sufficient technical capacity to develop and implement adaptation and other development interventions.</p> <p>The Adaptation Fund makes use of its Readiness Programme to further build implementing entities capacities to formulate and implement high-quality adaptation projects.</p>

Lessons Learnt:

The Adaptation Fund has a solid track record of supporting concrete adaption projects/ programmes in vulnerable countries through established systems, standards, and relationships. The Fund's success strategy for the 2018-2022 period builds upon these foundations, adding or refining only where necessary to ensure the Fund's arrangements and modalities remain effective, efficient and fit for purpose under the Paris Agreement.

The Adaptation Fund has acquired a wealth of information and lessons learned through its 10+ years of experience of financing adaptation interventions targeting the most vulnerable communities in developing countries. Lessons learned in the Adaptation Fund portfolio or projects and programmes are reported at different stages of project implementation through the annual Project Performance Reports (PPRs), Mid-Term Evaluations and Reviews (MTEs/MTRs) as well as Terminal Evaluations and include lessons related to implementation and adaptive management and concrete adaptation interventions, among others.

An example of systemizing lessons learned from projects financed by the Adaptation Fund is a [2018 publication](#) that analyses Project Monitoring Missions conducted in 13 different countries where lessons learned are distilled around eight different themes ranging from stakeholder engagement and community ownership to gender empowerment, innovation and scalable solutions. This publication was widely publicized and well received by relevant stakeholders.

Since then, two country exchanges took place in 2019 and 2020 between national actors implementing programmes under the Adaptation Fund. It allowed for lessons and findings to be shared, and latter applied in country programmes.

3.5 The Intervention Logic

The Action contributes to the main objective of enhancing climate adaptation, mitigation and resilience in Sub-Saharan Africa and globally through the careful design of projects and programmes funded by the Adaptation Fund with a view to address the adverse impacts of and the risks posed by climate change.

The EU contribution will be an enabler of increased climate adaptation finance in Sub-Saharan Africa. Specifically, it will allow enhanced activities that shall aim at producing tangible results on the ground by reducing vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change in a human rights and gender transformative manner.

The Adaptation Fund projects/programmes can be implemented at community, national, regional and transboundary level. Projects/programmes will implement activities with specific, measurable, and verifiable objectives, outcomes and outputs. The project technical assessment will make sure that projects and programmes will take into account, *inter alia*, national sustainable development strategies, poverty reduction strategies, national communications to the UNFCCC, national adaptation programmes, and other relevant policy instruments where they exist. The technical assessment will be conducted for each project/programme review cycle and will have to comply with the Adaptation Fund's Strategic Results Framework. The Strategic Results Framework includes the long-term goal, outcomes, outputs, and a small set of indicators for the Fund as a whole.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

1. At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
2. Progress reports should provide an updated logframe with current values for each indicator.
3. The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Enhance climate adaptation and resilience in Sub-Saharan Africa and globally	1. SDG 13.3.2. Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation and development actions	1.1 to be established at project start (2021)	1.1 to be established at project start (2026)	1.1 UNFCCC synthesis reports based on Parties' submissions and independent research	<i>Not applicable</i>

Outcome 1	1. Increased availability of climate adaptation finance in Sub-Saharan African and in Small Island Developing States	1.1 Number of projects targeting climate change adaptation supported in Sub-Saharan Africa	1.1 43 (2021)	1.1 to be established at project start	1.1 & 1.2 Programming and reporting information of the Adaptation Fund	The Adaptation Fund continues to receive political support from its stakeholders.
		1.2 Number of projects targeting climate change adaptation supported in Small Islands Developing States	1.2 17 (2021)	1.2 to be established at project start		<p>The Adaptation Fund continues to receive financial support from donors to close the gaps until market mechanisms become effective and can contribute sufficient level of resources.</p> <p>Adaptation to climate change continues to receive political support at international and country level.</p> <p>Capacity and enabling environments at global and national level continue to improve.</p>

Output 1 related to Outcome 1	Op 1.1 Improved access of vulnerable population to climate adaptation finance in Sub-Saharan African and in Small Island Developing States	1.1.1 Number of beneficiaries covered by Adaptation Fund funded projects in Sub-Saharan Africa and Small Island Developing States	1.1.1 to be established at project start	1.1.1 to be established at project start	1.1.1 Project documents (including description of interventions in targeted areas; peer reviewed progress reports validated by national authorities; stakeholder's interviews).	Project initiators submit peer-reviewed proposals that clearly address vulnerable communities and identify expected adaptation gains at national and local level.
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁴.

4.3.1 Direct Management

Other actions: EU contribution to the Adaptation Fund

Amount

EUR 100.000.000

Description

The World Bank serves as the trustee of the Adaptation Fund by invitation of the Parties to the Kyoto Protocol and, since 2019, by the Parties to the Paris Agreement. The World Bank is accountable to the Adaptation Fund Board for the performance of its fiduciary responsibilities, in accordance with the terms and conditions of service agreed between the World Bank and the Parties to the Kyoto Protocol. As Trustee, the World Bank has been working to maximise the value of Adaptation Fund assets, taking into account the objectives of transparency, inclusiveness, efficiency, minimizing financial risks, and availability of cash as needed for the Fund's commitments and disbursements. In addition, the World Bank has developed guidelines, which have been approved by the Adaptation Fund Board, for accepting donations from sovereign governments as well as non-sovereign entities. These operational reasons, together with a strong international legal mandate, make the World Bank the most suitable partner for the implementation of this Action.

The Union contribution to the Adaptation Fund trust fund should be implemented under direct management in line with this Decision in accordance with the general principles applicable to Union financing (see Appendix 2).

The contractual relation between the European Union and the World Bank will be formalised by means of a Donation Agreement - the approved terms for accepting donations for a World Bank administered Financial Intermediary Fund (FIF) such as the Adaptation Fund.

⁴ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4 Indicative Budget

Indicative Budget components ⁵	EU contribution (amount in EUR)
Output 1: Contribution to the Adaptation Fund	100 000 000
Direct management with the World Bank – cf. section 4.3.1	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision
Totals	100 000 000

4.5 Organisational Set-up and Responsibilities

The Adaptation Fund is supervised and managed by the Adaptation Fund Board. The Board is composed of 16 full members and 16 alternates, 69% of which represent developing countries. The Board makes all funding allocation decisions and enters into legal agreements with Implementing Entities (IEs). The Board was conferred with legal capacity as necessary for the discharge of its functions, including legal capacity to enter into contractual agreements and to receive and process project and programme proposals directly.

Appointments for the Adaptation Fund Board seats are coordinated by the chairs and coordinators of each issuing constituency, and the elections are facilitated by the UNFCCC secretariat elections team. EU representation in the Adaptation Fund Board will be negotiated with relevant counterparts in the Adaptation Fund as well as the UNFCCC Secretariat in cooperation with DG CLIMA. A structured outreach to EU Member States currently sitting on the Board will be put in place ahead of the partial renewal of the Board membership scheduled at COP27 to build support for the EU request.

Agreements governing the use of Adaptation Fund resources are concluded solely between the Adaptation Fund Board and the respective Implementing entities (i.e.: national legal entities and multilateral organizations that have been identified to access funding to implement concrete adaptation projects and programmes supported by the Fund). Neither the World Bank as a fund trustee nor donors are parties to these agreements and have no role in their execution. Following the approval of funding to an implementing entity, the Adaptation Fund Board enters into a direct agreement with the implementing entities to determine their governing roles and responsibilities. The Board determines the terms of cash transfers to the implementing entities and instructs the World Bank as trustee to make cash transfers. There are no agreements or other arrangements between the World Bank as Trustee and the implementing entities, which are responsible solely to the Adaptation Fund Board for use of funds, reporting, audit, etc.

The Adaptation Fund Board is supported by a Secretariat providing research, advisory, administrative, and other services to the Board. The World Bank serves as trustee of the Adaptation Fund and operates according to the modalities indicated in par. 5.3.1 above.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular

⁵ N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Adaptation Fund's results framework outcomes and associated outputs will be the key reference document in this respect. The framework allows aggregating and presenting Fund-level results that contribute to the overall goal and objectives of the Fund itself (indicators for Fund-level processes are tracked and reported annually).

SDGs indicators and, if applicable, any jointly agreed indicators with other implementing partners should be taken into account.

5.2 Evaluation

Under the Adaptation Fund's Risk Management Framework and Operational Policies and Guidelines, the Adaptation Fund Board can carry out independent reviews, evaluations of all projects and programmes as and when deemed necessary; the Ethics and Finance Committee (EFC) is a Board's committee in charge of dealing with such allegations and the Board has the authority to make a final decision on such matter.

The agreements signed between the Adaptation Fund Board and the accredited implementing entities require that the implementing entities shall provide to the Adaptation Fund Board, through the Secretariat:

- A mid-term evaluation, prepared by an independent evaluator selected by the Implementing Entity for any project/programme that is under implementation for over four years;
- A final evaluation report, prepared by an independent evaluator selected by the Implementing Entity.

The financing of the evaluation may be covered by another measures constituting a Financing Decision.

5.3 Audit and Verifications

The existing Adaptation Fund's rules and operational framework do not prevent contributors to request additional information and to ask to the Board to carry out joint audit, control, or investigative missions with the relevant body under the Fund. Therefore, the European Commission can make such request by submitting a written request with relevant background information to the Board through its secretariat. Once the secretariat receives such request, it will submit it to Ethics and Finance Committee (EFC) which is responsible for the Fund's ethics and finance issues including allegations of fraud and corruption. The EFC will consider such matter during its meetings and submit its recommendation to the Board. The Board, considering the submitted information and request, the EFC's recommendation and the relevant Fund's rules, procedures and policies, will make a decision on such request.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

Action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned.

These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Donation Agreement with the World Bank (Adaptation Fund)

Appendix 2 to the Action Document for the EU contribution to the Adaptation Fund

The Union contribution to the Adaptation Fund (“EU contribution to the Adaptation Fund” under the multiannual action plan in favour of Sub-Saharan Africa for 2022-2026 Part 2) is authorised on the basis of a review and confirmation of compliance with the following conditions:⁶

- (i) the Union contribution is a minority contribution to the initiative, taking into account the global amount contributed to the initiative at the time of the contribution;
- (ii) the Union contribution is treated on equal footing with donors of a similar magnitude and, where one or several Member States also contribute to the initiative, the Union contribution benefits from a level of protection no less favourable than the contribution(s) of that or those Member States;
- (iii) there is adequate reporting on the results achieved by the initiative, including through relevant indicators;
- (iv) the initiative operates under rules ensuring sound financial management, transparency, non discrimination and equal treatment in the use of Union funds in accordance with the principle of proportionality;
- (v) there are appropriate systems to prevent and combat irregularities and fraud as well as to report on their functioning at regular intervals, and there are appropriate rules for recoveries of funds by the initiative, including their use for the same initiative.
- (vi) in the event of suspected cases of serious irregularities such as fraud, corruption or conflict of interests, the authorising officer responsible, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, OLAF and the Court of Auditors shall make use of the rules of the initiative to request additional information and carry out joint audit, control, or investigative missions with the relevant body under the initiative, in line with Article 129.

The Commission considers that the conditions stipulated are fulfilled, as presented below.

The Adaptation Fund is a major international instrument under the Paris Agreement on climate change. The EU contribution will assist the most vulnerable developing country Parties to the Paris Agreement in meeting the costs of climate-resilient measures through the implementation of projects and programmes addressing adaptation needs in a number of sectors, including agriculture; disaster risk reduction; food security; forestry; rural development; urban development; and water management.

Activities implemented through the Adaptation Fund’s financial contribution vary depending on the projects and programmes approved by the Adaptation Fund Board as part of an active pipeline. Recurring activities of projects and programmes include:

- Reducing exposure to climate-related hazards and threats at national, sub-national and community level;
- Strengthening institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses;
- Strengthening awareness and ownership of adaptation and climate risk reduction processes at local level;
- Diversifying and strengthening livelihoods and sources of income for vulnerable people in targeted areas;
- Supporting the development and dissemination of innovative adaptation practices, tools and technologies.

⁶ In line with Article 240 (‘Union contribution to global initiatives’) of the ‘*Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast)*’ (the ‘FR Proposal’)⁶ adopted by the Commission on 16 May 2022.

Justification

- (i) the Union contribution is a minority contribution to the initiative, taking into account the global amount contributed to the initiative at the time of the contribution.

In accordance with public data (see Adaptation Fund (worldbank.org)), as of 1 June 2022, the total amount of contributions to the Adaptation Fund is USD 1,239.50 million. Consequently, the Union contribution (EUR 100 million) would be a ‘minority contribution’.

- (ii) the Union contribution is treated on equal footing with donors of a similar magnitude and, where one or several Member States also contribute to the initiative, the Union contribution benefits from a level of protection no less favourable than the contribution(s) of that or those Member States.

All donations to the Adaptation Fund are received in accordance with the “Adaptation Fund Guidelines for Accepting Donations” (Guidelines) approved by the Adaptation Fund Board during its Eighth Meeting in Bonn from November 16-18, 2009 (https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.8.11.Rev1_Guidelines_for_Accepting_Donations.pdf)

To receive donations into the Adaptation Fund trust fund, the trustee is entering into donation agreements with every donor. The donation agreement follows a pre-agreed with the Adaptation Fund Board template that is in line with the Guidelines and “Terms and Conditions of Services to be provided by the International Bank for Reconstruction and Development as Trustee for the Adaptation Fund” (T&C). It is important to note that the Trustee is not responsible for the use of funds. As such, the donation agreements signed with the Trustee do not include any provisions related to the use of funds. The donation agreements cover primarily the Trustee’s responsibilities related to the receipt and administration of funds held in trust before their transfer to Adaptation Fund project beneficiaries at the Adaptation Fund Board’s instructions. The agreed template of the donation agreement is attached for reference.

The links to the T&C and to the webpage where the Trustee’s periodic financial reports on activities in the Adaptation Fund trust fund are provided below:

https://www.adaptation-fund.org/wp-content/uploads/2020/11/TC_amended-in-Nov-2019.pdf

<https://fiftrustee.worldbank.org/en/about/unit/dfi/fiftrustee/reports?fundName=ADAPT&folderName=Trustee%20Reports>

- (iii) there is adequate reporting on the results achieved by the initiative, including through relevant indicators.

The Adaptation Fund Board (the Board) approved at its tenth meeting a Results-Based Management (RBM) framework and an approach to its implementation (AFB/EFC.1/3/Rev.2). The RBM framework includes a Strategic Results Framework which describes, at the Fund level, goals, expected impact, outcomes, and outputs, as well as indicators and targets. The RBM framework helps monitoring the efficiency and effectiveness of the Adaptation Fund, or process monitoring, which assists the Board in tracking efficiency and effectiveness based on the set indicators and targets. The current RBM approach operates at three main levels: Conference of Parties (CMA/CMP) level, Portfolio (Fund-level) and Projects/ Programme level.

The Fund’s results framework includes five core indicators to which each project should report (at least one indicator). The five indicators allow the Fund to aggregate quantitative indicators for a portfolio that is, by nature, diverse (including agriculture to water management, coastal management, rural development, food security, and Disaster Risk Reduction, among others). To increase transparency and demonstrate value, the Board has approved two impact-level results and five associated indicators to track under these impacts.

At the project/programme-level, monitoring is carried out by project executing entities (EE), supervised by national implementing entities (NIEs), multilateral implementing entities (MIEs) and regional implementing entities (RIEs). As part of their reporting requirements, IEs are required to submit an annual project performance report (PPR) and a results tracker reporting tool included in the PPR template. The results tracker allows the Adaptation Fund to track specific indicators across its portfolio and includes indicators from both (i) the Fund’s Strategic Results Framework, and (ii) the Fund’s five core indicators. For certain type of projects/programmes which include

unidentified subprojects (USPs), the IE will need to report on a regular basis as part of the PPR on its progress and performance in applying the Fund's environment and social policy (ESP) to the USPs and demonstrating compliance of all the project/programme activities with the ESP.

In addition to individual project annual performance report (PPR) accessible publicly the website of the Fund and the latter also produces an annual performance report (APR) which aggregates the Fund's portfolio data and reports on key achievements, including impact areas and core indicators as well as lessons learnt and portfolio challenges. The Fund's APRs are published on the website including a user-Friendly Graphic version.

- (iv) the initiative operates under rules ensuring sound financial management, transparency, non discrimination and equal treatment in the use of Union funds in accordance with the principle of proportionality.

Climate adaptation projects and programmes approved for funding by the Adaptation Fund Board are implemented by Implementing Entities - intermediary beneficiaries accredited by the Adaptation Fund to receive direct financial transfers from the Fund according to accreditation standards. They consist of multilateral (UN agencies, multilateral development banks), regional, and national (ministries, agencies, institutions, etc.) organisations. In order to become accredited, Implementing Entities are required to meet the fiduciary standards and to commit to comply with the Environmental and Social Policy and the Gender Policy adopted by the Adaptation Fund Board as detailed in the Operational Policies and Guidelines and accreditation procedure. Fiduciary risk management standards require Implementing Entities to possess demonstrated financial management and integrity capabilities and institutional capacity to guarantee sound financial management.

The Operational Policies and Guidelines (OPG) describe the mission and priorities of the Fund and the joint processes of earning accreditation and securing funding for projects and programmes.

The Legal Documents (i.e Model legal agreement between the Adaptation Fund Board and Implementing Entities and the project formulation grant agreement) refer to the Operational Policies and Guidelines (OPG) and all Legal Agreements contain the following provision: "The Implementing Entity shall carry out all its obligations under this Agreement in accordance with: (i) the Adaptation Fund Operational Policies and Guidelines".

More precisely, according to such OPG (emphasis added – for additional details, please refer to the documents mentioned above and below):

Fiduciary Standards:

34. Among principles established for the Fund (Decision 5/CMP.2) is “sound financial management, including the use of international fiduciary standards.” At its 7th meeting the Board adopted fiduciary standards governing the use, disbursement and reporting on funds issued by the Adaptation Fund covering the following broad areas (refer to Annex 2 for details):

(a) Financial Integrity and Management:

- (i) Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization;
- (ii) Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;
- (iii) Produce forward-looking financial plans and budgets;
- (iv) Legal status to contract with the Fund and third parties

(b) Institutional Capacity:

- (v) Procurement procedures which provide for transparent practices, including in competition;
- (vi) Capacity to undertake monitoring and evaluation;
- (vii) Ability to identify, develop and appraise project/programme;
- (viii) Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project /programme delivery and implementation.

(c) Transparency and Self-Investigative Powers: Competence to deal with financial mismanagement and other forms of malpractice.

[...]

Accreditation Process:

37. Accreditation for the implementing entities would follow a transparent and systematic process through an Adaptation Fund Accreditation Panel (the Panel) supported by the Secretariat. (...)

On transparency, see also: Open Information Policy.pdf (adaptation-fund.org)

(v) there are appropriate systems to prevent and combat irregularities and fraud as well as to report on their functioning at regular intervals, and there are appropriate rules for recoveries of funds by the initiative, including their use for the same initiative.

The Adaptation Fund's accredited Implementing Entities have to comply with fiduciary risk management standards established by the Fund. These include the capacity and procedures to deal with financial mismanagement and other forms of malpractice as part of a general obligation to demonstrate competencies in transparency, self-investigative powers, and anti-corruption measures.

More precisely:

- Adaptation Fund Risk Management Framework: This provides an overview of Adaptation Fund risk management rules and procedures and Adaptation Fund sanction policies, and describes the roles and responsibilities for risk management of the Board, Adaptation Fund Board secretariat, and implementing entities. It also provides the Adaptation Fund sanctions policy.
- Under the Adaptation Fund Operational Policies and Guidelines, the Board has an authority to review or evaluate the performance of an implementing entity and its performance of the project and may suspend or cancel its accreditation and/or project/programme following the procedures stipulated therein: reasons of suspension or cancellation of IE's accreditation include, but not limited to, (a) misrepresentation or intentional provision of false information to the Board; (b) substantive changes of the IE's fiduciary standards and/or capacity and/or commitment to comply with the Adaptation Fund environmental and social policy; (c) misuse of project/programme resources.
- The Ethics and Finance Committee (EFC) is one of the two subsidiary bodies that advise the Board and is primarily responsible for overseeing the implementing entities and advises the Board on issues of conflict of interest, ethics, finance and audit. The EFC, being in charge of addressing ethical and financial issues including allegations of fraud and corruption as well as conflict of interest. If issues such as misuses of funds or misrepresentation should arise, the EFC considers allegations or evidence and makes recommendations on the course of action to the Board for approval. Before making the final decision on the course of action, the Board provides the party concerned with a fair chance to present its view to the Board (Adaptation Fund Operational Policies and Guidelines, paras. 41 and 80)
- The Accreditation Panel assesses the competence of the entity to deal with financial mismanagement and other forms of malpractice and its capacity to address complaints on environmental and social harms and gender harms caused by projects/programmes. The Panel also serves as an advisory body to the Board and can recommend the suspension or cancellation of an implementing entity accreditation.
- Implementing Entities^[1](IEs):
 - Adaptation Fund project (grant) agreement between the Board and the implementing entity provides the legal obligations in the context of specific projects or programmes. This is the instrument where the contractual obligations related to the grants and the projects are set.

^[1] There are three types of Implementing Entities: (1) National Implementing Entities – e.g., Kenya's National Environmental Management Authority; (2) Regional Implementing Entities – e.g., Secretariat of the Pacific Regional Environment Programme; and (3) Multilateral Implementing Entities - e.g., UNDP, the Inter-American Development Bank.

- Under Section 4.05 of the agreement, the IE is fully responsible for the administration of the grant and overall management of the project, including all financial, monitoring, and reporting responsibilities, and assumes full responsibility and liability for the acts, omissions or negligence of its employees, agents, representatives, and contractors under the Project.
- Under Art.7 of the agreement, the IE shall provide to the Board a number of reports and financial statements in accordance with the legal agreement and the OPG, inter alia, the final audited financial statement of the IE grant account (for the respective Adaptation Fund project) including net investment income earned, prepared by an independent auditor or evaluation body, within six months of the end of the IE's financial year during the project is completed.
- Under Sections 3.05, 4.02, 6.01 and 14.03 of the agreement, the IE is obligated to return the funds to the Adaptation Fund in case of fund, misuse and/or out of project purposes as well as against the legal agreement, and non-compliance with procurement rules. The acts of corruption or fraud also give rise to the entity's obligation to refund money lost in that connection under the legal agreement.
- IE is required to have in place anti-corruption hotlines, independent investigatory functions, whistleblower protection policy and sanctions policy for corruption and fraud as well as grievance/complaint-handling mechanism (that provides people affected by projects/programmes supported by the Adaptation Fund with an accessible, transparent, fair and effective process for receiving and addressing their complaints about environmental, social and gender harms caused by any such projects). These are requirements for accreditation and reaccreditation, which is assessed by the independent Accreditation Panel experts.

IE is required to investigate any allegations or evidence of misuse of funds through its investigatory function or hire investigator(s) acceptable to the Board. All investigations have to be consistent with the general principles and guidelines for investigation based on the International Financial Institutions Principles and Guidelines for investigation. The IE also has to provide regular updates to the Board on any investigation and a final report on the conclusions of the investigation as well as provide regular up-dates on actions taken to address any illegal or corrupt practice involving the Adaptation Fund funds (Adaptation Fund Operational Policies and Guidelines, paras.4, 74-751). If the Adaptation Fund grants are misused, spent out of project purposes indicated in the project proposal approved by the Board, it is a legal obligation for the entity to promptly return any such disbursements to the Adaptation Fund trust fund., through the Adaptation Fund trustee (World Bank).

In accordance with the OPG and the individual project agreement (clause 7.01 d), the implementing entity should submit "a final audited financial statement of the Implementing Entity Grant Account, prepared by an independent auditor or evaluation body, within six (6) months of the end of the Implementing Entity's financial year during which the Project is completed". Should the audited statement reports any unspent amount or funding disbursed irregularly, the implementing entity is required to refund the amount to the Fund's trustee. All funds reimbursed by implementing entities are sent to the Trustee and reversed in the Fund's overall funding envelope and used for further programming of new projects in accordance with the Fund's OPG.

(vi) In the event of suspected cases of serious irregularities such as fraud, corruption or conflict of interests, the authorising officer responsible, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, OLAF and the Court of Auditors shall make use of the rules of the initiative to request additional information and carry out joint audit, control, or investigative missions with the relevant body under the initiative, in line with Article 129.

As confirmed by the Secretariat of the Adaptation Fund, the existing Fund's rules and operational framework do not prevent its contributor to submit such request to the Board. Therefore, if the EU, as a contributor, wishes to make such request, it may do so by submitting a written request with relevant background information to the Adaptation Fund Board (Board) through its secretariat. Once the secretariat receives such request, it will submit it to the Ethics and Finance Committee (EFC) which is responsible for the Fund's ethics and finance issues including allegations of fraud and corruption. The EFC will consider such matter during the EFC meeting and submit its recommendation to the Board. The Board, considering the submitted information and request, the EFC's recommendation and the relevant Fund's rules, procedures and policies, it will make a decision on such request.