



ADAPTATION FUND

Adaptation Fund Board Secretariat

Approval of Request for no-cost extension of project completion date and budget reallocation: Development Bank of Latin America (Chile, Ecuador)

Type of request: Minor

Summary of request

On 17 July 2025, the Development Bank of Latin America (CAF) submitted its second request for a six-month no-cost extension of the project “Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America” implemented in Chile and Ecuador. The first request for a twelve month no-cost extension was approved by the Board through Decision B.41/26.

This second request stems from cumulative delays due to interrelated institutional, environmental, and security-related factors such as: i) changes in national authorities following the 2023 political crisis and 2025 elections in Ecuador which disrupted inter-institutional coordination, requiring time to reestablish operational channels and validate agreements with new counterparts; ii) a series of environmental events between 2023 and 2025 which generated delays in implementing key activities; and iii) ongoing violence and armed conflict in Ecuador, specifically in Esmeraldas, since 2021 which have heavily impacted the project target areas.

CAF submitted on 26 November a complementary request for budget reallocation to accommodate the no-cost extension. The reallocation consists of shifting a portion of the project’s budget towards the public warning system in Antofagasta and Taltal (Chile). The cumulative sum of all reallocations at the output level in absolute terms amounts to 4.20%, hence representing a minor change which can be cleared by the secretariat, as per the provisions of the amended policy on project post-approval request for changes in projects/programmes.

Secretariat’s review of the request

The secretariat has reviewed the request and the reasons provided by CAF and considers the request for a 6-month no-cost extension and related budget reallocation to be justified. It also acknowledges that the Designated Authorities have been duly notified, in line with the Policy for Project/Programme Delays (Amended, 2025).

Conclusion

Following the review of the request for a six-month no-cost extension of the project completion date from 22 January 2026 to 22 July 2026 and budget reallocation submitted by CAF for the project “Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in

cities in Latin America” implemented in Chile and Ecuador, the request has been cleared by the Secretariat as per Decision B.44/44, the Policy for Project/Programme Delays (Amended, 2025), and the Policy on Project Post-Approval Requests for Changes in Projects/Programmes.

Clearance: AFSEC-2025-20