



ADAPTATION FUND

AFB/PPRC.32/27
2 October 2023

Adaptation Fund Board
Project and Programme Review Committee
Thirty-second Meeting
Bonn, Germany, 10-11 October 2023

Agenda Item 14 c)

REQUEST FOR EXTENSION OF PROJECT COMPLETION DATE: THE PARTNERSHIP FOR GOVERNANCE REFORM (INDONESIA)

Background

1. The Adaptation Fund Board (the Board) during its intersessional period between the first session of the thirty-fifth meeting and the second session of the thirty-fifth meeting, approved a two-year project titled “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province, Indonesia”, submitted by the Partnership for Governance Reform (Kemitraan), a national implementing entity of the Adaptation Fund, for a requested amount of US\$ 1,125,015 (Decision B.35.a-35.b/49).
2. The overall objective of the project is to enhance climate resilience and build adaptive capacity toward climate change for vulnerable community through sustainable integrated watershed governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba, South Sulawesi Province.
3. As mandated by the decision, an agreement was prepared and signed between the Board and CDB on 18th January 2021 and the project started implementation on 1st April 2021.
4. To date, the project implementing entity has submitted two project performance reports (PPR). A total project funding of US\$ 1,125,015 including the project fees, has been disbursed by the trustee, which corresponds to 100% of the approved grant.
5. In November 2022, Kemitraan submitted a COVID-related request for extension of the project completion date from the 31st March 2023 to 30th September 2023, which was approved by the secretariat.
6. In August 2023, Kemitraan submitted a draft request for a regular six-months no-cost extension of the project completion date from 30th September 2023 to 31st March 2024 (see annex 1). The reasons for this request, as outlined in the memo shared by Kemitraan, are multi-faceted, including: i) local government’s delayed responses; ii) target sites’ slow recovery in a post-COVID context; and iii) delays related to an investigation carried out by Kemitraan on the Executing Entity.

Secretariat’s review of the request

7. Following a review of the request by the secretariat and considering the explanation provided by Kemitraan, the secretariat is of the view that this six-months extension request is justified. As explained by the memo provided by Kemitraan (Annex 1), it is noted that this request should provide sufficient time to complete project implementation.
8. 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

9. Following the recommendation of the secretariat after its review of the request for an extension of the project completion date submitted by the Partnership for Governance Reform (Kemitraan) for the project “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province, Indonesia”, as described in document AFB/PPRC.32/27, the Board may consider and decide to approve the request for an six-months extension of the project

completion date from 30th September 2023 to 31st March 2024, for the project “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province.

Annex

- 1) Request for a no-cost extension of the project completion date from Kemitraan for the project “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province, Indonesia”.

Annex 1: Request for a no-cost extension of the project completion date from Kemitraan for the project “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province, Indonesia”

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: KEMITRAAN (PARTNERSHIP)			
AF Project/programme ID:			
Project/programme Title: “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province, Indonesia”			
Country: Indonesia			
Project/Programme Approval (date)	April 1, 2021		
Expected Project/programme Completion (date)	Sept 30, 2023	Proposed Revised Completion (date):	March 31, 2024

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

As of July 2023, the project delivered around 46% of its targeted outputs/outcomes, which is slower than what was proposed. The site's slow recovery post Covid-19, local government's delayed responses, and findings on irregularity expenditures by the executing entity were the main contributions to postponed activities, which resulted in a low delivery rate of implementation. Particularly for the irregularities, KEMITRAAN had to ensure that its safeguard measures were thoroughly applied, in which necessary actions have been implied.

In response to the identified irregularities, KEMITRAAN instructed the EE to temporarily and immediately hold all activities. KEMITRAAN's Executive Director then released a Decree to establish an Ad Hoc Investigation and Audit team consisting of Director of SGS, Head of Finance & Grant, Internal Auditor, Program Manager of AF/GCF, Grant Manager and Knowledge Management Learning Officer of AF/GCF that went through all achievement documentations, and then conducted financial forensic check procedures directly in the field. The team found out that an ineligible cost by the EE has evidently been perceived, which then a sanction was imposed on EE in a form of fund recovery that had been fully paid back by the EE to KEMITRAAN in May 2023. Despite of the findings, the project was continuously delivering its activities to ensure the completion of the outputs. Nevertheless, some activities cannot be fully delivered because of external conditions.

In the spirit to ensure that targets are delivered with good quality of outputs by the EE, a no-cost project extension for six-months is highly required. Implementation delays that happened during investigation periods and the lack of responses by key local government officials, in particular on the implementation of Component 1: Development of Regency's Climate Change Adaptation Plan and on the Watershed Management Plan, had affected preparation of project exit strategy, specifically on the element of results' sustainability.

Hereby, we are requesting the non-cost extension that is needed in order to effectively deliver the following project components:

1. The strengthening of watershed management policy.
The policy consultation process to deliver three (3) legal documents needed to establish the watershed management policy was postponed due to the delayed process in extending the mandate of the legal working group (finally released in June 2023).
2. The strengthening of the Regency's Climate Change Adaptation Action.
Additional time was required to collect and further analysis the much needed data collection and integrations, as well as to establish and engage experts.
3. Implementation of the Agricultural field school for the community in the targeted sites.
This activity requires a series of field school modules on rice cultivation based on System of Rice Intensification (SRI) that needs to be conducted at a specific time within a year depending on the season. In such context, the yield then can be obtained 3 months after planting and the quality of the yield can be compared to those conventionally cultivated by the local community. The delaying of previous activities resulted in an inappropriate and non-applicable cultivation season when the school is finally ready to be started. Therefore, a further delay is needed so it could be done in its specific and appropriate season (within the month of November - January).
4. The dissemination of project's knowledge and lessons learnt.
To run the dissemination optimally and with better results, main and major activities have to be fully implemented so all applied changes are captured appropriately, and then lessons learned and benefits from the project could be disseminated efficiently.

With the abovementioned reasoning, we would like to propose a six-months no-cost project extension of the project duration –ends in 31 March 2024- in order to deliver the project components in complete, effective and efficient manner, and to ensure greater benefits to the community of the watershed ecosystem in Bulukumba Regency.

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.



Laode M. Syarif
Executive Director Kemitraan
Implementing Entity Coordinator

Date: (August 18, 2023)

Project Contact Person: Dewi Rizki

Tel. and Email: dewi.rizki@kemitraan.or.id
[+6221-2278-0580](tel:+6221-2278-0580)