



ADAPTATION FUND

AFB/B.42-43/15
1 August 2024

Adaptation Fund Board

**REQUEST FOR NO-COST EXTENSION OF PROJECT
COMPLETION DATE FOR INNOVATION SMALL GRANT
PROJECT FOR CHILE
(AGCID)**

Background

1. During the thirty-fourth meeting, the Adaptation Fund Board (the Board) approved, through Decision B.34/36, a one and half year small innovation grant project titled “Water Security: Improving Access to Water during Emergency Situations in the City of Quilpué, Valparaíso Region” in Chile, submitted by the *Agencia de Cooperación Internacional de Chile* (AGCID), for a requested amount of US\$ 230,000.
2. The overall objective of the project is to improve access to water during emergency situations in a low-income city (in the San Antonio Province), Valparaíso Region. As mandated by the decision, an agreement was prepared and signed between the Board and AGCID on 7 December 2020.
3. The transfer of fund was made in one lump sum for the implementation of the project for a total amount of US\$230,000, which was released following signature of the grant agreement on 2 December 2020.
4. AGCID has submitted two project performance reports (PPRs) for the years 2022 and 2023.
5. Considering that the project was approved during the COVID-19 pandemic, the project experienced a delay in project commencement caused by the pandemic, which kept Chile in a state of sanitary alert until 31 August 2023, according to a decree. This affected the first year of implementation (2022) due to restrictions on circulation between cities. The project held its inception workshop on 9 March 2022.
6. The original completion date of the project was 9 September 2023. However, on 25 May 2023, a six-month COVID-19 extension was submitted by AGCID to the secretariat. In line with the Board Decisions B.35b/16 and B.40/69, the secretariat reviewed the request and found it to meet the criteria referred to in both decisions mentioned above.
7. Consequently, the request for a six-month no-cost extension of the project completion date from 9 September 2023 to 9 March 2024 was approved, and 9 March 2024 was recorded by the secretariat as the new project completion date.
8. On 19 February 2024, AGCID submitted to the Board, through its secretariat, a request for change of the Executing Entity (EE) and project target sites. This was supported by an endorsement letter from the Designated Authority for Chile and included also a request for a further no-cost extension of the project completion date. The Board approved the change in executing entity, project target area for and the seven-month no-cost extension of the project completion date from 9 March 2024 to 9 October 2024, through Decision B.42/41.
9. On 25 July 2024, AGCID submitted a third request for a regular twelve-months no-cost extension of the project completion date from 9 October 2024 to 9 October 2025 (see annex 1). The extension is needed in light of the interinstitutional arrangements that are needed to be put in place given the change in the EE for the project.

Secretariat's review of the request

10. Following a review of the request by the secretariat, and considering the explanation provided by AGCID, the secretariat is of the view that this twelve-months no-cost extension request is justified.

11. Following the approval of the change in the EE, the amended legal agreement was signed on 22 July 2024. As evidenced by the memo provided by AGCID (Annex 1), it is noted that this request would allow sufficient time to complete the contracting services and construction of the three water points envisaged under the project.

12. Finally, the secretariat acknowledges that this no-cost project extension request has been endorsed by the Designated Authority, in accordance with the Adaptation Fund Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

13. The Board may consider and decide to approve the request for a twelve-months no-cost extension of the project completion date from 9 October 2024 to 9 October 2025, for the project "Water Security: Improving Access to Water during Emergency Situations in the City of Quilpué, Valparaíso Region" as requested by AGCID.

Annexes

1. Request for a no-cost extension of the project completion date from AGCID

Annex 1 – Request for a no-cost extension of the project completion date from AGCID**ANNEX A: REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PROGRAMME***Request for extension of project/programme completion date*

Implementing Entity Name: Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID)			
AF Project/programme ID:			
Project/programme Title: "Water Security: Improving Access to Water during Emergency Situations in the City of Quilpué, Valparaíso Region"			
Country: Chile			
Project/Programme Approval (date)	10-11 October 2019		
Expected Project/programme Completion (date)	October 09 2024	Proposed Revised Completion (date):	October 09 2025

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

Since the Adaptation Fund Board approved the change of the Project's executor through an amendment dated July 22, 2024, this Agency will proceed to sign the respective interinstitutional agreement with the new Executing Entity.

This will allow us to adjust the Technical and Administrative Terms of the public tender process for hiring the company that will construct the three water points considered in the project, with an estimated construction time of 4 months.

Therefore, it is essential to request a 12-month extension from the Fund Secretariat, making it possible to carry out the aforementioned contracting process, thereby enabling the successful completion of the Project's activities.

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.

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