



GOVERNMENT OF ANTIGUA AND BARBUDA

Department of Environment
Ministry of Health, Wellness and the Environment
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Friday 29th July 2022

The Adaptation Fund Board
1818 H Street NW
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RE: REQUEST FOR EXTENSION OF ANTIGUA AND BARBUDA PROJECT "AN INTEGRATED APPROACH TO PHYSICAL ADAPTATION AND COMMUNITY RESILIENCE IN ANTIGUA AND BARBUDA'S NORTHWEST MCKINNON'S WATERSHED" DUE TO THE IMPACT OF THE COVID-19 PANDEMIC

Request for extension of project/programme completion date

TABLE 1: ADAPTATION FUND TEMPLATE FOR PROJECT EXTENSION

Implementing Entity Name: Department of Environment, Ministry of Health, Wellness and the Environment, Antigua and Barbuda			
AF Project/Programme ID: ATG/NIE/Multi/2016/1			
Project/Programme Title: An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda's northwest Mckinnon's Watershed			
Country: Antigua and Barbuda			
Project/Programme Approval (date)	27/03/2017		
Expected Project/programme Completion (date)	01/08/2022	Proposed Revised Completion (date):	September 2022

Reasons/justifications for the extension of project/programme completion

The Department of Environment (DOE) began implementation of the AF project in August, 2017 and was expected to complete implementation by August 2022 due to the approval of a No Cost Extension. However, the project continues to be impacted by the effects of the COVID-19 pandemic and this has derailed the delivery of outputs within the current project timeline as follows:

COVID-19 PANDEMIC

The impact of the COVID-19 pandemic continues to exasperate delays in the implementation of the project, primarily due to supply chain issues. Since the COVID 19 pandemic, the costs

for materials have doubled. This has had trickling effects on all three components due to the need for climate resilience construction across components

For Component 1, the increased cost of materials has exceeded the budgetary amount from the project to implement adaptation interventions along the waterway. The Department of Environment formalized a Memorandum of Understanding with the Ministry of Public Works to subsidize the costs of construction along the waterway; however, even with this arrangement, the project is unable to complete physical interventions under Component 1 without an increase in available funds for Component 1. As such, the Department is also requesting the transfer of budgetary funds from Component 2 of approximately USD \$270,000.00 to Component 1 in order to complete this activity. This would allow the project to complete the physical interventions and is expected to positively impact the approximately 14,100 persons within the community as well as the numerous businesses within the area. In addition, the delay in the import of materials also require the project to delay implementation of Component 1, with activities on Component 1 now expected to be completed in Quarter 4 of 2022 or Quarter 1 of 2023.


Under Component 2, the project was expected to disburse loans to at least 10% of the homes in the target area which accounted for around 200 households. However, the onset of the COVID 19 pandemic in 2020 resulted in households in the area, which is a traditionally low-income area, delaying their applications through the Programme as they waited for material costs to subside. As a result, the Department expanded the programme to first respondents in 2021 and introduced several initiatives including increased community outreach, extension of the payment period for the repayment of loans (i.e allowing repayment of loans in 15 years instead of 10 years) as well as lower monthly repayment costs, which resulted in an increase of over 70% of applicants approved for the loan. However, despite these ongoing initiatives, households still remain hesitant to apply under the programme as they consider material costs. Further, households who have applied under the programme have been forced to apply for increasing amounts in order to meet climate resilience standards. As such, the Department proposes the transfer of remaining funds for the disbursement of the loans, which account for around USD \$270,000.00, to Component 1 in order to complete the interventions along the waterway. The project is expected to reach its household target for the Revolving Loan post official project closure based on reflows to the Revolving Loan Programme. This is expected to also benefit households who have delayed borrowing loans for adaptation as they await the costs of materials to subside and are not under the pressure of the project timeline

Under Component 3, community groups who have applied for grants to increase the resilience of their facility to serve as shelters during the hurricane period have also been affected by supply chain issues as a result of the COVID 19 pandemic. Some community groups have been forced to request an increase in their grant amounts in order to complete their project interventions. Further the delay in the arrival of materials have also increased the time community groups need in order to complete their project interventions, thus delaying the ability of the project to demonstrate the results of access to climate financing among community groups. Demonstration of climate resilient community shelters are thus not expected until 2023

As a result of the delays caused by the COVID 19 pandemic, the Department of Environment is requesting a twelve (12) months extension of the project in order to complete project activities. This extension would allow for the following:

- Assuming materials costs do not rise any further and the DOE is able to transfer at least **USD \$270,000.00** from Component 2 to Component 1, physical interventions under Component 1 should be completed by quarter 4 of 2022 or quarter one of 2023
- The completion of the physical interventions will provide broad benefits for households and businesses in the area. By 2023, the Department will also be able to demonstrate the impact of climate resilience building among current recipients of the loans as well as receive and disburse additional loans based on the reflows to the Revolving Loan Programme.
- An extension of the project should also provide additional time for community groups to complete their physical interventions under the project. This would also allow the project upon completion to demonstrate evidence of the physical resilience in the community shelters

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 and Signature	Ambassador Diann Black-Layne Director (Department of Environment)  Signature
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