



ADAPTATION FUND

AFB/B.31-32/10
6 August 2018

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION
DATE: UNDP (MYANMAR)**

Background

1. The Adaptation Fund Board (the Board) at its twenty-second/twenty-third intersessional meeting, approved a four-year project titled “Addressing Climate Change Risks on Water and Food Security in the Dry Zone of Myanmar” submitted by the United Nations Development Programme (UNDP) for a request amount of US\$ 7,909,026 (decision B.22-23/10). The overall objective of the project is to reduce the vulnerability of farmers in Myanmar’s Dry Zone to increasing drought and rainfall variability, and enhance the capacity of farmers to plan for and respond to future impacts of Climate Change on food security. The project is organized accordingly in three components: i) Response to the climate-induced reduction of freshwater supply; ii) Climate-resilient crop and livestock production systems; and iii) Improved climate risk information dissemination.
2. As mandated by the decision, an agreement was prepared and signed between the Board and UNDP in March 2014. Consequently, the first tranche of disbursement for the implementation of the project was released following signature of the agreement with a total amount of US\$ 2,456,700. The first project performance report (PPR) for the project was submitted in June 2016 and cleared by the Adaptation Fund Board Secretariat (the secretariat) in October 2016. The second PPR was submitted in July 2017 and cleared by the secretariat in August 2017, and the third PPR was submitted in May 2018 and cleared by the secretariat in June 2018. As of June 2018, a total amount of US\$ 7,909,026 had been disbursed to the project by the Board’s Trustee (corresponding to 100% of the total project funding). The project went through a mid-term evaluation (MTE) process, with a MTE report finalized in January 2018.
3. In June 2018, the secretariat received correspondence from UNDP requesting an extension of the project completion date. This is the first request for an extension of the project completion date. The original expected completion date of the project is 16 February 2019. As outlined in the Adaptation Fund Project/Programme Delay Policy (AFB/B.29-30/3/Rev.1) amended by the Board in October 2017 (Decision B.29-30/15), a request for an extension of project completion date must be submitted by the implementing entity at least six months prior to the official completion date. UNDP had submitted such request through the Secretariat in June 2018, for an extension of the completion date until 30 June 2019 (see Annex 1), hence in compliance with the aforementioned policy.
4. The request, for an extension of four months of the completion date, was accompanied by the endorsement by the designated authority (Annex 2).
5. The reasons for this project extension request, as outlined by UNDP, include the fact that the project experienced delays in its inception, in fact even though the project was launched in February 2015, the implementation of field activities started only by the end of 2015, due to challenges in the recruitment of project personnel and lengthy government processes. Following this delay, many of the climate-resilient agriculture and livestock practices have only been implemented towards the end of 2016 and 2017.
6. The MTE Report also highlights that even though at the time the report was developed it was too early to determine the need for extension given the uncertainties about what is achievable in 2018, it was key to consider the following potential criteria for determining a no-cost extension: the status of the completed work and sustainability of the assets developed; the level of effectiveness and completeness of the replication efforts to expand the adoption of proven farming technologies; and the extent to which learning and implication for related government extension programmes still needed to be addressed.

7. According to UNDP, the requested extension of the completion date would allow to help ensuring a high level of effectiveness and completeness of the dissemination and replication efforts to expand the adoption of proven farming technologies beyond the demonstration sites, and to give sufficient time to conduct the impact assessment survey towards the end of the project.

Secretariat's review of the request

8. Following a review of the request, the secretariat finds that given the delays for the [revised] targets' completion, the request of four and a half months extension is justified. A no-cost extension will, in fact, allow to accommodate the re-negotiation of contractual terms and conditions with the implementing partners to ensure quality of deliverables on rehabilitation/reforestation activities, and will help ensuring replicability and sustainability of the project activities in the remaining duration of the project, through dissemination efforts to expand the adoption of proven farming technologies, beyond the project sites.

9. Also, the secretariat acknowledges that this no-cost project extension request has been agreed with the Executing Entity and the Designated Authority has endorsed such change, in accordance with the Adaptation Fund Policy for Project/Programme Delays.

Recommendation

Therefore, the Board may consider and decide to approve the request for four-month extension of the project completion date for the project "Addressing Climate Change Risks on Water and Food Security in the Dry Zone of Myanmar" as requested by the United Nations Development Programme (UNDP), from February 2019 to June 2019.

Annexes

1. Request for an extension of the project completion date from UNDP;
2. Endorsement letter signed by the Designated Authority (Annex 2);

Annex 1: Request for an extension of the project completion date from UNDP*Request for extension of project/programme completion date*

AF Project/programme ID: 00089618			
Project/programme Title: Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar			
Country: Myanmar			
Project/Programme Approval (date)	6 Aug 2014 (project launched on 17 Feb 2015)		
Expected Project/programme Completion (date)	16 Feb 2019	Proposed Revised Completion (date):	30 Jun 2019

Reasons/justifications for the extension of project/programme completion:

Although the project was launched on 17 Feb 2015, actual implementation of field activities took place only after consideration of work plan and budget through inception workshop (August 2015) and the first Project Steering Committee meeting (Dec 2015). The inception workshop and 1st PSC meeting was delayed due to challenges in recruitment of project personnel as well as availability of government counterparts for inception workshop and PSC meeting. Therefore, the project will not be able to complete all of the necessary activities on time - to fully achieve the expected outcomes, due to the slow start, lack of qualified implementing agencies and delays in working within lengthy government processes. Many of the climate-resilient agriculture and livestock practices have only been implemented towards end 2016 and in 2017, leaving little time for subsequent replication and dissemination. Follow-up action is needed in terms of ensuring replication beyond targeted communities in the project areas.

The Mid Term Evaluation of the project, which was commissioned in Nov 2017 proposed several recommendations, some of which resulted in changes in implementation of project activities for the remaining duration of the project. More specifically, the concerns raised on quality of deliverables on rehabilitation/reforestation activities in the field required re-negotiation of contractual terms and conditions with the implementing partners. One of the measures taken to ensure quality was to reduce some of the project targets and allocate additional budget and time. Therefore, one of the contracts with implementing partners with an initial end date of Feb 2019 had to be extended to accommodate the above changes. In addition, securing land for rehabilitation/reforestation activities took a long time due to lack of clarity in procedures. Following this, the process of application for community forestry certificates for some of the rehabilitation/reforestation activities (which has already been initiated) is expected to take some time and this is expected to go beyond Feb 2019.

The project is also planning an impact assessment survey towards the end of the project, the final results of which is expected only towards end March 2019. This is an important aspect of the project work which will capture results and impacts of overall project implementation. The project team and UNDP will need to fully internalize the results of the assessment for consideration in future projects, as necessary.

One of the recommendations of the Mid Term Evaluation was to ensure replication and sustainability of project activities in the remaining duration of the project. Currently, the project team is discussing and preparing an exit strategy and sustainability plan for the project, which will be presented in the coming PSC meeting in June 2018. Some of the activities under this plan is expected to go beyond

Feb 2019 and therefore the project will need additional time to ensure the results/impacts of the project are carried forward and remain sustainable in the long run. For instance, the project will need to make significant efforts in 2018 and 2019 to ensure a high level of effectiveness and completeness of the dissemination and replication efforts to expand the adoption of proven farming technologies beyond the demonstration sites; and to address adequate user feedback on the weather forecasting app and agro-advisories and progress on integration into agricultural extension programmes.

The project is also planning the terminal evaluation in 2019 and we foresee that the project team will need to follow through the recommendations of the terminal evaluation, as well as ensure proper closure of the project, following the terminal evaluation of the project. The project team will also need to ensure proper financial closure of activities, especially for those implementing partners, whose final payments will be made after Feb 2019.

As of Dec 2018, the project will still have a remaining budget of US\$ 335,642.59 to be delivered in 2019 and therefore we would like to request for a no-cost extension of 4 months (until 30 June 2019) to complete all remaining activities.

The proposal for a no-cost extension was deliberated in the 5th Project Steering Committee (PSC) meeting on 20 Dec 2017 and the PSC agreed to the proposal – contingent upon final endorsement by the AF Secretariat.

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.

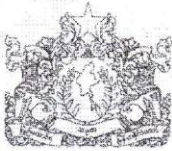


Director, Sustainable Development (Environment) a.i.
Executive Coordinator, Global Environmental Finance

Project/Programme contact person: Mr. Yusuke Taishi, Regional Technical Advisor, Climate Change Adaptation

Date: 31 May 2018

Tel. and Email: yusuke.taishi@undp.org

Annex 2: Endorsement letter signed by the Designated Authority

THE REPUBLIC OF THE UNION OF MYANMAR
 MINISTRY OF NATURAL RESOURCES AND ENVIRONMENTAL CONSERVATION

Ref No (Forest)4(2)/27(E)/(1076/2018)

Date 16th May, 2018

To

Secretariat, the Adaptation Fund Board

Subject: **Official Endorsement for No-Cost Extension of Adaptation Fund Project.**

The adaptation fund project "Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar" is being implemented by UNDP in collaboration with the Ministry of Natural Resources and Environmental Conservation. Being a four year project that was officially launched on 17 February 2015, it will terminate on 16 February 2019 if there is no project extension.

In consequence of the project activities of identification and selection of project target villages and stakeholder consultations for prioritizing stakeholders' needs at the village levels, the actual field implementation could begin after the 1st Project Steering Committee (PSC) Meeting held on 9 December 2015.

During the 5th PSC meeting held on 20 December 2017, the committee members agreed on extending project period and finally approved a 4-month no-cost extension of the project so that the project team can have more time to take care of the project activities, especially for survival counting (May 2019) for the 2018 planted trees and plantations, and for handing over of the project outputs to respective government institutions and local people.

Therefore, I **formally endorse** for the 4-month No-Cost Extension of the Adaptation Fund Project "Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar".

Ohn Winn (Designated National Authority for the Adaptation Fund in Myanmar)

Union Minister

Ministry of Natural Resources and Environmental Conservation

Myanmar

Cc: Permanent Secretary, Ministry of Natural Resources and Environmental Conservation
 Director General, Dry Zone Greening Department
 Country Director, UNDP Myanmar