



ADAPTATION FUND

AFB/B.35.a-35.b/8
3 June 2020

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION
DATE: PLANNING INSTITUTE OF JAMAICA (JAMAICA)**

Background

1. The Adaptation Fund Board (the Board) at its eighteenth meeting, approved a four-year project titled “Enhancing the Resilience of the Agriculture Sector and Coastal Areas to Protect Livelihoods and Enhance Food Security” submitted by the Planning Institute of Jamaica (PIOJ) for a requested total amount of US\$ 9,965,000 (decision B.18/9).
2. The overall objective of the project is to protect the livelihoods and food security of people living in vulnerable communities by improving land and water management for the agricultural sector, strengthening coastal protection and building institutional and local capacity for climate change adaptation.
3. As mandated by the decision, an agreement was prepared and signed between the Board and PIOJ in July 2012 and the project started implementation on 2 November 2012. The first tranche of disbursement for the implementation of the programme was released following signature of the agreement in July 2012, with the total amount of US\$ 3,451,897.
4. The first programme performance report (PPR) for the project was submitted in January 2014 and cleared by the Adaptation Fund Board Secretariat (the secretariat) in February 2014. The second PPR was submitted in December 2014 and cleared by the secretariat in January 2015; the third PPR was submitted in January 2016 and cleared by the secretariat in March 2016. The project went through a mid-term evaluation (MTE) process, with an MTE report finalized in February 2016. The fourth PPR was submitted in December 2016 and cleared by the secretariat in January 2017. The fifth PPR was submitted in December 2017 and cleared in February 2018. The sixth PPR was submitted in December 2019 and cleared by the secretariat in March 2020.
5. The official expected completion date of the project was 31 March 2016. PIOJ submitted a request for an extension of project completion date to the Board through the secretariat in January 2016 for an extension of the completion date until 30 September 2017. The reason for such request was a number of unforeseen issues that had negatively impacted implementation, including delays in the start of the construction phase of component 1 due to issues encountered in the consultation process in the target area for that component. The request was approved through Decision 27-28/1. A second no-cost extension request for sixteen months was submitted to the secretariat in July 2017 and was approved by the Board through decision B.29-30/11, setting the project completion date to 31 March 2019.
6. In relation with the above-mentioned issues encountered by the project, PIOJ had submitted on 9 February 2018 a request for change of project outcome, outputs and related indicators. Following unsuccessful attempts at mediation with some of the stakeholders in the originally proposed location for the project, PIOJ sought approval from the Board to revise these components in order to build the resilience of other badly eroded areas of the island. The secretariat’s review of the request found that component 1 of the project had been revised to still address the same objective as in the original project design, while targeting another area. In addition, it was proposed that the relevant capacity building activities under Component 3 be updated accordingly for the new target area and communities. On 23 March 2018, the Board approved the request for change of project outcome, outputs and related indicators in Decision B.31/2.
7. The revised project is comprised of three main components, namely: i) increasing the climate resilience of the North Eastern coastline through shoreline protection works; ii) enhancing the climate resilience of the agricultural sector by improving water and land management

practices; and iii) improving institutional and local level capacity for coastal and agricultural adaptation and awareness raising.

8. An amended agreement was prepared and signed on 4 May 2018 to reflect changes made in the disbursement schedule as approved by the Board (B.31/2).

9. A third no-cost extension request for eighteen months was submitted in December 2018 and was approved by the Board in decision B.32-33/10, setting the project completion date to 30 September 2020.

10. On 31 March 2020, PIOJ submitted a fourth request for a 12-month extension for the project completion date to 30 September 2021. The reason for an additional request for extension, as outlined in Annex 1 submitted by PIOJ, includes the fact that the project is facing delays due to unanticipated procurement challenges related to a concentration of high volumes of construction activities involving the main executing entity for the relevant component. The implementing entity has taken steps to provide direct technical support to the respective executing entities. To help mitigate these issues and any further risk of delay in the context of the COVID19 pandemic, the PIOJ has drawn on the direct involvement of the Programme Steering Committee and Ministry of Finance officers with the requisite technical expertise.

11. As of 3 June 2020, a total amount of US\$ 5,980,360 has been disbursed by the trustee including the implementing entity and execution fees.

Secretariat's review of the request

12. Following a secretariat's review of the request and considering the detailed explanation provided by PIOJ related to procurement challenges and capacity issues by the relevant executing entities for the shoreline protection works under the revised component 1, the secretariat believes that this request of a further twelve-months extension is justified. As evidenced by the memo provided by PIOJ (Annex 1), it is noted that the implementing entity is undertaking mitigating measures to address further risk of delays and that this request for extension will ensure the completion of all planned activities in the project target areas.

13. According to the latest PPR submitted covering the calendar year 2019, the project has disbursed 46% of the total grant (excluding the implementing entity and execution fees) to the executing entity. Overall project implementation progress is rated as marginally satisfactory. Project actions/activities planned for the last reporting period were progressing on track to achieve relevant outcomes/outputs; however, in relation to the coastal works under revised Components 1 and 3, there have been significant, unforeseen procurement delays, which have affected the original completion timelines as well as expected expenditures. The NIE is actively pursuing remedial strategies to address the resource constraints/competing priorities negatively affecting programme performance. In relation to the reforestation sub-component, the uptake of seedlings for planting has been impacted by a number of factors such as drought, capacity of most farmers' holdings and by other competing projects. Improvements are expected for the upcoming reporting period due to a change in strategy to promote inter-cropping for small holders, as well as increase the number of communities involved.

14. Finally, the secretariat acknowledges that this no-cost project extension request has been agreed with the executing entity and endorsed by the Designated Authority, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

15. The Board may consider and decide to approve the request for an additional 12-months extension of the project completion date from 30 September 2020 to 30 September 2021 for the project “Enhancing the Resilience of the Agriculture Sector and Coastal Areas to Protect Livelihoods and Enhance Food Security” as requested by PIOJ.

Annex

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

Annex 1: Request for an Extension of the Project Completion Date

AFB/B.34-35/6

Annex I: Request for Extension*Request for extension of project/programme completion date*

Implementing Entity Name: Planning Institute of Jamaica			
AF Project/programme ID: JAM/NIE/Multi/2011/1			
Project/programme Title: Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Enhance Food Security			
Country: Jamaica, W. I.			
Project/Programme Approval (date)	July 2012		
Expected Project/programme Completion (date)	September 30, 2020	Proposed Revised Completion (date):	September 30, 2021

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

The previously reported procurement challenges encountered under Component 2 have been resolved, and the remaining activities have now been completed. Elements of Component 3 which are closely related to Component 1 have been proceeding with encouraging success; by way of example, the development of the Community Disaster Risk Management and Climate Change Adaptation Plans has been completed for the new community of Annotto Bay (along the north eastern coastline). Stakeholder consultations have been convened and climate change education and awareness initiatives continued to be implemented in target communities. Reforestation activities are also underway.

By letter dated January 7, 2019 from the Manager of the AFB Secretariat, the NIE was informed of the approval of extension of Programme completion date to September 30, 2020. The NIE subsequently engaged a consultant coastal engineering firm in February 2019 to undertake a review of the conceptual design and provide engineering estimates which would serve as the basis for the shoreline protection works under Component 1.

To assist with the partner capacity issues, the NIE provided direct procurement support for the shoreline protection works. This involved placement of advertisements for the prequalification and engagement of consultants/contractors to undertake the works. This activity was at an advanced stage and would have been completed a few months ago, however, the initial

tender process had to be annulled, thereby extending the delays already being experienced. The multi-stage procurement process was restarted in 2019 and is now at the stage of external review by the relevant authorities, prior to Cabinet's approval for the award of contract. We are anticipating that this process will be completed in another few weeks


The programme has been negatively impacted by a strain on the capacity of technical agencies due to a high volume of construction activities which are concentrated at the level of the main executing entity. This has stymied the progress of procurement once more. Nevertheless, several precursor activities to construction of the shoreline protection works have already been completed including: Site and Needs Assessment Report, Initial Impact Assessment, a Marine Benthic Assessment as required by the environmental regulatory agency, and updated Wave Modelling. There has also been the acquisition of beach licences. Ongoing community/stakeholder engagements have elicited high interest and continued support of the target communities.

The issues negatively impacting the project were unforeseen, chief among them being the pressure on capacity occasioned by simultaneous implementation of a number of capital (public sector) projects. To help mitigate these and any further schedule risks, the NIE has drawn on the direct involvement of the Programme Steering Committee and Ministry of Finance officers with the requisite technical expertise.

For these reasons, we kindly request an extension of twelve (12) months of programme duration to September 30, 2021. The NIE is of the view that this extension period would provide sufficient time to bring closure to the programme cycle and underscore the GOJ/AFP's continuing contribution to building Jamaica's climate resilience.

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Implementing Entity certification

<p>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.</p>	
<p><i>Name and Signature</i></p> <p> </p> <p><i>Kirk Philips</i> <i>Corporate Governance & Management</i> <i>for Director General</i> <i>Planning Institute of Jamaica</i></p>	
<p>Project/programme contact person</p>	
<p>Date: <i>March 31, 2020</i></p>	<p>Tel. and Email: (876) 935-5099 kphilips@pioj.gov.jm</p>