



Guidelines

Procedure for approval of requests for registration of Adaptation Benefits Mechanism activities and issuance of Certified Adaptation Benefits

I. BACKGROUND

1. The Adaptation Benefits Mechanism (ABM) is a results-based finance mechanism that channels resources to projects enabling communities, economies, and ecosystems to adapt and build resilience to the negative impacts of climate change. The ABM will create an incentive for private sector investments in adaptation projects by facilitating payments upon delivery of certified adaptation benefits, thereby generating a new and additional source of revenue for adaptation. The ABM is intended to be a non-market mechanism. It will assist developing countries with achieving their adaptation priorities set out in their NDCs, in particular those that are conditional on international support. The ABM is being piloted by the African Development Bank in the period 2019-2023. The interim Adaptation Benefits Executive Committee (ABM EC) is an independent senior expert body formed by the African Development Bank in October 2019 with the mandate to oversee and execute the rules for the ABM Pilot Phase.

2. Two of the steps in the ABM Activity Cycle¹ concern: (a) ABM activity registration; and (b) issuance of Certified Adaptation Benefits. For each of these steps the ABM activity participants are required to submit a request for approval to the ABM EC. An initial procedure for approval is needed to guide ABM activity participants. The procedure contained in this document may be further revised by the ABM EC based on learning by doing.

3. After its 16th meeting, the ABM EC adopted the “Guidelines on the procedure for approval of requests for registration of Adaptation Benefits Mechanism activities and issuance of Certified Adaptation Benefits” (ABM Approval guidelines), as contained in this document.

¹ Document ABM EC/2022/14/5.

II. OBJECTIVES

4. The purpose of these guidelines is to provide ABM activity participants with comprehensive guidance on the procedure for approval of requests for registration of Adaptation Benefits Mechanism activities and issuance of Certified Adaptation Benefits.

III. GUIDELINES

Scope and applicability

5. This procedure defines the requirements and processes for approval by the ABM EC of requests for registration of successfully validated ABM activities and issuance of Certified Adaptation Benefits (CABs), following a successful verification of the monitoring report for a registered ABM activity.

Entry into force

6. This procedure shall become effective upon a decision by the ABM EC.

Normative references

7. The following referenced documents are indispensable for the application of this procedure:

- (a) “ABM activity cycle guidelines”²;
- (b) “ABM Glossary of terms”³;
- (c) “Guidelines on the development of an ABM methodology”⁴;
- (d) “ABM Activity Description Document (ADD)”⁵;
- (e) “Guidelines on the procedure for independent validation and verification by the interim Adaptation Benefits Mechanism Validation & Verification Roster of Experts” (ABM V&V guidelines);
- (f) “ABM grievance mechanism”.

Submission process

8. Requests for registration of successfully validated ABM activities and issuance of CABs following a successful verification of the monitoring report for a registered ABM activity shall be submitted to the ABM EC via the ABM secretariat per e-mail⁶ or through the dedicated interface on the ABM website.

² Document ABM EC/2021/8/5

³ See the most recent version on the ABM website : www.abmechanism.org

⁴ Document Document ABM EC/2022/15/15

⁵ This document, including a template and guidelines is under development.

⁶ E-mail: abmechanism@afdb.org

9. A request for registration of successfully validated ABM activity shall be accompanied by the following documents in English:

- (a) A cover letter by the ABM participants to the ABM EC requesting registration of the ABM activity in the ABM registry;
- (b) A validation report of the Activity Design Document (ADD) by the ABM Adaptation Benefits Mechanism Validation & Verification Roster of Experts (ABM VVRE);
- (c) The validated ADD;
- (d) A letter of approval or similar by the host country in English or the official language of the host country;
- (e) Modalities for communication with the ABM participants, including on access to a holding account in the ABM Registry for CABs.

10. A request for issuance of CABs, following a successful verification of the monitoring report for a registered ABM activity in English:

- (a) A cover letter by the ABM participants to the ABM EC requesting issuance of the verified CABs with reference to the registered ABM activity;
- (b) A verification report of the monitoring report and request for issuance of CABs by the ABM VVRE;
- (c) The verified monitoring report.

Completeness check

11. As soon as possible after the receipt of a submission, but not longer than 10 working days after the date of receipt, the ABM secretariat shall initiate a completeness check of the received request and liaise with the Submitting Party (SP), in accordance with the modalities for communication, in a facilitative manner, to receive any missing or additional information.

12. If the ABM secretariat finds that the submission is incomplete and the information requested from the SP is not forthcoming within 10 working days of the date of transmission, the ABM secretariat shall conclude that the submission is incomplete, and the proposal shall not be further processed.

13. The ABM secretariat shall inform the SP of the conclusion of the completeness check. If the submission is concluded as incomplete, the ABM secretariat shall communicate the underlying reasons to the SP. In this case, the SP may resubmit their request with revised documentation at any time.

Process for approval

14. Upon positive conclusion of a completeness check, the ABM secretariat shall forward the request to the ABM EC for approval.

15. Prior to approval, the ABM EC, via the ABM secretariat, will publish the request for approval and the accompanying documentation on the ABM website for comments by the Parties involved⁷ for a 15 working days period and will notify the Parties involved, including the authority that has issued the letter of approval or similar, referred to in paragraph 9 (d) above, and respective UNFCCC focal point(s).

16. The ABM EC shall consider the recommendations of the VAST, serving as an independent validator, and the comments made by all stakeholders. If there is no objection from a Party involved in the ABM activity and/or at least three members of the ABM EC, the request for registration of the activity in the ABM Registry will be approved by the ABM EC. Otherwise, the request will undergo a review to allow for further consultations and clarifications. Following the review, the request may be approved or rejected. The ABM EC, via the ABM secretariat, will publish its decision on the ABM website and notify the Parties involved and the SP, in accordance with the modalities for communication. The decision shall include substantiation.

17. Any stakeholder of the candidate ABM activity may rebut the decision of the ABM EC through the “ABM grievance mechanism”, as referred to in paragraph 7 (f) above within 10 working days of publishing of the decision. If a request for rebuttal is received, the ABM EC decision will undergo a review to allow for further consultations and clarifications. The ABM EC, via the ABM secretariat, will publish the grievance on the ABM website and notify the Parties involved, the stakeholders submitting the rebuttal and the SP, in accordance with the modalities for communication, and facilitate the review. Following the review, the ABM EC decision may be withdrawn, modified, or finalized. If no request for rebuttal is received, the ABM EC decision will be considered final after 10 working days of publishing.

18. Upon approval of a request for registration of an ABM activity, the activity will be assigned a unique registration number and be registered in the ABM Registry on the ABM website. The ABM participants will be granted access to a holding account for this activity, in accordance with the modalities for communication.

19. Upon approval of a request for issuance of CABs, CABs will be issued in the holding account for the ABM activity in the ABM Registry. Each certified adaptation benefit (CAB) will have a unique code number (CAB Code), which will be sent to the ABM activity participants, in accordance with the modalities for communication. Each CAB will be assigned a unique number and will correspond to a package of information on the project on progress towards resilience, other co-benefits, and adaptation finance.

1. Upon exchange of a CAB for finance with a contracted third party, the corresponding package of information will be transferred to the new owner and can be used for own reporting on adaptation action, co-benefits, and adaptation finance, such as under the Paris Agreement, Sustainable Development Goals or other reporting schemes.

⁷ National governments only

A CAB can be used only once. All Parties involved will receive relevant information.

20. Any mitigation co-benefits generated through the ABM, cannot be transferred internationally, but will remain in the host country and can be accounted by the host country Party towards its own mitigation commitments and ambitions.
