



ADAPTATION FUND

AFB/B.38-39/3
5 July 2022

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION
DATE AND REVISION OF DISBURSEMENT SCHEDULE:
UNITED NATIONS WORLD FOOD PROGRAMME
(COLOMBIA, ECUADOR)**

Background

1. The Adaptation Fund Board (the Board) during the intersessional period between its twenty-ninth and thirtieth meetings, approved a five-year project titled “Building Adaptive Capacity through Food and Nutrition Security and Peacebuilding Actions in Vulnerable Afro and Indigenous Communities in the Colombia-Ecuador Border Area”, submitted by the United Nations World Food Programme (WFP) for a requested amount of US\$ 14,000,000 (decision B.29-30/9). The overall goal of the project is to strengthen food security and nutrition through climate change adaptation measures in two watersheds on the Colombia-Ecuador border area in accordance with the binational working groups, and Awa and Afro community’s priorities. Project actions will contribute to reversing the marginalization that Afro and Awa communities have faced from the social and environmental damage from the conflict and contribute to peace and reconciliation through adaptation to climate change.
2. As mandated by the decision, an agreement was prepared and signed between the Board and WFP.
3. The first tranche of disbursement for the implementation of the project was released following signature of the agreement in November 2017. The first and second project performance reports (PPRs) for the project were submitted in July 2019 and July 2020 respectively and were cleared by the Adaptation Fund Board Secretariat (the secretariat). The third PPR was submitted in November 2021 and is currently under review by the secretariat. As of April 2022, a total amount of US\$ 8,559,239 had been disbursed to the project by the trustee, corresponding to 61% of the project funding, and the cumulative disbursement from the Implementing Entity to the Executing Entities amounted to US\$ 1,964,832 as of May 2021 (reporting period of the latest PPR submitted).
4. On 24 March 2022, WFP submitted the first eighteenth-month request for an extension of the project completion date until 3 November 2024 (Annex 1). As outlined in the Adaptation Fund Project/Programme Delay Policy, a request for an extension of project completion date must be submitted by the implementing entity at least six months prior to the official completion date, hence this request is in compliance with the Policy.
5. The reasons for this request for an extension of the project completion date, as outlined by WFP, include the fact that there were various programmatic and financial issues affecting the progress of the project; these include: the restrictions due to the COVID-19 pandemic significantly slowed down the pace of activities’ implementation during 12 months; the increased risk due to violence in the project area prevented field trips; and the need to provide technical and financial capacity building to the executing entities, which required more time than originally foreseen.
6. Additionally, given the delay highlighted above and its impact on the project implementation, the Implementing Entity submitted a request for a revision of the project disbursement schedule (Annex 2). The request includes a comparative presentation of the original disbursement schedule and the proposed revision of the disbursement schedule, reflecting the project no-cost extension period (Table 1).
7. The rationale for this revision of the disbursement schedule is related to project budget restructuring due to the project cost increase. Specifically, this revision will allow to cover the additional project execution costs, such as the core project staff salaries and the final evaluation, with the IE fee under a scenario of 18 months no-cost project extension. These additional costs

imply an increase in the project execution costs by 1%, corresponding to US\$ 270,203, and this will be covered by a corresponding decrease in the implementing entity fee (from 8.5 per cent to 6.27 per cent of the total project cost before the fee).

8. The gap in the IE fee resulting from the proposed reallocation will be covered by WFP own resources. Despite the variation of the IE fee and the increase of the project costs, the total project fees are below 20 per cent of the total project cost, thus is in line with the threshold established by the Fund's Operational Policies and Guidelines and the total overall project budget will not vary.

Secretariat's review of the request

9. Following a review of the request, the secretariat finds that given the explanation provided by WFP, this request of an eighteenth-month no-cost project extension is justified as it will allow to complete the implementation of activities in the field, contributing to the sustainability of the adaptation measures implemented, and it will ensure a smooth closure of operations, at administrative, financial and technical levels. Finally, the secretariat acknowledges that this no-cost project extension request has been agreed by the Executing Entities and the Designated Authorities have been notified, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

10. Likewise, the secretariat finds that the request for a revision of the project disbursement schedule is justified in light of the proposed no-cost project extension. The revised disbursement schedule presents the same project total amount as the one approved through decision B.29-30/9 and the proposed revisions refer to the size and timing of the remaining tranches and a variation of the project cost and implementing entity fee.

11. Additionally, the secretariat's review finds that in light of the information contained in the request (Annex 2), the implementation of the project would be improved by following the revised disbursement schedule, and no negative effects of doing so are identified.

Recommendation

12. Therefore, the Board may consider and decide to approve the request for an eighteenth-month extension of the project completion date from 3 May 2023 to 31 March 2022, and to approve the revised disbursement schedule for the project "Building Adaptive Capacity to Climate Change through Food Security and Nutrition Actions in Vulnerable Afro and Indigenous Communities in the Colombia-Ecuador Border Area" as requested by WFP.

Annex

1. Request for an extension of the project completion date from WFP dated 18 April 2022;
2. Request for a revised disbursement schedule from WFP dated 16 March 2022.

Annex 1: Request for an extension of the project completion date from WFP**ANNEX A: REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PROGRAMME***Request for extension of project/programme completion date*

Implementing Entity Name: World Food Programme			
AF Project/programme ID: LAC/MIE/Food/2015/1			
Project/programme Title: Building adaptive capacity through food and nutrition security and peacebuilding actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area (Colombia, Ecuador)			
Country: Colombia and Ecuador			
Project/Programme Approval (date)	07/05/2017		
Expected Project/programme Completion (date)	05/03/2023	Proposed Revised Completion (date):	11/03/2024

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

The Binational Steering Committee held on September 30, 2021, requested the project team to analyze the need for a non-cost extension of the Binational Project, considering no additional funds will be requested and that project's originally approved scope will not change.

In that context, the project team assessed several extension scenarios to determine the best option according to communities' benefits without compromising the investment budget for adaptation measures. The results of this assessment was presented at the extraordinary Binational Steering Committee meeting held on December 13, 2021. The Committee decided to request the AF an 18-month extension. This additional time will allow to cover two phases of strategic importance:

1. On the one hand, an additional 12 months are required to complete the implementation of activities in the field with the technical support of the project and the implementing partners teams. This additional period will make it possible to offset the impact that various negative factors have had on the progress of the Binational Project, both at the programmatic and financial levels. It is key to note that the restrictions due to the Covid-19 pandemic totally stopped or significantly slowed down the pace of implementation of activities on the ground during 12 months out of 42 project implementation to date. The increased risk of the situation on the ground due to violence in the project area prevented field trips in some situations. In addition, the needs to strengthen technical / administrative / financial capacities of the executing entities as implementing partners, throughout the project, have required more time than originally foreseen.

A set of mitigation measures have been put in place that guaranteed the continuity of operations, although at a slower pace, as reported in the PPRs for years 1 to 3. Additionally a series of strategies have been adopted that will accelerate the design and implementation of adaptation measures, aiming at 100% execution with guaranteed coverage in 135 targeted Afro-descendant and indigenous Awá communities. Some of these strategic actions are the following: (i) Simplify the preparation of community adaptation plans to climate change (PACCC); (ii) Strengthen the network of alliances with local partners for the implementation of adaptation measures; (iii) Strengthen the

capacities of the executing entities to improve the implementation of the agreements, among others.

2. On the other hand, a prudential period of 6 months should be considered to carry out an adequate closure of the project, for which it is proposed to maintain a reduced team of three people who would be in charge of completing the final stage of the project. The main activities include administrative, financial, and technical closure, completion of M&E processes, auditing and knowledge management, dissemination of results and impacts achieved, among others. This final stage is of crucial importance because it carries the following advantages:

- ensure a smooth closure of operations, at administrative/financial and technical levels.
- contributes to the sustainability of the adaptation measures implemented, through the compilation of what has been learned and the dissemination of the results and impacts achieved. allows strengthening knowledge management, which also favors advocacy since it fosters of scaling up and replication opportunities for the Governments of Colombia and Ecuador based on what has been learned.

Therefore, WFP requests the Adaptation Fund Board to grant an 18-month extension for the Binational Climate Change Adaptation Project. This will allow enough time to complete the execution of the field activities, ensuring 100% implementation of adaptation measures in the field, and a smooth closure of operation that will foster consistency and sustainability.

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

Project/programme contact person

Irving PRADO – Deputy Country Director (OIC), WFP Colombia


Matteo PERRONE – Country Director, WFP Ecuador



Date: (April, 18, 2022)

Tel. and Email:

Irving PRADO <irving.prado@wfp.org> +57 346 98 81

Matteo PERRONE <matteo.perrone@wfp.org>
+593 (2) 393 93 50



Annex 2: Request for revised disbursement schedule



World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos
برنامج الأغذية العالمي

SAVING
LIVES
CHANGING
LIVES

Adaptation Fund
Board Secretariat

Bogotá / Quito, March 16, 2022

Subject: Request to amend the disbursement schedule of the Binational Project “Building adaptive capacity to climate change through food security and nutrition actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area”.

As the Multilateral Implementing Entity for the Adaptation Fund regional project in Colombia and Ecuador, WFP wishes to request the Adaptation Fund Board to approve the amendment of the disbursement schedule to align it with the extension request that accompanies this letter.

The request is based on two key factors:

- 1) **extension request:** due to delays related to the Covid-19 pandemic, the security situation in the field and the capacity development needs of the Executing Entities, WFP is requesting an 18 months no-cost extension to finalize implementation of field activities and ensure smooth project closure.
- 2) **planned expenditure:** due to the same reason, out of the USD 8,559,239 received from the Adaptation Fund, by 30 May 2021 USD 1'964,832 were spent, with a planned expenditure of USD 7'213,668 by 30 May 2022.

To align the disbursement schedule to the revised project completion date and to the delays faced during project implementation, it is requested to amend the disbursement schedule as detailed in Table 1:

Table 1. Revised Disbursement Schedule (US\$)

Year	Original disbursement schedule	Revised disbursement schedule
1	1,568,042	1,568,042
2	2,415,752	2,415,752
3	4,575,445	4,575,445
4	3,084,792	601,358
5	2,355,969	2,483,434
6	--	2,355,969
Total disbursements	14,000,000	14,000,000



The revised duration of the project will result in increased costs to cover the salaries of the core project staff for additional months. In addition, the cost of the final evaluation of the project was underestimated when the budget was prepared. The required budget to cover all project execution costs (PEC) under the extension scenario of 18 months amounts US\$ 1'427,197. The difference between the original and the required project Execution Cost could be covered using a portion of the MIE fee. The originally approved sum of MIE fee and Project Execution Cost would not be exceeded and would remain well below the 20% cap for regional projects. In addition, this will not affect WFP commitment to support and supervise project execution. The gap in the MIE fee resulting from this reallocation will be covered by WFP with its own resources

In summary, we kindly request the Adaptation Fund Board's approval for the following changes

- 1) Increase the number of disbursements from 5 to 6, according to the revised disbursement schedule shown in Table 2.
- 2) Allow that part of the MIE fee is used to cover core project staff salaries, and final evaluation initially budgeted under Project Execution Cost.

We remain at the disposal of the Adaptation Fund Board Secretariat to answer any question or points of clarification.

Regards,

A handwritten signature in blue ink, appearing to read 'Carlo SCARAMELLA'.

Carlo SCARAMELLA
Representante de País
WFP - Colombia

A handwritten signature in black ink, appearing to read 'Matteo PERRONE'.

Matteo PERRONE
Representante de País
WFP - Ecuador

Revised disbursement schedule Colombia Ecuador

	Upon Signature of Agreement	One Year after project start	Year 2	Year 3	Year 4	Year 5	Total
Project Funds	1,445,200	2,226,500	4,217,000	554,242	2,429,061	2,301,400	13,173,403
Implementing Entity Fee	122,842	189,252	358,445	47,116	54,373	54,569	826,597
Total	1,568,042	2,415,752	4,575,445	601,358	2,483,434	2,355,969	14,000,000

Breakdown project cost, execution cost and implementing entity fee Colombia Ecuador

	Original	Revised	
Project Components	11,783,800	11,783,800	
Project Execution Cost	1,119,400	1,389,603	10.55%
Total Project cost	12,903,200	13,173,403	
MIE Fee	1,096,800	826,597	6.27%
Total	14,000,000	14,000,000	