



ADAPTATION FUND

AFB/B.31-32/12  
14 August 2018

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Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION  
DATE: ANII (URUGUAY)**

## Background

1. The Adaptation Fund Board (the Board) at its sixteenth meeting, approved a five-year project titled “Building Resilience to Climate Change and Variability in Vulnerable Smallholders” submitted by the Agencia Nacional de Investigación e Innovación (ANII) for a request amount of US\$ 9,967,678 (decision B.19/9). The overall objective of the project is to contribute to building national capacity to adapt to CC and variability focusing on critical sectors for the national economy, employment and exports. The project is comprised of four main components, namely: i) Resilience increase at the farm level in smallholders located in extremely drought-sensitive Landscape Units; ii) Development of a local network for climate change monitoring, awareness and response and iii) Knowledge Management on CC and variability. As mandated by the decision, an agreement was prepared and signed between the Board and the ANII.

2. The first tranche of disbursement for the implementation of the project was released following signature of the agreement in December 2011. The project inception took place in October 2012. The first project performance report (PPR) for the project was submitted in January 2014 and cleared by the Adaptation Fund Board Secretariat (the secretariat) in February. The second, third and fourth PPRs were cleared by the secretariat in April 2015, August 2016 and September 2017, respectively. As of August 2018, the total amount of funding for the project, US\$ 9,967,678, has been disbursed to the project by the Board’s Trustee. The project went through a mid-term evaluation (MTE) process, with a MTE report finalized in July 2016.

3. ANII had submitted to the secretariat on 30 May 2018 a request for a sixteen-month no-cost extension of the project completion date. This is the second request for extension following the one previously approved by the Board in November 2016 for an extension from the original completion date of 30 June 2017 to 31 December 2018 (Decision B.28-29/2). 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. This request is therefore in compliance with the Adaptation Fund Policy for Project/Programme Delays, as it was submitted by the implementing entity more than six months prior to the official completion date. The requested completion date is 30 April 2020 (see Annex 1). ANII had also submitted a letter from the executing entity, which provided more detailed information for the reasons of the request (Annex 2).

4. The reasons for the date change include the fact that under component 1, the project proposes focusing on investments that will improve access to water for production purposes. At the same time, the aim is to involve the organizations in preparing the proposals in order to improve territorial coverage and to provide access to funding to families that have not been beneficiaries in the past. Under Component 2, the territorial teams will continue enhancing the strategy to consolidate the revolving funds in the landscape units and at national level. Lastly, under Component 3 (Knowledge Management), the extension will allow to further technical interventions in the 26 locations, completing three years of work in each one. The project will organize activities to raise awareness and provide training on the use of the data collected, as well as promote studies that link agro-climatic information with indicators of primary and secondary production in livestock systems.

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

5. The secretariat finds that the sixteen-month extension request is reasonable and will help the project achieve its objectives as outlined above. Also, the secretariat acknowledges that this no-cost project extension request has been agreed by the Executing Entity and the Designated Authority has been notified, in accordance with the Adaptation Fund Policy for Project/Programme Delays.

### **Recommendation**

6. Therefore, the Board may consider and decide to approve the request for a sixteen-month extension of the project completion date for the project "Building Resilience to Climate Change and Variability in Vulnerable Smallholders" as requested by ANII, from December 2018 to April 2020.

### **Annex**

1. Request for an extension of the project completion date from ANII.
2. Letter from the Executing Entity of the project, the Ministry of Livestock, Agriculture and Fisheries of Uruguay (MGAP)

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

<b>AF Project/programme ID:</b> AFB/NIE/Agri/2011/1			
<b>Project/programme Title:</b> "Building Resilience to Climate Change and Variability in Vulnerable Smallholders"			
<b>Country:</b> Uruguay			
<b>Project/Programme Approval (date)</b>	December 13-14, 2011		
<b>Expected Project/programme Completion (date)</b>	December 31, 2018	<b>Proposed Revised Completion (date):</b>	April 30, 2020

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

<p>The reasons for the date change are related to the activities of the three components:</p> <ul style="list-style-type: none"> <li>• <b>Component 1 – Adaptation Investment.</b> The Project proposes focusing on investments that will improve Access to water for production purposes. At the same time, the aim is to involve the organizations in preparing the proposals in order to improve territorial coverage and to provide access to funding to families that have not been beneficiaries in the past.</li> <li>• <b>Component 2 – Strengthening Networks</b> The territorial teams will continue enhancing the strategy to consolidate the revolving funds in the landscape units and at national level.</li> <li>• <b>Component 3 – Knowledge Management</b> This will allow us to further technical intervention in the 26 locations, completing three years of work in each one. And the goal is to organize activities to rise awareness and provide training on the use of the data collected, as well as promote studies that link agro-climatic information with indicators of primary and secondary production in livestock systems.</li> </ul>
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*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.	
<i>Marcelo Battó Lindsay</i> Agencia Nacional de Investigación e Innovación. Área Operaciones.	
Date: May 30, 2018	Tel. and Email: <a href="mailto:mbatto@anii.org.uy">mbatto@anii.org.uy</a>

## Annex 2: Letter from the Executing Entity of the project, the Ministry of Livestock, Agriculture and Fisheries of Uruguay (MGAP)



Montevideo, May 7, 2018

**Note GFCC-ANII N° 01/18**

Mr. Marcelo Batto  
Operations  
National Research and Innovation Agency (ANII)  
Uruguay

Dear Mr. Batto,

### **Re: Family Livestock Farms and Climate Change Project– Request for a 16-Month Extension**

The Ministry of Livestock, Agriculture and Fisheries of Uruguay (MGAP) hereby submits a request to the Adaptation Fund (AF), through the ANII, for a 16-month extension to complete the execution of the Project “Building Resilience to Climate Change and Variability in Vulnerable Small farmers” (GFCC Project). If this time extension is granted, the Project’s new completion date would be April 30, 2020.

The reasons for this request are as follows:

**Table 1 – Amount Executed and Committed Per Component**

Components	Total Budget	Total				In process	Outstanding balance
		Executed	Committed	Total	%		
Component 1	7.260.000	5.030.835	1.662.432	6.693.266	92%	-	566.734
Component 2	952.362	682.035	156.933	838.969	88%	1.000	112.393
Component 3	784.424	565.566	174.352	739.918	94%	500	44.006
Component 4	474.643	195.810	38.383	234.193	49%	43.000	197.450
Contingencias	191.539	-	-	-	0%	-	191.539
<b>Total USD</b>	<b>9.662.967</b>	<b>6.474.245</b>	<b>2.032.101</b>	<b>8.506.346</b>	<b>88%</b>	<b>44.500</b>	<b>1.112.121</b>

Table 1 is the Project’s financial situation by component for the period ending March 2018 for the execution of the GFCC Project and the amounts committed under the current deadline of December 2018.

According to the above, and in view of the activities planned for implementation by December 2018, the amount remaining from the Project’s total budget cannot be executed if the current deadline is maintained.



This situation is the result of internal and external factors that have delayed the work to be performed and affected the Project's original timeframes.

Since the beginning, the Project followed the general guidelines of the MGAP, Natural Resources Directorate (DGRN), and particularly the Rural Development Directorate (DGDR) which consisted of involving the executing units, divisions, and above all territory stakeholders in all aspects of the Project planning. Raising awareness, dissemination and planning activities in the field to engage all the parties involved, took more time than anticipated. However, it enhanced Project ownership and delivering activities designed according to the needs of each territory.

The characteristics of the Project beneficiaries and the landscape units (LU) became a challenge, as the Project generated beneficiary interest in Project activities and involvement in organizations with a presence in the territory. In general, Project beneficiaries dwell in areas with a dispersed population, and they never received on a regular basis technical assistance to improve their productive capacity. If they have ties to an organization in the area, they usually don't participate in their activities regularly. In addition to this, some never have been linked to public agricultural institutions through any type of public policy instruments, and they have no knowledge of accessing information or public policies.

In view of the above, the GFCC Project extended its scope to include families that were more geographically isolated and also those that never have been, as farmers, beneficiaries of public policies in the past. Achieving this objective required extensive coordination between the teams involved, including the DGDR, the DGRN, the Rural Development Boards (MDR), farmer organizations, and private technical assistants causing delays in the execution of the Project's original timetable.

The same premises guided the work with the organizations, the MDRs and farm selection. Enhancing awareness, planning actions in the territories, and generating agreements required developing work procedures that took more time than estimated at the start of the Project. However, the Project gained a higher level of commitment of the parties involved.

In reference to external factors that delayed the Project's execution and affected the time allotted initially, it is important to point out that since the beginning of the Project's execution phase there have been three extreme weather events that have had an adverse impact, either totally or partially, on agricultural production in the LUs.

Declaring an agricultural emergency has multiple implications. On the one hand, at the farm level it requires the implementation of a series of management measures that require extra work and more capital on the part of small farmers, making it difficult for



them to participate in other activities and requiring them to postpone their daily farm duties.

At the level of the organizations, in particular during the most recent agricultural emergencies (2015 and 2017), the organizations played a specific role in the collection and distribution of fodder. Much of their time was spent on providing emergency relief, so the delegates had less time to participate in other activities.

Lastly, and from an institutional point of view, addressing the agricultural emergency requires reassigning available human resources to do work outside of the scope of the Project. Reassigning personnel to perform additional duties had a direct effect on the team's working capacity in the territories.

Even though the Project execution phase took more time than initially planned, we believe that prioritizing extensive participation of territory players in Project activities has been important to achieve the pre-established goals and improve sustainability of our actions once the Project ends. For this reason, a time extension would allow us to use unspent budget funds to further our work and to provide a proper closure for the GFCC Project.

## **Work Proposal**

### **Component 1 – Adaptation Investment**

The aim of this component is to continue calling for farm investment proposals for adaptation to variability and climate change. In this case, the Project proposes focusing on investments that will improve access to water for production purposes.

At the same time, the aim is to involve the organizations in preparing the proposals in order to improve territorial coverage and to provide access to funding to families that have not been beneficiaries in the past.

### **Component 2 – Strengthening Networks**

In order to strengthen networks, Project action focuses on consolidating territorial networks. To achieve this, the strategy aims at capacity building of individuals, organizations and the community.

To accomplish the objectives proposed in this new phase, the following Project actions will be taken:

1. At the level of the eight MDRs that are currently executing strengthening Projects.
2. Provide training for youth groups that participated in the third and fourth "*Somos de Aca*" meeting.



3. Provide training on revolving fund management and monitoring for organizations that are managing this instrument.
4. Provide training on organizational management for organizations in the territory.
5. Provide training for territorial team technical assistants working on territorial planning.

Specifically, with regards to the revolving funds, two phases of the strategy have been completed. The first consists of increasing awareness and providing information about the objectives of the revolving funds. The second is working with the organizations and the technical staff on operating regulations for revolving funds. Both include identifying a series of procedures that will facilitate implementing regulations and the contribution that the beneficiaries make to the organization or group selected.

In this regard, a new work stage begins with the aim of strengthening this tool in the beneficiary organization and territory. The work will require promotional efforts and monitoring. In order to achieve this, close collaboration is needed between the Rural Financing Division of the DGDR and the GFCC Project team. It also implies assigning human resources specifically to carry out these activities. In view of this, the Project proposes hiring a person with expertise in social areas that will work in the Rural Financing Division and coordinate with the Component 2 of the GFCC and the territorial teams to develop a strategy to strengthen and consolidate the revolving funds in the LUs and at the national level.

### **Component 3 – Knowledge Management**

The Reference Farm Network (Red PR) implies a process of co-innovation and monitoring focusing on creating strategies for adaptation to climate change and variability in family livestock systems through the implementation of process technologies that are low cost, and have a high productive impact and potential for building resilience.

Extending the GFCC Project closure date will allow us to further technical intervention in the 26 locations, completing three years of work in each one. We believe that this is the optimal amount of time needed to bring about important transformations in the use of technology in small farm management, and the system's dynamics and economic and production results.

On the other hand, six automatic pluviometric stations purchased within the framework of the Project have been set up in the selected farms. From now on, the goal is to organize activities to raise awareness and provide training on the use of the data collected, as well as promote studies that link agro-climatic information with indicators of primary and secondary production in livestock systems.





The objective is to carry out these studies in close coordination with the Red PR. In view of this, we foresee the need to expand the sensor network not only in the farms already covered, but also to include new farms. This requires purchasing new instruments capable of capturing more variables needed for the construction of resiliency indicators and the creation of mechanisms for Project monitoring, reporting and verification.

Sincerely yours,

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**Jorge Marzaroli**  
*Executive Manager*  
**Project Management Unit**