AFB/B.47-48/2
11 November 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 11 December 2018 and the project started implementation on 22 January 2020.

4. As of March 2026, five Project Performance Reports (PPRs) were cleared by the Secretariat and a total of US$ 13,910,400 including the project fees has been disbursed by the trustee, which corresponds to 100% of the approved grant.

5. In 2023, CAF was granted a first request for a regular twelve-month no-cost extension of the project completion date from 22 January 2025 to 22 January 2026. A second six-month no-cost extension was cleared by the Secretariat on 15 December 2025 (Ref: 2025/188), extending the closure date from 22 January 2026 to 22 July 2026. 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, which was subsequently approved by the Board (Decision B.46-47/14).

6. On 13 October 2026, CAF submitted a fourth request for a regular six-month no-cost extension of project completion date, from 22 January 2027 to 22 July 2027 (see annex 1). Since the submission of the previous extension request, the project continues to face factors beyond the project's control that have affected implementation progress. Security conditions in Esmeraldas continue to limit access to project sites and hinder the mobilization of personnel, equipment, and materials. In addition, the anticipated El Niño event poses a significant risk of further delays, as heavy rainfall may disrupt construction activities and require additional protective measures. Finally, the unexpected change in the Mayor of Esmeraldas has triggered administrative restructuring within the municipality, delaying the permits, approvals, and administrative procedures needed to complete the remaining works. Together, these factors continue to impact the project schedule and necessitate additional time for implementation.

Secretariat’s review of the request

7. Following a review of the request by the secretariat and considering the explanation provided by CAF, the secretariat is of the view that this six-month extension request is justified. As evidenced by the memo provided by CAF, this request should allow sufficient time to complete the remaining activities. Finally, 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

8. The Board may consider and decide to approve the request for a six-month no-cost extension of the project completion date from 22 January 2027 to 22 July 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 the project completion date from CAF

Annex 1

ANNEX A. REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT

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

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

Since the approval of the previous no-cost extension, implementation of the activities associated with Output 2.2 has continued. These activities correspond to the landslide control, and slope stabilization works in the Mina de Piedra Sur and Nueva Esperanza Sur neighbourhoods, located in Cerro Gatazo, and constitute the only remaining activity required for project completion. While procurement of these infrastructure works was particularly challenging due to the pre-existing security conditions in Esmeraldas, all procurement processes have now been completed, and construction of the remaining works is underway.

Factors beyond the control of the project continue to pose a risk of additional implementation delays: (i) security conditions in Esmeraldas continue to restrict access to the intervention areas and the mobilization of personnel, equipment and materials, affecting the implementation schedule; (ii) the imminent occurrence of an El Niño event during the current implementation period represents a significant risk of further delays, as intense rainfall could temporarily interrupt construction activities or require the adoption of additional protection measures; and (iii) the unforeseen change of the Mayor of the Municipality of Esmeraldas has resulted in organizational restructuring within the municipal administration, delaying the permits, administrative procedures and institutional approvals required for the implementation of the remaining works.

Under the current implementation schedule, physical completion of the remaining works is expected around January 2027. The current project completion date does not provide sufficient time to manage potential implementation contingencies, complete the technical acceptance of the works, verify contractual compliance, address any observations, consolidate completion documentation, and finalize the technical and administrative closure of the project.

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

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CAF Focal Point Implementing Entity

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