



ADAPTATION FUND

9 September 2024

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast-Track Re-accreditation of the Agence pour le Développement Agricole (ADA) as a National Implementing Entity (NIE) of the Adaptation Fund

Having reviewed the fast-track re-accreditation application of the **Agence pour le Développement Agricole (ADA)**, the Accreditation Panel recommended that ADA be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

A summary of the review is presented in Annex I below.

Re-accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the re-accreditation process approved by Decisions B.28/38 and B.34/3, the Adaptation Fund Board decided to re-accredit the **Agence pour le Développement Agricole (ADA)** as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 9 September 2029.

Decision B.42-43/24

ANNEX I

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE AGENCE POUR LE DÉVELOPPEMENT AGRICOLE (ADA) FOR FAST TRACK RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

Background

The ADA was accredited by the Adaptation Fund as a national implementing entity (NIE) for Adaptation Fund purposes in 2012 and was reaccredited under the fast-track procedure in 2016 following its near-simultaneous accreditation with the Green Climate Fund.

In August 2015 a 4.5-year project, The Oases Climate Change Adaptation Project (PACC-ZO) was approved for a total value of USD 9,970,000. Due to the pandemic as well as some technical issues, the project was extended twice and was finalized in late December 2023. The final independent evaluation commissioned in 2023 reflects a largely moderately satisfactory performance.

This is the second time the ADA is being considered under the fast-track procedure due to its 2021 re-accreditation with the GCF.

The review and assessments by the Panel were based on the completed application form submitted through the online system and the applicant's responses to follow-up questions. The Panel complemented its review with information available on the ADA's website as well as relevant documents from the websites of the Green Climate Fund and other related international institutions as well as third-party assessments made available to the Panel.

The Applicant

The "Agence pour le Développement Agricole" (ADA), headquartered in Rabat, is the National Implementation Entity (NIE) of Morocco. Established in 2009, it has about 100 staff and is under the "tutorship" (i.e., a term used in the law establishing the agency) of the Ministry of Agriculture, Fisheries, Rural Development, Water and Forestry. Its mission is "... to participate in the implementation of the Strategy for Agricultural Development." The ADA has been an implementing entity managing a large portfolio of the Green Morocco Plan Programme (GMP), which started in 2012. All the investments initiated through the GMP have significantly improved the performance of the agriculture sector in terms of economic and social aspects. The applicant has been operating as an implementing entity for the GMP. The strategy of the GMP is to promote financing from public and private sources in the agriculture sector and develop climate-friendly projects and programs with a focus on economic development and eradicating poverty in the country.

Assessment against the second time fast-track re-accreditation criteria

This assessment for second time fast-track re-accreditation was conducted pursuant to the criteria as set out in Board Decision B.28/38 (fast-track re-accreditation of implementing entities accredited with the Green Climate Fund) based on AFB/EFC.19/7 of December 2016;; Decision B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism) based on AFB/EFC.23/4; and Decision B.34/3 (Revised re-accreditation process including conditions on the fast-track accreditation set by the GCF) and quality at entry and project/performance based on AFB/B.34/5 of October 2019 and its annexes; and Decision

B.31/26 (use of external sources as complementary information) based on AFB/B.31/9 of March 2018.

As this is a second time fast-track re-accreditation process, criteria related to financial management were reviewed as well. (Decision B.31/26 of March 2018).

Summary Assessment

The ADA has demonstrated continued full compliance with the pertinent accreditation criteria for second time fast-track re-accreditation (FTR) by the Adaptation Fund. Since its accreditation, the ADA has strengthened its internal audit and oversight committee practices and made significant improvements regarding policies, procedures, and frameworks for dealing with fraud, financial mismanagement, and other forms of malpractice. Third-party assessments, including those concerning the AF-funded project, confirmed good performance by the ADA in its project management and achievements.

The fiduciary standard related to the legal status

There was no change in its legal personality, capacity, authority, and ability to enter into contracts or agreements and to directly receive funds from international, and national institutions and the private sector as well as the legal capacity to serve as a plaintiff or defendant in a Court of law. The applicant meets this criterion.

Policies and procedures, screening, and decision-making related to anti-money laundering/countering the financing of terrorism (AML/CFT) on disbursements, procurement, and handling instances of non-compliance to policies procedures, and laws

As a Government Agency, the ADA complies with stringent national policies. National institutions have been further strengthened in recent years and the ADA falls under the reporting scheme of these laws. The applicant provided a demonstration of how fund transfers are being screened and how risks are being managed. AML/CFT risks in procurement are addressed through the applicant's integration into the national screening and reporting system. Noting that some internal manuals and forms will require further updating, such as the procurement manual and contract templates, the Panel concluded that the applicant meets this criterion.

Financial statements including Project Accounts and Provisions for Internal and External Audits

The entity's Accounting Manual sets out the accounting procedures to support the production of institutional and program/project-level financial statements. The ADA's institutional financial statements are prepared on an accrual-bases in accordance with Moroccan accounting standards as stipulated in its policies. The national accounting standard setting entity is currently reviewing further updates and alignment with IPSAS on which the current standards are based. There are clear provisions for internal and external audits and the work of both is to be supervised by an Audit and Governance Committee. While the Panel found that the provisions of the internal audit charter were not yet fully applied, it was satisfied to see plans and action to ensure compliance. The Audit and Governance Committee is the key oversight body responsible for the assurance function, and it is to review and monitor plans and budgets, internal control and audit functions, the external audit function, and implementation of audit recommendations. While its oversight role has been limited in the past, steps are now taken to ensure that its charter is fully

implemented. The Panel therefore considers that the applicant has the relevant policies in place and is on a path to ensure their full application. The Panel concludes that this criterion is met.

Internal Control Framework with Particular Reference to Controls over Disbursements and Payments

Key elements of internal control and the responsibilities of management, internal audit, and the governing body are set out in various ADA institutional policy documents. The applicant has demonstrated that these documents are subject to periodic review by internal and external auditors and are updated. It has put in place a general payment-disbursement system. The ADA is also subject to periodic reviews by the State Controller – these reviews are part of an overall robust oversight system over internal controls. The ADA has put in place a general payment-disbursement system.

Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets

The applicant follows national laws and prepares a multi-year plan to be submitted by the Director General before 15 October of each year to the Board of Directors for the following three to five years. It has a track record of mobilizing financial resources from a broad base of donors and partners and is effectively managing funds received as part of its overall budget management, assuring that they meet programmatic and budgetary objectives. Annual budgets are modified as needed and modifications are approved at the highest level. The applicant meets this criterion.

Policies, procedures, and capacity to deal with fraud, financial mismanagement, and other forms of malpractice

Several policies and procedures have been strengthened or formalized over the past years. The applicant states that it considers corruption, fraud, and other misconduct as particularly harmful to the achievement of its missions. Its 2016 'Manual of Policies and Procedures for the Prevention and the Fight Against Corruption' already contained a strong zero-tolerance statement and is currently being updated. The ADA has a robust whistleblower protection policy and implements preventive measures such as risk assessments (risk mapping). The Agency has also an established procedure to disseminate the different measures of prevention to internal staff and external participants. In addition, there is a well-developed staff handbook, a fraud manual, and a Code of Ethics. Investigative capacity is now centralized and reporting directly to the Director General. His comprehensive statement on zero tolerance for fraud and corruption is prominently placed on the ADA's website. Taken as a whole, these measures satisfy the requirements of a zero-tolerance policy for fraud, financial mismanagement, and other forms of malpractice. The applicant meets this criterion.

Commitment by the entity to apply the Fund's Environmental, Social and Gender Policy

A top-level management statement was obtained confirming the commitment of the entity. Since re-accreditation, there have been further enhancements to the initial environmental, social and gender policies, with the aim of strengthening these. The updated 2021 Environmental and Social Safeguards Policy further amplifies the ADA's commitment to apply the Fund's social, environmental and gender standards. The Panel was able to verify that the policies are appropriately applied in the Adaptation Fund project managed by the ADA. The applicant meets this criterion.

Mechanisms to address complaints on environmental and social harms and gender harms caused by projects/programs

There have been enhancements in recent years, including the establishment of a central complaints' unit and enhanced complaints mechanisms. Under the new policy issued in 2021, procedures have been developed to address project-level complaints. These can be filed online and followed up. The procedures are fully developed. The applicant is also part of a national complaints mechanism that is widely advertised. An example of a complaint and follow-up was given. No complaints have been received during the implementation of the AF project. It can thus be concluded that the ADA has a complaints mechanism in place that meets AF's standard. The applicant meets this criterion.

Status of quality-at-entry and AF-funded project implementation

While experiencing delays partially due to the COVID-19 pandemic and subsequent project adjustments following its mid-term review in order to enhance the project's strategies, the project was successfully completed in late 2023. Its final independent evaluation undertaken in 2023 confirmed an overall moderately satisfactory rating.

Third Party Assessment: In addition to relevant GCF assessments, the Panel reviewed third-party evaluations which showed overall positive results.

Conclusion and Recommendation

The Panel concludes that the ADA continues to fully comply with the standards and other criteria for fast-track re-accreditation. The Panel recommends the fast-track re-accreditation of the ADA as a national implementing entity by the Adaptation Fund Board.