

Project amendments in SANBI's project: 'Building resilience in the Greater uMngeni Catchment, South Africa.'

Dr. Mandy Barnett, Climate Funds Unit, SANBI



Project 1:

Building resilience in the Greater uMngeni Catchment, South Africa

(USD 7.5 million)

- Early warning systems that support local communities and small scale farmers
- Climate-proof settlements (built and **ecological infrastructure**) and informing settlement planning
- Climate resilient agriculture
- Lessons learnt



South African
National Implementing Entity
of the Adaptation Fund



Timeline

- During year 1: Noted that disbursement schedule needed amendment
- Obtained guidance from secretariat: Submit PPR, and on approval, submit request to change disbursement schedule to the Board for consideration
- PPR submitted end of 2016, approved beginning of 2017
- March 2017 – amendment letter submitted



South African National Biodiversity Institute (SANBI)
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28 March 2017

The Adaptation Fund Board
C/O Adaptation Fund Board Secretariat
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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

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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



ADAPTATION FUND

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4 May 2017

Ms. Mandy Barnett
Lead: Climate Funds
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Dear Ms. Barnett,

I have the pleasure to inform you that the Adaptation Fund Board, during its intersessional decision cycle between the twenty-ninth and thirtieth meetings, has decided to approve the revised disbursement schedule for the project "Building Resilience in the Greater uMngeni Catchment", as requested by SANBI on 28 March 2017. Please refer to Decision B.29-30/2, contained in the Annex of this letter, for the text of this decision.

The Secretariat will also process the transfer of the second tranche (USD 2,397,287) to SANBI for the said project.

Please do not hesitate to contact the Adaptation Fund Board secretariat if you have any questions about the decision.

Sincerely,

Mikko Ollikainen
Manager
Adaptation Fund Board secretariat

...no cost extension

- Due to unforeseen circumstances, disbursement has been slower than expected
- We anticipate submitting a second proposed change to the disbursement schedule, and a request for a no cost extension, after approval of the year 3 PPR.