The Adaptation Fund
Readiness support

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Regional Climate Finance Workshop
21-23 September 2015, Abuja
Outline of Presentation

• Introduction: readiness to what?

• Readiness and the accreditation process

• Readiness and environmental and social risk management

• AF Readiness Programme
Readiness for what?

Accreditation process

- IDENTIFICATION OF APPLICANT NIE
- DEVELOPMENT OF NIE APPLICATION
- ACCREDITATION PROCESS
- ACCREDITATION

Project development process

- PROJECT IDENTIFICATION
- PROJECT DEVELOPMENT
- PROJECT PROPOSAL REVIEW
- PROJECT APPROVAL
- IMPLEMENTATION
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Accreditation criteria

• CMP set strict **fiduciary standards** that are internationally recognized:
  
  i. Financial integrity and management
  
  ii. Institutional capacity
  
  iii. Transparency and self-investigative powers

• 2013: Environmental and Social Policy
Accreditation of NIEs since 2010

Number of AF NIEs

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
Challenges in accreditation: country/NIE point of view

1. The political process of choosing the right entity
2. The accreditation process is time consuming and highly demanding
3. Lack of appropriate documentation of certain operations or policies
4. When English is not the working language, translation is costly and time consuming
Challenges in accreditation: Accreditation Panel experience

1. Lack of in depth understanding of the fiduciary standards and their requirements
2. Limited competencies in some areas of the fiduciary standards
3. Human resource constraints (competencies and management time to build capabilities)
4. Experience limited to handling small projects (systems and processes not adequate to meet standard)
Common Areas for Improvement

1. Independent and effective Internal Audit Function
2. Internal Control Framework with documented roles and responsibilities
3. Appropriate Procurement policies and procedures
4. Project appraisals prepared by the agency itself
5. System for project risk assessment
6. System for project implementation planning
7. M&E framework
8. Policies against mismanagement and corruption
Capacity Building

• A few applicant entities have developed requisite capacities through interaction with the Accreditation Panel
• In several other cases the support from the Panel has not led to adequate capacity building
• The Adaptation Fund and Accreditation Panel do not have the mandate to provide intensive support to applicant entities for Capacity Building
Support from for capacity building can take several forms

– Provide an in depth/better understanding of the Fiduciary Standards to the key people at the applicant entity

– Provide access to resources or outsourced resources to develop policies/processes/procedures and templates as a part of the capacity building exercise

– Provide information on best practices in other organisations which may be relevant to the entity

– Provide support as the entity develops required competencies to implement the new policies/processes/procedures and templates
Capacity Building –
Ownership must be the goal

- Sometimes application merely states that we follow a multilateral’s processes. This does not meet Fund’s fiduciary standards because
  - Processes are built around an organization’s own structures
  - Processes require certain competencies and should be tailored to each organization
  - There is no demonstration of the ability of the entity or experience in carrying out the processes
  - Outside Agency support can help develop appropriate systems/processes/procedures which are simple and suited to the requirements including size and operations of the applicant entity
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• **Readiness and environmental and social risk management**

• AF Readiness Programme
### November 2013: Environmental and Social Policy

<table>
<thead>
<tr>
<th>Compliance with applicable domestic and international law</th>
<th>Avoidance of involuntary resettlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair and equitable access to benefits</td>
<td>Protection of natural habitats</td>
</tr>
<tr>
<td>Avoid disproportionate impact on marginalized and vulnerable groups</td>
<td>Conservation of biological diversity and soil productivity</td>
</tr>
<tr>
<td>Respect for and promotion of international human rights</td>
<td>No significant increase in GHG emissions/other climate change drivers</td>
</tr>
<tr>
<td>Gender equality and women’s empowerment</td>
<td>Pollution prevention and resource efficiency</td>
</tr>
<tr>
<td>Respect for core labor rights</td>
<td>Avoidance of significant negative impacts on public health</td>
</tr>
<tr>
<td>Respect for UN Declaration on the Rights of Indigenous Peoples</td>
<td>Protecting physical and cultural heritage</td>
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</table>
Commitment to apply AF E&S Policy by potential applicant

Demonstration of actual capacity to implement AF E&S Policy

Availability of grievance mechanism at the national, regional, or institutional level

Tiered approach for already accredited IE
Areas of project proponents that most often require follow-up

#1 : Compliance with ESP !!
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Lesson: Support for direct access readiness is needed - Readiness Programme launched in May 2014

Convening actors working on direct access (accreditation, project development, capacity building)

Designing improved materials on AF processes

Developing a knowledge exchange platform: climatefinanceready.org

Small grants:
- South-south cooperation
- Environmental and Social technical assistance
Readiness grants

• South-South cooperation grants for accreditation 2014:
  – CSE (Senegal) to support entities from Cabo Verde, Chad and Niger
  – MINIRENA (Rwanda) to support entity from Burundi

• South-South cooperation grants for accreditation 2015:
  – Call for proposals open – deadline is 28 September 2015
  – Up to 3 cooperation grants à US$ 50,000

• Technical Assistance grants for E&S risk management:
  – Call for proposals open – deadline is 28 September 2015
  – Up to 5 TA grants à US$ 20,000
  – Roster opened for interested experts: use is voluntary
Accreditation lessons from Jamaica

Video interview with Clare Bernard
15-17 July 2014
Readiness Seminar # 2, Nairobi, DC
A seminar for all accredited IE: training and exchange of experiences on project proposal preparation and environmental and social risk management.

10-12 September
2014 Readiness Seminar # 3, Bangkok
jointly hosted by UNEP and the Fund targeted at potential NIEs in Asia and the Pacific.

1-4 July 2014
First Africa NIEs Workshop, Nairobi
implemented in partnership with the National Environment Authority of Kenya, Heinrich Boell Foundation and CDKN

16-19 September 2014
SPREP Adaptation Fund Training Workshop, Apia, Samoa

1-2 May 2014 Launching workshop, Washington, DC
Improved cooperation with multilateral and bilateral organizations currently providing accreditation support to national or regional institutions.

Readiness workshops in 2014
24-26 March 2015
Adaptation Fund – CAF CF Readiness Workshop, Panama City
jointly hosted by GoP and CAF. Goals: better understanding of AF project cycle, NIE requirements, support available.

21-23 September 2015
AF HBS Regional workshop, Abuja, Nigeria
Jointly hosted by ECCOWAS, HBF and AF. Goals: better understanding of AF project cycle, NIE requirements, support available.

19-21 May 2015
Regional Climate Finance Workshop, Windhoek, Namibia
jointly hosted by DRFN, AF and HBF. Goals: better understanding of AF project cycle, NIE requirements, support available.

28-30 July 2015
Readiness Seminar # 3, Washington, DC
A seminar for accredited IEs: training and exchange of experiences on project proposal preparation and environmental and social risk management.

Regional workshop, Middle East and Northern Africa and Eastern Europe
Details to be confirmed

Regional workshop, Asia
Details to be confirmed
Phase II: Readiness Programme Activities (Approved April 2015)

Support to accredited Implementing Entities (AF introduction seminar, peer-to-peer learning, ESP, Project Formulation assistance)

Cooperation/Partnership with Climate Finance Readiness Providers (Community of practice and training, support country level M&E, joint seminars)

Support to countries seeking accreditation (south-south grants, seminars on climate readiness, tools and guidance documents)

Knowledge Management:
- Lessons learned/case studies
- Knowledge microsite
- Media outreach
Thank you!

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