



ADAPTATION FUND

AFB/B.35-36/10
15 March 2021

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION
DATE: DEPARTMENT OF ENVIRONMENT (ANTIGUA AND
BARBUDA)**

Background

1. The Adaptation Fund Board (the Board) during its twenty ninth meeting, approved a three-and half year project titled “An integrated approach to physical adaptation and community resilience in Antigua and Barbuda’s northwest McKinnon’s watershed” submitted by the Department of Environment (DoE) for a total amount of US\$ 9,970,000 (decision B.29/11).
2. The overall goal of the project is to reduce vulnerability of the community, by increasing the ability of the watershed to handle extreme rainfall, while increasing the resilience of the built environment simultaneously to cope with the multiple stressors of climate change. The project aims to achieve its overall goal through three specific objectives of the project, which correspond to the three components: (i) Implement concrete adaptation actions that support natural and physical drainage systems along the three kilometer urban and semi-urban waterways to meet projected climate change, in particular extreme hydro-meteorological events and disease vectors; (ii) Disburse concessional loans through a revolving fund mechanism to vulnerable households and businesses to meet new adaptation guidelines and standards for built infrastructure to withstand extreme climate variability. These interventions include for example water harvesting, hurricane shutters, mosquito screens, water storage, and other adaptation measures and (iii) Support social adaptive capacity and local ownership of adaptation through community-awarded contracts and climate resilient community buildings such as community centers, schools and clinics. This includes interventions to allow the buildings to withstand hurricanes and droughts and serve as shelters.
3. As mandated by the decision, an agreement was prepared and signed between the Board and DoE in May 2017 and the project started implementation on 1 August 2017.
4. The project’s implementing entity submitted two project performance reports (PPRs), which have been cleared by the secretariat, as of 16 March 2021. The project has also submitted its midterm evaluation report on 21 January 2021.
5. As of 15 March 2021, the total project funding for an amount of US\$ 7,288,750 including the project fees, has been fully disbursed by the trustee, which corresponds to 73% of the approved grant.
6. This is the first request for an extension of project completion date. On 23 September 2020, DoE submitted a request for an extension of the project completion date. However, the requested duration for the extension of the project completion date was found to be above the maximum permitted duration under the Fund’s Policy of Project/Programme Delays. On 17 March 2021, the implementing entity (IE) submitted the corrected extension request for extension of the project completion date from 1 February 2021 to 1 August 2022. 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. However, due to late processing of the request at the entity level and challenges exacerbated by the COVID-19 outbreak, the request was received only after the deadline aforementioned.
7. The reason for this request, as outlined in the memo shared by DoE, includes the rationale that the project has suffered a number of setbacks relating to: i) the passage of Category 5 hurricanes in 2017 in Antigua and Barbuda and 2019 in the region impacting the construction industry by increasing the cost of importing construction materials and thus the cost of operation for construction. This situation has impacted activities under component one; ii) Delays in the activity focused on waterway upgrades (activity 1.1.2) due to the fact that

Adaptation Fund project's section of the waterway cut across the Government of Antigua's Road Rehabilitation Project within the McKinnon's sub-watershed. To avoid delays due to conflict in traffic management, national material and equipment resources, the Ministry of Works (MOW) requested a delay in the commencement of the activity 1.1.2 of the project; iii) A delay in finalizing the legal requirements to operationalize the Sustainable Island Resource Framework Fund (SIRFF) under component two of the project. The Environmental Protection Management Act (EPMA) was first passed in 2015 and established the Sustainable Island Resource Framework Fund (SIRFF) for the delivery of funding to vulnerable households for climate resilience. However, the initial EPMA had inconsistencies and the correction to the EPMA was only passed in 2019. Furthermore, in 2020, the process was once more delayed due to additional regulation requirements by the Ministry of Legal Affairs. These were passed in mid-2020; and iv) the restrictions imposed by the Coronavirus 2019 (COVID-19) pandemic has further exacerbated the project implementation delay, but do not constitute the prime factor for delays. Nevertheless, COVID 19 conditions have exacerbated delays in project implementation by restricting stakeholder consultations/engagement for the review of the Building Codes as well as an outreach campaign on the SIRFF Revolving Loan Programme.

Secretariat's review of the request

8. Following a review of the request by the secretariat and considering the explanation provided by DoE related to the number of challenges experienced, including the COVID-19 outbreak, the secretariat believes that this request of an eighteenth-months extension is justified. As evidenced by the memo provided by DoE (Annex 1), in general, COVID 19 has exposed the project to risks in procurement and delays in the pipeline of projects to be completed in the private and public sector. It is noted that this request would allow sufficient time to complete project activities, and it would ensure that the project can carry out the final evaluation and other reporting requirements.

9. In addition, the secretariat recognizes the adaptive management approaches put in place by DoE to mitigate further delays, as evidenced in the memo. Specifically, DoE is employing new operational modalities making use of virtual meeting and workspace approaches, as well as modifications in the methodology for consultation and stakeholder engagement by combining in-person and virtual approaches. The continued engagement of the MOW in the implementation of the on the ground adaptation interventions (culvert upgrade and waterway upgrade) as well as the engagement of the private sector has also increased the likelihood of continued implementation during possible further restrictions.

10. Finally, the secretariat acknowledges that this no-cost programme 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

11. The Board may consider and decide to approve the request for an eighteenth-months extension of the project completion date from 1 February 2021 to 1 August 2022, for the project "An integrated approach to physical adaptation and community resilience in Antigua and Barbuda's northwest McKinnon's watershed " as requested by DoE.

Annex

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

Annex 1: Request for an Extension of the Project Completion Date**RE: REQUEST FOR EXTENSION OF ANTIGUA AND BARBUDA PROJECT “AN INTEGRATED APPROACH TO PHYSICAL ADAPTATION AND COMMUNITY RESILIENCE IN ANTIGUA AND BARBUDA’S NORTHWEST MCKINNON’S WATERSHED”***Request for extension of project/programme completion date***TABLE 1: ADAPTATION FUND TEMPLATE FOR PROJECT EXTENSION**

Implementing Entity Name: Department of Environment, Ministry of Health, Wellness and the Environment, Antigua and Barbuda			
AF Project/Programme ID: ATG/NIE/Multi/2016/1			
Project/programme Title: An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda’s northwest Mckinnon’s Watershed			
Country: Antigua and Barbuda			
Project/Programme Approval (date)	27/03/2017		
Expected Project/programme Completion (date)	1 st February 2021	Proposed Revised Completion (date):	1 st August 2022

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

The Department of Environment began implementation of the AF project in August, 2017. Since implementation, the project has faced numerous external challenges which have derailed the delivery of outputs within the current project timeline. These include the following:

WATERWAY UPGRADES:

The Government of Antigua and Barbuda embarked upon a project to upgrade the upper watershed areas of the McKinnons watershed. This included the rehabilitation and upgrade of a major thoroughfare and for the first time ever, climate resilience and adaptation measures into the design of the road to allow for resilience at 1:50 year storm event. It was the first ever road built to this scope. The resilience measures included the burying of utilities for electricity and communication in order to increase resilience for the electricity and communication sectors on a public thoroughfare. This project was funded by a grant from the United Kingdom

Caribbean Infrastructure Partnership Project (UKCIF) and a loan from the Caribbean Development Bank with additional grant support from the project titled "Building climate-resilience through innovative financing mechanisms for Ecosystem-based Adaptation" (SCCF) project. The AF section of the project transect the Government's Road Rehabilitation Project within the McKinnon's sub-watershed. To avoid delays due to conflict in traffic management, national material and equipment resources, the Project Management Unit for the Ministry of Works requested a delay in beginning the roadworks for the AF section. The DFID roadworks were to be completed in the latter quarter of 2018 but was only completed in the latter quarter of 2020. This resulted in a delay in the initiating Component 1 of the AF project.

SUSTAINABLE ISLAND RESOURCE FRAMEWORK (SIRF) FUND REVOLVING LOAN:

A delay in finalizing the legal requirements to operationalize the SIRF Fund caused the initial delay of component 2 of the project. This was further exacerbated by COVID 19 pandemic. The Environmental Protection Management Act (EPMA) was first passed in 2015 and established the Sustainable Island Resource Framework Fund (SIRFF) for the delivery of funding to vulnerable households for climate resilience. This fulfilled the initial requirements for the Revolving Loan Programme. However, the initial EPMA had errors which conflicted with the requirements of the AF project. The correction to the EPMA was only passed in 2019. This meant that for two years (2017-2019), the Department was unable to process any loans under the Revolving Loan Programme or operationalize the SIRFF Board. Upon the passage of the corrections to the EPMA in 2019, the SIRFF Board was able to hold meetings in 2019 and the Department began reengaging applicants from 2017 as well as receiving additional applications.

In 2020, the process was once more delayed due to additional regulation requirements by the Ministry of Legal Affairs. These were recently passed, and the Board has resumed the processing of loans; this should be completed by March 2020. The two-year delay to the fulfilment of Components 2 and 3 of the project has prevented the realization of significant milestones for the project; further, COVID 19 conditions (described in greater detail below) has inhibited the ability of the Department to process funding for all applicants under the project before the end of 2020. This would mean that the project will not meet its household goal of 5% within the McKinnon's community or its goal to provide grants for community shelters to be upgraded

COVID 19 CONDITIONS

COVID 19 conditions has exasperated delays in project implementation by restricting stakeholder consultations/engagement. These consultations included the review of the Building Code as well as an outreach campaign on the SIRF Fund Revolving Loan Programme. The three (3) months lockdown conditions implemented due to the COVID 19 pandemic also caused a setback in ongoing activities, particularly in the waterway upgrade works and the regional recruitment processes for consultancies essential to the successful implementation of the project. Administrative processes required for the beginning of construction in the area were also delayed due to the lockdown of non-essential services. Project staff with children experienced reduced productivity in the extended lockdown of schools and the need to assist in home schooling their children.

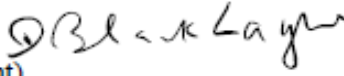
While some of the restrictions have been lifted, others remain in place. In this regard and following the reopening of the country, the Department proceeded with an adaptive management plan covering the areas above. This resulted in new operational modalities making use of virtual meeting and workspace approaches. The DOE also sought to modify the methodology for consultation and stakeholder engagement by combining in-person and virtual approaches to allow for the best possible primary data collection, consultation and engagement processes. The engagement of the Ministry of Works (MOW) in the implementation of the on-the-ground adaptation interventions (Culvert upgrade and waterway upgrade) as well as the engagement of the private sector has also increase the likelihood of continued implementation during possible further restrictions. In general, COVID 19 has exposed the project to risks in procurement and delays in the pipeline of projects to be completed in the private and public sector.

IMPACT OF HURRICANES ON CONSTRUCTION

The passage of Category 5 hurricanes in 2017 in Antigua and Barbuda and 2019 in the region has impacted the construction industry by increasing the cost of importing construction materials and thus the cost of operation for construction. This impacted all aspects of the project and diverted government co-financing resources required.

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.

Name & Signature: Ambassador Diann Black-Layne 
 Director (Department of Environment)

Project/programme contact person: Rashauna Adams-Matthew

Date: 23rd September 2020

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