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Adaptation Projects – Inception Challenges

**Climate Finance Readiness Seminar for NIEs
Series #2**

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National Implementing Entities

National Implementing Entities (NIEs) are:

- **National legal entities** nominated by Parties;
- Have gone through an **accreditation process** of the Adaptation Fund Board;
- Recognized by the Board as meeting the **fiduciary standards**;
- Demonstrated ability to comply, as a minimum, with the **environmental and social policy** approved by the Board; and
- Received **full accreditation** by the Board and therefore able to apply for Adaptation fund projects on behalf of the eligible countries.



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Role of NIEs

Role of NIEs :

- Sign a **legal agreement** with the Adaptation Fund Board;
- Bear the full responsibility for the **overall management** of the projects and programs financed by the Adaptation Fund;
- Bear all **financial, monitoring and reporting responsibilities**;
- Have **supervisory responsibility** over the Executing Entities;
- Ensure that capacity exists to **measure and monitor results** of the executing entities at the country-level;
- Shall submit **annual status reports** on projects and programs under implementation to the EFC; and
- Shall work **closely with the Designated Authority** in the country.

* *Operational Policies and Guidelines for Parties to Access Resources From the Adaptation Fund*
(amended in October 2014)



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Executing Entities (EEs)

- These are entities selected by countries for the purpose of **executing the adaptation projects** in the country;
- EEs are similar to the **Project Management Units** (PIUs) set up by the government for the execution of projects;
- EEs are set up headed by an EE manager/head who reports directly to the government agency which is responsible for the project;
- The functions of the EE with respect to the project terminate at the **same time as the project** is terminated or completed;
- EE performance is directly under the **oversight of the NIE**.



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Inception Challenge for NIEs

Some common issues encountered in the implementation of projects include the following:

- Working relations with the **government (including the DA)** and **local governance structure**;
- Understanding the **working conditions in the country** such as internal government project approval process;
- Understanding the different **project related policies** in the country, such as **procurement policy**, appropriate procurement agency designated in the country, **fund disbursement policy and process**;
- Implementation of the **Environment Social Management Plan**;



Inception Challenge continue (2)

- Recruitment of project staff;
- Inclination to **update activities/indicator target/budget** following project approval;
- Understand all **relevant stakeholders** with the project, such as CSOs/NGOs and community level arrangements; and finally
- Understanding the type and the structure of the **executing entities** to which the NIE will work closely with.



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Facing the Challenge

As described above, there are many challenges facing NIEs in the inception of any adaptation projects. To avoid some of the problems, the best solution is to have proper preparation which means take the following measures upfront before embarking on taking on any projects:

- Embark on an **understanding** of various elements in implementing a project: country policies, procedures, disbursement policies, approval process in the country, the government agency responsible for the project, and the executing entities assigned to the project;
- Engage in **conversation** with the government agency and the executing entity upstream before the project launch; and
- Prepare an **implementation plan** for the project.



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Project Implementation Plan

Important elements in the Project Implementation Plan (PIP):

- Draw up the **timeline for the project**, from preparation, approval to implementation (use realistic timeline and follow it closely)
- Outline the **responsibilities for each stakeholder** in the project, e.g. government agency, NIE itself, executing entity, relevant consultants, any CSO involvement, consultants needed;
- **Budget**: project budget and administrative budget associate with the project structure. Budget for the executing entity;
- Establish all possible **communication channels** of all relevant parties to the project, telephone numbers, email addresses, Skype account, etc, and ensure all in working conditions;



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PIP continue (2)

- Outline the project **approval process** within the country (which government agency/ies is/are involved in the process; do they understand the project? Time needed to clear the project, the legal agreement, etc.
- **Structure of the executing entity** (as this is an important stakeholder in the project), appropriate level of staff in the EE, the capacity of each staff, is capacity building/training needed, factor in the budget for training early on.
- **Internal structure within the NIE**: understand the project needs and ensure that within your own entity, there are expertise in each area of requirement, in particular, the implementation of Environment Social Management Plan, and to plan ahead of recruiting the appropriate staff to implement the project.



Lessons Learned

- **Capacity building** for both the NIE and EE staff is definitely beneficial to both;
- The learning curve of the process in executing projects may be quite long for all parties involved. **Training of relevant staff** to familiarize with the policies and procedures is crucial.
- Provide the opportunity for ministries within the country to talk and to coordinate in order to process the project and receive funding. **Early coordination** among ministries is crucial.
- **Frequent communication** between the executing agency, the government agency and the NIE is critical to ensure smooth implementation and grant closure.



Working Group Topics

- **Political:** Relationship with DA and other relevant local governance structure (**Dethie**);
- **Procedural:** Understanding the working conditions in the country such as internal government project approval process; and the different project related policies, such as procurement, fund disbursement and procedures (**Innocent**);
- **Fulfilling conditions of project inception:** e.g. compliance of Environment and social policies (**Balgis**);
- **Capacity:** Assessing the capacity development needs of the EEs, need to recruit additional staff (**Marianella**)?
- **Budget assessment:** Delays in project inception due to post project approval updates of activities/indicator target/budget of the projects (**Shelia**).



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Thank you for your attention!
Questions?

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