



Guidelines

Procedure for validation and verification by the interim Adaptation Benefits Mechanism Validation and Verification Roster of Experts

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) validation of the ABM Activity Description Document (ADD) with applied ABM methodology, which has been approved by the ABM EC; and (b) verification of the monitoring report of the ABM activity, including a confirmation of the adaptation benefits generated. In order to reduce costs and time for the ABM activity developers, during the ABM Pilot Phase, an independent Validation and Verification Roster of Experts (ABM VVRE) under the ABM secretariat will establish activity specific validation or verification teams (ABM VAST) with the mandate to independently assess and validate or verify ABM activities. The costs of the experts involved will be covered by the African Development Bank. An initial procedure for validation and verification is needed to guide the ABM VASTs. The procedure contained in this document may be further revised based on learning by doing. After the ABM Pilot Phase, it is envisaged that the validation and verification roles will be conducted by qualified independent third parties.

¹ Document ABM EC/2022/14/5.

3. At its 16th meeting, the ABM EC adopted the “Guidelines on the procedure for independent validation and verification by the interim Adaptation Benefits Mechanism Validation & Verification Roster of Experts” (ABM V&V guidelines), as contained in this document.

II. OBJECTIVES

4. The purpose of these guidelines is to provide ABM activity participants with comprehensive guidance on the procedure and process for validation and verification under the ABM.

III. GUIDELINES

Scope and applicability

5. This procedure defines the processes for validation of the ABM Activity Description Document (ADD) with applied ABM methodology, which has been approved by the ABM EC; and verification of the monitoring report of the ABM activity, including a confirmation of the adaptation benefits generated.

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) “Terms of reference for the interim Adaptation Benefits Mechanism Validation and Verification Roster of Experts”³;
- (c) “ABM Glossary of terms”⁴;
- (d) “Guidelines on the development of an ABM methodology”⁵;
- (e) “ABM Activity Description Document (ADD)”⁶;
- (f) “Social and Environmental Safeguards for the Adaptation Benefits Mechanism”.

Submission process

² Document ABM EC/2021/8/5

³ To be added upon adoption by the ABM EC

⁴ See the most recent version on the ABM website : www.abmechanism.org

⁵ Document ABM EC/2022/15/15

⁶ This document, including a template and guidelines is under development

8. Requests for validation or verification may be submitted to the ABM secretariat at any time by submitting the following documents to the ABM secretariat per e-mail⁷ or through the dedicated interface on the ABM website⁸:

(a) Validation:

- (i) The proposed ABM ADD, including applied approved ABM baseline and monitoring methodology and normative references to ABM EC guidelines used;
- (ii) In accordance with the “Social and Environmental Safeguards for the Adaptation Benefits Mechanism”, a social and environmental safeguards plan, and, if relevant, a completed self-assessment form, indication of the size and type of the activity and information on any stakeholder consultations that have already been held.
- (iii) Information on the ABM activity participants, including legal name of the entity, legal form of the entity⁹ country of establishment, contact details and modalities for communication.

(b) Verification

- (i) The ABM ADD approved by the ABM EC and registered in ABM registry on the ABM website;
- (ii) The monitoring report in accordance with the applied approved ABM methodology, including a draft request for issuance of certified adaptation benefits
- (iii) Information on the ABM activity participants, including legal name of the entity, legal form of the entity¹⁰ country of establishment, contact details and modalities for communication.

Completeness check

9. 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 a facilitative manner, to receive any missing or additional information.

10. 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

⁷ E-mail: abmechanism@afdb.org

⁸ This interface is under development.

⁹ For example, UN agency, international organization public sector, private sector, non-profit, etc.

¹⁰ For example, UN agency, international organization public sector, private sector, non-profit, etc.

the proposal shall not be further processed.

11. 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.

Assessment

12. Upon positive conclusion of a completeness check, the ABM secretariat shall convene a VAST, drawing from the VVRE, in accordance with the “Terms of reference for the interim Adaptation Benefits Mechanism Validation and Verification Roster of Experts”. The ABM secretariat shall contact the experts, inviting them to join the VAST. The invited VVRE members shall accept or reject the invitation within five working days. In the event of rejection, the ABM secretariat shall identify an alternative until a complete panel is formed.

13. Under the guidance of the VAST Chair, the VAST shall meet virtually, or in person, subject to availability of resources, as frequently and as expeditiously as possible in order to complete their review on the requested activity. The first meeting should be within 15 working days of the appointment of the VAST. Brief minutes shall be recorded of the VAST meeting(s) by the ABM secretariat. From the nomination of an AMP to the completion of the initial assessment, no more than 60 working days shall pass, including 30 calendar days for consultations with international stakeholders to be held in accordance with the “Guidelines on the ABM Activity Cycle” and 10 working days for the SP to address any comments received .

14. The VAST shall assess requests for validation and verification for compliance only with relevant guidelines of the ABM EC, the relevant approved and applied ABM methodologies and how the SP has dealt with the comments received by stakeholders. The ABM secretariat shall facilitate the VAST in obtaining the relevant versions of these documents.

15. The VAST shall reach a conclusion and prepare a validation or verification report, capturing the assessment, as referred to in paragraph 14 above and deciding as follows:

- (a) Validate or verify the request (“A case”); or
- (b) Reject the request (“C case”); or
- (c) Request further information from the SP, in case the request could be brought to a level, which could lead to a subsequent validation or verification (“B case”).

16. The report shall include substantiation for the proposed decision.
