



ADAPTATION FUND

AFB/B.35-36/6
12 January 2021

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROGRAMME COMPLETION
DATE: FUNDACIÓN NATURA (PANAMA)**

Background

1. The Adaptation Fund Board (the Board) at its twenty-ninth meeting, approved a three-year programme titled “Adapting to climate change through integrated water management in Panama”, submitted by Fundación Natura for a requested amount of US\$ 9,967,559 (Decision B.29/13).
2. The main objective of the programme is to establish climate resilience water management to enhance food and energy security at the national level, including an integrated and community-based approach in the Chiriquí Viejo and Santa Maria Watersheds. It aims to achieve its goal through four outcomes: i) Increasing climate change and variability adaptation capacity in agriculture, livestock and energy production sectors; ii) Establishing climate resilient water management instruments with integrated and community based approach; iii) Strengthening local national capacity for monitoring and decision making to reduce and respond to risks associated to climate change and; iv) Raising awareness and establish a knowledge exchange platform to respond to and to reduce impacts of climate related events.
3. As mandated by the decision, an agreement was prepared and signed between the Board and Fundación Natura on 20 June 2017 and the programme started implementation on 6 June 2018.
4. This is the first no-cost extension of 9 months for extending the programme completion date from 6 June 2021 to 6 March 2022.
5. As outlined in the Adaptation Fund Project/Programme Delay Policy (AFB/B.29-30/3/Rev.1; Decision B.29-30/15 and Decision B.34-35/12), a request for an extension of the project completion date must be submitted by the implementing entity at least six months prior to the official completion date. The submission date of this request is in compliance with the aforementioned deadline.
6. The implementing entity has submitted two project performance reports (PPR), which have been cleared by the secretariat. As of 18 December 2020, a total programme funding for an amount of US\$ 9,358,845, including the implementing entity fee, has been disbursed by the trustee, which corresponds to 94% of the approved grant.
7. The reasons for a request for the extension of the programme completion date, as outlined in the memo shared by Fundación Natura, are mainly due to delays caused the impacts of hurricane ETA in November 2020 in some areas where the project is implemented, and personnel turnover due to government change.
8. In November 2020 hurricane ETA caused damages in different areas of the project. Namely, in Chiriquí Viejo river basin landslides and the overflow of the river and streams caused loss of human lives and extensive damage to the farms of some of the project beneficiaries. Similarly, in the Santa Maria river basin, heavy rains obstructed the access to the project work sites, altering the workplan for some of the project activities in the field.
9. Personnel turnover due to the change of government caused delays as certain processes were only resumed after the new authorities assumed their positions.
10. Finally, the restrictions imposed by the COVID-19 pandemic have further exacerbated the project implementation delay, but do not constitute the main factor for the project delay. These restrictions imposed by the Government to avoid the spread of COVID-19, implied a total closure

of public and private offices nationwide since March, with a phased reopening that has been started since August. In addition, restrictions on people's mobility resulted in an almost complete shutdown of project activities in the field for several months.

Secretariat's review of the request

11. Following a review of the request by the secretariat, and considering the explanation provided by Fundación Natura related to the impact of the hurricane and the change of government on the project implementation, whose delay was exacerbated by the COVID-19 pandemic, the secretariat is of the view that this request of a nine-months extension will safeguard the quality of the project implementation and is, therefore, justified. In addition, the secretariat recognizes the adaptive management put in place by Fundación Natura, as evidenced in the memo. Specifically, the introduction of teleworking and virtual work processes with the beneficiary communities, the establishment of alternative communication channels allowing to monitor project activities and the administrative processes at Fundación Natura were adapted to make disbursements in an agile way through electronic platforms.

12. Finally, the secretariat acknowledges that this no-cost programme extension request has been agreed with the Executing Entity (Annex 2) and endorsed by the Designated Authority, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

13. The Board may consider and decide to approve the request for a nine-months extension of the programme completion date from 6 June 2021 to 6 March 2022 for the project "Adapting to Climate Change through Integrated Water Management in Panama" as requested by Fundación Natura.

Annex

1. Request for an extension of the programme completion date from Fundación Natura;
2. Cover letter to the proposed programme extension from the Executive Director of Fundación Natura;
3. Pictures showing the impacts of hurricane ETA shared by Fundación Natura.

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

ANNEX TO: REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PROGRAMME

Request for extension of project/programme completion date

Implementing Entity Name: Fundación NATURA			
AF Project/programme ID:			
Project/programme Title: Adapting to Climate Change Through Integrated Water Management in Panama			
Country: Panamá			
Project/Programme Approval (date)	October, 2016		
Expected Project/programme Completion (date)	June, 2021	Proposed Revised Completion (date):	March, 2022

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

Need for Expansion:

To comply with all the outcomes of the Program, an extension of 9 months is requested, due to adjustments in the programming of:

- Outcome 1 *Enhanced climate change resilience for improved food, water, and energy security in target watersheds*, must be completed with the projects that are in execution, which have rescheduled their activities extending their execution period.
- Outcome 3 *Improved access to data for informed, timely decision-making regarding climate variability risks*, the Early Warning System must be executed, which will end after the program's planned date of closing, due to a delay in the project's start date.

The need to extend the term of the Program by nine (9) months is based on:

1. On March 11, 2020, the World Health Organization (WHO) declared the COVID-19 pandemic due to its spread across all continents, and urged all countries to take measures to detect the infection and prevent the spread. The Coronavirus or "COVID-19" has represented a serious threat to public health, therefore, it has interrupted the movement of people and goods around the world. In Panama, the Government declared a strict sanitary quarantine, which implied the total closure of public and private offices nationwide since March 20th and began a partial and progressive opening for prioritized activities as of August 17, 2020. Natura Foundation began a partial return to offices as of October 2020.

The quarantine was accompanied by a curfew that restricted the mobility of the entire population, allocating 2 hours per gender on 3 alternate days a week enabling each person could only carry out essential family supply activities. This situation made it impossible for Natura Foundation team, the executing entities, NGOs, and contractors executing the Adaptation Fund Program to travel outside their homes to the offices or activities in the field.

Group activities were prohibited and to date (December 2020), restrictions continue regarding the gathering of groups of people, only allowing family bubbles that live together. Which still limits an

important part of the field activities. Some sanitary fences are being established due to an increase in infections in various areas of the country, some of which are work zones of the program. Due to the upsurge and start of a second wave of infections, partial closures are expected in affected areas.

2. Disaster caused by collateral effects of Hurricane ETA in November 2020 in areas of direct work of the program:

- Chiriquí Viejo river basin had landslides, collapses and subsidence on roads and production routes, floods and overflowing of the Chiriquí Viejo river and streams causing loss of human lives, extensive damage to farms in the area and lack of water and electricity in the communities. Some fellow producers of the program were directly affected.
- The Santa María river basin received heavy rains causing the roads to the communities to be impassable, making access to work areas difficult. This situation altered the programming of different projects that are executed in the area.

3. Personnel changes and schedule adjustments derived from the change of government and other delays due to the closure of COVID activities:

- Changes in Focal Points of executing entities, including: the Ministry of Agricultural Development (MIDA), the Ministry of the Environment (MiAmbiente) and the Empresa de Transmisión Eléctrica, S.A. (ETESA) (Electrical Transmission Company). During the transition of government, the technicians did not have authorization for certain processes of the program, they were resumed when the new authorities assumed their positions and provided guidelines.
- Delay in signing the Cooperation Agreement with the executing entity SINAPROC, which was finalized in August 2020.
- Changes in the personnel of the regional executing entities' teams caused delays in the follow-up of the projects and required induction for new personnel.
- Some calls were deserted, which is why new calls are taking place to comply with our internal procedures (P-GO-5.1 Design and Call).

Actions that have been taken in response to the constraints faced:

1. COVID-19:

- The operating model of Fundación Natura and executing organizations was adapted to comply with the contractual commitments.
- New forms of work were adopted to address the restrictions in the execution of activities with the communities, including teleworking and virtual work processes with the communities.
- Group activities carried out by executing organizations and contractors were rescheduled to comply with the sanitary standards established by the Ministry of Health (MINSA), limiting the participation of 10 people per activity.
- Field activities were rescheduled to administrative and desk tasks in the work plans of the entities and executing organizations due to the quarantine.
- Based on the rescheduling of activities, addenda were processed for the delivery of milestones or final products of the contracts.
- Communication channels (WhatsApp, platforms for teleworking meetings) were established and the work methodologies of the program's teams were adapted. (Natura Foundation, executing entities, NGOs, consulting companies) that have made it possible to maintain the monitoring processes of the program and projects.

- The administrative processes at Natura Foundation were adapted to make disbursements to projects and contractors in an agile way through the electronic platforms of online banking.
- Budget adjustments have been made to have the necessary resources to face the contingencies of the pandemic, without affecting the program. For example, acquisition of sanitary equipment (mask, thermometer, alcohol) for the program's monitoring team, executing entities, NGOs field technicians, and fellow producers.

2. Hurricane ETA:

- For the Chiriquí Viejo river basin sector, the government has carried out the rehabilitation of compromised structures and roads, which is making it easier to get to work areas of the program.
- Training activities and other field activities of all projects executed in the Chiriquí Viejo river basin were rescheduled. The fellow producers that are currently affected are rebuilding their farms, so they are not available until their conditions improve.
- Coordination with the executing entity MIDA and the implementing entity of the Water Harvesting project for the viability of continuing with producers who lost their productive lands and their homes due to landslides. The government program relocations of affected families and we must wait until next steps will be defined.

3. Changes in personnel of the teams of the executing entities and others:

- Induction and orientation were given to the new Focal Points and technical teams of the Executing Entities, resuming the execution of the Program.
- Support is maintained for technical team of Executing Entities in the design and call processes, selection of proposals, technical and financial monitoring of projects and consultancies to comply with our internal procedures (P-GO-5.1 Design and Call, P-GO -5.2 Selection of Proposals, P-GO-6.1 Monitoring and Evaluation).

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.

Note attached:

DM-1291-2020 of the Designated Authority that underwrites the request for extension.

Rosa Montañez
Executive Director

Name & Signature



Project/programme contact person

Date: (Month, Day, Year)

Tel. and Email: (507) 232-7615
rmontanez@naturapanama.org

Annex 2: Cover letter to the proposed programme extension from the Executive Director of Fundación Natura



Fundación para la Conservación
de los Recursos Naturales

December 15th, 2020
FN-DE-070

Mr. Mikko Ollikainen
Manager
Adaptation Fund Board Secretariat
Email: afbsec@adaptation-fund.org
Fax: 202 522 3240/5

Subject: Request for extension

Dear Mr. Ollikainen,

On behalf of Fundación Natura we express our interest to extend the period of our Programme *Adapting to Climate Change Through Integrated Water Management in Panama*. Supporting explanation is able at the form requested by the Adaptation Fund, and we will be able to send any additional information needed to consider our request.

Hope that you and all of your team and family are fine on these difficult times.

Sincerely,

Rosa Montañez
Executive Director

Annex 3. Pictures showing the impacts of hurricane ETA shared by Fundación Natura

Imágenes del desastre causado por el huracán ETA – Cuenca der río Chiriquí Viejo, Panamá







