



ADAPTATION FUND

AFB/B.42-43/10
20 June 2024

Adaptation Fund Board

**REQUEST FOR A NO-COST EXTENSION OF THE PROJECT
COMPLETION DATE:
UNIDED NATIONS DEVELOPMENT PROGRAMME
(ALBANIA, MONTENEGRO, NORTH MACEDONIA)**

Background

1. The Adaptation Fund Board (the Board) during its thirty-third meeting, approved a five-year project titled “Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans” in Albania, Montenegro, and North Macedonia, submitted by the United Nations Development Programme (UNDP) for a requested amount of US\$9,927,750.00 (Decision B.33/40).

2. The objective of the project is to assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels, and to enhance resilience of vulnerable communities in the Drin River Basin (DRB) to climate-induced floods. The countries will benefit from a basin-wide transboundary flood risk management (FRM) framework based on improved climate risk knowledge and information; improved transboundary cooperation arrangements, including a policy framework and concrete FRM interventions.

3. As mandated by the decision, an agreement was prepared and signed between the Board and UNDP on 07 May 2019 and the programme started implementation on 22 October 2019.

4. The project Implementing Entity (IE) submitted three project performance reports (PPRs), which have been cleared by the secretariat, as well as a Mid-Term Review. As of the date of the issuance of this document, an amount of US\$ 9,011,537.00 including the project fees, has been disbursed by the trustee, which corresponds to 91 per cent of the approved grant.

5. On 3 May 2024, UNDP submitted a request for twelve-months no-cost extension of the project completion date, from 22 October 2024 to 22 October 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.

6. The reasons for this request, as outlined in the memo shared by UNDP, are due to: (i) the global COVID-19 pandemic outbreak which coincided with the commencement of the project, impacting negatively on the coordination with the key stakeholders, on travel and with the setting of the Project Management Unit; (ii) frequent changes in the government; (iii) census data not being published in Albania and North Macedonia, leading to hamper data gathering; (iv) cyber-attacks at the government e-infrastructure in Montenegro and Albania in 2022 which nearly paralyzed operations of public institutions during summer and autumn, thus adding impact on timelines of project activities.

7. Activities planned under the project Outcome 1 have been completed, and the project foresees to entirely complete activities under Outcome 2 by the original completion date. The extension will, therefore, enable the finalization of the activities under Component 3. In addition, the extension will enable the integration of strategic results of this project into the knowledge management strategy.

Secretariat’s review of the request

8. Following a review of the request by the secretariat and considering the explanation provided by UNDP, the secretariat is of the view that this twelve-months no-cost extension request is justified. As evidenced by the memo provided by UNDP (Annex 1), it is noted that this request would allow sufficient time for the project to compensate for accumulated delays

faced in the project implementation and ensure the fulfillment of the project outcomes. It is also noted, that this project extension was recommended by the project mid-term evaluation.

9. Finally, the secretariat acknowledges that this no-cost project extension request has been agreed with the Executing Entities, and the Designated Authorities were notified, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

10. The Board may consider and decide to approve the request for a twelve-months no-cost extension of the project completion date from 22 October 2024 to 22 October 2025, for the project “Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans” in Albania, Montenegro, and North Macedonia, as requested by UNDP.

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

AFB/B.34-35/6

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

Request for extension of project/programme completion date

Implementing Entity Name: United Nations Development Programme (UNDP)			
AF Project/programme ID: EE/MIE/DRR/2018/PPC/1			
Project/programme Title: Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans			
Country: Albania, Montenegro, North Macedonia			
Project/Programme Approval (date)	15 March 2019		
Expected Project/programme Completion (date)	22 October 2024	Proposed Revised Completion (date):	22 October 2025

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

The project will not be able to complete all activities within the initial deadline. This can be explained by the following:

- The global Covid-19 outbreak coincided with the commencement of the project. Despite UNDP's timely reaction by taking advantage of contemporary digital technologies, such as teleworking and telecommuting via online platforms, using online data base, satellite imagery datasets, etc., which allowed for maintaining momentum over implementation of some activities, the imposed lockdown and other measures during pandemic nearly brought most of the key government institutions to a halt.
- Thus, effective coordination with the key stakeholders was limited, especially during the months following the pandemic outbreak and throughout most of 2020. Even after effective communication and coordination with external stakeholders was fully restored, the remaining travel restrictions negatively impacted most of the project activities from the Component 1 that required intensive field missions throughout the basin to perform data gathering, field assessments, monitoring and meetings with stakeholders in remote areas.
- A nine-month delay occurred in setting the Project Management Unit and completing the project team following the project signing date on 22 October 2019, due to the global Covid-19 pandemic outbreak overlapping with the commencement of the project.
- The pandemic extended well into 2021 and heavily affected timeliness of the project activities. However, project implementation picked up during 2022 and 2023 with gradual lifting of the travel ban, resulting in successful completion of the Component/ Outcome 1 in 2022.
- Frequent changes in the government were observed, particularly in Montenegro where the government changed three times since 2020. This caused challenges in the continuity of country activities. North Macedonia entered a pre-election period on January 28th, 2024 with a Technical Government overseeing simultaneous presidential and parliamentary elections. The presidential campaign starts on April 4th, with two rounds on April 24th and May 8th, coinciding with the parliamentary elections.
- Data gathering by the project was hampered by the issues with census data not being published in both Albania and North Macedonia, which project addressed by facilitating ground truthing in the areas of high flood risk.
- Finally, cyber-attacks at the government e-infrastructure in Montenegro and Albania in 2022

nearly paralyzed operations of public institutions during the summer and autumn thus adding limited impact on timelines of project activities.

Hazard and risk knowledge management tools activities planned under the project Outcome 1 have been completed. The project foresees to entirely complete activities under Outcome 2 by the original completion date.

The extension will therefore enable the finalization of the activities under Component 3. More specifically, with the completion of the appraisal-led design of the structural flood protection measures in Albania under Output 3.1 planned for Q2 2024, the implementation of the measures (execution of civil works) under Output 3.2 is expected to start in Q3 2024 and run until the end of 2025. Also, civil works on structural measure in Montenegro, due to start in Q2 2024, will require extended time in 2025 due to climate related changes in the length of the construction season. Activities on strengthening community resilience and oversight of Operational Plans for flood defense for Municipalities in North Macedonia will extend to 2025.

In addition, the extension will enable the integration of strategic results of this AF project, into the knowledge management strategy, to be used for enabling the environment to establish a Drini river-basin commission under the recently initiated GEF funded SAP project in the Drin River Basin, ensuring the sustainability of our activities.

The project Mid-term Review (MTR) Report, attached as Annex I, also recommends project extension.

Drin Core Group/ Regional Project Board endorsed project extension and their 25th session held on 27 June 2023. The meeting report is attached as Annex II

This request is compliant with the Adaptation Plan rules for extension with its strong rationale, there are no additional funds required, and the scope of the project remains the same.

Enclosures:

Annex I: Report from the 25th session of the Drin Core Group/ Drin FRM Regional Project Board of 27 June 2023

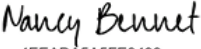
Annex II: Mid-term Review (MTR) Report

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.

Nancy Bennet
Executive Coordinator, A.I.
Vertical Fund Programme Support, Oversight and Compliance Unit
Bureau for Policy and Programme Support
United Nations Development Programme

Signature:

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Project/programme contact person: Ms. Nataly Olofinskaya, Regional Technical Advisor, Climate Change Adaptation

Date: 2 May 2024

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