



AFB/B.46- 47/1
29 May 2026

Adaptation Fund Board

**REQUEST FOR NO-COST EXTENSION OF PROJECT
COMPLETION DATE: DEVELOPMENT BANK OF LATIN
AMERICA (CHILE, ECUADOR)**

Background

1. The Adaptation Fund Board (the Board) at its thirty-first meeting approved a five and a half year project titled “*Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America*”, submitted by the Development Bank of Latin America (CAF), for a total amount of US\$ 13,910,400 (Decision B.32/32).
2. The project objective is to reduce vulnerability to climate-related floods, mudflows and landslides in three coastal cities by mainstreaming a risk-based approach to adaptation, building collaboration and networking, and developing a culture of adaptation. The project focuses on the hydrometeorological hazards of mudflows in Antofagasta and Taltal, and flooding and landslides in Esmeraldas. The expected mid-term impacts are improved, enabling conditions to sustain Disaster Risk Reduction adaptation in the three cities. In the long term, it is expected that this will result in improved adaptive capacity. It is also envisioned that the lessons of the project are useful to other countries in Latin America and the Caribbean, and other regions of the world.
3. As mandated by the decision, an agreement was prepared and signed between the Board and CAF on November 11, 2018, and the project started implementation on 22 January 2020. The project Implementing Entity has submitted five Project Performance Reports (PPRs), which have been cleared by the Secretariat, as of May 2026, and a total of US\$ 13,910,400 million (including fees) has been disbursed by the Trustee, which corresponds to 100% of the approved grant.
4. In 2023, CAF submitted a first request for a regular twelve-month no-cost extension of the project completion date from 22 January 2025 to 22 January 2026, which was approved by the Board (Decision B.41/26).
5. In 2025, CAF submitted a second request for a regular second six-month no-cost extension of the project completion date from 22 January 2026 to 22 July 2026, which was approved by the Adaptation Fund Secretariat on 15 December 2025.
6. On 16 March 2026, CAF submitted a third request for a regular six-month no-cost extension of project completion date, proposing to extend it from 22 July 2026 to 22 January 2027 (see Annex 1).
7. Since the submission of the previous no-cost extension request, implementation constraints have remained particularly acute in Esmeraldas, Ecuador, where the project continues to face restrictions affecting field operations and mobilization. As a result, activities related to the landslide control intervention in Cerro Gatazo require additional time to ensure proper completion in accordance with the project provisions and applicable technical standards. Under the national component in Chile, all planned activities have been completed, and administrative close-out processes are currently underway. Regional activities are also advancing toward closure within the current extension period. In both cases, results have been achieved in line with what was foreseen and, in some indicators, the targets established in the project have been exceeded.

Secretariat’s review of the request

8. Following a review of the request by the secretariat and considering the explanation provided by CAF, the secretariat is of the view that this additional six-month no-cost extension request

is justified. As evidenced by the memo provided by CAF (Annex 1), this request should allow sufficient time to complete the remaining activities.

9. The Secretariat acknowledges that the Designated Authorities have been notified, in accordance with the amended Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

10. The Board may consider and decide to approve the request for a six-month no-cost extension of the project completion date from 22 July 2026 to 22 January 2027 for the project “*Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America (Chile, Ecuador)*” as requested by CAF.

Annex

1. Request for an extension of project completion date from CAF

Annex 1: Request for an extension of the project completion date from CAF

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

Implementing Entity Name: CAF, Corporación Andina de Fomento			
AF Project/programme ID: Lac/RIE/DRR/2015/1			
Project/programme Title: Reducing climate vulnerability and flood risk in coastal urban and semi urban areas in cities in Latin America (Chile, Ecuador)			
Country(ies): Chile / Ecuador			
Project/Programme Approval (date):	July 16, 2018		
Expected Project End (date):	January 22, 2026 (First extension) July 22, 2026 (Second extension)	Proposed Revised Inception (date):	January 22, 2027 (Third extension)

Reasons/justifications for the no-cost extension of project/programme completion

Since the submission of the previous extension request, the constraints described above have continued to affect project implementation in Esmeraldas (Ecuador), where limitations persist for field operations and the mobilization of technical teams. These include: (i) security conditions arising from episodes of violence and serious public order disruptions in the province of Esmeraldas, including periods under a state of exception declared by the Government to address the security crisis, which have restricted access to the intervention areas; and (ii) procurement challenges associated with these security conditions in the territory.

Consequently, the activities related to the landslide control intervention in Cerro Gatazo continue to require additional time for their proper completion, in accordance with the project provisions and applicable technical standards.

It is also worth noting that, under the national component in Chile, activities have already been completed, and administrative close-out processes are currently underway. Regional activities are also advancing toward closure within the current extension period. In both cases, results have been achieved in line with what was foreseen and, in some indicators, the targets established in the project have been exceeded.

Based on the above, a no-cost extension of six months is requested, extending the project's closing date to 22 January 2027.

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/ies (DA) has/have been notified.

Firmado por:



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CAF Focal Point Implementing Entity

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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) of Ecuador