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Ref: 2021/011

21 January 2021

Mr. Admasu Nebebe  
Director  
Ministry of Finance and Economic Cooperation  
of the Federal Democratic Republic of Ethiopia (MOFEC)  
Addis Ababa  
Ethiopia  
[Admasugedamu@Yahoo.Com](mailto:Admasugedamu@Yahoo.Com)

Re: Request for extension of project completion date due to COVID-19- "Climate Smart Integrated Rural Development Project".

Dear Mr. Nebebe,

I am writing with regard to the request for an extension of the project's completion date due to COVID-19, submitted by the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC).

The Adaptation Fund Board during the second session of its thirty-fifth meeting, considered and approved the Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the Fund's portfolio. Please find the text of the Board Decision B.35.b/16 including a provision for temporary no-cost extension of the project completion date up to 12 months for projects/programmes which have been delayed due to COVID-19 and which are set to be completed within 24 months from the date of the extension request, and provided that the implementing entity's request of such extension meets the criteria as described in paragraph 33 of document AFB/EFC.26.b/4.

In line with the Board Decision B.35b/16, the secretariat has reviewed the request and found it to meet the criteria referred to in that decision. Therefore, I am pleased to inform you that the request for a twelve-months no-cost extension of the project completion date from 31 March 2021 to 31 March 2022 is deemed approved, and 31 March 2022 is recorded by the secretariat as the new project completion date.

Please do not hesitate to contact the Adaptation Fund Board Secretariat if you have any questions or concerns.

Sincerely,



Mikko Ollikainen  
Manager  
Adaptation Fund Board secretariat

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Copy to: Ms. Thiras Mebrahtu Hindeya, Designated Authority, Federal Democratic Republic of Ethiopia  
[tremeb1@yahoo.com](mailto:tremeb1@yahoo.com); [eenvironment@gmail.com](mailto:eenvironment@gmail.com)



**ADAPTATION FUND**

18 November 2020

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Adaptation Fund Board

***The Fund's response to the COVID-19 pandemic***

Having considered the recommendation of the Ethics and Finance Committee, the Adaptation Fund Board (the Board) decided to:

- a) Take note of the Report on the Adaptation Fund's response to the COVID-19 pandemic and adaptive measures to mitigate its impact on the Fund's Portfolio, which highlights the importance of taking immediate actions to enable the projects and programmes supported by the Fund to continue delivering on their objectives;
- b) Temporarily approve a blanket no-cost extension of the project completion date up to 12 months for eligible projects/programmes which have been delayed due to COVID-19 and were set to be completed within 24 months from the date of the extension request provided that an implementing entity's request of such extension meets the criteria as described in paragraph 33 of document AFB/EFC.26.b/4;
- c) Temporarily allow, in the context of paragraph 6 of Annex 7 of the Fund's Operational Policies and Guidelines (Project/Programme Implementation) on project material change, an implementing entity (IE) to implement reallocations in budget at the output-level between the original budget and the revised budget, up to a maximum of 20 per cent of the total project budget, without seeking prior approval of the Board, provided that:
  - (i) The concerned reallocations in budget are justified to be related to COVID-19 and to enable the project or programme to achieve its originally set goals and objectives;
  - (ii) The IE must report to the Board on the project budget reallocations as part of its annual project performance report;
  - (iii) Project budget reallocations not related to COVID-19 and changes exceeding 20 per cent of total project budget related to COVID-19 shall be subject to the requirements as described under paragraphs 6-8 of Annex 7 of the Fund's Operational Policies and Guidelines (Project/Programme Implementation); and
- d) Encourage countries to consider matters related to COVID-19 within the mandate of the Adaptation Fund in their future programming of funding by the Adaptation Fund, in order to achieve a broader resilience by reflecting, as appropriate, the objectives of government recovery plans in future programming.

**(Decision B.35.b/16)**