



ADAPTATION FUND

AFB/B.42-43/7
8 June 2024

Adaptation Fund Board

**REQUEST FOR A NO-COST EXTENSION OF THE PROJECT
COMPLETION DATE:
UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME
(COMOROS, MADAGASCAR, MALAWI, MOZAMBIQUE)**

Background

1. The Adaptation Fund Board (the Board) during the intersessional period between its thirty-third and thirty-fourth meeting, approved a four-year project titled “Building Urban Climate Resilience in South-eastern Africa” in Comoros, Madagascar, Malawi, and Mozambique, submitted by the United Nations Human Settlements Programme (UN-Habitat) for a requested amount of US\$13,997,423 (Decision B.33-34/26).
2. The objectives of the proposed project are: (i) to develop capacities and establish conditions to adapt to the adverse effects of climate change in vulnerable cities of Madagascar, Malawi, Mozambique, and the Union of Comoros; and (ii) to promote inter-country experience sharing and cross-fertilization regarding the adaptation to transboundary climate-related natural hazards and disseminate lessons learned for progressively building urban climate resilience in south-eastern Africa.
3. As mandated by the decision, an agreement was prepared and signed between the Board and UN-Habitat on 22 October 2019 and the programme started implementation on 23 June 2020.
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\$ 13,997,423.00 including the project fees, has been disbursed by the trustee, which corresponds to 100 per cent of the approved grant.
5. On 27 April 2023, UN-Habitat was granted a 12-month no-cost extension of the project completion date from 23 October 2023 to 21 October 2024, due to unavoidable delays caused by the COVID-19 pandemic.
6. On 22 May 2024, UN-Habitat submitted a new request for an additional six-months no-cost extension of the project completion date, from 21 October 2024 to 21 April 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.
7. The reason for this additional request, as outlined in the memo shared by UN-Habitat, is the change of the PPR reporting system, which caused delays in the submission of reports and, in turn, in transferring funds to the Executing Entities.

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 six-months no-cost extension request is justified. As evidenced by the memo provided by UN-Habitat (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.

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 six-months no-cost extension of the project completion date from 22 October 2024 to 22 April 2025, for the project “Building Urban Climate Resilience in South-eastern Africa” in Comoros, Madagascar, Malawi, and Mozambique, as requested by UN-Habitat.

Annex 1: Request for an extension of the project completion date from UN-Habitat**ANNEX A: REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PROGRAMME***Request for extension of project/programme completion date*

Implementing Entity Name: United Nations Human Settlements Programme (UN-Habitat)			
AF Project/programme ID: AF00000109			
Project/programme Title: Building Urban Climate Resilience in South-eastern Africa			
Country: Comoros, Madagascar, Malawi, Mozambique			
Project/Programme Approval (date)	7/15/19		
Expected Project/programme Completion (date)	10/21/2023 extended to: 10/21/2024	Proposed Revised Completion (date):	04/21/2025

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

UN-Habitat had previously been granted a 12-month extension on this project due to unavoidable delays brought about by the COVID-19 pandemic in 2020. UN-Habitat is now applying for an additional 6-month extension to complete the project by April 2025, in accordance with Article 14 of the Adaptation Fund policy for programme/project delays (2019), which allows a total of 18 months of extension.

The project team would benefit from an additional 6 months to complete the project due to delays in implementation while awaiting the final tranche of funds from the Adaptation Fund. Disbursement delays occurred due to changes in the PPR reporting format, resulting in late submissions and funds arriving later than expected. This, in turn, caused delays in transferring funds to the Implementing Partners. UN-Habitat received the final trench of funds on March 26, 2024, leaving only about seven months to complete a full year of project activities in all four countries. Hence, the project would benefit from a 6-month no-cost extension to finalize project activities and ensure quality implementation and reporting.

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.

Name & Signature



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