



ADAPTATION FUND
Readiness Programme
for Climate Finance

Webinar #10 Report: Managing project extensions through adaptive management during project implementation

22 and 23 April 2020

Introduction

The Adaptation Fund (the Fund) readiness webinars are organized as part of its Readiness Programme for Climate Finance which delivers readiness and capacity-building support for accreditation to the Fund and support in navigating the Fund's project cycle process. The tenth webinar was held on 22 April for the Fund's accredited national implementing entities (NIEs) located in the time zone of the Latin America and Caribbean (LAC) region and the Africa region and was repeated on 23 April for NIEs located in Asia and the Pacific regions. The webinar discussed how implementing entities could manage and reduce the need for project extensions by using adaptive management during project implementation.

The webinar was moderated on both days by Farayi Madziwa, coordinator of the Adaptation Fund (The Fund) readiness programme. Mikko Ollikainen, manager of the Adaptation Fund Board Secretariat (the secretariat), gave welcome remarks. In his welcome message Mikko wished everyone good health during the COVID-19 pandemic and stated that whilst the pandemic was directly affecting people both in their personal lives and work life, it was also creating new vulnerabilities, especially in communities that were already experiencing other vulnerabilities. He expressed that as a result, many projects funded by the Fund and under implementation by the NIEs could be affected which could erode the resilience being built through these projects. He pointed out that whilst the COVID-19 pandemic presented an additional risk to communities and the management of project implementation and project timelines, the climate vulnerability remained and hoped that it was not forgotten as a result of the pandemic. He concluded by expressing that the pandemic presented an opportunity to highlight the multitude of vulnerabilities that communities face and that this awareness could be used to create stronger ways to increase resilience and that the Fund and NIEs could together share examples of best practice during these times to increase resilience at the global level.

Presentations by the Adaptation Fund Board Secretariat

- Alyssa Gomes, the extended term consultant working with the Adaptation Fund Board Secretariat (the secretariat) projects team gave an overview of the Fund's policy on project delays and highlighted the following key points:

- The Fund's policy on project/programmes delays¹ lays down reporting requirements and procedures in the case of unavoidable and exceptional delays (often beyond the IEs control) in project inception and completion. The policy includes reporting timelines, procedures for reporting project delays, and templates for submitting a request for project extension, including for project formulation grants (PFGs), project formulation assistance (PFA) grants and other readiness grants.
 - The Fund's Operation Policy and Guidelines (OPG) – Annex 7¹ provides guidance to implementing entities (IEs) on how to comply with Fund procedures in the case of unavoidable changes in outputs & activities.
- Martina Dorigo, Program Analyst working on pre and post approval processes for Fund projects and programmes presented an overview and analysis of project delays and extension requests. She highlighted that the Fund has been experiencing an increase in the number of extension requests for various reasons including the pandemic of covid-19.
 - Since operationalization of the Fund to date, 55 requests for project extensions had been received, of which 15 were from NIEs. The average of the extended duration was 15 months, and she recalled that the maximum extension that can be requested is 18 months. Additional months of extension can be granted just based on exceptional circumstances, assessed on a case-by-case basis.
 - Reasons given by implementing entities (IEs) for extensions fell under the following categories:
 - Delays in procurement processes;
 - Force majeure including climate events, political instability;
 - Turn-over of key stakeholders in the project; change in government;
 - Slow mobilization of communities; additional consultations and feasibility studies;
 - Project restructuring to accommodate country needs, context;
 - Finalization of implementation arrangements.
 - Martina outlined 3 options for adaptive management which could reduce the need for requesting project extensions as follows:
 - (i) Better planning and reporting
 - (ii) Mid-review for adjustments
 - (iii) Communication with AFB secretariat

Question: Due to the quarantine, some field activities have had to be postponed which are close to the project completion dates. The project completion date will be in the 3 months. What will we have to do to extend the project by 2 or 3 months?

Answer: Generally an extension request should be submitted at least 6 months before project completion. However, due COVID-19 it is understandable that some field activities would not be possible. You could submit an extension request using template A in the Fund's policy on project delays. Word versions of all relevant templates under the policy are available on the Fund website².

¹ The policy and OPG can be viewed and downloaded from the Adaptation Fund website: <https://www.adaptation-fund.org/documents-publications/operational-policies-guidelines/>

² The templates can be accessed via the following link: <https://www.adaptation-fund.org/documents-publications/operational-policies-guidelines/>

Question: We requested an extension just before the COVID-19 situation. What is the maximum number of requests one can submit for no cost extensions? Is there a possibility of requesting one on top of another?

Answer: There is no limit, but you cannot request an extension of more than 18 months at a time. Extension requests of more than 18 months will only be considered under exceptional circumstances and will be assessed on a case by case basis.

Question: When an entity submits a request for an extension, does the AFB secretariat respond directly to the request through an email to the project manager for example or you wait until you get a response from the AF Board because we sent a request but we have not yet heard back from you so far?

Answer: Typically once the NIE submits a request for extension and if the secretariat finds that there are missing documents or the justification provided is not strong enough, then the secretariat would get in touch directly with the entity to get further clarity before submitting the request to the Board. If the submission is complete, then the secretariat processes the request and submits it to the Board for a 2-week non-objection approval. After the 2 weeks the secretariat will inform the entity of the decision by the Board. In your case if you have not yet received communication from the secretariat since submission, it means the extension request was processed and submitted to the Board and you will be informed of the Board's decision as soon as it is passed.

Presentations by NIEs

Violeta Leiva Milanca, Project Manager – AGCI, Chile

- The AGCID project titled “Enhancing Resilience to Climate Change of the Small Agriculture in the Region of O’Higgins” had not yet requested an extension and was on track. The project is in a very dry region, and benefits 2,000 small farmers, increasing their capacities for water and soil management, including subsidizing 500 farmers with rainwater harvesters, storage tanks and small greenhouses. The project also seeks to improve access to agroclimatic information.
- Risks faced by the project that could have resulted in delays in implementation included: Absence of rain and a heavy drought in the region which lasted 6-7 months - this affected rainwater gathering; Political instability and social unrest – affected procurement and equipment delivery.
- How the risks were addressed included: Assessment of risks in the last project performance report submitted to the Fund and in the project mid-term evaluation helped and led to adaptation of project activities - Farmers were taught apiculture (beekeeping) which helped diversify the implemented activities; Holding workshops with the farmers on other adaptation topics that were not strictly dependent on rain; Knowledge management and training on how to farm using less water based on soil conditions; and AGCI increased number of beneficiaries who were trained on how to use farming equipment such as harvesters in preparation for their arrival or if they were to purchase their own.
- Advice to other NIEs to avoid extension requests would be to wait until the mid-term evaluation of the project, planning and updating project implementation plan before requesting an

extension, and enhancing communication with project stakeholders. Given the current COVID pandemic AGCI managed to complete the last project performance report online.

Question: How did you manage the takeover of the project management unit beyond the initial project implementation period?

Answer: AGCID has managed the relationship with the project management unit by having a project coordinator in contact with the technical team and there have a 2-step system for procurement and project disbursement plan which leads to constant communication and checks and balances with the project management unit. AGCID has not asked for an extension yet and so have not faced the problem with salaries yet. The approach AGCID would take if they faced delays would be to reduce the size of the team so that the project duration can be extended without increasing the costs.

Question: In the event of a delay in the implementation of the project e.g due to procurement procedures, would it be possible to request a postponement of 6 or 9 months to carry out the mid-term evaluation?

Answer: There would be no need for extension because the project would be at the mid-term. It would be more ideal to request an extension if the delay affects the completion dates of the project. In this case the NIE would be able to do the mid-term review at the postponed date without submitting an extension request.

Question: In the case that the extension goes 12 months after the initial project implementation, how can we undertake the salaries of the members of project unit?

Answer: All extensions being discussed during the webinar are no cost extensions and the Fund does not have a contingency to cover increased budget due to project extensions. In this case it would not be possible for the Fund to provide additional budget and it would be up to the IE to manage the implementation fees and project costs to cover these additional costs. This assessment would be important to cover as part of the project mid-term review.

Comment: Fundcooperacion (Costa Rica) will be using the time that they cannot execute project activities due to COVID-19 by hosting webinars with executing entities and project beneficiaries to showcase results from their projects.

Question: The idea to engage project stakeholders during the COVID-19 pandemic is a good one. However, this is very challenging for project stakeholders in rural areas with low or no access to technology. Any ideas on how to address this issue?

Answer: Fundcooperacion will use Zoom, and in case they don't have access, most stakeholders have smart phones and Fundcooperacion will share information/testimonies of what the executing entities (EEs) are doing through their phones. However, most of the EEs have some access to internet.

Innocent Musabyimana, Green Economy Specialist – MoE, Rwanda

- MoE was implementing a project titled “Reducing vulnerability to climate change in north west Rwanda through community based adaptation”. The project objective was to improve adaptive capacity of rural communities and activities were focused on land management, livelihood improvement and institutional capacity-building. Project achievements include river management, implementing bench terraces on over 861 hectares, resettlement of over 200 households from high risk zones to a green village, distribution of cows to vulnerable communities and use of biogas, construction of a carrot washing centre and hand craft centre, as well as formal training to youth.

- Factors that caused delays included: Government reshuffle which led to a split of the NIE into 2 ministries and a delay in re-accreditation of 12 months; and Lack of Adaptation Fund policy and guidance on how to deal with cases of split institutions in which the split institution is an accredited NIE.
- MoE's suggestions on how the above challenges could be addressed in future projects include: Whilst the split of the institution was beyond the control of the NIE, partnerships with private sector helped sustain implementation of activities; Maintaining institutional memory which proved key in informing the accreditation and re-accreditation process; Forward planning and consistent monitoring of project achievements; and consistent communication with the Fund.
- In responding to the question on what the NIE would have done differently to avoid requesting an extension, MoE observed that the Fund had updated its policy on project delays which was good to provide guidance to NIEs, and suggested that when the IE asks for a project extension, it should also take into account a realistic timeframe to undertake and finalize all the project reporting requirement at closure stage, this in order to cover all the Terminal Evaluation/Financial Audit costs before the project is financially closed.

B. Suri Babu, General Manager – NABARD, India

- NABARD was implementing 6 projects by the Adaptation Fund across different climatic regions in India. The projects cover the following sectors: Food security and agriculture; Water conservation, Coastal management; Sustainable livelihoods; Forest management; and Livestock and fisheries management.
- Internal issues that have caused some delays in the projects include: Poor manpower deployment; Lack of regular and effective monitoring; Inefficient fund management; Reporting and communicating deficiencies; and Improper PPR preparation and delayed submission.
- External issues that have caused some delays in the projects include: Inadequate community mobilization; Lack of expected convergence; Non-receipt of requisite approvals from Government departments; Delays in fund transfer from AFB to NIE and NIE to EE; and the Issue of capacity-building of staff of EEs and other partner agencies.
- NABARD took some measures to address the above. These included: Deployment of dedicated manpower in all the project stages in the NIE and EE; NABARD has presence at district level and at national level so it put in place an effective monitoring system at project district level and at state level and addressing issues identified with all stakeholders concerned; Regular monitoring and verification of utilization of funds and whilst there were delays in submitting some PPRs, these were mainly related to provision of guidance to EEs on preparation of the PPRs; Deploying multiple social engineering tools for community mobilization and engaged non-governmental institutions in the project areas; Undertook regular follow-ups and provided handholding support; and Provided capacity-building through trainings, workshops, exposure visits and an ESG framework for assessment and management.
- Lessons learnt by NABARD to reduce or avoid project delays included: Sensitizing the community in the beginning stage and ensuring their participation, including community

mobilization and capacity development is key to ensure timely implementation; Wherever government departments are involved, consultation with the departments at project submission/from the beginning reduces time for getting approvals during implementation; Because government processes are constantly changing financial commitment of the government should be kept at a minimum during project development; Voluntary community contribution (in-kind to some of the formal interventions) elicits ownership of the project; Training and capacity-building the EE to design and prepare the PPR is important to ensure timely flow of funds; A formal agreement between the NIE and EE is key; Creating grassroots level community institutions to ensure local drive for execution of activities is key; Need to strike a balance between flexibility and rigidity and understand genuine concerns of EEs; NIEs have to track project implementation, especially of seasonal activities; NIEs should facilitate a platform for cross learning and experience sharing among EEs; and NIEs should address the technical and managerial training needs of EEs.

- When COVID-19 came into one of the AF project areas, the women project beneficiaries who were trained in livelihoods activities from the project came to the rescue and started preparing face cloth masks and supplying them to the entire project area and other parts of the district to ensure that there were no shortages of masks. This presented a great example of resilience that the projects are bringing to communities, not just for climate but also in other areas such as the pandemic and in the areas of health, water and others.

Ahmad Abdel-Fattah, Program Manager – MOPIC, Jordan

- MOPIC is implementing a project titled “Increasing the Resilience of Poor and Vulnerable Communities to Climate Change Impacts in Jordan through Implementing Innovative Projects in Water and Agriculture”. The project aims to adapt the agricultural sector in Jordan to potential impacts of climate change through testing and trying innovative technologies that result in re-use of waste-water, rainwater harvesting and permaculture. The project is also building capacity at both the national and local/community levels, including knowledge dissemination, mainstreaming policy and legislation, and establishing early warning systems.
- Whilst the project was approved in 2015 with 67 activities planned, implementation only really started in 2017. The project mid-term review was supposed to have been done in July 2018, but there were some delays and it is currently underway but has also faced some delays in MOPIC’s review of the evaluation report due to COVID-19.
- Factors that led to delays included: Procedural delays which affected recruitment of the project management unit (PMU) staff, EE focal points, preparation of the ToRs for the tender document, and a very slow and lengthy tendering process due to government scrutiny, transparency and auditing procedures and regulations; When the project management unit was commissioned in 2016 it discovered that not all EEs were ready to undertake activities because of a lot of changes e.g, some of them had changes in their mandates, a lot of changes happened in the beneficiaries themselves and so about 23 activities had to be cancelled; Changes in government legislation related to procurement; and Site specific delays due to for example, technical issues related to environmental and social impact assessments and inaccuracies in ToRs for tenders.
- Proposed solutions by MOPIC to the above challenges include: the Adaptation Fund should establish a more stringent control mechanism to maximize control and monitoring of IEs because if the Fund follows up with IEs e.g, on procurement, perhaps requesting clear

procurement timelines at the project proposal stage and on recruitment of the PMU, then the IEs will be obligated to quickly move things internally; On the IE side, there needs to be reforms in governance to minimize decision-making and execution bureaucracy; and On the EE side there needs to be capacity-building in project management and implementation.

Question: One of the procurement process for MOPIC (recruitment) was delayed for almost a year. How does the AF secretariat take that and did you as the IE communicate all the problems along the process with the AF?

Answer (MOPIC): The AF was very flexible, and it advised us to do procurement in line with the IEs processes and procedures. The challenge was that there was a lot of bureaucracy due to the government system in Jordan which was also exacerbated by reshuffling of 3 ministers and 3 secretary generals in the NIE during the project.

Answer (AFB secretariat): The AF follows up closely with entities regularly on implementation and through the project performance report (PPR) through which it is expected that the IE would report any implementation issue or project delays. It is advisable for IEs to indicate any project delays in the PPR and to avoid informing the secretariat only at the last minute. Where it concerns internal issues within the NIE, Fund processes are country-driven, and procurement is expected to be undertaken by the IE based on its own procurement processes and procedures.

Announcements

- The Fund had commissioned a study on readiness and capacity-building and the consultant working with the Fund on the study would like to hold interviews with some of the NIEs.
- The 35th meeting of the Board was postponed to 23 June 2020 and the deadline for project review was 20 April and the review cycle is currently underway.
- The current Chair of the community of practice for direct access entities (CPDAE), Claudia Godfrey announced that the community was continuing to work and meet virtually from home and was planning to hold virtual meetings for each language group, English French and Spanish to share experiences related to project and programme implementation and how the pandemic is affecting NIEs. She stated that the meetings had the following 2 objectives:
 - Sharing and learning
 - Sharing concerns by IEs with donors and propose some actions to alleviate constraints.

ANNEX

Attendance List:

NAME	Organization
Violeta Leiva	AGCID – Chile
Marcelo Batto	ANII – Uruguay
Aissatou Diagne	CSE – Senegal
Ndeye Coumba Diop	CSE – Senegal
Arleen Lezcano	<i>Fundación Natura – Panama</i>
Vilna Cuellar	<i>Fundación Natura – Panama</i>
Joselyn	<i>Fundación Natura – Panama</i>
Carolina Reyes Rivero	Fundecooperacion – Costa Rica
Marianella Feoli	Fundecooperacion – Costa Rica
Mathieu Biaou	FNE - Benin
Dewi Rizki	Kemitraan – Indonesia
Mani Mate	MFEM – Cook Islands
Innocent Musabyimana	MoE - Rwanda
Ahmed Abdel-Fattah	MOPIC - Jordan
B. Suri Babu	NABARD – India
Nayari Diaz-Perez	PACT – Belize
Shelia McDonald-Miller	PIOJ - Jamaica
Claudia Godfrey	Profonanpe – Peru
Mpfunzeni Tshindane	SANBI – South Africa
<p><u>Adaptation Fund Board Secretariat</u> Mikko Ollikainen – Manager Farayi Madziwa – Readiness Programme Coordinator Sophie Hans-Moevi - Senior Program Assistant Mahamat A. Assouyouiti – Senior Climate Change Specialist Martina Dorigo – Programme Analyst Alyssa Gomes – ETC Cristina Dengel – Knowledge Management Officer Young Lee – Governance Specialist Matt Pueschel – Communications Officer Bianka Kretschmer – Junior Professional Officer Ishak Mohammed – Consultant</p> <p><u>Adaptation Fund Technical Evaluation Reference Group (TERG):</u> Dennis Bourg – Evaluation officer Caroline Halo – Consultant Anh Bui – Consultant</p>	