



ADAPTATION FUND

23 January 2020

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast Track Re-accreditation of the General Directorate of Sectoral and Special Programs and Projects (DIPROSE) of the Ministry of Agriculture, Livestock and Fisheries of Argentina (MAGyP), Successor Entity of Unidad para el Cambio Rural (UCAR) as National Implementing Entity (NIE) of the Adaptation Fund.

Having reviewed the fast-track re-accreditation application of the General Directorate of Sectoral and Special Programs and Projects (DIPROSE), successor entity of Unidad para el Cambio Rural (UCAR), the Accreditation Panel recommended that DIPROSE be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

A summary of the review can be found in Annex I

Re-accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the fast-track process approved by Decision B.28/38, the Adaptation Fund Board decides to re-accredit ***the General Directorate of Sectoral and Special Programs and Projects (DIPROSE) of Argentina, successor entity of Unidad para el Cambio Rural (UCAR)***, as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The re-accreditation expiration date is 22 January 2025.

Decision B.34-35/13

ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE GENERAL DIRECTORATE OF SECTORAL AND SPECIAL PROGRAMS AND PROJECTS (DIPROSE) OF THE MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES OF ARGENTINA (MAGyP) SUCCESSOR ENTITY OF UNIDAD PARA EL CAMBIO RURAL (UCAR) FOR FAST TRACK RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.

Background

The General Directorate of Sectoral and Special Programmes and Projects (DIPROSE) of the Under-Secretariat of Administrative Coordination in the Ministry of Agriculture, Livestock and Fisheries (MAGyP) of Argentina is the legal successor of the Unidad para el Cambio Rural (UCAR), of the same Ministry. UCAR was accredited in 2011 as a National Implementing Entity (NIE) of the Adaptation Fund. Thereafter it received a grant of USD5.64m from the Adaptation Fund for the project “Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina”. This 4.5-year project started in October 2013 and completed in December 2018. UCAR submitted its application for fast track re-accreditation to the Secretariat via the online workflow system on 1 September 2016. UCAR was accredited with the Green Climate Fund on March 9, 2016 under a fast-track process in view of it being an AF-accredited NIE, and was advised by the AF Secretariat on December 16, 2016 that it was eligible for fast-track accreditation under AF Board Decision B.28/38. The change from UCAR to DIPROSE took place in the course of several Government-wide reorganizations in 2018-2019. This included a renaming of the Ministry to the Ministry of Agroindustry, its subsequent location as a Secretary of Government of Agroindustry under the dependency of the new Ministry of Production and Labor, and finally its restoration as a full Ministry under its older name of MAGyP. The assessment has considered the changes, in accordance with the guidance in Board document AFB/EFC.24/3/Rev.1 and the Board decision that approved that process, decision B.33/48 and concluded that in their final form had not led to any material changes in terms of its legal, institutional and organizational aspects so that the essential capacities, systems, and policies remain intact. DIPROSE is therefore considered the successor entity of UCAR and therefore eligible for re-accreditation.

Assessment against the fast track re-accreditation criteria

The assessment for fast-track re-accreditation has, in accordance with Board Decisions B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund), B.34/3 (Updated Re-accreditation Process) and B.32/36 (Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism), focused on the following criteria:

- **The Fiduciary Standard related to the legal status** - The legal status was extensively reviewed during re-accreditation due to a series of Government reorganizations and changes in the location of particular legal capacities during the course of the re-accreditation review. The assessment reached is that the current DIPROSE of MAGyP is the legal successor of the originally accredited UCAR under this same Ministry. The applicant continues to meet the criterion on the basis that (a) UCAR’s functions, systems, staffing and internal organization have been continued under DIPROSE as before; (b) MAGyP and its constituent parts including DIPROSE are legally established components of the Argentine Government; (c) with the restoration of MAGyP as a full Ministry the capacity to receive funds remains as it was in

respect of UCAR; (d) DIPROSE has been legally assigned the functions with respect to being NIE that were previously with UCAR; (e) an official letter of commitment provided to the AF Secretariat states that notwithstanding the Ministry of Economy having since been made in charge of signing all donation / loan agreements with international financing organizations, the linkage between the signing authority of the agreement and DIPROSE is guaranteed, always in compliance of the current national legislation, as well as the regulatory frameworks that govern the operation of the Adaptation Fund; .and (f) as previously was the case with UCAR, under the law of Argentina, the legal entity for the purpose of suing and being sued is the Argentine State, represented by the President of the Nation as head of the National Executive Power, who assigns exclusive competences by subject to each Ministry. In this context, in the case of a conflict involving the possibility of suing or being sued, the President of the Nation may delegate the matter to the legal office/department of the corresponding Ministry. On the basis of these elements, the **Panel concludes that DIPROSE fully meets this fiduciary criterion.**

- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** - DIPROSE has published on its website a policy of zero tolerance for fraud, with links to a complaint mechanism and information on investigations and sanctions. This supplements the complaint mechanism of the national Anti-Corruption Office. DIPROSE, as an entity under the jurisdiction of a Ministry, is subject to the Argentine Government's public procurement regulations and its anti-corruption framework that comprises prevention (information access and transparency, ethics and financial disclosure arrangements), detection (including hotlines) and investigation regulations overseen by a functioning national Anti-Corruption Office. The Ministry Internal Audit Unit and the Anti-Corruption Office provide investigation services which would be deployed in the event of complaints concerning DIPROSE administration or projects, with appropriate guidelines and publicly available evidence that they are pursuing their mandates. With regard to anti-money laundering and countering the financing of terrorism (AML-CFT), the national AML-CFT systems apply, including investigation of suspicious transactions and referrals for prosecution by the national Financial Information Unit. By 2014 Argentina had successfully addressed the issues identified in its last Mutual Evaluation under the auspices of the Financial Action Task Force (FATF) and was taken by the FATF out of the follow-up process. Measures in place for DIPROSE concerning selection of and disbursements to third parties including service providers and beneficiaries are adequate in terms of managing AML-CFT risks. **The Panel is satisfied that the DIPROSE has zero tolerance towards fraud, financial mismanagement and other forms of malpractice, policies to deter such behavior, and the commitment and the capability to receive reports of such behavior, have them objectively reviewed and take appropriate action where the behavior is confirmed. It has appropriate internal measures for anti-money laundering and countering the financing of terrorism (AML-CFT), supplemented by national AML-CFT controls and investigation systems.**
- **Commitment by the entity to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy** - There have been enhancements to DIPROSE's environmental and social policy framework since the initial accreditation. In July 2015, the then UCAR Executive Coordinator agreed to an overarching statement of principles posted on its website, which remains applicable to DIPROSE. Taken together with an institutional policy on indigenous peoples and other policies developed for particular programs, there is substantial alignment with AF E&S and gender policies. Notably it has implemented an internal environmental and social audit process to support management oversight., It provided convincing examples of its capacity to address environmental, social and gender risks and implement gender

mainstreaming in its projects including in the AF project for which it was implementing agency.
. The Panel is satisfied that DIPROSE has the commitment and the capability to comply with the AF Environmental and Social Policy and Gender Policy.

- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** - UCAR (now DIPROSE) has published on its website information presenting an accessible, transparent, fair and effective mechanism for receiving complaints about environmental and social and gender harms caused by projects. This promotes communication with affected communities throughout the project cycle and methods for locally reviewing and resolving complaints, but also provides for escalation within and beyond UCAR and the Ministry where necessary. It advised that it has not been subject to complaints of environmental, social or gender harms. **The Panel is satisfied that DIPROSE has the commitment and the capability to receive, have independently reviewed and take remedial action where appropriate on complaints regarding environmental, social and gender harms caused by its programs and projects.**

Assessment of the implementing entity's performance regarding quality at entry and project/programme implementation

The UCAR/DIPROSE-executed project "Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina" which closed in December 2018) has been rated as satisfactory and in some components highly satisfactory. The final evaluation report concluded that the project is an intervention that may be considered a role model of integrated, sustainable and adaptive management. The project's life cycle features a pertinent, quality design and effective, efficient, sustainability-oriented implementation from the beginning with significant impacts in terms of adaptation to climate change, both at farm level, and at the provincial and national levels. UCAR/DIPROSE's supervision and support activities were considered to be of high quality, at very low cost. Its role was considered essential in assuring the successful coordination of a complex network of public and private agencies. The project capitalized the accumulated technical capacities of the agency.

Recommendation

The Accreditation Panel recommends that the General Directorate of Sectoral and Special Programmes and Projects (DIPROSE) of the Under-Secretariat of Administrative Coordination in the Ministry of Agriculture, Livestock and Fisheries (MAGyP) of Argentina successor entity of Unidad para el Cambio Rural (UCAR) be reaccredited as an NIE of the Adaptation Fund.