



ADAPTATION FUND

AFB/B.29-30/1
18 April 2017

Adaptation Fund Board

**REQUEST FOR PROJECT
DISBURSEMENT SCHEDULE REVISION:
SANBI (SOUTH AFRICA) (1)**

Background

1. The Adaptation Fund Board (the Board) at its twenty-fourth meeting, approved the project “Building Resilience in the Greater uMngeni Catchment” proposed by the South African National Biodiversity Institute (SANBI) in South Africa (decision B.24/14). As mandated by the decision, an agreement was prepared and signed between the Board and SANBI. The fully-developed project document for this project, presented in document AFB/PPRC.15/16 and approved by the Board, contained, in Section III.H, a disbursement schedule which was included in the project agreement following the standard project agreement template.
2. SANBI submitted to the Board, on 28 March 2017, through the secretariat, a request for revising the disbursement schedule (Annex 1). According to that request, the actual disbursement in the project has been higher than originally planned. Also, it had turned out that the original disbursement schedule had been prepared in a way that is not in accordance with the standard practice of the Adaptation Fund as outlined in the project review process and guidance document approved through decision B.18/29, and that would have required SANBI to make considerable advance payments before receiving corresponding funds from the Adaptation Fund, which was not possible for SANBI and its partners.
3. The request included a comparative presentation of the original disbursement schedule (Table 1), the Project five-year budget, showing Year 1 actual expenditure, and updated forecasts for Years 2–5 (Table 2), and the proposed revised disbursement schedule (Table 3).
4. The secretariat conducted a review of the request.

Secretariat’s review of the revised project document

5. The revised disbursement schedule has the same total amount as the one originally included in document AFB/PPRC.15/16 and approved through decision B.24/14. The changes are only related to the size and timing of individual tranches.
6. The secretariat’s review finds that in light of the information contained in the request (Annex 1), the implementation of the project would be improved by following the revised disbursement schedule, and no negative effects of doing so are identified. Therefore, the disbursement schedule revision can be supported.

Recommendation

7. The secretariat finds that SANBI has provided adequate reasoning for the changes made in the disbursement schedule.
8. Therefore, the Board may consider and decide to: approve the revised disbursement schedule for the project “Building Resilience in the Greater uMngeni Catchment”, as requested by the South African National Biodiversity Institute (SANBI).

Annexes:

1. The request to the Board to approve the revised disbursement schedule, dated 28 March 2017, submitted by SANBI through the secretariat.

South African National Biodiversity Institute (SANBI)
Kirstenbosch National Botanical Gardens
P/Bag X7, Claremont
Cape Town
7735
South Africa

28 March 2017

The Adaptation Fund Board
C/O Adaptation Fund Board Secretariat
1818 H Street NW
Washington DC
20433
USA
Email: afbsec@adaptation-fund.org

RE: Request to amend the Disbursement Schedule of the uMngeni Resilience Project

The South African National Biodiversity Institute (SANBI) hereby requests an amendment to the Disbursement Schedule of the uMngeni Resilience Project. SANBI is requesting this amendment as the approved project Disbursement Schedule will result in budget shortfalls and implementation delays.

As per the original Disbursement Schedule (see Table 1), an amount of USD 190,986 was transferred to SANBI upon signature of the project contract. At the end of Year 1, project expenses amounted to USD 341,310, as detailed in the Project Performance Report (PPR). If the original Disbursement Request were to be followed, an amount of USD 763,492 would now be transferred to SANBI (End of Year 1). This would leave USD 613,618 for the implementation of activities during Year 2. However, the forecast for Year 2 expenses, as approved in the PPR, is USD 1,125,128 (see Table 2). To avoid a shortfall in the availability of project funds in Year 2 (and subsequent years), and prevent potential delays in the implementation of the planned activities, an amendment to the Disbursement Schedule is now requested (see Table 3).

As part of this proposed amendment, please note that we have modified the payment at the end of the project to zero. This is because SANBI and its project partners are not able to advance funds to cover the costs of project implementation.

The revised Disbursement Schedule has been calculated as follows:

- End of Year 1: (Actual Year 1 expenses) – (1st AF disbursement) + (Year 2 forecast) + (50% of Year 3 forecast)
- End of Year 2: (Remaining 50% of Year 3 forecast) + (50% of Year 4 forecast)
- End of Year 3: (Remaining 50% of Year 4 forecast) + (50% of Year 5 forecast)
- End of Year 4: Remaining 50% of Year 5 forecast
- End of Year 5: Zero

South African National Biodiversity Institute

Centre for Biodiversity Conservation, Kirstenbosch National Botanical Garden
Rhodes Ave, Newlands, Cape Town, 7700. Private Bag X7, Claremont, 7735.
T: +27 21 799 8895 F: +27 86 5799 488 W: www.sanbi.org

Table 1: Original Disbursement Schedule (as in approved Project Document):

	Upon Agreement Signature	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total (USD)
Schedule Date (Tentative)	15-Feb	16-Jun	17-Jun	18-Jun	19-Jun	20-Jun	
Project Funds	130,243	520,969	520,969	1,041,940	2,083,878	1,953,637	6,251,636
EE Fee	31,385	125,539	119,929	145,895	116,800	116,701	656,249
NIE Fee	29,358	117,434	117,434	117,434	117,434	88,076	587,170
Total	190,986	763,942	758,332	1,305,269	2,318,112	2,158,414	7,495,055
	3%	10%	10%	17%	31%	29%	

Table 2: Project five year budget, showing Year 1 actual expenditure, and updated forecasts for Years 2–5:

	Year 1 expenditure	Year 2 forecast	Year 3 forecast	Year 4 forecast	Year 5 forecast	Sub-Total
Component 1	23,165	200,929	262,292	253,128	206,224	945,738
Component 2	0	237,052	1,076,072	1,145,775	738,407	3,197,306
Component 3	149,521	335,302	423,112	309,346	193,195	1,410,476
Component 4	18,072	93,184	210,247	240,158	136,455	698,116
Sub-Total	190,758	866,467	1,971,723	1,948,408	1,274,281	6,251,636
EE fee	75,812	156,999	135,323	119,963	168,152	656,249
NIE fee	74,740	101,661	136,623	136,623	137,523	587,170
Total	341,310	1,125,128	2,243,668	2,204,993	1,579,955	7,495,055
	5%	15%	30%	29%	21%	

Table 3: Proposed Revised Disbursement Schedule

	Upon Agreement Signature	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total (USD)
Schedule Date	15-Feb	17-Apr	18-Feb	19-Feb	20-Feb	21-Feb	
Project Funds	130,243	1,912,844	1,960,065	1,611,344	637,140	0	6,251,636
EE Fee	31,385	269,088	127,643	144,057	84,076	0	656,249
NIE Fee	29,358	215,355	136,623	137,073	68,761	0	587,170
Total	190,986	2,397,287	2,224,331	1,892,474	789,977	0	7,495,055
	3%	32%	30%	25%	11%	0%	

SANBI thus requests that the next disbursement (End of Year 1) totals **USD 2,397,287**.

I trust that the above request for an amendment to the Disbursement Schedule meets with your approval. Should you require any clarifications or further details on the annual forecasts, please do not hesitate to contact me.

Sincerely,



Mandy Barnett
Lead: Climate Funds
SANBI