



ADAPTATION FUND

AFB/B.30-31/5/Rev.1  
14 January 2018

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Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT  
COMPLETION DATE: WFP (EGYPT)**

## Background

1. The Adaptation Fund Board (the Board) at its eighteenth meeting, approved a four-year project titled “Building Resilient Food Security Systems to Benefit the Southern Egypt Region” submitted by the World Food Programme (WFP) for a request amount of US\$ 6,904,318 (decision B.18/14). The overall objective of the project is to achieve an increase in the resilience of agriculture in Southern Egypt to climate change and build institutional capacity within government and communities to enable climate change adaptation replication and sustainability. It aims to do so by 1) applying adaptation technologies that will assist Southern Egypt to cope with rising temperature and low water availability, 2) generating knowledge, document lessons learned and best practices on climate-proofing of agricultural production, and 3) enhancing food security in the face of climate threats. As mandated by the decision, an agreement was prepared and signed between the Board and WFP.
2. The first tranche of disbursement for the implementation of the project was released following signature of the agreement in October 2012, with the total amount of US\$ 1,617,003. Although the inception workshop took place at the end of March 2013, according to WFP, recurrent political changes resulted in delaying some project activities. Due to these initial challenges an 18-month no-cost extension was requested by WFP in June 2016 and approved by the Board in September 2016 (decision B.27-28/26), postponing the completion date from March 2017 to October 2018.
3. The first project performance report (PPR) for the project was submitted in June 2014. The second PPR was cleared by the Adaptation Fund Board Secretariat (the secretariat) in August 2015, the third PPR was cleared by the secretariat in September 2016, and the fourth PPR was cleared by the secretariat in December 2016. As of December 2017, the total project's amount of US\$ 6,804,318 had been disbursed to the project by the Board's Trustee. The project went through a mid-term evaluation (MTE) process, with an MTE report finalized in September 2015.
4. The expected completion date of the project, following decision B.27-28/26, is October 2018. As outlined in the Adaptation Fund project delay policy, a request for an extension of project completion date should be submitted by the implementing entity at least six months prior to the official completion date. WFP had submitted on 8 January 2018 such request for an extension of the completion date until April 2020 through the secretariat, hence in accordance with the project delay policy.
5. The request, for an extension of 18 months of the completion date, is annexed to the present document.
6. The reasons for the request include the fact that the project has experienced delays as explained above. Additionally, according to the request, the sharp decrease of the exchange rate of the Egyptian Pound in November 2016 resulted the project to have unspent funds, which are expected to amount to approximately US\$ 1,500,000 in October 2018. The request notes that it has been agreed by the participating executing entities and the Designated Authority has been notified.
7. According to WFP, the requested extension of the completion date, would allow to:
  - Respond to the Government of Egypt's request to extend the project intervention to 29 new neighboring villages, and

- Build on the success and lessons learned in the previous period to effectively enhance climate change resilience within Southern Egypt at no additional cost.

### **Secretariat's review of the request**

8. Following a review of the request, the secretariat finds that given the delays incurred due to the aforementioned issues, and given the opportunity to extend the project activities to 29 new neighboring villages increasing climate change resilience in Southern Egypt, the request of an 18-month extension is justified. Additionally, the secretariat acknowledges that this no-cost project extension request has been agreed by participating executing entities and the designated authority (DA) has been notified, in accordance with the Adaptation Fund Policy for Project/Programme Delays.

### **Recommendation**

9. Therefore, the Board may consider and decide to approve the request for an 18-month extension of the project completion date for the project "*Building Resilient Food Security Systems to Benefit the Southern Egypt Region*" as requested by the World Food Programme (WFP), from October 2018 to April 2020.

### **Annex**

1. Request for an extension of the project completion date from WFP.

**Annex: Request for an extension of the project completion date from WFP****Request for extension**

*Request for extension of project/programme completion date*

<b>AF Project/programme ID:</b> EGY/MIE/Food/2011/1			
<b>Project/programme Title:</b>  Building Resilient Food Security Systems To Benefit The Southern Egypt Region			
<b>Country:</b> EGYPT			
<b>Project/Programme Approval (date)</b>	28 June, 2012 (Inception 31 March, 2013)		
<b>Expected Project/programme Completion (date)</b>	October, 2018	<b>Proposed Revised Completion (date):</b>	April 2020

The 'Building Resilient Food Security Systems to Benefit the Southern Egypt Region' Project proved to be a highly successful model for building resilience of vulnerable farmers and rural communities in the face of climate change. Introducing heat tolerant varieties of their staple crops, namely wheat, sorghum and maize, it successfully exposed farmers to techniques that support them in adapting to the anticipated 2-4 degrees increase in temperature in Southern Egypt over the next 20 years. Its climate information centers, 5 days weather forecast along with recommendations to reduce losses during extreme weather events has recorded substantially positive results in salvaging around 60% of their production in cases of heat and chill waves. Improved agricultural practices including change of sowing dates and improved irrigation techniques are also successfully introduced, profoundly enhancing farmers' productivity as well as land and water usage efficiency. Scientifically-guided intercropping, animal loans, introduction of non-traditional crops such as medicinal and aromatic plants have been very successful in diversifying and augmenting income, reducing farmer's dependence on climate-sensitive crops for a living.

In October 2015, the project's external mid-term evaluation rated it as 'highly-successful'. Several success factors were cited in support of this rating, including its high relevance, effectiveness and efficiency. The innovative approach of the project was also particularly noted, along with the highly satisfactory measures put in place to enhance potentials of sustainability after the project lifetime.

The project is considered within WFP as one of its best practices from which good practices are

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documented and shared to guide future implementation. In this regards, the project's participatory approach to engage stakeholders throughout different phases to build ownership, encourage them to work collaboratively and enhance their capacities has been documented as a reference for guiding similar projects.

The project is also acknowledged by the Adaptation Fund as one of its successful models from which its other projects can learn. Within the Fund's strategy to use information from its funded projects/programmes under implementation to (i) enhance countries' capacity and knowledge to improve the design and increase the effectiveness of future adaptation projects/programmes, and to (ii) inform its decision making, enhance transparency and improve the Fund's overall effectiveness, it selected the project for documentation of best practices in a knowledge sharing product that it is currently developing. Besides the stakeholders' engagement and participatory approach, other elements that will be highlighted in the document include the incorporation of local cultures, traditions and norms in approaching the communities. An evident example was the project's targeting of women in the animal lending activities, under which their role is culturally accepted, to overcome the imbalance caused by the male dominance of land cultivation in the project areas. How the additional new income from the revolving loans provided by the project allowed vulnerable women to start less climate- sensitive small businesses such as selling clothes, handicrafts etc. to support their households was also noted.

The Government of Egypt acknowledges this project as a very successful contribution to building climate resilience of vulnerable smallholders, as well as the implementation of the National Adaptation Strategy and the Agricultural Climate Adaptation Strategy issued in 2010, as well as the 2030 National Water Resources Strategy. Building on their demonstrated success, the government is now including the project interventions as key pillars of the National Adaptation Plan that is currently developed.

#### **Reasons/justifications for the extension of project completion:**

The project was approved by the Adaptation Fund Board in 28/6/2012 during a period when Egypt was undergoing significant political changes. Although the Inception Workshop was held on 31 March 2013, recurrent political changes resulted in delaying the start of project activities in the field till September 2013. As a result of this, the project schedule was affected and activities scheduled in the project document were implemented with the new timeline.

Apart from the above-mentioned start-up delays, several other challenges were faced during implementation, delaying/ imposing postponement of some key activities. Accordingly, an 18 months no cost extension was requested in June 2016 and approved by the Adaptation Fund Board in September 2016. This 18 months extension brings the current project end date to be 30 October 2018.

On November 3rd, 2016, the Central Bank of Egypt took the decision of floating the Egyptian Pound. As a result, the pound sharply decreased from 8.88 EGP to the US dollar to almost 18 EGP to the dollar, losing 55% of its value. Although this caused overall increases in prices, these increases were not as high as 200%. This meant that although the cost of implementing planned

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**World Food Programme**

project activities is expected to increase, calculations indicate that with all the planned activities implemented there will be an amount of approximately US\$ 1,500,000 unspent in the Adaptation Fund grant at the project end in October 2018.

With a no-cost project extension of 18 months the project will be able to:

- Respond to the Government of Egypt's request to extend the project services to neighboring villages. With the unspent savings, the project will extend interventions to 29 new villages.
- Build on the success and lessons learned in the previous period to effectively and efficiently enhance resilience within Southern Egypt at no additional funding.

With the 18 months extension, the new project end date would be 31 April, 2020. The resources of the extension are 100% guaranteed under the Adaptation Fund grant.

***Implementing Entity certification***

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the Designated Authority (DA) has been notified.

A handwritten signature in blue ink, reading "Menghestab".

*Menghestab Haile*  
WFP Egypt Country Director

Project/programme contact person: Dr. Ithar Khalil, Programme Officer

Date: December 27, 2017

Tel. and Email: +2 00 0100 6063056/  
[ithar.khalil@wfp.org](mailto:ithar.khalil@wfp.org).