Climate finance readiness seminar for NIEs # 2
28-30 July 2015, Washington DC

**Session 2:**
“The AF and GCF accreditation procedures – Experiences from NIEs”

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AF and GCF accreditation procedures
EXPERIENCE FROM CSE

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OUTLINE

- Short presentation of the CSE
- Overview of accreditation with the GCF
- Drawing from experiences with the AF
- Lessons learned from South-South cooperation
- Key messages
Created in 1993, long track record of CC related activities: coastal management, monitoring of rangeland areas, bushfires and agricultural production, urban management, etc.

Involved in several R&D initiatives dealing with CC and its impacts on food security (AGRICAB, EU FP7 project) and health (AMMA, QWECI, etc.)

Hosting the West African Coast Observation Mission
APPLICATION FOR ACCREDITATION WITH THE GCF

• Assessment against the Fund’s fiduciary principles and standards, ESS and gender policy

• Fast-track accreditation: gaps to be addressed

Fiduciary gaps

1. Publicly available TORs that outline purpose, authority and accountability for the investigation function
2. Ensure functional independence by having the investigations function headed by an officer who reports to a level of the organization that allows the investigation function to fulfil its responsibilities objectively
3. Publish guidelines for processing cases, including standardized procedures for handling complaints received by the function and managing cases

Mesures de sauvegarde environnementale et sociale

Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS
CHALLENGES FACED DURING ACCREDITATION

Approximately 20 clarification requests of which:

- 3 pertaining to the investigative function
- 3 pertaining to Gender issues
- 10 pertaining to the ESS

Approximately 12 clarification requests of which:

- 4 pertaining to transparency
- 3 pertaining to Gender issues
- 5 pertaining to ESS
CHALLENGES FACED DURING ACCREDITATION

- **Investigations structure** within the organization
- **Procedures for investigating** fraud and corruption within the entity
- Information on cases of violation of code of ethics, fraud or corruption (past 3 years)
- Description of how the E&S Policy has been / will be **communicated** within the organization
- **Resources** for implementing the ESP
- Process or procedure that instructs staff on **how to do the screening, identify impacts, identify mitigation measures, develop a management plan**
- **Organogram** showing the department and staff that are responsible for implementing the ESP
- **Monitoring the implementation** of the mitigation measures
- Summary or the log of all, if any, **inquires/complaints** that CSE has received
- Guidance to staff on how to **implement the Gender Policy, climate change policy of the ESP**
- Examples of projects and a description of where CSE has **implemented Section on gender and Section on CC**
- Responsible for investigating suspected fraud or corruption involving the entity’s senior executives
- Published guidelines for processing cases and process for periodically reporting case trends
- Full alignment of CSE’s ESP 15 reference principles with the AF ESP 15 reference principles
- How the CSE’s ESP Standards cover all the requirements contained in the IFC (International Finance Corporation) 8 Performance Standards
- National requirements on categorization of E&S risks
- Numbers of technical staff of CSE’s “Environmental Assessment and Risk Management” (EARM) Major Program and technical areas that are covered
- Gender competencies of the Gender Focal Point
- Gender Policy document
- Dates by which documents under preparation will be completed / planned actions will be implemented.
**DRAWING FROM EXPERIENCES WITH THE AF**

- **Fast-track**: focus mainly on requirements that have not been assessed in the AF accreditation processes
- Having many supporting documents available in English proved very useful: *improved capacity to react*
- Being already **familiarized** with international fiduciary standards and ESS requirements
- Being already **familiarized** with the **accreditation process**

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<thead>
<tr>
<th>Project size</th>
<th>Accreditation type</th>
<th>Environmental and social safeguards</th>
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<tr>
<td>Micro</td>
<td>Fiduciary standards</td>
<td>Category C*</td>
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<td>- Basic</td>
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<td>- Project Management</td>
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* Activities with minimal or no adverse environmental and/or social risks and/or impacts
LESSONS LEARNED FROM SOUTH-SOUTH COOPERATION

- Challenges are not always the same:
  - Financial institutions ⇒ more comfortable with financial management and accounting, audits management, control framework, financial risk management...
  - For non-financial institutions, it is easier to demonstrate capacities for managing/monitoring project on the ground, managing E&S risks...

- AF & GCF accreditation process put emphasis on “track record”: demonstrate that policies, procedures, guidelines, etc. are implemented. Motivation, Commitment & Political Will are also to be taken into consideration for certain young institutions

- Language is a real barrier for non-English speaking applicants: understanding guidance and templates provided, but also translating all supporting documents (cost and reliability)

- Cultural settings: when it comes to case of suspected fraud
KEY MESSAGES

• Accreditation process: an opportunity for institutional transformation

• Early birds catches the worms: GCF resources come mainly from developed countries ⇒ dependence on changing economic circumstances

• When preparing for accreditation, also prepare for project development and think of project implementation.

• When it comes to GCF accreditation, it is an advantage to have two NIEs: one financial institution and one non-financial institution

• Choose the right institution:

• Be very careful about project size and ESS Category

• Don’t rest on your laurels: Fast-track ≠ E-Z track
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