



ADAPTATION FUND

AFB/PPRC.17-18/9  
11 January 2016

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Adaptation Fund Board  
Project and Programme Review Committee

## **GRANT PROPOSAL TO SUPPORT NIE ACCREDITATION FOR MALI**

## Background

1. At its twenty-second meeting, the Adaptation Fund Board secretariat (the secretariat) had prepared document AFB/B.22/6 which outlined the possible elements and options for a phased programme to support Readiness for Direct Access to Climate Finance for National and Regional Implementing Entities and presented a framework and budget for a first phase of the programme. Following a discussion of the document, the Board decided to:

- (a) *Approve Phase I of the Readiness Programme as detailed in document AFB/B.22/6, on the basis that it would follow performance-based funding principles;*
- (b) *Take note of the options provided by the secretariat on a programme to support readiness for direct access to climate finance for national and regional implementing entities;*
- (c) *Request the secretariat to submit to the Board intersessionally between the twenty-second and twenty-third meetings, execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities, with a view to start implementing the programme before the twenty-third Board meeting; and*
- (d) *Approve an increase in the Administrative Budget of the Board, secretariat and trustee for FY2014 of US\$ 467,000 for the programme described in AFB/B.22/6, and authorize the trustee to transfer such amount to the secretariat and request the trustee to set aside the balance amount of US\$ 503,000 from the Adaptation Fund Trust Fund resources for subsequent commitment and transfer at the instruction of the Board.*

### **(Decision B.22/24)**

2. At the tenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 10), the Parties recognized the Readiness Programme of the Adaptation Fund and decided to:

*Invite further support for the readiness programme of the Adaptation Fund Board for direct access to climate finance in accordance with decision 2/CMP.10, paragraph 5;*

### **Decision 1/CMP.10**

and also decided to:

*Request the Adaptation Fund Board to consider, under its readiness programme, the following options for enhancing the access modalities of the Adaptation Fund:*

- (a) *Targeted institutional strengthening strategies to assist developing countries, in particular the least developed countries, to accredit more national or regional implementing entities to the Adaptation Fund;*
- (b) *Ensuring that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-sized projects and programmes;*

**Decision 2/CMP.10**

3. Upon completion of Phase I of the Readiness Programme, the secretariat had prepared document AFB/B.25/5 which outlined the progress made in Phase I and proposed Phase II of the Readiness Programme, taking into account the results from Phase I of the programme and integrating decision 2/CMP10. Following a discussion of the document, the Board decided to:

*Aprove Phase II of the Readiness Programme, as outlined in document AFB/B.25/5, with a total funding of US\$ 965,000, including funding of US\$ 565,000 to be transferred to the secretariat's budget and funding of US\$ 400,000 to be set aside for small grants to National Implementing Entities from resources of the Adaptation Fund trust fund.*

**(Decision B.25/27)**

4. Following the approval by Board of Phase II of the Readiness Programme, eligible countries were given the opportunity to submit applications for a grant to receive support for accreditation through a selected number of National Implementing Entities (NIEs). The types of eligible support included but were not limited to (i) identifying potential NIE candidates and/or (ii) preparing an application for NIE candidates to be submitted to the Accreditation Panel and/or (iii) continuous support during the application process. It is expected that peer-peer support will effectively help build national capacity and sustainability. To facilitate timely review of applications, the Board, at its twenty sixth meeting decided to:

*Request the secretariat to review intersessionally, between the 26th and 27th meetings of the Board, proposals submitted by National Implementing Entities for technical assistance grants and South-South cooperation grants under the Readiness Programme, and to submit the reviews to the PPRC for intersessional recommendation to the Board.*

**(Decision B. 26/28)**

5 Eligible NIEs were those entities that had tangible achievements with the Fund. The selection was based on the entity's experience with the Adaptation Fund, including in project preparation and implementation, and in supporting other countries at different stages of their application processes. Eligible NIEs were the ones fulfilling all of the following criteria, as at the time of the 17-18 intersessional review cycle:

- Have been accredited by the Board,
- Have an Adaptation Fund project or programme under implementation, hence demonstrating effective compliance with the AF fiduciary standards, and
- Have experience advising, participating in, or organizing support to other NIE candidates.

6 Following a call for submission of applications undertaken intersessionally between the twenty sixth and twenty seventh Board meetings, the secretariat had received five applications from two NIEs, to support NIE accreditation in five countries.

7 Both NIEs that submitted request documents were eligible to receive South-South Cooperation Grants, i.e. the *Centre de Suivi Ecologique* (CSE), Senegal and the National Environment Management Authority (NEMA), Kenya.

8 The present document introduces the revised application submitted by the *Centre de Suivi Ecologique* (CSE), Senegal on behalf of the government of Mali. It includes a request for funding of US\$47,449 outlining the activities to be undertaken by CSE to support the accreditation process in Mali, and addressing the initial comments from the secretariat. The secretariat had reviewed the initial application by CSE and provided its comments to the applicant for further clarification. The applicant had submitted a revised version of the proposal, taking into account the secretariat's comments. The secretariat's initial review, the applicant's response to the secretariat's initial review and the applicant's revised application/request document are available in the next sections of this document.



## Screening of Application for a for a Grant to support NIE accreditation

Requesting Country: **Mali**  
 Requesting NIE: **Centre de Suivi Ecologique (CSE)**

Requested Financing from Adaptation Fund: **US\$ 47,449**

Reviewer and contact person: **Farayi Madziwa**  
 Co-reviewer(s): **Daouda Ndiaye**  
 NIE Contact Person: **Déthié Soumaré Ndiaye**

Screening Questions	Score (please select from dropdown menu)	Rating	Secretariat Assessment (7 December 2015)	Response by CSE (22 December 2015)
Has this application been endorsed by the Designated Authority of the country?	1	0. No 1. Partially 2. Yes	Endorsement letter has been signed by the DA.	No comment
Is the timeframe of activity adequate?	1	0. No 1. Yes	Considering the scope of work envisaged, the timeframe is adequate. The date on activity 5 says 20 June 2015. Please amend to 2016.	No comment
What is the level of experience participating in, organizing support to, or advising other NIE candidates?	2	1. Low 2. Substantial	The experience provided by CSE is substantial and covers assistance to other entities for both accreditation and project development.	No comment
Are the proposed activities to support NIE accreditation adequate?	2	1. Not Adequate 2. Somewhat Adequate 3. Adequate	The activities are somewhat adequate and require further clarification.  It would be useful to provide some clarity on the nature and size of the workshop in	The workshop is intended for the DA and the national institutions that might be interested in

			<p>activity 1. How many participants are being targeted for this? Will it just be the 5 person committee?</p> <p>The seminar identified in activity 2 on the AF's accreditation process can be held as part of the screening exercise. Depending on the number of days planned, the workshop could include screening processes and a discussion of the accreditation requirements as the content for these two events are interrelated.</p>	<p>getting accredited with the Adaptation Fund. Its purpose is to provide them with background information about the Fund, but also to give them detailed information on what is expected from an operational NIE. This will help potential NIE candidates better assess their suitability for being an NIE for the AF. This will also allow the DA to better understand the outcome of the screening and to decide which institution will be selected and endorsed.</p> <p>The number of participants depends on the national context. In some countries, it may appear that a specific institution is definitely the appropriate one and it can be decided to have the workshop with the staff of this institution from which a 5 person committee will be selected. In some other countries, it may be necessary to first short-list 2 to 5 or even 6 institutions. Then, the workshop will be opened to the staff of these institutions. At the end of this screening, once an institution is selected, a five person committee will be setup. Some DA may also suggest inviting in these workshops other national stakeholders in order to inform as many people as possible about the AF. So the number of participant may vary from 5 to 30 persons or more.</p> <p>As explained above, the purpose of the screening is to select the most suitable NIE candidate. At this stage, the most important is to clarify the main features of the Fund and what is expected from an NIE. It can be too cumbersome and misleading to discuss at the same time the accreditation process with a large group, without having selected the NIE candidate.</p> <p>It's only once an institution is selected and</p>
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			<p>Please provide a brief explanation [either just bullet points a brief summary “no in depth detail is required”] of the type of sub-activities under activity 3 that tie back to the \$8,500 indicated in the budget? Please also explain whether CSE staff will provide this support remotely from Senegal or in-country in Guinea. Please also provide similar clarification for how activity 4 will be done.</p> <p>Submission of the application is an online process and requires no cost. Could CSE provide further clarity on how the \$8,000</p>	<p>task-force (5 person committee) setup within it that we can discuss in depth the accreditation process with a smaller group. This is the first step of the application process, while the purpose of the screening is to identify the suitable institution.</p> <p>See additional information provided under Activity 3 and Activity 4 in the table under Section C. A CSE team will deliver the first workshop, help the DA in selecting the appropriate NIE candidate, help the Manager of the selected institution in setting up the taskforce, go in the detail of the accreditation process with this committee, prepare a road map for the next steps and launch the collection of documents (Activity 3). All this will be done in Mali. Then, the 5 person committee will be tasked to continue collecting the supporting documents, remotely supported by the CSE team.</p> <p>By the end of this phase, the CSE team comes back in Mali to participate to the last stage of documents collection, review the documents collected, assess their relevancy, and provides guidance on how to fill gaps or improve weaknesses (Activity 4)... If possible, the documents collected are also organized and labelled with the view to starting the submission. If not (most common case), the CSE team will give to the task-force additional time to collect additional documents. Another mission will come to Mali in order to proceed further.</p> <p>Indeed the application is an online process and a key step in the application process. This does not mean that it requires no cost. This</p>
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			<p>allocated for this process will be spent?</p> <p>It would be useful to explain what the communications budget will cover.</p>	<p>process comprises</p> <ul style="list-style-type: none"> <li>(i) the preparation of the application (organization of the documents collected, labelling...);</li> <li>(ii) the submission of the application folder; and</li> <li>(iii) the backstopping in addressing the AF Secretariat and the AP comments and Clarification Requests.</li> </ul> <p>For all these activities, CSE's staff will be involved, including missions in the country, if necessary. Three things need to be taken into account:</p> <ul style="list-style-type: none"> <li>- the organization of the supporting documents takes time and need a good support from CSE</li> <li>- due to low performance internet connection, the submission itself takes time</li> <li>- the task-force members are not familiar with the OAS and the experience has shown that they also need support from CSE at this stage, mainly on how to fill the DESCRIPTION section</li> </ul> <p>Above all, for French speaking countries, there is an additional need to be supported in order to fill all relevant sections. It is not possible to hire a translator for all the stages. It takes time and would be too costly with a translator.</p> <p>Communication cost will cover communication. CSE's staff cannot stay in the country for one to three consecutive month(s), the cost would be too high. There are alternating periods of works in the country and remotely from Senegal. This implies lot of telephone communications.</p>
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			<p>Please clarify what is involved in the travel budget, that is, provide very basic information e.g., number of trips expected, and for how many people etc.?</p> <p>It would be useful to provide an explanation of how the workshop budget under activity 7 is different from the workshop and seminar budgeted in activity 1 and 2? Please revise accordingly.</p>	<p>The number of trips varies depending on the country and the performance of the task-force members. It may vary from 2 to 4. At least two of them will comprise two people.</p> <p>In Activity 1 and 2, the workshops are organized mainly to identify the most suitable institution, to perform an assessment of its strengths and gaps and to setup a task-force. The USD 2000 budgeted for workshops under Activity 7 represent a sort of lump sum that will be used for all work sessions that will be organized during the process of preparation of the application folder. These work sessions may sometimes require meetings with other people/institutions.</p>
Based on the proposed activities, is the requested budget reasonable?	2	<p>1. Not Reasonable</p> <p>2. Somewhat Reasonable</p> <p>3. Reasonable</p>	<p>It would be useful to have further basic (no in depth detail required) information on how the travel budget will be spent and for CSE to provide further clarity on the rationale for the costs associated with some of the identified activities/support, particular reference is made here to submission of the application folder.</p>	See comments above

#### NIE RESPONSE TO THE SECRETARIAT'S GENERAL COMMENTS (22 December 2015)

Comment	Issue	Response by NIE
(i)	The identified activities are notably exactly the same as the activities in the intended support to Guinea and Sierra Leone. It might be useful and cost effective for CSE to consider holding the seminar on the AF's accreditation process and the role of an NIE in directly accessing AF resources as a joint event with all 3 candidate NIEs. This could then be followed up with the intended in-country visits. Please note this is a mere	<p>The activities look similar because the accreditation process is the same, regardless of the country. In addition, activities presented at this stage are still indicative. Depending to the country context, there will some adjustments during implementation. Organizing a joint event would not be cost-effective. It would require</p> <p>a. either financing travel cost for 10 to 20 persons: this workshop is usually the best opportunity to familiarize the staff of the NIE candidate (and not only the 5 person committee) and even the DA with the accreditation process. The budget would not support such costs.</p> <p>b. or target only 2 or 3 people by country. Experience has shown that this would be risky</p>

Comment	Issue	Response by NIE
	suggestion and CSE is not obligated to adopt this approach.	because it is not sure that they will be able to share appropriately the information they received and it is unlikely that only 2 or 3 people will handle properly the collection process for 1 to 2 months.
(ii)	We did not receive the annexes I to V the CSE referred to in the application. Even though it is noted that similar annexures were provided in previous grant applications, CSE is advised to send annexures with all new applications.	Annexes attached.
(iii)	Please provide clarity on whether the 5 man committee is uniform in the respective countries? As this number appears to be the same in the other CSE applications received offering accreditation support to other countries, is this size committee fixed and exactly the same number of committee members expected for each country supported, and how feasible is this given the different country contexts?	The number 5 is just indicative at this stage. In some countries, the task-force can be made of 5 or even 8 peoples; in others the task-force may comprise only 2 to 3 peoples. At this stage, we cannot be more precise about this number.
(iv)	It would be useful if further basic explanation on how the identified activities for the support that will be provided to Mali could be provided to give a clearer distinction between the planned activities (no in depth detail is required) e.g., to explain why collecting supporting documents will require \$8,500 whilst review of the adequacy of all required back-up documentation will require just \$4,500. While the logical progression of the outputs is clear leading up to submission of the application for accreditation, it is not clear what steps or sub-activities will be undertaken under each successive identified activity (activities 1 through to 7) to realize the outputs.	Collecting the supporting documents includes also analyzing these documents to see which sections are the most relevant. The task will be performed by the five people committee, but with support from CSE. The review of the adequacy of supporting documents collected consists mainly of checking the evidence provided against requirements in the application form. Comments given above provide more details about steps or sub-activities to be undertaken under each activity.
(v)	It would also be useful to provide a summary breakdown (no in depth detail is required) on how some of the indicated budgets will be spent and how they tie back to the sub-activities requested above.	See comments provided above and indicative budget details in Annex 5. Please kindly note that it is difficult at this stage to give a detailed budget by sub-activity. As indicated, depending to the country context, there will be some changes in the implementation. We do not have now a good overview of this context which would allow us to go in such details. Accordingly, during implementation, some activities could take more resources and some others less resources. We need to consider some flexibility in this regard because each country will have its specificities and there are always unforeseen circumstances at some stage. Therefore, the budget details (Annex 5) remain indicative.



ADAPTATION FUND

**Application for a Grant to support NIE accreditation**

Submission Date: 22 September 2015

Adaptation Fund Grant ID:

Country/ies: Mali

Implementing Entity: Centre de Suivi Ecologique (CSE)

**A. Timeframe of Activity**

Start date of activity	January 2016
Completion date of activity	June 2016

**B. Experience participating in, organizing support to, or advising other NIE candidates**

The CSE has been repeatedly invited by various actors (Development Agencies, CSOs, Project and Programmes, UN Agencies) to share its experience and to support other NIE candidates in assessing their readiness and/or to prepare and submit their application for the accreditation by the AF. The CSE is also implementing an Adaptation Fund granted readiness programme through which CSE is providing technical assistance to Cape-Verde, Chad and Niger. The Bank of Industry (BAGRI) of Niger has already submitted its application ANAS (Cape-Verde) and FSE (Chad) will follow soon.

Year	Type of support provided	Outcome of the support	Country/institution supported
2012	Technical Support to Department of Finance for Assessment of Institutional Capacity and Readiness for the Adaptation Fund's NIE Accreditation	Documentation collected and reviewed, strengths and weaknesses of the DOF identified, as well as the remedial actions to be undertaken.	Philippines / Department of Finance (DOF)
2013	Facilitating accreditation of a National Implementing Entity to the Adaptation Fund	Application submitted	Nigeria / Bank of Industry
2013	Technical advice on project formulation and implementation	Knowledge sharing	Benin / Direction Générale du Fonds

Year	Type of support provided	Outcome of the support	Country/institution supported
			National pour l'Environnement
2014	Technical advice on grant management (type of bank account used), payment of services, procurement process, implementation arrangements	Better understanding of procedures put in place by the CSE regarding grant management, procurements and implementation arrangements with executing agencies	Morocco / Agence de Développement Agricole (ADA)
2014	Sharing execution documents (project launching report, technical and financial reports) and technical advice	Better understanding of procedures put in place by the CSE regarding grant management, procurements and implementation arrangements with executing agencies	Rwanda / Ministry of Natural Resources (MINIRENA)
2014	Sharing of experience of achieving NIE accreditation	Experience sharing	Malawi / Civil society Network on Climate change (CISONEC)
2014	Sharing execution documents (Project Risk assessment/management manual, Project Monitoring and evaluation Manual) and technical advice	Templates of documents	Nigeria / Bank of Industry (BOI)
2014	Sharing execution documents (Project Risk assessment/management manual, Project Monitoring and evaluation Manual) and technical advice	Templates of documents	Tanzania / National Environment Management Council (NEMC)
2014-2015	Readiness technical assistance	Experience sharing on AF accreditation process	Chad / Fonds Special pour l'Environnement (FSE) Niger / Banque Agricole du Niger (BAGRI) Cape-Verde / Agence Nationale de l'Eau et de l'Assainissement (ANAS)
2015-	Delivery partner	Supporting countries for the	DAs of Senegal, Djibouti, Democratic

Year	Type of support provided	Outcome of the support	Country/institution supported
2016		implementation of the Green Climate Fund Readiness programme	Republic of Congo and Mauritania

### C. Proposed activities to support NIE accreditation

The first step of the process will consist in a screening exercise to select the best NIE candidate at national level, using interviews, focus-group discussions and, to a lesser extent, document review. This activity will be conducted in close collaboration with the Designated Authority (DA). If the country has already identified its NIE candidate, the selection process will be reviewed to check the compliance with criteria and guidance (Annex 1) provided by the Adaptation Fund (AF). For the screening exercise itself, an evaluation sheet (Annex 2) will be used during the interview, based on guidance provided by the AF.

Once the appropriate candidate is identified, a five-man committee will be established within the selected organization, but including the DA. This committee will be tasked to work in close cooperation with the team of consultants in order to

- perform an assessment of institutional capacity and readiness of the selected organization for the AF's accreditation application. This will be done through qualitative assessment, using document review, SWOT analysis, risk analysis...
- collect the required supporting documents within the selected organization, but also through the key partners they are used to work with for project formulation and implementation. To facilitate this work, a guidance sheet on "accreditation standards" (Annex 3) will be prepared, using information available in the accreditation toolkit developed by the AF. In the same view, a summary of comments and recommendation made so far by the Accreditation Panel during applications reviews will be prepared. This should help focus efforts on the most relevant documents and keep in mind the most important aspects;
- review the adequacy of all required back-up documentation to ensure it meets the requirements of the AF Accreditation Panel. This will be done based on the supporting documents check-list provided by the AF (Annex 4);
- conduct follow-up discussions and advise in addressing identified gaps, if any, in the collected supporting documentation, and in completing all the remaining aspects of the assessment;
- proceed with the online submission of the NIE application.

Proposed Support Activities	Expected Output of the Activities	Country/Institution to be Supported	Requested budget* (USD)	Tentative timeline (Completion date)
1. Screening exercise, including an information workshop	- Screening report - Check-list of key questions addressed	Mali	3,112	25 January 2016

<b>Proposed Support Activities</b>	<b>Expected Output of the Activities</b>	<b>Country/Institution to be Supported</b>	<b>Requested budget* (USD)</b>	<b>Tentative timeline (Completion date)</b>
on the AF and the main features of an operational NIE	during assessment - Presentation and set of slides - Evaluation sheet			
2. Assessment of institutional capacity and readiness, including a seminar on the AF's accreditation process and the role of an NIE in directly accessing AF resources	- Assessment report showing the potential NIE applicant's strengths and weaknesses towards accreditation by the AF - Presentation and set of slides	Mali	3,316	4 February 2016
3. Collecting supporting documents - Collecting and analyzing relevant supporting documents for each performance criteria required in the application form - Review of questions raised by the Accreditation Panel during previous applications (to better understand what is expected) - Preparing and sharing a note on accreditation standards (to better understand what is expected)	- List of supporting documents/information collected - Summary of questions addressed by the Adaptation Panel and the Board to applicants during accreditation process - Note on accreditation standards	Mali	8,418	15 April 2016
4. Review of the adequacy of all required back-up documentation to	- Supporting documents check-list - Documentation of	Mali	4,541	15 May 2016

Proposed Support Activities	Expected Output of the Activities	Country/Institution to be Supported	Requested budget* (USD)	Tentative timeline (Completion date)
<p>ensure it meets the requirements of the AF Accreditation Panel, and filling gaps</p> <ul style="list-style-type: none"> <li>- Checking the documents collected against AF requirements</li> <li>- Identifying potential gaps or weaknesses</li> <li>- Providing guidance on how to overcome issues identified</li> <li>- Supporting the task-force in organizing supporting documents</li> </ul>	the main findings			
5. Submission of the application folder	<ul style="list-style-type: none"> <li>- An application for accreditation as a National Implementing Entity</li> <li>- A one-page summary report</li> </ul>	Mali	8,000	20 June 2016
5. Communication			20	
6. Travel			17,041	
7.. Workshops and logistics	Documentation of main findings		2,041	
<b>Total Grant Requested (USD)</b>			<b>47,449</b>	

\* See indicative budget details in Annex 5

#### D. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Implementing Entity Contact	Telephone	Email Address
Dr Assize TOURE Centre de Suivi Ecologique (CSE)		23 SEP. 2015	Dethie Soumare Ndiaye	+221 338258066 +221 776583878	dethie@cse.sn

#### E. Record of request of support on behalf of the government

Provide the name and position of the government official, the Designated Authority of the Adaptation Fund, and indicate date of endorsement. If the proposed support targets more than one country, list the officials requesting support for all the participating countries. The request letter(s) should be attached as an annex to the application.

(Enter Name, Position, Ministry)	Date: 23 September 2015
Mr Aboubacar DIABATE Directeur Général Agence de l'Environnement et du Développement Durable (AEDD)	



## ANNEXES

## ANNEX 1

### ANNEX 1

*Technical Support to Niger, Cape Verde and Chad for the Adaptation Fund's Accreditation*

#### CRITERIA FOR SELECTING AN NIE



Evidence of fiduciary abilities with regard to the AF's requirements.



Capability to take responsibility and accountability for the full project cycle elaborated upon above in an agile, efficient and effective manner.



Optimal organizational structure within the potential NIE for the implementation task which in most cases would imply that the entity has a separate corporate structure and that the implementation of projects is one of its significant activities.



Demonstration by the top management of a zero tolerance policy for fraud and corruption from its own staff and from third parties and of ability to resolve any allegations thereof in a transparent and complete manner involving required authorities as needed.



Ability to work together with government entities, leveraging co-financing organizations and other stakeholders within the country in order to identify, appraise, implement and evaluate projects related to adaptation.



A clear demonstration that the potential NIE can bring a significant value added component to Adaptation Projects over and above what existing and accredited Multilateral Implementing Agencies can bring.



Experience of work with development partners (at international, regional and national level): details about projects/programmes; dates amount and type of financing; specific role; etc.



## ANNEX 2



### ANNEX 2: EVALUATION SHEET

**NAME OF THE INSTITUTION** (in extenso):

**DEPARTMENT:**

**Financial management and integrity**

Criteria	Strentghs	Weakenesses / Limitations	Score (1 to 5) - —————> + 1                      5
Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization			
Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis			
Produce forward-looking financial plans and budgets			
Legal status to contract with Adaptation Fund Board			



### Institutional capacity

Criteria	Strengths	Weaknesses / Limitations	Score (1 à 5)
			- —————> + 1                      5
Ability to manage procurement procedures which provide for transparent practices, including competition			
Ability to identify, formulate and appraise projects, including the identification and assessment of project/programme environmental and social risks and the adoption of measures to address those risks			
Competency to manage or oversee the execution of projects/programmes, including ability to manage subrecipients and to support project/programme delivery and implementation			
Capacity to undertake monitoring and evaluation, including monitoring of measures for the management of environmental and social risks			



**Transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social harms caused by projects**

Criteria	Strentghs	Weakenesses / Limitations	Score (1 à 5) - —————> + 1                      5
Competence to deal with financial mismanagement and other forms of malpractice			
Capacity to address complaints on environmental and social harms caused by projects/programs			

**NB: This evaluation sheet is to be used when visiting the institution's key partners.**

## ANNEX 3

### ANNEX 3

Technical Support to Niger, Cape Verde and Chad for the Adaptation Fund's Accreditation

## ACCREDITATION STANDARDS

### I. FINANCIAL INTEGRITY AND MANAGEMENT

(a) **Capability required:** Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization.

- Production of reliable financial statements that are prepared in accordance with internationally recognized accounting standards.
- Production of annual external audited accounts that are consistent with recognized international auditing standards.
- Production of detailed departmental accounts.
- Demonstration of use of accounting packages that are recognized and familiar to accounting procedures in developing countries.
- Demonstrate capability for functionally independent internal auditing in accordance with internationally recognized standards.

#### Good example on audited financial statements:

The application contains audited financial statements with an unqualified opinion from KPMG for each of the two years of operation being 2008 and 2009. The financial statements are in accordance with auditing standards issued by the Auditor General of the country. The applicant uses integral Administrative Management software that includes an accounting module marketed by Datalogic which is a local firm aiming to develop the product for the region. The application provided a link to the software company so that the Accreditation Panel could verify the appropriateness of the software.

#### Marginally acceptable example on audited financial statements:

The applicant is a government ministry and its accounts are audited together with those of the government as a whole by the Auditor General. His latest report on the 2008 financial accounts shows a multitude of examples of improper recording, non compliance with rules and fraud. But only few comments relate to the applicant. A separate letter from the Auditor General for the ministry also has no significant issues outstanding. This would be acceptable for accreditation provided the other parts of the application show strong governance systems and a strong internal audit.

#### Acceptable example on internal audit:

While there is no internal audit function for this small organization there is, each year, a management review done by the external auditor. The management letter relating to 2009 covered the organizational structure of the applicant and a review of procedures regarding procurement; and accounting / cash. The applicant takes the observations seriously and fixed the weaknesses and provided a status report showing the actions they had taken.

#### Poor example on internal audit:

The application makes reference to internal audit provisions and these are adequate and contained in Section 36 of the country's Financial Regulations. The Auditor General in his report for 2008 is critical about the internal audit effectiveness within the country. The organization chart of the applicant has a few auditors but gives no information on the internal audits done, the content of the annual report or audits planned. Nor is it clear whether aspects of the applicant's projects, contracting and disbursements are audited. With this information the Fiduciary Standards are not met and accreditation would not be recommended by the Accreditation Panel.



**(b) Capability required: Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis.**

- A demonstration of use of a control framework that is documented with clearly defined roles for management, internal auditors, the governing body, and other personnel.
- Production of financial projections demonstrating financial solvency.
- Demonstration of proven payment / disbursement systems.

Good example on an Internal Control Framework:

*The institutional form of the applicant is that of a government corporation. According to its application they have 54 employees recruited through competitive examinations, with an average age of 35 years, and all managers have a university degree. It is the first regional agency of its kind to have been certified in one hundred percent of its processes through the Certification of the Quality Management System according to ISO 9001:2008. One of the documents created as part of that process are Quality Guidelines (QGs). ISO certification would mean that the applicant has a strong capability to translate customers' needs into their own systems and procedures and that the various authorities are described in written documents and this was demonstrated with examples.*

Good example on an Internal Control Framework:

*The applicant has its own accounting system and its financial statements are prepared under the US GAAP (thus consistent with IFRS). While its own accounting system is not a "recognized accounting package" the applicant is large enough to have a bespoke system and the 2009 annual report shows an unqualified opinion issued by PwC. Included is a statement on the adequacy of internal controls based on the COSO criteria issued by management and referred to by the auditors as fairly stated. Thus the Accreditation Panel can have confidence in the accounting system.*

Inadequate example on an Internal Control Framework:

*The applicant is a government ministry and referred to various documents in the application such as the Financial Regulations that contain the duties and responsibilities of officials in relation to financial management such as those of: cabinet ministers, the Secretary General, and the Secretary to the Treasury, the accountant General, the Chief Internal Auditor, Chief budget managers and public officers, and various committees. This would only be an acceptable framework if it is accompanied by a demonstration from internal audit or another external source that it is adhered to. Without that assurance the fiduciary standards would not be met and accreditation could not be recommended for the ministry.*

Good example on a disbursement system:

*One of the attachments of the application is a Project Disbursement Handbook. It contains policies, guidelines, practices, and detailed instructions how to handle project disbursements and repayments. It is written for the applicant staff, borrowers including project staff from executing agencies. It demonstrates that disbursements are managed in accordance with the principles and procedures that are applicable to the investment projects or programs.*

**(c) Capability required: Producing forward looking financial plans and budgets.**

- Evidence of preparation of corporate, project or departmental / ministry budgets.
- Demonstration of ability to spend against budgets.

Good example on spending against project budgets:

*The applicant maintains a website which enables the stakeholders to monitor the overall financial status of projects. Greater details as well as the status of individual disbursement transactions are available to donors. It demonstrates that the applicant has an ability to budget against projects and correctly account therefore.*

**(d) Capability required: Legal status to contract with the Adaptation Fund and Board.**

- Demonstration of necessary legal personality in case it is not a government dept. / institution
- Demonstration of legal capacity/authority and the ability to directly receive funds.

Good example on a legal status:

*The applicant is a recently created government organization being its own legal entity. It was created by Presidential Decree in 2008. According to the Decree the "Fund shall be an instrument for financing programmes and projects aiming at rational management of the environment, improvement of living environment and promotion of sustainable development in the country. To this regard, it shall be responsible for:*

*Mobilizing subsidies granted by the Government, as well as externalities and fines collected as part of the fight against environment pollution;*

*Mobilizing external resources relating to its missions;*

*Building and developping institutional and operational capacities of national partners in the field of environment management;*

*Promoting practices of sustainable management of natural resources;*

*Supporting programmes and projects relating to environment protection and improvement of populations' living environment;*

*Following and assessing the execution of funded projects and their impact on the environment.*

*According to an Article in the Presidential Decree the Fund shall cooperate with public, private and non-governmental entities, whose activities contribute to the implementation of the national environment management strategy. This makes the applicant a logical NIE for the AF with the right legal status.*



## II. REQUISITE INSTITUTIONAL CAPACITY

**(a) Capability required: Procurement procedures which provide for transparent practices, including competition.**

- Evidence of procurement policies and procedures at national levels consistent with recognized international practice (including dispute resolution procedures).

Good example on how to procure:

*One of the attachments to the application is the sixty five pages Procurement Guidelines. The purpose of these Guidelines is to inform those carrying out a project that is financed in whole or in part by an applicant loan, grant, or fund of the policies that govern the procurement of goods, works, and services required. Topics covered include International Competitive Bidding such as opening and evaluation of bids, and other methods of procurement and also mentions aspects of Fraud and Corruption.*

Good example on how to procure:

*The application gives the reference to its procurement guidelines that are consistent with international procurement guidelines used by international community. The guidelines describe the basic principles of procurement that apply to projects funded by them including the various procurement methods, policies and procedures for competitive bidding on goods and work and related services. The selection of consulting services is also covered. Contracts, including dispute resolution, are under national jurisdiction. The applicant gets into the procurement cycle of its executing agencies by giving a "non-objection" to contracts for its projects and there is a full dispute resolution mechanism in place. These guidelines are available on the web.*

Example of inadequate procurement practices:

*The applicant is part of a government structure and therefore subject to the country's Public Procurement Authority. A report issued in June 2009 on a procurement review of the applicant concluded that unless the recommendations of the review are implemented the applicant will not comply fully with the Public Procurement legislation and the associated regulations and directives and punitive measures are considered. In this case accreditation cannot be recommended until the Public Procurement Authority comes to a positive conclusion on the basis of a full review and this should be supplemented by some mechanism to give assurance to the Accreditation Panel that the appropriate systems and procedures in place for procurement and adherence thereto is expected to continue to be in place for the duration of the accreditation period.*

**(b) Capability required: Capacity to undertake monitoring and evaluation.**

- Demonstration of existing capacities for monitoring and independent evaluation consistent with the requirements of the Adaptation Fund.
- Evidence that a process or system, such as project-at-risk system, is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond accordingly to redress the problems.

Good example on how to monitor:

*The application included project guidelines on preparing a design and monitoring framework that is primarily for design teams government and ministries, nongovernment stakeholders, applicant staff, and consultants. The guidelines are a hands-on tool kit that describes—step-by-step—the participatory process to develop the design and monitoring framework and explains how to apply participatory design tools. The guidelines are practical with examples. There is also technical assistance available to prepare projects. These together with other manuals such as for disbursement and the semiannual monitoring make it clear that the applicant has the required capacity to meet this Fiduciary Standard. Monitoring reports from several projects demonstrate the system is working.*

Good example on evaluation:

*The applicant has an independent Evaluation Group that is directly responsible to the Board and links to its Evaluation Committee. They have their own section on the applicant web site that includes its annual report and summaries of the reports issued. There was an external peer review done of its evaluation function and that came out positively and is available under the documents of the latest Executive Board.*

Poor example on risk management within projects:

*The application mentions that risk assessment is embedded in the project log-frames and in the project design document template envisaging sections on risk analysis and exit strategy and post-project sustainability. While that may be the case the risk identification at project design could be stronger. For example, many appraisal documents do not include a section on risk management with suggested mitigating actions, for many others the treatment of risks and mitigation could be stronger. The focus on risk is so minimal that it does not meet the minimal AF Fiduciary Standards.*

Good example on a monitoring / accounting for projects:

*The application includes audited financial statements for several donor funded projects of the Institute as of 2008. It involves opinions of KPMG, a local auditor and the auditor general of the country. All opinions are positive and give confidence that project expenditures and procurement actions adhere to the loan provisions and national legislation.*

Example of inadequate monitoring practices:

*The application states that it has the technical capacity to monitor and evaluate projects through the Monitoring and Evaluation Committee but does not demonstrate this or give further information or examples. When asked for additional examples the applicant provides quarterly monitoring reports done by the donor organizations. For accreditation purposes the monitoring capability has not been demonstrated and accreditation cannot be recommended.*



**(c) Capability required: Ability to identify, develop and appraise projects.**

- Demonstration of availability of/ access to resources and track records of conducting appraisal activities.
- Evidence of institutional system for balanced review of projects, particularly for quality-at-entry during the design phase.
- Evidence of risk assessment procedures in place.

Good example on identification, development and approval of projects:

*The main purpose of the applicant is to define the strategy for the country. Since donor funding is a significant part of the country budget, the applicant is heavily involved with the identification of projects. It does so through working with all the government bodies and other partners. Steering committees are created as projects are identified, developed, and appraised and these are usually chaired by applicant staff. Projects that pass the steering committee are sent for approval to cabinet. In case of approved programmes, the Steering committee approval is sufficient for a new project. The applicant provided documents that demonstrate that it has an extensive capability to identify the right projects and see them through its development and appraisal stages working in full partnership with all the stakeholders.*

Inadequate demonstration of identification, development and approval of projects:

*The applicant explains that it has a planning cell who initiates the project appraisal after receiving projects from different agencies/departments. This follows a prescribed document for new projects called Development Project Performa/Proposal (DPP). The DPP includes the basic project proposal elements such as objectives; budget and timing; pre-appraisal or investment feasibility study; a result based monitoring framework; and a procurement plan. The explanation and the form are all contained on two pages and no examples are given. From an accreditation viewpoint there is not sufficient demonstration of a system and evidence that the system is working. There is a pro-forma list of a Departmental Project Approval Committee (DPAC) made up of some 12 senior staff members of different government ministries and divisions but there is no example of how they work. Thus the application needs to be expanded and provide evidence on these systems before accreditation can be recommended.*

**(d) Capability required: Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project/programme delivery and implementation.**

- Demonstration of an understanding of and capacity to oversee the technical, financial, economic, social, environmental and legal aspects of the project and their implications.
- Demonstration of competence to execute or oversee execution of projects / programmes.
- The examples under monitoring above apply. The demonstration of the capacity to oversee the technical, financial, economic, social, environmental and legal aspects of the project and their implications requires a demonstration of staff qualifications, experience and education.

Inadequate demonstration of capacity to manage or oversee projects:

*The application states that the various technical wings of the organization together with some of the technical directorates of ministries, whom they work together with, puts them in a unique position to oversee the technical, economic, financial, social, environmental, and legal aspects of projects and their implications. It states that usually a Steering Committee is formed drawing members from relevant institutions to provide such oversight responsibility. It gives as an example a project being executed but is only one example and it is very different from adaptation type of projects. Better examples need to be given to be considered sufficient demonstration for accreditation.*



ADAPTATION FUND  
Readiness Programme  
for Climate Finance

### III. TRANSPARENCY, SELF-INVESTIGATIVE POWERS, ANTI-CORRUPTION MEASURES AND MECHANISM TO ADDRESS COMPLAINTS ABOUT ENVIRONMENTAL OR SOCIAL HARMS CAUSED BY PROJECTS

**(a) Capability required: Competence to deal with financial mismanagement and other forms of malpractice.**

- Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice.
- Evidence of an objective investigation function for allegations of fraud and corruption.

Good example on an antifraud practice:

*The applicant's management set up an investigation function as part of the internal audit function. The policy is contained in a rather legal document but is neatly summarized on the website. The policy is mainly focused on fraud and corruption but taken together with the published core values it is clear that mismanagement and other forms of malpractice are equally covered. There is an annual report on investigation that is on the website and this demonstrates the nature of the cases and that all complaints received are taken serious and are acted upon. It is important to note that the investigative activities equally cover any behavior related to the applicants' projects done by third parties. For example fraud related to tender documents would be covered.*

Inadequate example on an antifraud practice:

*The application refers to the various national systems such as the Ombudsman, the Auditor General, the National police, the Prosecutor General, the Revenue Authority and the Public Procurement Authority. The underlying message is that the national systems work. There is certain evidence through websites that the system works. For example, the former Director of the national procurement agency was tried for corruption. Nevertheless it does not demonstrate how the applicant works with the various national entities and how it has a no fraud tolerance at the top or how it deals in a preventive and reactionary fashion with financial mismanagement and other forms of malpractice on projects. There is no information on a whistleblower policy. Neither does it deal with the role of the organization to prevent, initiate and monitor investigations of fraud and corruption within projects they manage. Also details on a code of conduct for staff is missing*

## COMMENTS AND RECOMMENDATIONS FROM A.P.



### GENERAL COMMENTS



- ☛ An applicant had been reluctant to provide confidential documents to the Panel, and had consulted with its lawyers about the possibility of having an expert member visit, at the expense of the applicant, to examine that confidential information in person. In response to a question as to whether other applicants had previously refused to release information, the Chair of the Panel explained that a similar situation had occurred before but in that case the reviewer had been able to use other means to access the required information. The present applicant said that there were legal reasons why the documentation could not leave its offices but had agreed that it would be possible for a member of the Accreditation Panel to consult the documents on site.
- ☛ After considering the conclusions and recommendation of the Accreditation Panel, the Adaptation Fund Board decided to:
  - (a) allow for further review of NIE039 through a field visit to develop a case example for the need of a “small grant window” or similar mechanism; and
  - (b) request the Accreditation Panel to work in conjunction with the secretariat to provide options for how such a mechanism could be operationalized at the twenty-third Board meeting.
- ☛ The Panel pointed out that **competences had to be demonstrated and not simply identified.**



#### FINANCIAL INTEGRITY AND MANAGEMENT (1)



- (i) Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization;
- (ii) Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;
- (iii) Produce forward-looking financial plans and budgets;
- (iv) Legal status to contract with the Fund and third parties

☉ The National Environment Management Authority (NEMA) of Kenya is accredited as a NIE on the understanding that:

- (a) NEMA would be **required to prepare annual financial statements** for all the project(s) funded by the AF;
- (b) the **annual financial statements must be audited** by the National Audit Office or another external auditor and that a report must be provided within six months after the end of the financial year.

☉ The Ministry of Natural Resources (MINIRENA) of Rwanda should submit to the secretariat, on an annual basis, a **procurement audit report issued by the Auditor General's Office, or an independent auditor**, on the Adaptation Fund project/s under implementation in relation to the **effectiveness of its procurement systems and practice**, as well as continuous availability of qualified resources in project cycle management.

☉ The Board decided to accredit the Protected Areas Conservation Trust (PACT) of Belize as a NIE, subject to the following conditions: PACT should have in place to the satisfaction of the Accreditation Panel and before the approval of the first project:

- (i) A **formal annual internal control statement signed by its Executive Director and the Board and to be issued with the financial statements**; and
- (ii) A **formal mandate for the Finance Committee of the Board to execute the functions of an audit committee**.

☉ The Panel recommended that the African Development Bank (AfDB) be accredited as an MIE subject to certain conditions: the AfDB delivers annually, and within three months after the end of the year, an **independent grant audit report covering the open projects that the AfDB handles on behalf of the Adaptation Fund**.

☉ The Board decided to accredit the National Environment Fund (NEF) of Benin as a NIE, subject to the following conditions: within 3 months of each year end the external auditor of the NEF informs the AF Board secretariat as to whether **the accounts of AF projects are up to date, and accurately reflected the transactions during the year**.



#### FINANCIAL INTEGRITY AND MANAGEMENT (2)



- (i) Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization;
- (ii) Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;
- (iii) Produce forward-looking financial plans and budgets;
- (iv) Legal status to contract with the Fund and third parties

☛ The Board decided to accredit the Banque Ouest Africaine de Développement (BOAD), subject to the following conditions: **BOAD includes an internal control statement with the financial statements**, starting with the statements of 2011.

☛ The Panel noted that the supporting documentation that had been provided by the CSE for some of the areas of the fiduciary standards, in particular the area of **risk management**, **did not provide sufficient evidence** that those standards had been met... He also said that the CSE **should be informed of the need to improve its risk management procedures**





#### **INSTITUTIONAL CAPACITY (1)**

- (i) Procurement procedures which provide for transparent practices, including in competition;
- (ii) Capacity to undertake monitoring and evaluation;
- (iii) Ability to identify, develop and appraise project/programme;
- (iv) Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project /programme delivery and implementation.



☉ The Chair of the Accreditation Panel explained that they were satisfied that there was in fact **a specific unit with that remit** in the applicant entities from those countries.

☉ The Ministry of Natural Resources (MINIRENA) of Rwanda should submit to the secretariat, on an annual basis, a **procurement audit report issued by the Auditor General's Office, or an independent auditor**, on the Adaptation Fund project/s under implementation in relation to the effectiveness of its procurement systems and practice, as well as **continuous availability of qualified resources in project cycle management**.

☉ The Adaptation Fund Board decided to accredit the Ministry of Planning and International Cooperation (MOPIC) as the NIE for Jordan on the understanding that it would submit to the secretariat of the Adaptation Fund Board, by 30 June 2012, **an update on the implementation of its impacts assessment system**.

☉ The Board decided to accredit the Protected Areas Conservation Trust (PACT) of Belize as a NIE, subject to the following conditions: **PACT should provide semi-annual progress reports on AF projects**.

☉ The Panel had also reviewed the application of the African Development Bank (AfDB) and concluded that the application had demonstrated that the AfDB met the accreditation standards relating to financial integrity and management, as well as those dealing with financial mismanagement and other malpractices. However, the **application was less strong with respect to institutional capacity relating to projects**, and despite the fact that it had demonstrated an **adequate project identification, and approval process**, there were **systematic problems in terms of implementation delays, procurement, disbursement, and monitoring, including acting on projects with high risk**. Those difficulties were being addressed by the AfDB through a series of reforms, including a greater decentralization to field offices, which would take several years before they could be fully implemented. That meant that the AfDB would not fully meet the fiduciary standards until then, and even then **the levels of capability might depend on the responsible local office**. Consequently, the Panel recommended that AfDB be accredited as an MIE subject to certain conditions:

(a) The AfDB describes in any project proposal **the capability of the local office to implement, monitor and close the proposed project in light of the decentralization process of the AfDB**;

(b) The AfDB delivers **annually an independent grant audit report covering the open projects that the AfDB handles on behalf of the Adaptation Fund**. This audit, which can be done by or under the supervision of The Office of the Auditor General of the AfDB, should:

- (i) Confirm that for all open AF projects that the required reports that were due for the year reviewed were delivered to the AF secretariat or if this is not the case the report should explain what is missing and why;
- (ii) Confirm that the AfDB has **allocated the necessary monitoring activities to the open AF projects** in accordance with the AfDB's policies to ensure the adequate progress and achievements of the projects. If that is not the case, the audit report should state what is missing.





#### **INSTITUTIONAL CAPACITY (2)**

- (i) Procurement procedures which provide for transparent practices, including in competition;
- (ii) Capacity to undertake monitoring and evaluation;
- (iii) Ability to identify, develop and appraise project/programme;
- (iv) Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project /programme delivery and implementation.



☉ The Chair of the Panel said that the field visit had revealed that the National Environment Fund (NEF) of Benin had a **small staff dedicated to identifying, evaluating and monitoring the execution of projects**. It could demonstrate its capacity for relatively small projects and operated under a strong legal mandate.

☉ The Board decided to accredit the National Environment Fund (NEF) of Benin as a NIE, subject to the following conditions: within 3 months of each year end the external auditor of the NEF informs the AF Board secretariat as to whether:

- (i) **key staff was available during the year to monitor, execute and account** for Adaptation Fund projects;
- (ii) all Adaptation Fund project **procurements during the year followed national procurement rules**.

☉ The Board took up the policy issue of ministries as NIE, raised by the Accreditation Panel in its report. Following a discussion, in which some members stressed the need for coherent treatment of the issues and for the integration of those issues into the completion of the development of a tool-kit for NIEs, the Board decided to:

- (a) take note of the **practical difficulties that the Accreditation Panel was encountering, based on experience to date, in accrediting government ministries**;
- (b) take note of the view expressed by the Accreditation Panel on the **need to identify a specific unit in a ministry**, in case that ministry applies for accreditation as NIE, **with required responsibility and accountability for implementing Adaptation Fund projects**.

☉ The Board decided to accredit the International Fund for Agricultural Development (IFAD) as a Multilateral Implementing Entity (MIE) on the understanding that there would be no disbursement of funding for any Adaptation Fund projects being implemented by the IFAD **before the Executive Board of the IFAD authorized the IFAD to function as an MIE of the Adaptation Fund**.

☉ The Panel had noted that the CSE had usually managed projects that had involved smaller amounts of money than the potential maximum size for the projects and programmes being financed by the Adaptation Fund. The Board decided to retain the option to require **more frequent reporting than required in the operational policies and guidelines** of the Adaptation Fund Board for the projects and programmes implemented by the CSE in the event that the Entity was to administer amounts that greatly exceeded its previously demonstrated capacity to administer funds for projects and programmes.

☉ Further information on the nature of the CSE and more details on its application were requested by the Board, as well as a **clarification on whether it was an NGO or a governmental organization**. It was noted that developing countries needed to know exactly what was expected of them when submitting an application for an NIE.

☉ One Panel expert together with a member of the secretariat had made a visit to NIE039, the applicant national entity in question, obtaining input on the difficulties faced by the country, in terms in particular of small population and extremely long distances. The NIE, too, had problems of limited staff and modest budget, meaning that any relatively large-scale project would need access to external or international expertise.



#### TRANSPARENCY AND SELF-INVESTIGATIVE POWERS

Competence to deal with financial mismanagement and other forms of malpractice.



During a closed session the Board decided to accredit the Protected Areas Conservation Trust (PACT) of Belize as a National Implementing Entity, subject to the following conditions: PACT should **have in place** to the satisfaction of the Accreditation Panel and before the approval of the first project a **public antifraud policy that demonstrates a zero tolerance attitude**.

the Board decided to accredit the National Environment Fund (NEF) of Benin as a National Implementing Entity, subject to the following conditions: before the first disbursement the Ministry of Environment, Hygiene and Urban Planning (MEHU) and NEF **places on their website an anti-fraud policy that includes, inter alia**, that:

- (i) it has a **zero fraud tolerance** in relation to the projects funded by the Adaptation Fund and the other projects they manage;
- (ii) all **allegations received will be investigated and complainants will be covered under appropriate whistleblower protection**; and
- (iii) a demonstration of an **appropriate system whereby allegations of fraud, financial mismanagement and other irregularities that come to the NEF or the MEHU will be recorded and properly investigated**.

The Board decided to accredit the Banque Ouest Africaine de Développement (BOAD), subject to the following conditions: **that BOAD have in place an investigative function that reflects its needs, and the practices of other development banks**, before the first disbursement is made by the AF and that **the effectiveness thereof will be reviewed after two years** by the Panel.

“Include information on the Fund’s website about the mechanisms for handling complaints about accredited Implementing Entities and the possibility to communicate directly with the secretariat.” (Decision B.16/22)

## ANNEX 4

### ANNEX 4: CHECK-LIST OF REQUIRED SUPPORTING DOCUMENTS

*Technical Support to Niger, Cape Verde and Chad for the Adaptation Fund's Accreditation*

#### I. Prerequisites for Application

*Please ensure, prior to submitting your application, that you meet the following requirements.*

Prerequisites for NIE Accreditation Application	Yes	
1. Has your country nominated a Designated Authority	<input type="checkbox"/>	<i>A Designated Authority must be nominated prior to application for NIE accreditation. Please explain.</i>
2. Is an endorsement letter from your country's Designated Authority attached?	<input type="checkbox"/>	<i>Along with an application for NIE Accreditation, an endorsement letter is required. Please explain.</i>
3. Have you used the application form provided by the Adaptation Fund for the accreditation application? <i>An application form is made available to you as part of this Toolkit</i>	<input type="checkbox"/>	<i>Please explain</i>

#### II. Financial Management and Integrity

*Which of the following documents have you attached to support that your organization meets the financial management and integrity standards required to be an NIE for the Adaptation fund?*

<b>a. Demonstration of necessary legal personality</b>	Attached	
1. Documentation of legal status and mandate (please highlight the relevant paragraphs)	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>b. Demonstration of legal capacity/authority and the ability to directly receive funds</b>	Attached	
1. Same documentation or separate supporting documentation	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. List of foreign loan/donor funds handled over the last 2 years	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>c. Production of reliable financial statements that are prepared in accordance with internationally recognized accounting standards</b>	Attached	
1. Last two Audited Financial Statements including the external auditor's opinion	<input type="checkbox"/>	<i>Please explain if document not attached</i>

<b>d. Production of annual external audited accounts that are consistent with recognized international auditing standards</b>	Attached	
1. External Auditor Reports internal control letter	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Audit Committee's Terms of Reference	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>e. Demonstration of use of accounting packages that are recognized and familiar to accounting procedures in developing countries</b>	Attached	
1. Name and brief description of accounting package used (including website reference of company using the accounting package used)	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>f. Demonstration of capability for functionally independent internal auditing in accordance with internationally recognized standards</b>	Attached	
1. Policy / charter and other published documents (like manuals) that outlines the entity's internal auditing function	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Copies of audit plans for last two years and the current year	<input type="checkbox"/>	<i>Please explain if document not attached</i>
3. List of internal audit reports issued in last two years and sample reports	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>g. Demonstration of use of a control framework that is documented with clearly defined roles for management, internal auditors, the governing body, and other personnel</b>	Attached	
1. Policy or other published document that outlines the entity's control framework	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>h. Demonstration of proven payment/disbursement systems</b>	Attached	
1. Procedures describing the payment / disbursement system with particular reference to project payments / disbursements	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>i. Production of long term business plans/financial projections demonstrating financial solvency</b>	Attached	
1. Long term business plans projections for the next 3 to 5 years	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>j. Evidence of preparation of corporate departmental/ministry budgets and demonstration of</b>	Attached	

<b>ability to spend against budgets</b>		
1. Annual budgets for the organization and entities within it	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. End of calendar year/fiscal year or periodical budget report	<input type="checkbox"/>	<i>Please explain if document not attached</i>

### III. Requisite Institutional Capacity

*Which of the following documents have you attached to support that your organization has the requisite institutional capacity required to be an NIE for the Adaptation fund?*

<b>a. Evidence of transparent and fair procurement policies and procedures at the national level that are consistent with recognized international practice (including dispute resolution procedures)</b>	Attached	
1. Procurement Policy	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Detailed procedures or guidelines including composition and role of key decision making committees	<input type="checkbox"/>	<i>Please explain if document not attached</i>
3. Provisions for oversight/audit /review of the procurement function with an actual sample of oversight/audit/review reports	<input type="checkbox"/>	<i>Please explain if document not attached</i>
4. Procedures for handling/controlling procurement in Executing Agencies	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>b. Demonstration of capability and experience in identification and design of projects (preferably adaptation projects)</b>	Attached	
1. Detailed project plan documents for 2 projects	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Details for entity's role in identification and design of the sample projects provided above	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>c. Demonstration of availability of/ access to resources and track record of conducting appraisal activities</b>	Attached	
1. Details of the project appraisal procedures	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. 2 samples of project appraisals undertaken	<input type="checkbox"/>	<i>Please explain if document not attached</i>

<b>d. Demonstration of the ability to examine and incorporate the likely impact of technical, financial, economic, environmental, social and legal aspects into the project at the appraisal stage itself</b>	Attached	
1. Sample of project documents which demonstrate this capability	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>e. Demonstration of capability or access to resources to undertake assessment of project/program risks including financial, economic, political risks; and environmental and social risks, in accordance with the AF's ESSP; and ii)integrate mitigation strategies/ environmental and social risk management plans into the project document</b>	Attached	
1. Policy and/or other published document(s) that outlines the risk assessment procedures/framework	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Samples of completed project appraisals with identified risks and corresponding mitigation strategies, including environmental and social risk management plans	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>f. Evidence of institutional system for planning implementation of projects with particular emphasis on quality-at-entry</b>	Attached	
1. Operational manual/ procedures for project review system during the design phase	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>g Evidence of preparation of project budgets for projects being handled by the entity or any sub-entity within it</b>	Attached	
1. Project budgets	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Analysis of project expenditure vs budget	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>h. Demonstration of capacities for project monitoring and evaluation that are consistent with the requirements of the Adaptation Fund, including monitoring the status of measures for avoiding, minimizing or mitigating environmental and social risks.</b>	Attached	
1. Policy or other published document that outlines monitoring and evaluation requirements	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Detailed procedures and formats used for monitoring and evaluation during project	<input type="checkbox"/>	<i>Please explain if document not attached</i>



implementation		
3. Sample project monitoring and evaluation reports	<input type="checkbox"/>	<i>Please explain if document not attached</i>
4. Copies of status reports on the implementation of the environmental and social risk management plans	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>i. Production of detailed project accounts which are externally audited</b>	Attached	
1. Sample of project accounts	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Sample of project audit reports	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>j. Evidence of a process or system, such as a project-at-risk system, that is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond to redress the problems</b>	Attached	
1. Procedures for project-at-risk system or similar process/system to ensure speedy solutions to problems which may interfere with the achievement of the project objectives	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>k. Demonstration of capacity or access to resources for undertaking project closure and independent final evaluation, including final evaluation of project/program performance with respect to environmental and social risks</b>	Attached	
1. Policies/procedures relating to closure of projects and preparation of independent end-of-project/final evaluation reports	<input type="checkbox"/>	<i>Please explain if document not attached</i>
2. Independent evaluation reports of projects/programmes completed in the last 24 months	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>l. Demonstration of an understanding of and capacity to assess impact/implications of the technical, financial, economic, environmental, social, and legal aspects of projects</b>	Attached	
1. Project closure reports or independent evaluation reports containing assessment of the impact/implications of the technical, financial, economic, environmental, social, and legal aspects of projects	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>m. Demonstration of competence to execute or oversee execution of projects/programmes</b>	Attached	

1. Independent evaluation reports of completed projects/programs	<input type="checkbox"/>	Please explain if document not attached
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#### IV. Transparency, self-investigative powers, and anti-corruption measures

Which of the following documents have you attached to support that your organization is able to undertake transparency, self-investigative powers, anti-corruption and environmental and social safeguards measures as required, to be an NIE for the Adaptation fund?

<b>a. Evidence/tone/statement from the top management emphasizing a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by implementing entity staff or from any external sources associated directly or indirectly with the projects</b>	Attached	
1. Provide evidence of a statement communicating such a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice	<input type="checkbox"/>	Please explain if document not attached
<b>b. Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice</b>	Attached	
1. Provide copy of documented code of conduct/ethics applicable to the staff	<input type="checkbox"/>	Please explain if document not attached
2. Documentation establishing avenues for reporting non-compliance/ violation/misconduct and business conduct concerns	<input type="checkbox"/>	Please explain if document not attached
3. Details of policies and procedures relating to managing conflict of interest and whistle blower protection	<input type="checkbox"/>	
<b>c. Evidence of an objective investigation function for allegations of fraud and corruption</b>	Attached	
1. The structure and process/ procedures within the organization to handle cases of fraud and mismanagement and undertake necessary investigative activities	<input type="checkbox"/>	Please explain if document not attached
2. Data on cases of violation of code of conduct/ethics and frauds reported over last 2 years be provided in terms of number of cases, types of violations and summary of status/action taken	<input type="checkbox"/>	Please explain if document not attached
3. Periodical oversight reports of the ethics function/ committee be attached for the last 2 years	<input type="checkbox"/>	Please explain if document not attached



<b>d. Evidence of entity's commitment to addressing environmental and social risks</b>	Attached	
1. Statement from top management communicating entity's commitment to abide by the AF's environmental and social policy	<input type="checkbox"/>	<i>Please explain if document not attached</i>
<b>e. Demonstration of an accessible, transparent, fair and effective mechanism (either within the entity itself, local, national or project-specific) for receiving complaints about environmental and social harms caused by projects/programmes</b>	Attached	
1. Details of process/avenues available to the public to submit complaints, including name and contact information of the specific person /office responsible for receiving complaints	<input type="checkbox"/>	<i>Please explain if document not attached</i>



## ANNEX 5

### ANNEX 5: INDICATIVE BUDGET DETAILS

[Guinee\Budget Guinea.xlsx](#)

[Mali\Mali.xlsx](#)

[SierraLeone\Sierra Leone.xlsx](#)

#### **Note to the budget**

- The budget does not include the translation of supporting documents into English. These costs shall be borne by the NIE candidate or the Government.
- Communication: the internet connection can be very poor in some countries, reason why it is wise to set aside a budget for telephone calls. This includes also phones calls during in-country support.
- Ticket: it is planned 2 to 4 trips in the country. At least two of them will comprise two people. The ticket cost here considered is indicative, based on information received from Travel Agency.
- National consultant: hired to assist the CSE staff during the in-country support. Can be one person or a task-force.
- Backstopping support: the backstopping support will be provided remotely.
- Workshops and logistics: depending on countries, it can be risky to rely on the DA or the NIE candidate for logistics and/or for workshop expenses during the collection of supporting documents. This is why this budget has been set aside.

	Nbr of staff	Staff unit cost (CFA)	Nb of days/travels	Total (CFA)	Total (USD)
Communication				500,000	1,020
Ticket Guinea		350,000	3	1,050,000	2,143
DSA		100,000	73	7,300,000	14,898
Screening exercise (CSE staff)	1	150,000	9	1,350,000	2,755
Screening exercise (national consultant)	1	25,000	7	175,000	357
Assessment of institutional capacity and readiness (CSE staff)	1	150,000	10	1,500,000	3,061
Assessment of institutional capacity and readiness (national consultant)	1	25,000	5	125,000	255
Collecting supporting documents, 1st step (CSE staff)	1	150,000	7	1,050,000	2,143
Collecting supporting documents, 2nd step (CSE staff)	2	150,000	9	2,700,000	5,510
Collecting supporting documents (national consultant)	1	25,000	15	375,000	765
Review of the adequacy of all required back-up documentation (CSE staff)	2	150,000	7	2,100,000	4,286
Review of the adequacy of all required back-up documentation (national consultant)	1	25,000	5	125,000	255
Preparation of the application (CSE staff)	2	150,000	5	1,500,000	3,061
Preparation of the application (national consultant)	1	25,000	5	125,000	255
Submission of the application folder (CSE staff)	2	150,000	2	600,000	1,224
Submission of the application folder (national consultant)	1	25,000	2	50,000	102
Backstopping (addressing AP comments and CR) (CSE staff)	1	150,000	10	1,500,000	3,061
Backstopping (addressing AP comments and CR) (national consultant)	1	25,000	5	125,000	255
Workshops and logistics		1,000,000	1	1,000,000	2,041
<b>TOTAL</b>				<b>23,250,000</b>	<b>47,449</b>


## ANNEX 6

### ANNEX 6: LETTER OF ENDORSEMENT


MINISTÈRE DE L'ENVIRONNEMENT,  
DE L'ASSAINISSEMENT ET DU  
DÉVELOPPEMENT DURABLE

REPUBLIQUE DU MALI  
*Un Peuple - Un But - Une Foi*

Agence de l'Environnement et du  
Développement Durable (AEDD)



la : 0904

  
ADAPTATION FUND

Letter of Endorsement by Government

Bamako, le 23 SEPT 2015



To: The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: afsec@adaptation-fund.org  
Fax: 202 522 3240/5

Subject: Endorsement for support in NIE accreditation

In my capacity as designated authority for the Adaptation Fund in Mali, I confirm that Centre de Suivi Ecologique (CSE) has been requested by my government to support the process of accreditation of a National Implementing Entity for the Adaptation Fund in my country.

Accordingly, I am pleased to endorse the grant proposal submitted by [national implementing entity] for funding from the Adaptation Fund.

Sincerely,

 **LE DIRECTEUR GÉNÉRAL**  
  
**Aboubacar DIABATE**  
Ingénieur d'Agriculture et du Génie Rural