



## ADAPTATION FUND

31 March, 2015

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Adaptation Fund Board

*Accreditation Panel Re-accreditation report:*

The Accreditation Panel having reviewed the re-accreditation applications of Centre de Suivi Ecologique (CSE), International Bank for Reconstruction and Development (IBRD), and United Nations Development Programme (UNDP), recommends that:

- (i) CSE be re-accredited as an NIE of the Adaptation Fund
- (ii) IBRD be re-accredited as an MIE of the Adaptation Fund
- (iii) UNDP be re-accredited as an MIE of the Adaptation Fund

A summary of all three reviews can be found in Annexes I-III

*Re-Accreditation Decision:*

*The Adaptation Fund Board, having considered the recommendation of the Accreditation Panel decides to re-accredit:*

- (i) The Centre de Suivi Ecologique (CSE) as a National Implementing Entity (NIE) of the Adaptation Fund for five years
- (ii) The International Bank for Reconstruction and Development (IBRD) as a Multilateral Implementing Entity (MIE) of the Adaptation Fund for five years
- (iii) The United Nations Development Programme (UNDP) as a Multilateral Implementing Entity (MIE) of the Adaptation Fund for five years

**Decision B.24-25/14**

## **ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF CSE, Senegal FOR RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.**

### **Background**

The Centre de Suivi Ecologique (CSE) was established in 1986 as a public service association under the technical supervision of the Ministry of Environment, Senegal. Initially, the primary purpose was to provide Senegal with access to modern technologies to observe and analyze pastoral ecosystems. The CSE has since become a centre specialized in space technologies with regard to collection, capture, processing, analysis and dissemination of data and information on the environment and natural resources. CSE, Senegal was accredited as a National Implementing Entity (NIE) of the Adaptation Fund in 2010.

Since accreditation, the CSE has undertaken a programme with a grant worth USD8,619,000 million from the Adaptation Fund. The programme consisted of building infrastructure which included a seawall in Rufisque, rehabilitation of a fishing dock, building of an anti-salt dike in Joal and construction of offshore submerged berms in Saly. The implementation of the project has been satisfactory throughout its duration. The programme's rating has been satisfactory throughout its duration. CSE's interaction with the executing entities has been very positive and has enhanced the capacities of the latter group, especially in terms of financial management capacities.

The Adaptation Funds Project Performance Report template was first piloted with this programme, and the feedback provided by CSE has helped improve the template.

### **Assessment**

CSE, Senegal applied for re-accreditation. The application was reviewed on the basis of the following three parameters:

- 1. Assessment of whether CSE continues to meet the Adaptation Fund's Fiduciary Standards:**  
CSE has provided copies of the audit reports for 2012 and 2013. The reports contain an unqualified opinion in respect of CSE's financial statements for these years. The applicant has indicated that apart from improvements/modifications in some procedures/guidelines there have been no changes, since accreditation, in its institutional capabilities and as such it continues to meet the requirements of the Fund's Fiduciary Standards.
- 2. Assessment of whether CSE meets the Adaptation Fund's Environmental and Social Policy.**  
A review of the information provided shows that CSE has developed an E&S Policy which is also posted on its website. The Policy covers the requirements of the Adaptation Fund E&S Policy. CSE has further indicated that it will communicate the requirements of this policy to its main project development and implementation partners for all future projects.

CSE's capacity to assess environmental and social risks and integrate related plans into project documents was demonstrated during the preparation of project documents for the programme which was funded by the Adaptation Fund, and during its implementation.

Additionally, CSE has recently submitted a concept note, which is to be considered at the next meeting of the Adaptation Fund Board, for another project. The document also includes a checklist of assessment of the E&S principles defined by the Adaptation Fund in its E&S Policy. The document demonstrates that CSE has the capability to undertake an assessment of the E&S risks of a project, based on the ESP principles of the Fund approved in November, 2013. However, it is to be noted that the concept note is yet to be endorsed by the AFB.

The above information indicates that CSE has the commitment and the capability to implement the Adaptation Fund's Environmental and Social Policy.

**3. Assessment of whether CSE meets the Adaptation Fund's requirements on transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social harms caused by projects undertaken by it.**

The applicant has made some positive changes in respect of its capacity to deal with financial mismanagement, fraud, corruption and other forms of malpractices in the form of formalizing its transparency policy and developing a gift and hospitality policy. The Transparency Policy is also posted on its website.

As regards the mechanism to address complaints about environmental or social harms caused by projects, CSE constituted an Environmental Assessment and Risk Management (EARM) unit more than 5 years ago with appropriately experienced personnel. Currently the unit has staff with competencies in the areas of Social and Environmental Assessment, Vulnerability Assessment, Biodiversity Assessment, and Health and Safety. Additionally, CSE has a pool of associate experts who can be called upon when needed to complement its own expertise.

Furthermore, CSE is among the few national institutions that are entitled to conduct environmental and social impact and is also often involved in the implementation/ monitoring of the Environmental and Social Management.

The CSE website provides contact details for reporting allegations/grievances/harms and also a link for communicating with the entity.

Based on the above it can be concluded that CSE possess the capacity to receive and address complaints about environmental and/or social harms caused by projects/programmes supported by the Fund.

**Recommendation**

The Accreditation Panel recommends that CSE, Senegal be re- accredited as an NIE of the Adaptation Fund.

## **ANNEX II: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD) FOR RE-ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND**

### **Background**

The International Bank for Reconstruction and Development (IBRD) was first accredited in 2010 as a Multilateral Implementing Entity (MIE) of the Adaptation Fund. Since accreditation, the Bank has financed 2 projects supported with Adaptation Fund grants totaling USD 10.3 million.

### **Assessment**

The International Bank for Reconstruction and Development (hereafter referred to as the World Bank or the applicant) has applied for re-accreditation. The application was reviewed on the basis of the following three parameters:

**1. Assessment of whether the World Bank continues to meet the Adaptation Fund's Fiduciary Standards:**

The applicant has indicated that there has been no changes, since accreditation, in its institutional capabilities and as such, continues to meet the requirements of the Fund's Fiduciary Standards. The review did not identify any area where additional information was required to support this assertion.

**2. Assessment of whether the World Bank meets the Adaptation Fund's Environmental and Social Policy.**

A review of the information provided shows that the World Bank has capacity to assess environmental and social risks and integrate related plans into project documents. This was demonstrated by the samples of projects provided with the application. It was noted that the risk assessment process for the sample projects provided was based on World Bank Safeguard standards as these projects were appraised before the Adaptation Fund's E&S policy was rolled out after November 2013. Nevertheless, the information provided demonstrates that the World Bank has the capability to implement the Adaptation Fund's Environmental and Social Policy.

With regard to the required commitment of the applicant to apply the Fund's E&S policy, the World Bank signaled its commitment by signing the Grant Agreement between with the Adaptation Fund Board in respect of the Belize Marine Conservation and Climate Adaptation Project wherein the World Bank undertook "to carry out all its obligations under the agreement in accordance with the Adaptation Fund's Operating Policies and Guidelines effective in November 2013"

The AF Operating Policies and Guidelines that became effective in November 2013 include (in Annex 3) the Adaptation Fund's Environmental and Social Policy and its main principles. Each time the World Bank agrees to carry out all its obligations under AF agreements in accordance with the AF Operating Policies and Guidelines, it formally commits itself to apply the AF's Environmental and Social Policy for that AF supported project.

**3. Assessment of whether the World Bank meets the Adaptation Fund's requirements on transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social harms caused by projects.**

The applicant meets all the Funds' requirements relating to transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social

harms caused by projects. Based on the information on its webpages on anti-fraud/corruption initiatives, the applicant provided ample evidence of a mechanism communicating the institution's policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice as well as sufficient evidence that it continues to have an objective investigation function for allegations of fraud and corruption. Through its Inspection Panel (an independent body that reports directly to the Board of Directors) the applicant has demonstrated presence of a transparent and accessible grievance mechanisms that would be used for receiving and addressing complaints about environmental and/or social harms caused by projects/programmes supported by the Fund.

### **Recommendation**

The Accreditation Panel recommends that the IBRD be re- accredited as an MIE of the Adaptation Fund.

## **ANNEX III: REPORT OF THE ACCREDITATION PANEL ON ITS ASSESSMENT OF THE UNITED NATIONS DEVELOPMENT PROGRAMME FOR RE-ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND.**

### **Background**

The United Nations Development Programme (UNDP) was first accredited in 2010 as a Multilateral Implementing Entity (MIE) of the Adaptation Fund. Since accreditation, UNDP has under implementation 20 projects supported with AF grants totaling USD 59.8 million representing about 50% of the Adaptation Fund's total portfolio. The 20 projects are under implementation in as many countries in Latin America, Africa, Central Asia and the Pacific Islands.

Performance ratings of the projects, which were done by the UNDP, vary from "Satisfactory", "Marginally Satisfactory" to "Unsatisfactory". Of the 15 projects whose implementation performance has been rated, 8 (53%) are rated "Satisfactory", 4 (27%) are rated "Marginally Satisfactory" while 3 (20%) are rated "Unsatisfactory. For the projects rated less than "Satisfactory", the low ratings arise mainly from project start up delays. The start-up delays and poor project implementation performance in general result from a number of factors including difficulties in recruitment of qualified/competent staff and high staff turnover. These problems have been brought to the attention of AF Board through the Secretariat's Annual Performance Reports. According to the information provided to the Panel, the low ratings of the some of the projects supported by the Fund are a result of implementation constraints and challenges on the ground rather than poor project origination or poor performance of UNDP as an Implementing Entity or its failure in ensuring compliance with the Fund's fiduciary standards.

### **Assessment**

The UNDP has applied for re-accreditation. The application was reviewed on the basis of the following three parameters:

- 1. Assessment of whether UNDP continues to meet the Adaptation Fund's Fiduciary Standards:**

The applicant has indicated that there has been no changes, since accreditation, in its institutional capabilities and as such, continues to meet the requirements of the Fund's Fiduciary Standards. The review did not identify any area where additional information was required to support this assertion.

- 2. Assessment of whether UNDP meets the Adaptation Fund's Environmental and Social Policy.**

A review of the information provided shows that UNDP has capacity to assess environmental and social risks and integrate related plans into project documents. This was demonstrated by samples of projects provide with the application. It was noted that the risk assessment process for the sample projects provided was based on UNDP's Social and Environmental Standards as these projects were approved before the Adaptation Fund's E&S policy was rolled out.

With regard to the required commitment of the applicant to apply the Fund's E&S policy, the UNDP signaled its commitment by signing the Grant Agreement between with the Adaptation Fund Board in respect of the Cuba: "Reduction of Vulnerability to Coastal Flooding through Ecosystem-based Adaptation in the South of Artemisa and Mayabeque Province" Project wherein UNDP undertook "to carry out all its obligations under the agreement in accordance with the Adaptation Fund's Operating Policies and Guidelines effective in November 2013"

The AF Operating Policies and Guidelines that became effective in November 2013 include (in Annex 3) the Adaptation Fund's Environmental and Social Policy and its main principles. Each time UNDP agrees to carry out all its obligations under AF agreements in accordance with the AF

Operating Policies and Guidelines, it formally commits itself to apply the AF's Environmental and Social Policy for that AF supported project.

**3. Assessment of whether UNDP meets the Adaptation Fund's requirements on transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social harms caused by projects.**

The applicant meets all the Fund's requirements on transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social harms caused by projects. The applicant has: (i) a clear policy of zero tolerance for fraud and corruption, (ii) suitable policies and framework, including a an investigation function to deal with fraud and corruption, (iii) demonstrated its commitment to apply the Fund's E&S policy, and (iv) a well-established mechanism to deal with complaints on environmental and social harms caused by the project/programmes it handles.

**Recommendation**

The Accreditation Panel recommends that the United Nations Development Programme be re- accredited as an MIE of the Adaptation Fund.