



ADAPTATION FUND

AFB/B.46-47/3
13 July 2026

Adaptation Fund Board

**REQUEST FOR NO COST EXTENSION OF PROJECT
COMPLETION DATE: UNITED NATIONS HUMAN
SETTLEMENTS PROGRAMME (PAKISTAN)**

Background

1. The Adaptation Fund Board (the Board) during the intersessional period between its thirty-fifth a. thirty-fifth b. meeting, approved a three-year project titled “Enhance community, local and national-level urban climate change resilience to water scarcity, caused by floods and droughts in Rawalpindi and Nowshera, Pakistan” submitted by the United Nations Human Settlements Programme (UN-Habitat) for a total amount of US\$ 6,094,000 (Decision B. 35.a-35.b/20).

2. The overall objective of the project is to enhance community local and national-level urban climate change resilience to water scarcity, caused by floods and droughts in Rawalpindi and Nowshera cities. This will be achieved through the following components: (i) Community level activities: Enhance community and household-level flood resilient water harvesting facilities (using innovative techniques) and to strengthen capacities to plan, construct, operate, maintain and replicate these; (ii) District / city level activities: Enhance city and district-level water harvesting facilities in public buildings and on water storages in public gardens, develop district / city level spatial strategies as tool to assess climate change related floods, droughts and water scarcity to plan for and manage climate change risks and to strengthen capacities to plan, construct, operate, maintain and replicate water harvesting facilities in public buildings and gardens; and (iii) National level activities: Strengthen national level capacity to guide / direct city level development considering climate change and disaster risks and impacts, especially water scarcity caused by floods and droughts.

3. As mandated by the decision, an agreement was prepared and signed between the Board and UN-Habitat in July 2020 and the project started implementation on 22 December 2020.

4. UN-Habitat submitted five project performance reports (PPRs). As of 29 June 2026, four PPRs were cleared by the secretariat and a total project funding for an amount of US\$ 6,094,000 including the project fees has been disbursed by the trustee, which corresponds to 100% of the approved grant.

5. On 14 March 2024, UN-Habitat submitted a first request for a COVID-related twelve-months no-cost extension of the project completion date from 22 December 2024 to 22 December 2025, which the secretariat cleared through its letter with reference 2024/050.

6. On 10 April 2025, UN-Habitat submitted a second request for a no cost extension of the project completion date from 22 December 2025 to 22 December 2026, which the Board approved through Decision B.44-45/6.

7. On 1 July 2026, UN-Habitat submitted a third request for a no cost extension of the project completion timeline from 22 December 2026 to 22 September 2027 (see annex 1). The request is based on several factors including (i) delays related to provincial approval processes in Khyber Pakhtunkhwa and (ii) delays in opening a dedicated bank account for Output 3.2.

Secretariat’s review of the request

8. Following a review of the request by the secretariat and considering the explanation provided by UN-Habitat, the secretariat is of the view that this nine-month extension request is justified. As evidenced by the memo provided by UN-Habitat (Annex 1), it is noted that this request should allow sufficient time to deliver all remaining activities. Finally, the secretariat

acknowledges that the Designated Authority has been notified, in accordance with the amended Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

9. The Board may consider and decide to approve the request for a twelve-month no-cost extension of the project completion date from 22 December 2026 to 22 September 2027, for the project “Enhance community, local and national-level urban climate change resilience to water scarcity, caused by floods and droughts in Rawalpindi and Nowshera, Pakistan” as requested by UN-Habitat.

Annex

1. Request for an extension of the project completion date from UN-Habitat.

Annex 1: Request for an extension of the project completion date from UN-Habitat**ANNEX A: REQUEST FOR NO-COST EXTENSION OF PAKISTAN'S ADAPTATION PROJECT/PROGRAMME***Subject: Request for no-cost extension of project/programme completion date*

Implementing Entity Name: United Nations Human Settlements Programme (UN-Habitat)			
AF Project/programme ID: AF00000197			
Project/programme Title: Enhance community, local and national-level urban climate change resilience to water scarcity, caused by floods and droughts in Rawalpindi and Nowshera, Pakistan			
Country: Pakistan			
Project/Programme Approval (date)	01/06/2020		
Expected Project/programme Completion (date)	Original project completion date: 22/12/2024 1 st revised no-cost extension completion date: 22/12/2025 2 nd revised no-cost extension completion date: 22/12/2026	Proposed Revised Completion (date):	22/09/2027

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

Pakistan's current Adaptation Fund project, titled "Enhancing community-, local-, and national-level urban climate resilience to water scarcity caused by floods and droughts in Rawalpindi and Nowshera, Pakistan," is being implemented through a joint collaboration between UN-Habitat, the Adaptation Fund, and the Government of Pakistan through the Ministry of Climate Change and Environmental Coordination (MCC&EC). The project remains active and is currently in its final year of implementation.

However, unavoidable challenges have resulted in delays in the implementation of certain activities under **Output 2.1** and **Output 3.2**, as outlined below:

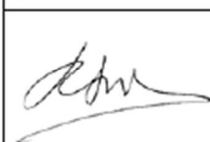
- Delays related to provincial approval processes in Khyber Pakhtunkhwa (KP):**
Following the change in the provincial government, the approval process for foreign-funded activities by the KP Chief Minister's Cabinet was significantly delayed, preventing the timely initiation of planned activities. The KP Cabinet has now approved the case and authorized TMA Nowshera to proceed with the signing of the Letter of Understanding (LoU) to commence work under **Output 2.1** in Nowshera. The signing of the LoU between the Implementing Partner (IP) and the Executing Entity (IE) is currently underway.

2. **Delays related to the opening of the project bank account for Output 3.2:** Implementation of Output 3.2 was also delayed due to lengthy procedures for obtaining approval from the Ministry of Climate Change and Environmental Coordination (MoCC&EC), the Implementing Partner (IP), to open a dedicated project bank account. The account has now been opened, enabling the planned activities to begin. However, completion of this output will require a few additional months beyond December 2026.
3. **Endorsement and approval of the proposed extension:** The Designated Authority (DA) for the Adaptation Fund in Pakistan, within MoCC&EC, has endorsed the proposal for extension. In addition, the Project Steering Committee (PSC) of the Adaptation Fund project has approved the proposed extension.
4. **The Project Steering Committee (PSC) has also approved the proposed no-cost extension date of the project:** Approved minutes of the 8th PSC meeting of the Pakistan AF project are also attached.

In light of the above circumstances, the Adaptation Fund Board is respectfully requested to consider, as an exceptional case, a no-cost extension of the project for nine months, from 22 December 2026 to 22 September 2027.

Implementing Entity Certification:

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed to by the participating Executing Entities, and the Designated Authority (DA) of the AF for the Government of Pakistan has been notified as per the attached confirmation.



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