



ADAPTATION FUND

AFB/B.41-42/9  
16 February 2024

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Adaptation Fund Board

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

## Background

1. The Adaptation Fund Board (the Board) at its twenty-ninth meeting, approved a three and a 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 Ministry of Health and the Environment (DoE) for a total amount of US\$ 9,970,000 (decision B.29/11).

2. The overall objective 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. This integrated approach will ensure that the community will be able to withstand projected climate change impacts while the ecosystems can accommodate increased rainfall. This will be achieved through the following outcomes: (i) Upgrade urban drainage and waterways to meet projected climate change impacts; (ii) Revolving loans for homes in McKinnon’s watershed to meet new adaptation guidelines established in the building code and physical plan; and (iii) Adaptation mainstreaming and capacity building for NGOs and community groups to sustain project interventions.

3. As mandated by the decision, an agreement was prepared and signed between the Board and the DoE in May 2017, which was amended in December 2017, and the project started implementation on 1 August 2017.

4. The project implementing entity submitted four project performance reports (PPRs), which have been cleared by the secretariat, and as of February 2024, the total project funding for an amount of US\$ 9,970,000 including the project fees, has been disbursed by the trustee, which corresponds to 100% of the approved grant.

5. In April 2021, a first no-cost extension of the project completion date from 1 February 2021 to 1 August 2022 was granted based on Board Decision B.35-36/27. A second request for a no-cost extension of the project completion date from 1 August 2022 to 1 August 2023, due to implementation delays incurred under the COVID-19 pandemic, was approved by the secretariat. A third request for a no-cost extension from 1 August 2023 to 1 February 2024, also due to lag impacts of the COVID-19 pandemic, was approved by the secretariat.

6. On 31 January 2024, DoE submitted a final request for a regular eight-months no-cost extension of the project completion date from 1 February 2024 to 1 October 2024 (see annex 1). The reasons for this request, as outlined in the memo shared by DoE, are: i) Supply chain issues arising from the COVID-19 pandemic; ii) Lack of availability of material to complete shelters under component 3 which has resulted in delays; and iv) increase in the cost of material in some cases which has resulted in the need for co-financing.

## Secretariat’s review of the request

7. Following a review of the request by the secretariat and considering the explanation provided by the DoE, the secretariat is of the view that this eight-months no-cost extension request is justified. As evidenced by the memo provided by DoE (Annex 1), it is noted that this request would not allow sufficient time to complete all remaining activities.

8. Finally, the secretariat acknowledges that this no-cost project 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**

9. The Board may consider and decide to approve the request for an eight-months no-cost extension of the project completion date from 1 February 2024 to 1 October 2024, 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 the DoE.

## Annex 1: Request for a no-cost extension of the project completion date



## GOVERNMENT OF ANTIGUA AND BARBUDA

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 Ministry of Health, Wellness, Social Transformation and the Environment  
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Monday 29<sup>th</sup> January 2024

The Adaptation Fund Board  
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**RE: REQUEST FOR EXTENTION OF ANTIGUA AND BARBUDA PROJECT  
 "AN INTEGRATED APPROACH TO PHYSICAL ADAPTATION AND COMMUNITY  
 RESILIENCE IN ANTIGUA AND BARBUDA'S NORTHWEST  
 MCKINNON'S WATERSHED"**

**TABLE 1: ADAPTATION FUND TEMPLATE FOR PROJECT EXTENSION**

<b>Implementing Entity Name:</b> Department of Environment, Ministry of Health, Wellness, Social Transformation and the Environment, Antigua and Barbuda			
<b>AF Project/Programme ID:</b> ATG/NIE/Multi/2016/1			
<b>Project/Programme Title:</b> An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda's northwest McKinnon's Watershed			
<b>Country:</b> Antigua and Barbuda			
<b>Project/Programme Approval (date)</b>	27/03/2017		
<b>Expected Project/programme Completion (date)</b>	01/02/2024	<b>Proposed Revised Completion (date)</b>	01/10/2024

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

The Department of Environment (DOE) began implementation of the AF Project in August 2017 and was expected to complete implementation by August 2022 following the approval of a No Cost Extension. On July 29<sup>th</sup>, 2022, the DOE requested a further No Cost Extension because of the impact of the COVID-19 Pandemic (attached). This extension was requested until 1<sup>st</sup> August 2023, with an additional extension being requested until 1<sup>st</sup> February 2024. Despite our best efforts, and the efforts of our Project partners, the COVID-19 Pandemic has continued to cause delays to Project Implementation. Although the situation in the country is mostly normalized, there are still residual impacts of the pandemic on the supply chain. These are discussed further below:

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#### COVID-19 PANDEMIC IMPACT ON SUPPLY CHAIN

As reported in the previous request for extension, the COVID-19 Pandemic continues to cause delays in the implementation of the Project, primarily due to supply chain issues. Since the COVID-19 Pandemic, costs have also been rising almost weekly, and have more than doubled, in some cases, causing the need for co-financing. Prices have now mostly stabilized, but there are still occasional increases.

For Component 1, the increased cost of materials has caused the budgeted amounts to be exceeded for the implementation of interventions along the waterway. Material shortages on the island has resulted in further delays. The Department of Environment was working closely with the Ministry of Works to complete these activities by Quarter 3 of 2023, however, there are some activities which remain outstanding which may need to be completed post-project.

Component 3 follows similar challenges as Component 1, with Community Groups which applied for grants to increase the resilience of their facilities to serve as shelters, facing the same issues with the lack of available materials, resulting in implementation delays. It was expected that demonstrations of the shelters would have occurred within the first quarter of 2023, and in the last extension request, it was expected to be completed in Q4 of 2023. This activity remains outstanding however and is now expected within Q2 or Q3 of 2024.

#### DELAY IN RECEIVING FINAL DISBURSEMENT

The final Project disbursement was received on 12<sup>th</sup> December 2023. This was due to the AF not receiving the 4<sup>th</sup> Project PPR. On a review of our records, the PPR was submitted on 31<sup>st</sup> May 2023. Following discussions with the AF Secretariat, the PPR was re-submitted on 1<sup>st</sup> December 2023, with the disbursement being received shortly thereafter.

As a result of the delays caused by material availability stemming from the impacts of the COVID-19 Pandemic, and the delay in receiving the final disbursement, the DOE is requesting an eight-month No-Cost Extension to allow for the following:

- Assuming there are no further delays in material availability and no further increases in the cost of materials, the completion of the physical interventions to the waterway.
- An extension of the project should also provide additional time for community groups to complete their physical interventions under the Project. This will allow the Project, on completion, to demonstrate evidence of the physical resilience of the community shelters.

#### 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 and Signature	Ambassador Diann Black-Layne Director Department of Environment   Signature
Project/programme contact person:	Jasiel Murphy <a href="mailto:Jasiel.Murphy@ab.gov.ag">Jasiel.Murphy@ab.gov.ag</a>