Approval of request for extension of project completion date: UCAR (Argentina)

Following the recommendation of the secretariat after its review of the request for extension of the project completion date provided by the Unidad para el Cambio Rural (UCAR), the Adaptation Fund Board decided to approve the request for an 8-month extension of the project completion date, from April 2018 to December 2018.

Decision B.30-31/4
BUENOS AIRES, 31 OCT. 2017

NOTA UCAR Nº 4796-41

Ref.: Project “Enhancing the Adaptive Capacity and Increasing Resilience of Small-Scale Agriculture Producers of the Northeast of Argentina”

Dear Mr. Ndiaye,

I am writing to you in order to kindly request the extension of the project’s end date to December 2018, based on the reasons explained in the extension request form, which you can find attached in Annex I and are summarized below:

- The last bidding process was recently completed for the procurement of materials for 15 rural locations aimed at improving the effective use, catchment, harvesting and storage of safe water, and at optimizing agricultural practices. The strategy of building capacities and increasing resilience of smallholders involves training in the self-construction of the on-farm technologies, which take time, especially when considering the long distances and the logistics needed to ensure availability of technicians for the trainings.

- The occurrence of intense precipitations in the region of the project has delayed the delivery of construction material and the progress of works in rural communities, which area accessed through dirt roads in poor maintenance conditions.

- A new activity of self-revolving funds for reducing the risk of smallholders to face the negative impacts of climate change has been designed as proposed along with the matrix resources reallocation, and will be fully implemented by the end of the year.

UCAR as NIE considers highly important to extend the project in order to oversee the above-mentioned activities and guarantee their completion and adequate monitoring, evaluation and learning process.

Please, do not hesitate to contact me if you need any further information.

Sincerely,

MSc LAURA ABRAM ALBERDI
JEPA
Unidad de Gestión Ambiental y Social
Área Gestión Programas y Proyectos
UCAR
Av. Belgrano 450/2 - C1092AAR - C.A.B.A. - República Argentina – Tel: (011) 4349 1300
www.ucar.gob.ar
Annex I: Request for extension

Request for extension of project/programme completion date

<table>
<thead>
<tr>
<th>AF Project/programme ID: ARG/NIE/Agri/2011/1</th>
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<tr>
<td>Project/programme Title: Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina</td>
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<td>Country: Argentina</td>
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<td>Project/Programme Approval (date): 04/04/2013</td>
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<td>Expected Project/programme Completion (date): April 2018</td>
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Reasons/justifications for the extension of project/programme completion:

The main reasons supporting the extension request are:

1. On September 2017, a significant public bid process was completed for the procurement of materials aimed at implementing and improving the efficient use, catchment, harvesting and storage of water, and at optimizing practices of agricultural, farming, and forestry production management. The procurement process to award the contract took 9 months, according to the usual timeline of Argentinean public administrative procedures. Financially, this bid represents 12% of the whole project and will benefit 750 additional families. For the implementation of on-farm technologies, the strategy of strengthening selected smallholder's adaptation capacity means that technicians work in participatory workshops with the smallholders, training them in self-construction of water tanks, wells or the installation of irrigation systems or greenhouses. For some of these technologies, there are few experts, who need to coordinate their presence in different provinces, where long distances and difficult access are common. Therefore, training and implementation of the on-farm investments takes a significant amount of time. As a result, we consider of high importance to extend the project' end date to guarantee the overseeing of the whole process and the termination of all on-farm investments, following the strategy of building capacities.

2. The occurrence of intense precipitation during the last year has exceeded average values for the provinces of the region of the project. This situation has delayed the progress of works in the towns. The delivery of construction materials necessary for the different technologies of access to water and optimization of agricultural practices entails the entry of semi-trailer trucks fully loaded into rural areas with dirt roads in poor maintenance conditions. Therefore, further delays in the delivery of materials and the start of the on-farm work construction might be possible, considering that the rain season is about to start.

3. A new activity of self-revolving funds aimed at smallholders for reducing the risk to the negative impact of climate change has been designed and will be fully implemented by the end of the year. As this will require a closer monitoring of how credits are being implemented, and if the system rotates as planned, we consider highly important to extend the time of the implementation of the project. This will enable UCAR as NIE not only to supervise this innovative intervention, but also to learn and evaluate the results obtained and analyze if this could be a suitable option in the diversification of risks for the target population.

Implementing Entity certification
This request has been prepared in accordance with the Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.

<table>
<thead>
<tr>
<th>Mario Nanclares</th>
<th>Lic. Mario Nanclares</th>
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<tr>
<td>Project/programme contact person</td>
<td>Responsable Área Gestión Institucional UCAR</td>
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</tbody>
</table>

Date: October 30, 2017

Tel. and Email: +54 11 4349-4659
Buenos Aires, October 30th 2017

Mr. Michael Kracht
Adaptation Fund Board Chair

Subject: Request for extension

Dear Mr. Kracht,

I am addressing this letter to you in my capacity of Argentina’s Designated Authority before the Adaptation Fund. Having revised the proposed extension for the Project “Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers on the Northeast of Argentina”, it is my recommendation that this extension is approved by the Adaptation Fund Board and communicated to UCAR in its capacity of National Implementing Entity of the Project.

In the hope of receiving a favorable consideration to this recommendation, please accept my assurance of my highest consideration.

Yours sincerely,

Lucas Di Pietro Paolo
Adaptation to Climate Change Director
Ministry of Environment and Sustainable Development - Argentina