



ADAPTATION FUND

AFB/B.40-41/7
21 August 2023

Adaptation Fund Board

**REQUEST FOR EXTENSION OF PROJECT COMPLETION DATE: THE
CARIBBEAN DEVELOPMENT BANK (SAINT LUCIA)**

Background

1. The Adaptation Fund Board (the Board) during its intersessional period between the thirty-third and thirty-fourth meeting, approved a four-year project titled “Building Resilience for Adaptation to Climate Change and Climate Vulnerabilities in Agriculture in Saint Lucia”, submitted by the Caribbean Development Bank (CDB), a regional implementing entity of the Adaptation Fund, for a requested amount of US\$ 9,858,570 (Decision B.33-34/15).
2. The overall objective of the project is to build resilience in the agriculture sector for livelihoods security through enhanced adaptive capacities for climate change and variability. It is designed primarily to build adaptive capacities of agro-ecosystems and livelihoods to climate risks from significant decreases in rainfall, intensive and more frequent hydro-meteorological events, including droughts which would lead to increasing water shortages in farming systems.
3. As mandated by the decision, an agreement was prepared and signed between the Board and CDB on 24th December 2020 and the project started implementation on 3rd September 2021.
4. To date, the project implementing entity submitted one project performance report (PPR). A total project funding of US\$ 4,271,552 including the project fees, has been disbursed by the trustee, which corresponds to 43.3% of the approved grant.
5. In June 2023, CDB submitted a draft request for a regular eighteen-months no-cost extension of the project completion date from 3rd September 2025 to 3rd March 2027 (see annex 1). The reasons for this request, as outlined in the memo shared by CDB, are multi-faceted, including: i) delays and challenges associated with hiring the project manager and establishing the project management unit; ii) delays in initiating the gender assessment and revising the Environmental and Social Management Plan (ESMP); and iii) delays in fully satisfying the conditions outlined in the grant agreement, which resulted in delays in receiving the first tranche of funding.

Secretariat’s review of the request

6. Following a review of the request by the secretariat and considering the explanation provided by CDB, the secretariat is of the view that this eighteen-months extension request is justified. As evidenced by the memo provided by CDB (Annex 1), it is noted that this request should provide sufficient time to expedite project implementation.
7. Finally, the secretariat acknowledges that this no-cost project extension request has been agreed with the Executing Entity, and that the Designated Authority was notified, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

8. The Board may consider and decide to approve the request for an eighteen-months extension of the project completion date from 3 September 2025 to 3 March 2027, for the project “Building Resilience for Adaptation to Climate Change and Climate Vulnerabilities in Agriculture in Saint Lucia” as requested by CDB.

Annex

- 1) Request for a no-cost extension of the project completion date from CDB for the project “Building Resilience for Adaptation to Climate Change and Climate Vulnerabilities in Agriculture in Saint Lucia”.

Annex 1: Request for a no-cost extension of the project completion date from CDB for the project “Building Resilience for Adaptation to Climate Change and Climate Vulnerabilities in Agriculture in Saint Lucia”.

AFB/B.34-35/6

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

Request for extension of project/programme completion date

Implementing Entity Name: Caribbean Development Bank			
AF Project/programme ID: GA 58/STL			
Project/programme Title: Building Resilience for Adaptation to Climate Change and Climate Variability in Saint Lucia (BRACCCVAS)			
Country: Saint Lucia			
Project/Programme Approval (date)	8 July 2019. (The Grant Agreement was signed on 24 December 2020)		
Expected Project/programme Completion (date)	September 2025 (This is according to the date of the Launch of the Inception Workshop, which was held in September 2021)	Proposed Revised Completion (date): March 2027	

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

Summary:

The project was launched on September 3 and 16th, 2021 and the Ministry of Agriculture Fisheries, Food Security and Rural Development of St. Lucia began implementation. Since the start of implementation, the project has faced unexpected delays, especially in the procurement of key staff, which has taken longer than expected, and as a result has slowed the delivery of outputs for Year 1. The challenges faced by the Government of St. Lucia (executing entity) included delays in the recruitment of (1) a Project Manager and (2) the firm to conduct the gender and Environmental and Social Management Plan (ESMP) study, owing to a protracted procurement process. The project coordinator to support the Caribbean Development Bank (implementing entity) also only commenced in October 2022 as there was a delay in the recruitment. An interim project team at the Caribbean Development Bank (CDB) managed the project was able to effectively support the Government of St. Lucia while this recruitment was taking place.

Main Implementation Challenges:

Delays in the engagement of the Project Manager:

The procurement of the Project Manager commenced in October 2021 and concluded in November 2022 with the selected candidate assuming office in February 2023. The reasons for such a protracted process were associated with the following:

- (a) The first and second candidates declined the offers and as a result the entire process of advertising, shortlisting and evaluations had to be restarted in August 2022. Firstly, there was a negotiation phase for employment conditions for the first candidate, which required a formal request to Parliament on behalf of the project. Other employment benefits were considered and granted to facilitate the candidate on the part of the GOSL. After going through a long and tedious process, the letter of offer was declined by the first candidate in August 2022. As a result, there was a round of negotiations with the second shortlisted candidate which prolonged the process and who also eventually declined the offer. The delay in the process was also due to difficulties in the communication of the procurement process.
- (b) This second procurement process began in October 2022 and was concluded in mid-November 2022. The chosen candidate was an employee of the Ministry of Agriculture. As per the GOSL's public service regulations his engagement under the Project required the approval of a secondment to be made through Parliament. As a result, this led to further delays with the commencement of duties of the new Project Manager until February 2023.

It should be noted that as the Project Manager is key to the successful completion of the project's outcomes and components, an extensive evaluation process based on the submitted Expressions of Interests (EOIs) was conducted.

Establishment of the Project Management Unit:

Engagement of the Project Manager is a pre-requisite for the establishment of the Project Management Unit (PMU). Hence the delay in the engagement of the Project Manager has had a direct negative impact on the establishment of the PMU. Given the key role of the PMU in this project, the overall implementation was negatively affected. As agreed, upon in the Grant Agreement the Project Management Unit (PMU) needed to be staffed with the following personnel for effective implementation:

- (a) Project Manager (mentioned above). *(Appointed in February 2023)*
- (b) Three Administrative Officers – Human Resources/Finance/Procurement Officer, Executive Secretary and Driver/Messenger *(Appointed in May 2023)*
- (c) Project Team Leader and Project Support Team *(Appointed in April 2023)*
- (d) Agro-Park Development Manager *(to be appointed by July 31, 2023)*

- (e) Agro-Processing Facility Manager *(to be appointed by July 31, 2023)*
- (f) Knowledge Management Resource Person *(to be appointed by July 31st2023)*

To assist with procurement the interim project teams at the implementing and executing agencies have been assisting with expediting the procurement of the PMU. The expectation is that staffing of the PMU will enable and accelerate the commencement of project activities.

Commencement of the Gender and revised ESMP Study:

The Gender Assessment and ESMP study seeks to provide a foundation to ensure compliance by the project to environmental, social and gender policy constructs. The project faced delays in engaging a firm owing to a protracted procurement process that saw the process having to be repeated due to the low quality of the candidates who submitted applications.

Regarding the procurement process, the request for expression of Interest (REOI) was launched on 22 September 2021. The Ministry of Agriculture received four (4) applications, one of which was a firm and the other three individuals. Having not achieved the threshold set out in CDB's procurement guidelines, a shortlist of between three and six firms to be evaluated - the REOIs was re-launched in February 2022. Eleven (11) firms responded, and the evaluation report was first evaluated on 22nd April 2022. Subsequently changes had to be made to the evaluation criteria and much more guidance provided on the evaluation criteria. The applications were then reevaluated with the amended evaluation sheet and completed on June 8, 2022. At the completion of the evaluation process, four (4) firms were shortlisted. These firms were asked to submit their Request for Proposal (RFPs) (Technical and Financial proposals under separate envelopes) within a period of four (4) weeks. Two of the four firms decided not to participate in the RFP process. MOA received proposals from the two (2) firms in September 2022. Technical proposals were submitted to the evaluation team on September 16th, and the evaluation process was completed on October 19th, 2022. The contract with the successful firm was signed in November 2022 and implementation of the assignment began in February 2023.

Disbursement of Funds:


Regarding the disbursement of funds, the Government of Saint Lucia was able to fully satisfy conditions outlined by the grant agreement as of 15th of July 2022. As such the Government of St. Lucia only received funding in August 2022 owing to the need to complete the legal process between CDB and the Government of Saint Lucia and then subsequently for Saint Lucia to satisfy all requirements for first disbursement. This process took some time to complete.

Justification:

According to the last Annual Project Performance Report the project is supposed to be completed in September 2025. However, due to the delays encountered we are requesting 18 months (about 1 and a half years) to carry the activities. This extension will allow for all the outputs and activities to be completed to ensure that the overall project outcomes are achieved. We do not propose any changes in the scope of work or budget changes caused by this request for an

extension. It should also be noted that the staffing of the PMU is nearing completion and once this has been done implementation will be further expedited. CDB and GOSL have already seen a significant change in the progress of the project with the rapid staffing of the PMU and the dedicated project support through the Project Coordinator. All major stakeholders are also aware of the delay, and they have agreed that implementation must be fast-tracked and intensified. Finally, it should be noted that despite the challenges presented so far, the implementing and executing entities are very committed to ensuring that the activities are fast tracked to ensure the achievement of the necessary project milestones and deliverables for this flagship project.

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 <i>Barrymore Felicien</i>  Project/programme contact person	
Date: (Month, Day, Year) <i>June 9, 2023</i>	Tel. and Email: <i>bfelicien@gosl.gov.lc</i>