



ADAPTATION FUND

AFB/B.42-43/5
13 May 2024

Adaptation Fund Board

**REQUEST FOR A NO-COST EXTENSION OF PROJECT
COMPLETION DATE:
BANQUE OUEST AFRICAINE DE DÉVELOPPEMENT
(BENIN, BURKINA FASO, GHANA, NIGER, TOGO)**

Background

1. The Adaptation Fund Board (the Board) during the intersessional period between its thirty-first and thirty-second meeting, approved a three-and-a-half-year project titled “Promoting Climate-Smart Agriculture in West Africa” implemented in Benin, Burkina Faso, Ghana, Niger and Togo, submitted by the Banque Ouest Africaine de Développement (BOAD) for a total amount of US\$ 14,000,000 (Decision B.31-32/16).
2. The overall objective of the project is to reduce the vulnerability of farmers and pastoralists to increased climatic risks, which undermine the level of food security, income generation, and the supporting ecosystem services of poor communities. This objective will be achieved through the implementation of a suite of interventions that focus on: i) Strengthening knowledge and technical capacity through regional and local interactions for the promotion of agriculture practices resilient to the adverse effects of climate change; ii) Scaling up best practices related to climate change adaptation in agriculture and pastoralism at the local and regional level; and (iii) Knowledge sharing on resilient agricultural best practices related to climate-smart agriculture.
3. As mandated by the decision, an agreement was prepared and signed between the Board and BOAD on 26 December 2018 and the project started implementation on 17 November 2020. The project Implementing Entity submitted three project performance reports (PPRs), two of which have been cleared by the secretariat. As of the date of the issuance of this document, an amount of US\$ 12,282,000 including the project fees, had been disbursed by the trustee, which corresponds to 87.7 per cent of the approved grant.
4. On 24 April 2024, BOAD submitted a request for a regular eighteen-month no-cost extension of the project completion date, from 17 May 2024 to 17 November 2025. As outlined in the Adaptation Fund Project/Programme Delay Policy (AFB/B.34-35/6), an implementing entity may request for a project/programme extension beyond the original completion date for up to 18 months for a concrete adaptation project/programme if (i) no additional funds are required; (ii) the project/programme’s originally approved scope will not change; and (iii) the entity provides reasons and justifications for the extension.
5. The reasons for this request, as outlined in the memo shared by BOAD, are four-fold: i) the launch of the project coincided with the COVID–19 pandemic and the main activities focused on arrangements for effectiveness of the subsidiary agreement, setting project management bodies, including procedures manuals, and project launching workshop; ii) the recruitment of the Regional Project Management Unit (RPMU) only became operational at the end of the first quarter of 2022, and the Project Coordinator and the Financial and Administrative Manager resigned in the process; iii) political instability in Burkina Faso and Niger, where military coups took place on 30 September 2022 and 26 July 2023, respectively, preventing the implementation of any activity in those countries; iv) in early 2024, the project encountered no major difficulties, but rather delays in the issuance of environmental permits – these delays affected the start of implementation of sub-projects.
6. The project was approved with conditions expected to be met by project inception (refer to Annex II) that related mostly to ensuring compliance with the environmental and social policy (ESP) of the Fund to the Unidentified Sub-Projects (USPs) included in the project. However, according to BOAD, the aforementioned challenges have hindered the full fulfillment of these conditions. In this regard, this request for a no-cost extension of the project completion date would allow time for BOAD to develop and implement a remediation plan to rectify the current gaps related to pending requirements and conditions of the project implementation.

7. Given the above-mentioned ongoing challenges in project implementation, BOAD has been prudent not to transfer further funds to the Executing Entity, with the then transferred amount, corresponding to only 18 per cent of the total grant that BOAD has received from the Fund. The latest project performance report indicates that most activities undertaken are related to preparatory and capacity building activities, and the USPs have yet to be formulated and implemented.

8. The secretariat also undertook a review of the documents submitted by BOAD that relate to the implementation of the conditions set out in decision B.31-32/16. The review concluded that the conditions have not been fully met, and that given the advancement of some project activities, a remediation plan is needed to ensure compliance with the ESP and gender policy (GP). Following this assessment, the secretariat requested BOAD to submit a commitment letter with a remedial action plan, including a timeframe, no later than the end of May, to ensure that the project implementation is compliant with the ESP and GP and consistent with its obligations under the legal agreement.

9. Additionally, the secretariat requested BOAD to temporarily cease the ongoing formulation of the USPs and other activities that might further prevent compliance with the Fund's ESP and GP, until the remediation plan is reviewed and technically cleared by the secretariat.

Secretariat's review of the request

10. Following a review of the request and the explanation provided by BOAD, the secretariat is of the view that this eighteen-month no-cost extension request is justified. As demonstrated by the memo provided by BOAD (Annex I), this request would: allow time for the project to compensate for accumulated delays due to different challenges and constraints faced in the project start and implementation; and allow BOAD to develop the remediation plan and address the pending requirements and conditions of the project implementation.

11. The secretariat plans to review the remediation plan developed by BOAD as part of the review of the project performance report, with a particular focus, among others, on whether the plan adequately addresses the pending requirements and conditions and to halt further disbursements to BOAD for this project until the review of project performance reports indicates that project implementation is progressing satisfactorily and that additional disbursements are needed.

12. Finally, the secretariat acknowledges that this no-cost project extension request has been agreed with the Executing Entities and endorsed by the Designated Authorities, in accordance with the Fund's Policy for Project/Programme Delays, as specified in Annex I.

Recommendation

13. The Board may consider and decide to approve the request for an eighteen-month no-cost extension of the project completion date from 17 May 2024 to 17 November 2025 for the project "Promoting Climate-Smart Agriculture in West Africa" implemented in Benin, Burkina Faso, Ghana, Niger and Togo, as requested by BOAD.

14. In addition, the Board may wish to request BOAD to develop a remediation plan, in consultation with the secretariat, to address the pending requirements and conditions of the

Project implementation as set out in decision B.31-32/16 to ensure that the USPs comply with the Fund's ESP and GP.

15. The secretariat would review the remediation plan and halt future disbursements to BOAD for the Project until the remediation plan is technically cleared by the secretariat and additional disbursements are needed. The secretariat would also report to the Board at its forty-third meeting on progress related to this project.

Annex I: Request for an extension of the project completion date

REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PRORAMME

Implementing Entity Name : Banque Ouest Africaine de Développement (BOAD)			
AF Project/programme ID : AFR/RIE/Food/2015/1			
Project/programme Title : Promoting Climate-Smart Agriculture in West Africa			
Country : Benin, Burkina Faso, Ghana, Niger, Togo			
Project/Programme Approval (date)	16 July 2018		
Expected Project/programme Completion (date)	17 May 2024	Proposed Revised Completion (date) :	17 November 2025

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

The overall objective of the project is to reduce the vulnerability of farmers and pastoralists to increase climatic risk, which undermines the level of food security, income generation, and the supporting ecosystem services of poor communities. The main outcomes are to build capacities and climate resilient knowledge of stakeholders and farmers to implement CSA, to share experiences and expertise on best practices to CSA, to develop climate services adapted to the needs of producers including agricultural and livestock practices to contribute to the resilience of populations to improve productivity, incomes and carbon sequestration.

Notable achievements so far include the production of georeferenced maps for monitoring agro-ecological zones, changes in vegetation cover and land capacity ; the training of 488 (107 women) technicians from national and regional institutions on the creation and implementation of climate-intelligent projects and the integrated CSA approaches ; the organization of Workshops for providing farmers with tailored agricultural meteorological information benefiting a total of 262 actors (101 of whom are women).

Although significant progress towards all project outcomes have been achieved and still on going ; an extension of the projection duration is requested based on the following factors :

- COVID-19 pandemic** : Following it's launching, the project first year (November 2020 – November 2021) coincided with the COVID-19 pandemic and the major restrictions. During that time, the main activities focused on i) arrangements for effectiveness of the subsidiary agreement, ii) setting project management bodies, including procedures manuals, and iii) project launching workshop.
- Recruitment** : The Regional Project Management Unit (RPMU) only became operational at the end of the first quarter of 2022. In the meantime, occurs the resignation of the Project Coordinator followed by the Financial and Administrative Manager. A new process was conducted for the positions and this situation delayed the effective implementation of the project. Field activities only began from the second semester of 2022.

3. **Political aspects** : In addition to that, military coups in two beneficiary countries (Burkina Faso and Niger) respectively on September 30, 2022 and July 26, 2023 led to series of sanctions by regional institutions, preventing the implementation of any activities in those country.
4. **Institutional aspects** : In early 2024, the project encountered no major difficulties, but rather delays in the issuance of environmental permits ; these delays affected the start of implementation of sub-projects.

Noting that according to Adaptation Fund policies « An implementing entity may request for a project/programme extension beyond the original completion date for up to 18 months for a concrete adaptation project/programme if (i) no additional funds are required; (ii) the project/programme's originally approved scope will not change; and (iii) the entity provides reasons and justifications for the extension», BOAD and the EE consider the above points as reasonable.

The 18 months no-cost extension will be used to undertake:

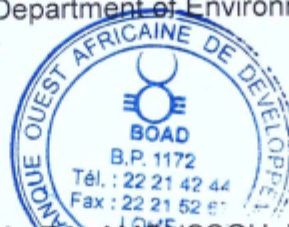
- i) the validation of the sub-projects studies and obtaining environmental permits ;
- ii) the launching of the selection process for the project proponents whose role will be to support producers in setting up soil restoration and conservation sites ;
- iii) the launch of the baseline study coupled with the project's rapid mid-term evaluation ;
- iv) the continuation of the implementation of the project activities, in particular : the promotion of integrated techniques and activities related to water management, rehabilitation and conservation, the promotion of best farming and livestock practices are climate resilient and contribute to increased food security, the valorization and the management of the sites including water management, soil rehabilitation and livestock mobility.

No additional funds are required and there will be no change in the project framework. We also confirm the Project Management Costs will not exceed the originally approved PMC costs in the project budget.

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.

Mr. Moubarak MOUKAILA, Head of the Department of Environment and Climate Finance
Name & Signature



Project/programme contact person : Mr. Eric AMOUSSOU, Head of Climate Projects Supervision, Department of Environment and Climate Finance

Date : (Month, Day, Year)

24 AVR 2024

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Annex II: AF Board Decision B.31-32/16



ADAPTATION FUND

16 July 2018

Adaptation Fund Board

Proposal for Benin, Burkina Faso, Ghana, Niger and Togo (BOAD)

Benin, Burkina Faso, Ghana, Niger, Togo: Promoting climate-smart agriculture in West Africa (Fully Developed Project Proposal; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank) AFR/RIE/Food/2015/1;(US\$ 14,000,000)

Having considered the intersessional technical review of the regional fully-developed project document carried out by the secretariat and the Project and Programme Review Committee (PPRC), and the recommendation of the PPRC, the Adaptation Fund Board decides to:

- (a) Approve the regional project proposal, as supplemented by the clarification responses provided by the *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank) to the request made by the technical review;
- (b) Approve the funding of US \$14,000,000 for the implementation of the project, as requested by BOAD; and
- (c) Request the secretariat to draft an agreement with BOAD as the Regional Implementing Entity for the project. The agreement should include a commitment from BOAD to complete the following actions by project inception and report on them in the inception report:
 - (i) Finalization of the terms of reference of the perimeter committees and fee management structure;
 - (ii) Identification of a list of permitted activities, including inherent risks, and in line with national requirements, according to the 15 principles of the Environmental and Social Policy;
 - (iii) For each Environmental and Social Policy principle, preparation, by project inception, of methodology for the identification of relevant risks during unidentified sub-project identification, and for each participating country, country-specific elements that will be required for risk identification and included in the methodology;
 - (iv) An assessment for each participating country of the personnel and capacity requirements to apply the Environmental and Social Management Plan, and the financial implications reflected in a revised budget, as needed; and
 - (v) Adoption of guidelines for environmentally responsible pesticide use.

Decision B.31-32/16