



ADAPTATION FUND

AFB/B.42-43/9
16 June 2024

Adaptation Fund Board

**REQUEST FOR A NO-COST EXTENSION OF THE PROJECT
COMPLETION DATE:
UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME
(FIJI)**

Background

1. The Adaptation Fund Board (the Board) during its thirtieth meeting, approved a four-year project titled “Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks” in Fiji, submitted by the United Nations Human Settlements Programme (UN-Habitat) for a requested amount of US\$ \$ \$4,235,995 (Decision B.30/24).
2. The overall objective of the project is to increase the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks. This will be achieved through the following components: (i) Institutional strengthening for enhanced local climate response: Reduce vulnerability at the city-level to climate-related hazards and threats with a particular view to community level resilience; (ii) Local (community/informal settlement) resilience strengthening: Strengthen awareness and ownership of adaptation and climate risk reduction processes and capacity; (iii) Enhancing resilience of community level physical, natural and socio-economic assets and ecosystems: Increase adaptive capacity with relevant development and natural resource sectors; Increase ecosystem resilience in response to climate change and variability-induced stress; and (iv) Awareness raising, knowledge management and Communication: Project implementation is fully transparent. All stakeholders are informed of products and results and have access to these for replication.
3. As mandated by the decision, an agreement was prepared and signed between the Board and UN-Habitat on 18 January 2018 and the programme started implementation on 11 July 2018.
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\$ USD 1,797,380 including the project fees, has been disbursed by the trustee, which corresponds to 43 per cent of the approved grant.
5. UN-Habitat was granted two 12-month no-cost extensions of the project completion date from, respectively from 10 July 2022 to 10 July 2023, and from 10 July 2023 to 10 July 2024, due to unavoidable delays caused by the COVID-19 pandemic.
6. On 25 April 2024, UN-Habitat submitted a new request for an additional eighteen-months no-cost extension of the project completion date, from 10 July 2024 to 10 January 2026. 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 reasons for this request, as outlined in the memo shared by UN-Habitat, are due to different reasons, including: the lag effects of the COVID-19 pandemic which resulted in staff shortages at the Executing Entity (EE) and in the de-prioritization of project activities; financial management challenging transitions resulting in the delays of transfers of funds from the ministry of Finance to the EE; after a two-year COVID-19 related interruption, activity planning with local councils and the communities required a re-engagement with new personnel; and delay in community infrastructure implementation, due to re-confirmation of tenure arrangements.

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 final eighteen-months no-cost extension request is justified. As evidenced by the memo provided by UN-Habitat (Annex 1), it is noted that this extension would allow sufficient time to complete the remaining activities and ensure the fulfillment of the project objectives.

9. Finally, the secretariat acknowledges that this no-cost project extension request has been agreed with the Executing Entity and is endorsed by the Designated Authority (Annex 2), 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 an eighteen-months no-cost extension of the project completion date from 10 July 2024 to 10 January 2026, for the project "Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks" implemented in Fiji, as requested by UN-Habitat.

Annexes

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

Annex 2: letter of endorsement from the Designated Authority of Fiji

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

Request for extension of project/programme completion date

Implementing Entity Name: United Nations Human Settlements Programme (UN-Habitat)			
AF Project/programme ID: FJI/NIE/Urban/2016/1			
Project/programme Title: Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks			
Country: Fiji			
Project/Programme Approval (date)	12-13 October 2017 (Decision B.30/24), project started 11 July 2018 (Inception workshop)		
Expected Project/programme Completion (date)	10/07/2022 (original) 10/07/2023 (first extension) 10/07/2024 (second extension)	Proposed Revised Completion (date):	10 Jan 2026

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

Several milestones of the AF project in Fiji have been achieved so far. Whilst the new administration, through its Ministry of Housing and Community development, was fully committed to accelerating the substantive project execution, several operational and institutional challenges resulted in further delays.

- Post-COVID staff shortages at the Executing Entity resulted in the de-prioritization of project activities. In consultation with the EE it was agreed not to hire project personnel unless key HR challenges are resolved to ensure that project funds are not further drained.
- A challenging transition in the financial management resulted in delays of transfers of funds from the Ministry of Finance to the Executing Entity. This was only resolved in early 2024.
- Planning activities with the four local councils and the communities restarted in July 2023 after a two-year COVID-related hiatus requiring a re-engagement with new personnel at the council level as well as at the level of the community leadership.
- Community infrastructure implementation was further delayed due to time-consuming re-confirmation of tenure arrangements.

However, some progress has been made across all outcome areas over the last months, and climate resilience-building community infrastructure implementation is now imminent. In light of the events described above, we are requesting an additional no-cost extension of 18 months until 10 January 2026 in order to complete the remaining activities. The approval of the changes proposed is key for ensuring the projects' completion and safeguarding of the quality of its execution.

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.



Rafael Tuts
Director
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UN-Habitat

Date: 14 February 2024

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Annex 2: letter of endorsement from the Designated Authority of Fiji



OFFICE OF THE PRIME MINISTER

Suva, Fiji, 10/09/23

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
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Re: Endorsement of UN-Habitat's Request for no-cost project extension of additional 18 months of AF project Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks (FJI/NIE/Urban/2016/1)

1. In my capacity as Designated Authority for the Adaptation Fund in Fiji, I support UN-Habitat's request for another no-cost extension of an additional 18 months. This was discussed in and approved in the Project Management Committee.
2. The executing entities and I understand that post-COVID institutional capacity limitations of the executing entities, the transition in project personnel and readjustments of the financial management resulted in delays. Most importantly, changes at the local authority and community levels post COVID required a lengthy re-engagement process to confirm identified project.
3. In light of the above, I fully endorse UN-Habitat's request to request a no-cost extension of project activities until January 2026. I will work closely with UN-Habitat to ensure that the revised workplan will be implemented accordingly in the extended timeframe.

Yours sincerely

K. Raj

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