

The Caribbean Regional Workshop for Enhancing Knowledge on The Adaptation Fund Project Development Process and Project Cycle Report

Venue: Conference Centre, Caribbean Development Bank, Wilkey, Barbados
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The Caribbean regional workshop for enhancing knowledge on the Adaptation Fund project development process and project cycle took place from the 24th to the 25th of October 2017 in the Conference Centre of the Caribbean Development Bank in Wilkey, Barbados and was facilitated by Dr. Alicia Hayman.



*Picture 1 The Caribbean Regional Workshop for Enhancing Knowledge on The Adaptation Fund
Project Development Process and Project Cycle*



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Acronyms and abbreviations

Adaptation Fund	AF
Caribbean Community Climate Change Centre	CCCCC
Caribbean Development Bank	CDB
Certified Emission Reductions	CER
Climate Change	CC
Designated Authority	DA
Environmental Impact Assessment	EIA
Environmental and Social Management Plan	ESMP
Environmental and Social Policy	ESP
Environmental and Social Policy and Gender Policy	ESGP
Gender Policy	GP
Implementing Entity	IE
Knowledge Management	KM
Least Developed Countries	LDC
Monitoring & Reporting	M&R
Multilateral Implementing Entity	MIE
National Implementing Entity	NIE
Planning Institute of Jamaica	PIOJ
Programme Development and Management Unit	PDMU
Project Formulation Grants	PFGs
Project Performance Reports	PPR
Project and Programme Review Committee	PPRC
Regional Implementing Entity	RIE
Results-Based Management	RBM
Risk Assessment	RA
Technical Assistance Grants	TAG
Stakeholder Engagement	SE
South-South	S-S
Vulnerability Assessment	VA



The Caribbean Regional Workshop for Enhancing Knowledge on The Adaptation Fund

Project Development Process and Project Cycle

Report

1. Day 1

The workshop began with welcoming speeches and opening remarks by Derek Gibbs, Climate Finance Specialist, Caribbean Development Bank; Mikko Ollikainen, Manager, Adaptation Fund Board Secretariat (the secretariat) represented by Daouda Ndiaye, Senior Climate Change Specialist, at the secretariat, Monica La Bennett, Vice President, Operations, Caribbean Development Bank; and Nicole Taylor, Deputy Permanent Secretary from the Ministry of Environment and Drainage of Barbados. Derek Gibbs specified that it is the first workshop organized by the Caribbean Development Bank (CDB) in collaboration with the Adaptation Fund (AF), and that it represents an opportunity to learn more about the preparation and processes of this latter. Mr. Ollikainen pointed out that 16 Caribbean countries were expected to attend, and even if Caribbean countries represent a small contribution to greenhouse gases they are highly vulnerable to climate change (CC), and climate actions are necessary. Today, 40 of the Implementing Entities (IEs) of the AF are based in Least Developed Countries (LDCs) and Small island developing states (SIDS) where the AF is already implementing several projects. In this context, the AF received a record number of proposals over the last years. Ms. Monica La Bennett pointed out that the CDB was accredited by the AF in 2016, and that the impacts of CC are already affecting the Caribbean region. Hence, enhancing resilience and adapting to CC is necessary in addition to the support of international alliances. In this context, the timely gateways for financing climate actions include the AF. Moreover, the CDB had also already included climate actions as priority in its strategic plan and created a framework for core business; and all CDB's projects identify environmental and social risks. Ms. Taylor also acknowledged the support of the Government of Barbados to the AF, and mentioned that the government had offered legal capacity to the AF Board when it was established. She reiterated the governments support to the AF and expressed that they were supportive of the AF serving the Paris Agreement to help address the threats that CC presents to developing countries. Finally, Dr. Warren Smith, President, CDB, welcomed all the participants and emphasized the previous statements.

The workshop objectives, approach and overview were presented by Dr. Hayman. The main objective of the workshop was to enhance knowledge and understanding of the AF fiduciary requirements, project cycle and best practices in the programming of climate finance Direct Access for adaptation; and in particular, of the Adaptation Fund project preparation and development process.



Picture 2 welcoming speeches and opening remarks from Derek Gibbs, Daouda Ndiaye, and Nicole Taylor

1.1. Adaptation Fund status update

The first presentation by Mr. Daouda Ndiaye, Senior Climate Change Specialist, AFB secretariat provided a status update of the Fund. The main points of his presentation were:

- Some of the innovative features of the Fund include that, 1) it is governed by majority of developing countries; 2) the levy on Clean Development Mechanism proceeds & other sources of funding; and 3) the direct access to funds alongside conventional access.
- The experience of the Fund on funding climate adaptation includes US\$ 198 million from Certified Emission Reductions (CER) proceeds, and US\$ 442 million from developed countries' contributions. The resources allocated so far amount to US\$ 462 million in 73 countries, of which 28 are LDCs and 16 SIDS, reaching almost 6 million direct beneficiaries.
- The collapse of the carbon market in 2012-13 led the AF to look for alternative resources. Hence, the Fund aimed to collect US \$80M a year from countries' contributions, which has been reached.
- The number of direct access entities is increasing, and today, there are 44 Implementing Entities (IEs), including 26 National Implementing entities (NIEs), 6 Regional Implementing Entities (RIEs) and 12 Multilateral Implementing Entities (MIEs) with direct access to funds¹.
- As countries have different capacities, the Fund developed a streamlined accreditation process for smaller entities, that can be suitable to NIEs candidates to further enhance the effectiveness of funds' access.
- The Environmental and Social Policy and Gender Policy (ESGP) must be considered at both accreditation and project proposal stages and several new processes were implemented to respond

¹ Direct Access, whereby a country can access funds directly from the AF and other funds adopting similar modality to manage adaptation/mitigation projects, requires an accredited National Implementing Entity meeting the funds' fiduciary standards, environmental and social safeguards and gender policy.



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to the lessons learned.

- Two years ago, a pilot program for regional projects and programmes was implemented and became a permanent feature of the Fund.
- In October 2017, a medium-term strategy was approved: The Fund's purpose is aligned with the Paris Agreement, SDG 13 as the Fund has delivered concrete action, innovative approaches to climate finance, valuable learning, which led to the inclusion of new pillars into concrete projects and targeted support.
- The Fund went through Phase I (2014-2015) evaluation and concluded that AF design is effective, efficient, sustainable and coherent with and complementary to other adaptation efforts under the UNFCCC.
- Discussions about collaboration between the Adaptation Fund and the Green Climate Fund and how the AF should serve the Paris agreement (governance and institutional arrangements, safeguards, operating modalities) are currently being conducted.

Discussion

The time for accreditation as an NIE depends on several parameters and can last between 6 months and 3 years. For example, if the entity already has an audit oversight or incorporated a risk management process, the process of accreditation will be shorter. However, if the entity still needs to develop social and environmental policies to the standards of the AF, it may cause delays in the accreditation process.



Picture 3 Daouda Ndiaye, Senior Climate Change Specialist, AFB secretariat provided a status update of the Fund

1.2. AF readiness programme: pre-accreditation and project development support

Mr. Farayi Madziwa, Programme Officer, AFB Secretariat presented the AF Readiness Programme: pre-accreditation and project development support. The main points of his presentation were:



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- The goal of the Readiness Programme is to increase the capacity of developing countries Parties to directly access climate adaptation finance, and their overall capacity to develop and initiate implementation of concrete projects and programmes. In this context, it aims to increase the preparedness of applicant national implementing entities seeking accreditation and to increase the capacity of IE to submit number of high quality project/programme proposals.
- Readiness Programme features are: grants (for NIEs to increase institutional capacities), accreditation, project preparation and design, contribution to Knowledge Management (KM) (to share the knowledge created during the processes from participants and NIEs) and to promote the AF.
- The activities of the Readiness Programme include 4 components. First, it supports the IEs through Technical Assistance Grants (TAG), peer-peer learning (seminars, webinar, side events and workshops), policies and guidance documents are available. Second, Cooperation/Partnership with climate finance readiness providers (through Joint events, workshops, complementarity of support on readiness and a network of providers of readiness support) is provided. The third activity is the support to countries seeking accreditation (with South-South (S-S) cooperation grants through accredited NIEs, climate finance readiness workshops and tools and guidance documents). The last activity is Knowledge Management (KM), including NIE adaptation stories published, Climate Finance Ready microsite, contribution to secretariat KM strategy, and a community of practice.
- Until today, 26 readiness grants were approved in 23 countries adding to a total of US\$1.9 million.
- The S-S cooperation grants are designed for countries without an NIE who may apply for a grant to receive support from an existing NIE (but cannot be transferred to the country). This grant is designed to support the future IE response to common challenges and to quickly navigate through the accreditation requirements and reduce the length of the accreditation process, identifying potential NIE candidates; assisting NIE candidates in the preparation of applications to be submitted to the Fund; and providing support and advice during the application process.
- The TAG is designed to help strengthen the capacity of national and regional implementing entities to receive and manage climate financing to strengthen capacity in the areas of environmental, social and gender risk management and support developing procedures/manuals/guidelines for screening projects and avoid, minimize, mitigate adverse gender impacts; developing procedures/manuals/guidelines for undertaking risk assessments and undertaking gender assessments; developing policies/avenues for public disclosure and consultation and training of staff and/or gender mainstreaming.
- The Project Formulation Grants (PFGs) are available at concept stage only to build capacity in project preparation and design and undertaking of specialist technical assessments. They are used for Environmental Impact Assessment (EIA), Vulnerability Assessment (VA), Risk Assessment (RA) and other Environmental and Social Assessments for adaptation projects.



Picture 4 Farayi Madziwa, Programme Officer, AFB secretariat presented the AF Readiness Programme: pre-accreditation and project development support

Discussion

The TAG can provide support to improve institutional arrangements. If the entity is already accredited by the Fund, the grants can be used to align the entity's policies with the Fund's. Moreover, there is no fast track for the initial accreditation; however, there is a fast track for re-accreditation process if the entity has been accredited by the GCF within 4 years. South-South grants are meant for accreditations, however not all NIEs are eligible to provide support. Eligible NIEs need to have the capacity, the experience, and an approved project. The S-S cooperation can be initiated by both accredited and aspiring entities. However, only the accredited entity can apply to the grant, and the aspiring entity must be endorsed by the government of the country.

1.3. Panel discussion: Design and development of a climate change adaptation project

The panel discussion was composed of Arica Hill from the Department of Environment of the Ministry of Health and the Environment of Antigua and Barbuda, Le-Anne Roper from the Planning Institute of Jamaica, and Perle Alcindor from the Department of Economic Development of St Lucia, discussing the design and development of a climate change adaptation project.

Regarding the adaptation projects, Arica Hill stated that they currently operate various projects in known vulnerable communities, of which some could be replicated in other communities. To do so, they undertook vulnerability assessments, identified gaps and engaged the community. The Planning Institute of Jamaica has a similar approach, focusing on the priority sectors defined by the Government of Jamaica and working with established groups. In St Lucia, they prioritized the projects, engaged a large range of national institutions, and carried out significant consultation in the private sector.



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Trainings were provided to overcome the limits of the stakeholders.

In St. Lucia, the major challenge was with consultations during project design and analysis. Consequently, a framework had to be instituted to provide feedback during the project. In Jamaica, the biggest challenge was with the high demand for adaptation projects and the need for prioritization. Moreover, data and information were not easily available; and the capacity of partner agencies to provide them was limited and led to delays. They had to search for alternative data to build strong cases and validate the information provided by the partner agencies. In Antigua and Barbuda, the limitation was the inadequacy of documents, and they overcame this by documenting their processes through workshops. This process enabled them to capture and share their actions.

The Department of Environment in the Ministry of Health and the Environment, Antigua and Barbuda addressed environmental and social safeguards and gender in the projects through community visits, and identifying of a mechanism to capture responses (using tools such as videos). They also had to collaborate with other entities to implement the gender policy and hired a specialist to support them to do so. They are still in the process of implementing the Gender Policy (GP), but they recognized the need to be open to discussion and change. In Jamaica, the PIOJ had already been incorporating an Environmental and Social Policy (ESP), but had to formalize and document it. Trainings were also provided to incorporate the GP to the projects. In St Lucia, the projects are already gender sensitive: a large number of women engineers were hired, creating a balance between genders, which is supervised through an implemented monitoring framework. Regarding the ESP, there has been a lot of inquisition in the entities, which caused delays.

Country ownership and ownership at the sub-national level of projects financed from international sources of climate finance are enhanced in Jamaica through the involvement and consultation of all stakeholders, beneficiaries, and IE during the implementation of the projects. This continuous process proved quite challenging and it caused delays, which, in turn, led to new consultations. In St Lucia, they had to modify their methodology to involve the private sector such as the micro-entrepreneurs as these latest felt excluded from the construction of the infrastructure. In Antigua and Barbuda, they initiated the communication with the community through a visit. However, the delays they faced during the project implementation led to the exhaustion of the community, not willing to support the project any more.

As final advices, it was stated to contact the AF Secretariat as they provide clarification and are very responsive, in order to ensure the alignment of the projects with national priorities, engage and identify all actors, recognize limitations, carry out adequate project management, and monitor the risk assessment with quantitative measures.

Discussion

Expectation about the projects must be managed as a certain amount of money might be hoped and might not be reached. Hence, prudence must be shown and constant contact with stakeholders must



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be maintained. Moreover, misunderstanding between the IE and the community can occur. Hence, all parts of the process must be documented, and full engagement of the community must be carried out (not only consultation). Consultation only can harm, creating fatigue and animosity. Inadequate political can also negatively impact on projects. Therefore, it is advised to align the projects with national priorities, and/or informing political parties and host consultation of both sides, and/or negotiate. This can result in projects that are not party affiliated, and that implementation would not be affected by changes in government. Regarding the GP, the indicator was defined in a questionnaire carried out during implementation of an adaptation project; and data about demographic structure and composition of the population and its evolution were considered in the Jamaican projects.



Picture 5 Panel discussion about Design and Development of a climate change adaptation project

1.4. Overview of the AF project/programme cycle

An overview of the AF project/programme cycle was presented by Mr. Daouda Ndiaye, Senior Climate Change Specialist, AFB secretariat. The main points of his presentation were:

- The AF looks for concrete visible activities with tangible impacts, without prescribed sectors or approaches. No co-financing requirements are necessary and the total allocation for projects/programmes submitted by MIEs cannot exceed 50% of cumulative resources available in the trust fund.
- There are two modalities to access project financing from the Fund. The traditional access modality involves the implementation of a project/programme through a multilateral or regional entity while in the direct access modality, the domestic level is responsible for activity implementation. In either context, the accredited IE is responsible for oversight for projects/programmes funded through the AF, and the Designated Authority (DA) is responsible for endorsing each project/programme submitted for AF funding from the country.



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- The process from project design to implementation involves 8 steps:
 1. Project/programme identification: the NIE, together with the DA, identifies key national adaptation project(s)/programme(s) for development; this can, for example, be done through opens calls for proposals and programmes, followed by a selection of the best proposal(s) for submission to the AF.
 2. Submission of the project or programme proposal: the IE must complete the standard AF proposal template², which is then submitted to the AFB Secretariat.
 3. Once received, proposals are reviewed by the AFB Secretariat, using review criteria.
 4. Review by the Project and Programme Review Committee (PPRC): The PPRC considers and assesses projects and programmes submitted to the Board, technical reviews prepared by the AFB secretariat, and makes recommendations.
 5. The AFB makes a decision on projects, following recommendations by the PPRC.
 6. An agreement is firmed between the IE and the AFB:
 7. Project implementation: the role of the IE is to administer the AF financing and supervise the project, while the executing entities execute and manage day-to-day project operations and activities. The DA: is responsible for observing project/programme during implementation.
 8. Monitoring /Reporting by the IE: the reporting requirements using the Project Performance Reports (PPR) is on an annual basis, while the project completion report, including any specific project implementation information, are required within six (6) months after project completion. A mid-term review or evaluation report, for projects of 4-year duration or more must also be submitted and a final evaluation report, prepared by an independent evaluator, must be presented within 9 months after project completion. Copies of these reports shall be forwarded by the IE to the DA for information; and a final audited financial statement, prepared by an independent auditor or evaluation body, within 6 months of the end of the IE's financial year during which the project is completed must be submitted.
- The review process from submission to decision by the Board on a project/programme proposal has a standard duration of 9 weeks.
- The AF process of approving proposals includes for all projects/ programmes (below USD 1M or higher than USD 1M), a choice of a one-step (full proposal) or two steps process (concept and fully-developed project/programme document). For regional projects/ programmes, there is an additional choice of a three-steps process (pre-concept, concept and fully-developed project/programme document).
- The AFB has approved a policy for projects/programmes delays. For example, where an Implementing Entity does not sign the standard legal agreement after 4 months of Board approval date, this could result in cancellation of the funds committed for that project/programmes, which could be retained in the Trust Fund for new commitments.

² Instructions and template for preparing a request for project/programme funding - available at: <https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/>



Discussion

A project can be approved on an exceptional basis with conditions; however, it cannot access additional funds. Conditional approval has been granted in instances, usually linked with compliance with the Environmental and Social Policy of the Fund. In the case where projects needed an update and requested significant change in their budget or outputs/outcomes, they had to be newly reviewed by the Board. Any material or activity change to a project must be submitted to the AFB Secretariat by the IE, along with relevant supporting documents. Since the Fund's operationalization a project/programme rejection occurred only once. Co-financing is not requested in a project/programme, as the Adaptation Fund finances the full cost of adaptation reasoning. This means that the AF does not finance only a part of a project, and the proposal per se must entail concrete climate change adaptation actions to address the project's specific adaptation issue. Nevertheless, co-financing might be included in a proposal. If Environmental and Social (ES) risks are involved, new documentation and a risk assessment might be required by the Board; however, the Board would explain the decision regarding the ESP if further work is needed.

1.5. Overview of Implementing the Environmental and Social Policy and the Gender Policy: Stakeholder Engagement Barefoot Republic

Overview of Implementing the Environmental and Social Policy and the Gender Policy

Patty Miller, Environmental & Social Safeguards Expert, Adaptation Fund Board Secretariat, presented the implementation of the Environmental and Social Policy and the Gender Policy. The main points of her presentation were:

- Defining Stakeholder Engagement (SE) is key when project sponsors are able to engage well with affected communities. It presents tremendous value to both in terms of building social acceptance and support for the project.
- It is most effective to determine the level of risk to the broad range of stakeholders who may be affected by the project or have an interest in it. The level of risk will determine the level of effort in terms of SE.
- Stakeholder landscape can be complex in a context that is characterized by challenging business climate. Difficult and ever-changing political environment, complicated social context, characterized by land conflicts and politicization of the land issue, multiple issues and stakeholders with competing interests and agendas can increase the difficulty.
- The Stakeholder Mapping method encourages the physical identification of the universe of stakeholders and their individual interests relative to the project. For example, the Impact-Influence Grid tool is commonly used and can help rank stakeholder priorities. Different stakeholder types can be identified, and what mapping emphasizes is the physical location of these groups relative to project impacts, and the relationships between/among groups that can be leveraged to improve a client's engagement with stakeholders, and prioritize which stakeholders' interests are important to the success and sustainability of a project.
- A "meaningful" consultation is informed, interactive, inclusive, iterative, influences the decision-



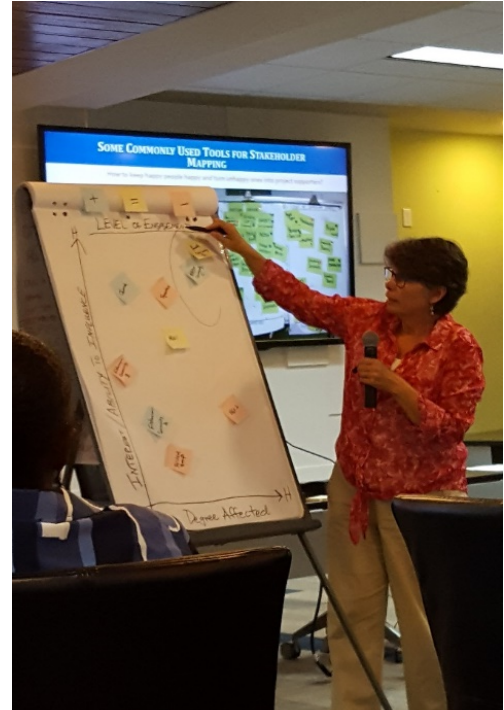
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making process and incorporates access to a Grievance Mechanism. Inclusive means that it recognizes and accommodates unequal power relationships; the views of both men and women are taken into account; it considers sub-groups (minorities, youth, elders); it includes the vulnerable groups who may be unwilling or unable to express themselves in a large public meeting; and verify community representation (for example, number of men and women).

- The one-off public meeting, often the only regulatory requirement for environmental licensing, is seldom satisfactory, and is usually insufficient for achieving meaningful engagement.
- A good SE influences decision-making, project design and implementation, impact mitigation and benefits the project.
- The Grievance Mechanism is an important component of meaningful engagement because it gives people a way to have their complaints or concerns about the project heard and addressed. Different categories of grievances exist and require different responses, hence the type of mechanism used needs to fit the situation.

Patty Miller asked to the participants to define, in one word, a good stakeholder engagement:

- Ownership
- Involvement
- Empowerment
- Ongoing
- Frequent
- Participatory
- Delivering
- Trust



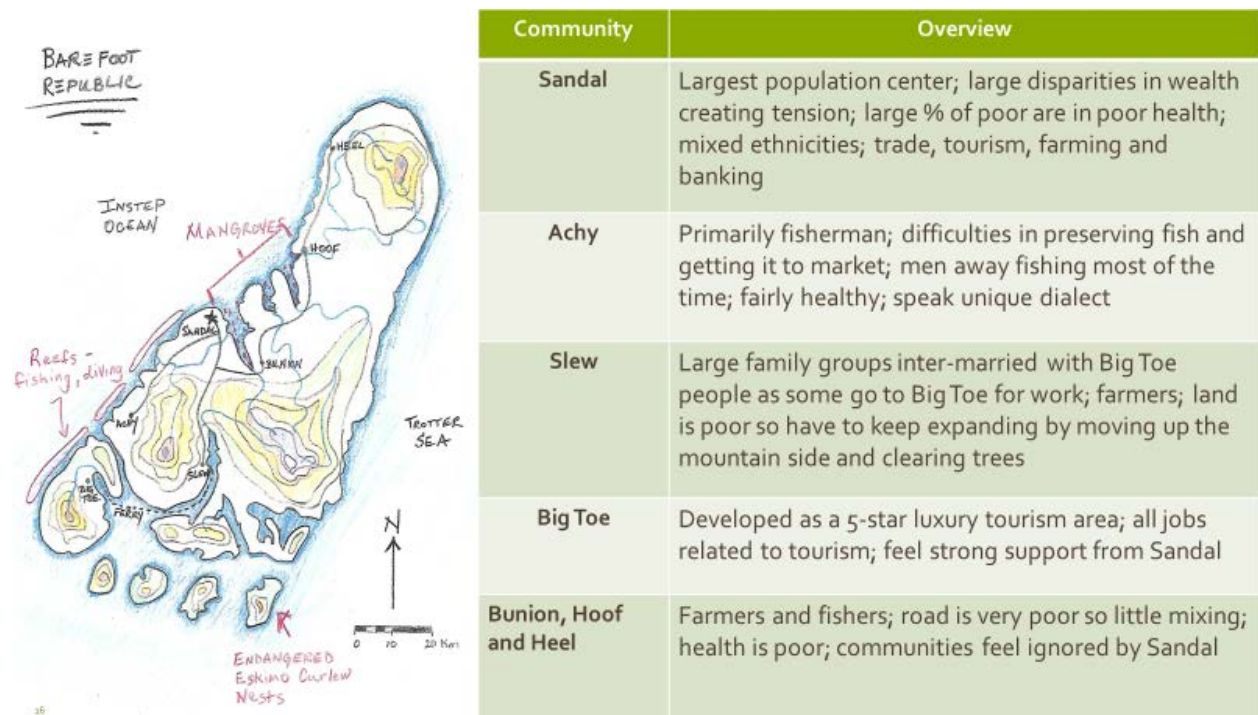
Picture 6 Patty Miller, Environmental & social Safeguards Expert, Adaptation Fund Board Secretariat presented the implementation of the Environmental and Social Policy and the Gender Policy



Interactive exercise: Implementing the Environmental and Social Policy and the Gender Policy: Stakeholder Engagement Barefoot Republic

The interactive exercise required the participants to (1) identify strategies to address water scarcity and (2) identify 3 stakeholders that should be consulted, determine their level of influence and impact, and identify the best engagement method/tool (s) for each stakeholder in the Barefoot Republic, fictitious scenario of a country and its characteristics (Figure 1).

Figure 1 The Barefoot Republic





The results of the interactive exercise are presented in Table 1.

Table 1 Results of the interactive exercise “Implementing the Environmental and Social Policy and the Gender Policy: Stakeholder Engagement Barefoot Republic”

Group	Activity	Stakeholders
<i>Achilles Heel</i>	Integrated Water Resource Management Plan Rainwater catchment Desalination plant in \slew and Bunion	Ministry of Planning for co-financing Ministry of Water for training women to manage desalinization Community, meeting 1 by 1 in homes
<i>Hot Steppers</i>	Solar desalinization Plant in Hoof WB solar project Water storage in Achy Dist. Line storage area Reforestation with smart agriculture (reserve protective area) in Slew	Communities in heel, Archi and bunion, Grievance mechanism
<i>Socks</i>	Water storage in Bunion Rainwater ranks, cisterns Soil erosion and water shod in Slew, Reforestation and resilient farming	Farmers through videos, NGO in community, Water NGO Association
<i>Tooferab</i>	Integrated Water Resource Management Inventory of water resources/assets Long-term water plan Training farmers and tourism Improvement of agriculture techniques	National government Ministries Communities in Sandal
<i>Trotters</i>	Inc water supply Reforestation Water catchment Rainwater harvesting Policy regulation for water measures	IDB synergy Big BE Hotel Hotel association Farmers Field offices NGOs

Discussion

Grants from the AF can support some projects, for example, if the project present technical issues with the feasibility studies. Co-financing with governments is possible depending on the risk, and will be monitored. Regarding innovation, the term is flexible and will depend on the country.



2. Day 2

2.1. Overview of the Adaptation Fund Environmental and Social Policy & Gender Policy

Patty Miller, Environmental & Social Safeguards Expert, Adaptation Fund Board Secretariat presented an overview of the AF ESP and GP. The main points of her presentation were:

- The Environmental, Social and Gender requirements of the Fund are composed of the E&S Policy (15 principles), and the Gender Policy and action plan. Both are explained in guidance document for their implementation.
- The 15 ES principles were developed based on 15 most common risk issues. They are technical requirements, outcomes based (most effective for the type and level of risk of projects/programs), and provide risk management
- Three types of risk and impact signaling are defined:
 1. Category A – likely to have significant adverse E or S impacts that are for example, diverse, widespread, or irreversible
 2. Category B – potential adverse impacts that are less adverse than Cat A because they are fewer in number, smaller in scale, less widespread, reversible or easily mitigated
 3. Category C – no adverse E or S impacts
- The Environmental and Social Management Plan (ESMP) captures the actions identified to manage risks and impacts. The ESMP is integrated into operations and not stand-alone. The ESMP must be updated with the results of on-going monitoring. The commitment to implement the ESMP is a condition of AF approval and must be included in the results when reporting to AF.
- The annual Monitoring & Reporting (M&R) to the AF is commensurate with the risks and impacts and related to the Environmental and Social Management System (ESMS). It must be informed by consultations and the results of monitoring should inform future initiatives.

Fifteen Environmental and Social Policy principles

1. Compliance with the law
2. Access & Equity
3. Marginalized & Vulnerable
4. Human Rights
5. Gender Equity & Women's Empowerment
6. ILO Core Labor Rights
7. Indigenous Peoples
8. Involuntary Resettlement
9. Protection of Natural Habitats
10. Conservation of Biodiversity
11. Climate Change
12. Pollution prevention and resource efficiency
13. Public Health
14. Physical and Cultural Heritage
15. Lands and Soil Conservation

Discussion

When discussing gender equality, emphasis is often placed on women. However, gender needs to be considered more broadly, both men and women, as vulnerability might differ from equity and equality depending on the context. Moreover, the identification of the risks can be challenging, but it is better to recognize the risk than stating there is none. If risks change after a community consultation for example, the ESGP must be updated and the AF informed. Documentation is available on the AF



website to support this process.

2.2. Interactive exercise: “The Environmental and Social Policy & Gender Policy”

The Environmental and Social Policy & Gender Policy interactive exercise required the participants (1) to identify the environmental and social risks associated with the proposed project using the table with the 15 principles, and justify your conclusion for each principle, then (2) to identify ways to promote gender equality and women’s empowerment in the design and implementation of the project, and to define the risk categorization of the previous projects (see section 1.6).

The results of the exercise are documented in Table 2.

Table 2 Results of the participants’ exercise on “The Environmental and Social Policy & Gender Policy”

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
1. Compliance with the Law		X
2. Access and Equity		X
3. Marginalized and Vulnerable Groups		X
4. Human Rights		X
5. Gender Equity and Women’s Empowerment		X
6. Core Labour Rights		X
7. Indigenous Peoples	X	
8. Involuntary Resettlement		X
9. Protection of Natural Habitats		X
10. Conservation of Biological Diversity		X
11. Climate Change		X
12. Pollution Prevention and Resource Efficiency		X
13. Public Health		X
14. Physical and Cultural Heritage		X
15. Lands and Soil Conservation		X

All the projects were identified as a risk Category B: potential adverse impacts that are less adverse than category A because they are fewer in number, smaller in scale, less widespread, reversible or easily mitigated.



Picture 7 Patty Miller, Environmental & Social Safeguards Expert, Adaptation Fund Board Secretariat presented an overview of the AF ESP and GP

2.3. Panel Discussion: Sharing knowledge management experience within the Caribbean

The panel discussion was composed of Claire Bernard, from the Planning Institute of Jamaica (PIOJ), Claudia James, from the Caribbean Development Bank (CDB), and Vincent Peter from the Caribbean Community Climate Change Centre (CCCCC). They discussed “sharing knowledge management experience within the Caribbean”.

To describe how their knowledge management system is set up and what guidelines they followed, Ms. Claudia James stated that the CDB’s Community Disaster Risk Reduction Fund (CDRRF) operates at the community level in 18 countries. They engage the community through events and activities, photography and videos, following the CDB’s guidelines and project system. They also work in collaboration with community-based organizations where they carry out interviews for the sub-projects. They benefit from collaboration with international NGOs and had to overcome legal issues about data. They define their knowledge as active, and have a management team in projects offices trained in conducting community intervention. They use an assessment tool to monitor their impact and have the support of NGOs to identify key vulnerabilities and address them. In the CDB, the knowledge management system is a crucial component of the organization as they are a think tank of policy research. Their clients are policy makers, ministers, the public and the academia. In the CDB, they are guided by the bank communication policies and procedures, and communicate lessons learned from projects. However, the bank guidelines are simplified for communities and EE as the language might be often too technical to be understood by non-experts. They produce documents relevant for the region and NGOs, and adapt to the project context. At the CCCCC, they benefit from a Programme Development and Management Unit (PDMU). They have the ability to develop programs and have direct knowledge management projects. It was pointed out that KM facilitates sustainable prosperity,



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and risk reduction and adaptation (strategic objectives of the organization and part of international agreements). The PIOJ has a formal management development system, and produces policies, development guidelines editorial policies, guides, through bibliography, communication policies, business process manual and project cycle. Internal documents are also produced.

The tools used to gather information in the CCCCC are multi-faceted as the tasks are specific. As they carry out scientific research (gathering and analyzing data), they use reports, statistics and other data for dissemination. They also collaborate with other institutions to complement and collect data and information. At the PIOJ, they use similar tools. Through community engagement, they produce data through asset surveys, mapping and land surveys, which are then introduced into GIS and remote sensing systems for analysis. Information is kept in a data center, and knowledge is often disseminated through existing channels. They also employ a sociologist to carry out trainings and community engagement. In the CDB, they focus on rapid vulnerability assessment tools to ensure that the project will be addressing the right parameters in communities. In this context, community engagement is crucial to achieve a long-term impact. Claudia James insisted that, to be able to use this kind of tool, the organization needs to be ready and engage the community in a right way, being open to changes. She also acknowledged that the CDB benefited from the support of a community development specialist, who facilitated working directly in the communities, profiling them and creating a community engagement plan. However, for CDB it was also important to fully engage the offices team in this process and having focal points. The CDB disseminates their product based on the product types and budget.

Discussion

It has been pointed out during the questions session that it is not necessary to have a large budget for knowledge dissemination, but the use of existing channels and strategic collaboration can lower the cost of dissemination. However, in other contexts, the cost of KM is usually included as a strategy and/or line item in projects. The CDB benefits from a trust fund and have a specific budget for each project including KM, along with strategic partnerships. The CCCC has its own communication unit, who creates reports and monitoring system, which helps to avoid duplication. Dialogue between governmental offices is also used as dissemination system by the Planning Institute of Jamaica. For communication between the different levels of the project (for example, between national offices and community), particular attention must be paid as “languages” might be different. Elaborate as one might not readily understand. In some instances, there have been experiences of communities speaking different languages or dialect and it is important to meet them at that point.



Knowledge management systems

1. Operate within the frames of organization's Policy Development Guidelines and often a Knowledge Management plan
2. Products should have relevance to and target different user groups
3. Must be responsive to stakeholders
4. Inclusive with a diverse range of stakeholders often including a project steering committee
5. Data and information – both scientific and local technical knowledge, are critical
6. KM contributes to sustainability
7. Important to have skills on board to work with communities, e.g. rural sociologist or community development specialist
8. Collaboration and partnerships are also core features of an effective KM

2.4. Overview of the AF Project Performance Report

Martina Dorigo, Program Analyst, Adaptation Fund Board Secretariat, presented an overview of the AF project performance report (PPR). The main points of her presentation were:

- Measuring adaptation impacts is difficult, but crucial to improve interventions.
- The Results-Based Management (RBM) approach operates at three main levels (Guidance from Parties to the Kyoto Protocol, Portfolio (fund-level) and projects/programmes-level).
- The project/programme-level monitoring is carried out by the NIEs, MIEs, RIEs, while the Fund-level monitoring is carried out by the Secretariat under the direction of the Board.
- The AF RBM strategy is based on three steps and uses three tools:
 1. Step 1: At project/programme design³: alignment (at least one outcome and one output) with AF Strategic results framework (Tool 1), and target figures are given for each of the five core indicators (tool 2), if relevant to the particular project.
 2. Step 2: At project/programme implementation: annual PPR (Tool 3) - including the results tracker, and a mid-term review.
 3. Step 3: At project/programme completion (Project Completion Report, Final Evaluation report, Final audited financial statement).
- The AF requires that the PPR is submitted by IEs on an annual basis, one year after the start of project implementation (date of inception workshop); and the last PPR should be submitted six months after project completion. PPRs shall be submitted no later than two months after the end

³ Tool 1: Strategic results framework (https://www.adaptation-fund.org/sites/default/files/AFB.EFC_13.4%20Results%20Tracking.pdf)

Tool 2: 5 core indicators. Methodologies available at: https://www.adaptation-fund.org/sites/default/files/AFB.EFC_14.6%20Core%20Indicator%20Methodologies.pdf

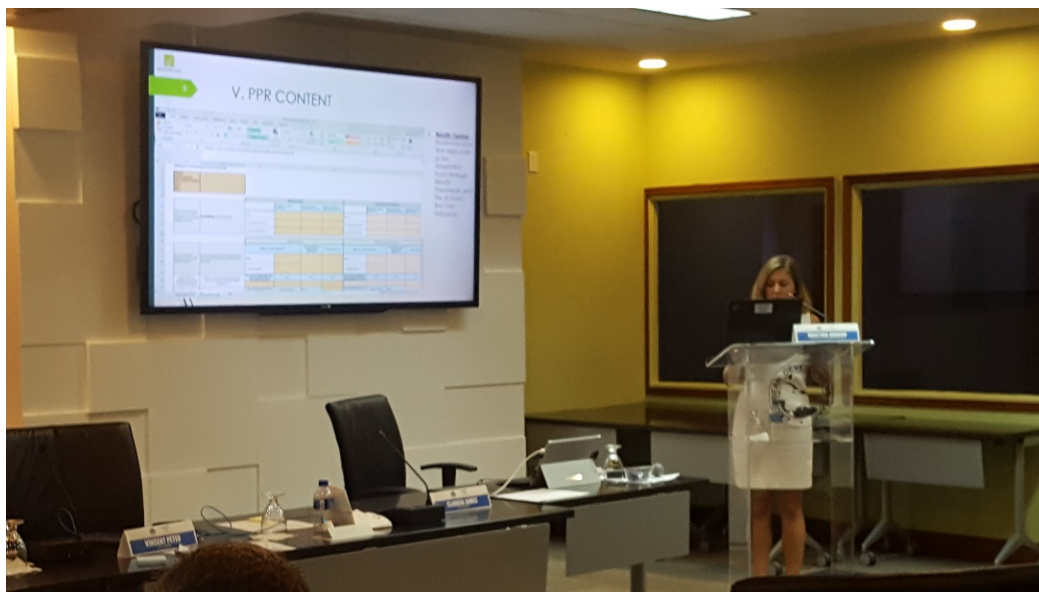
Tool 3: Project Performance Report (PPR) available at the AF website, and results tracker guidance document, available at: <https://www.adaptation-fund.org/wp-content/uploads/2016/04/AF-ResultstrackerGuidance-final2.pdf>



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of the reporting year, and submission of the PPR is linked to the disbursement schedule. Once the PPR is submitted, the Secretariat reviews the report and provides a recommendation to the Board as to whether additional funds should be transferred.

- The PPR is composed of 8 sections:
 1. Basic Data: project title, project summary, milestones, contact information
 2. Financial Data: cumulative disbursement to date, expenditure data, planned disbursements schedule for the following year
 3. Procurement Data: call for proposals, number of contracts issued, number of bidders
 4. Project risk: identified risks through project design, additional risks faced by the project during implementation, and risk mitigation measures taken
 5. Project implementation rating: self-rating from the project management and IE on implementation progress and any project delays
 6. Project indicators: track progress against project level outputs and outcomes, according to project document as agreed by AFB
 7. Qualitative Questions and Lessons Learned: open-ended questions on implementation progress, adaptive management measures taken, and gender considerations undertaken. Also, success of the project results, contributions towards climate resiliency, and lessons learned.
 8. Results tracker: allows the AF to track specific indicators across its portfolio. It includes indicators from both (i) the Adaptation Fund Strategic Results Framework, and (ii) the Fund's five core indicators.
- The content of the PPR includes qualitative measures and lessons learned at mid-term and project completion.
- To fulfill the AF results framework requirement, the AF Secretariat provides an alignment table to project/programme proponents, as part of the project proposal material. By aligning their results frameworks with this Fund-level framework, all AF projects/programmes are working toward the ultimate same goal.
- The Board has approved two impact-level results and five associated indicators to track these impacts, which allows the Fund to aggregate quantitative indicators for a portfolio that is, by nature, diverse, and increase transparency and demonstrate value for money.
- All projects will be required to provide data on the first indicator ("Number of beneficiaries") disaggregated by sex and if the project is planning to benefit youth then this has to be reported. The other four should be provided only if they apply to the project itself.
- Once the PPR is submitted, the Secretariat will review the report according to a checklist that was approved by the Board. Once sufficient information is provided, the Secretariat will provide a recommendation to the Board as to whether additional funds should be transferred.
- To ensure that projects/programmes are not delayed the Board agreed to clear the recommendation and subsequent disbursement of funds intersessionally on a "non-objection" basis.



Picture 8 Martina Dorigo, Program Analyst, Adaptation Fund Board Secretariat presented an overview of the AF project performance report.

The funds transferred by the AF can be invested, but the AF secretariat must be notified through the reporting tool, and interests must be recorded. The procurement data rules and regulations must comply with international and national laws.

2.5. Accreditation: Access to Adaptation Fund Resources

Silvia Mancini, Operations Officer, Adaptation Fund Board Secretariat, presented “Accreditation: Access to Adaptation Fund Resources”. The main points of her presentation were:

- The objective of the direct access modality is whereby a country can access funds directly from the AF and other funds adopting similar modality to manage adaptation/mitigation projects. To do so, it requires an accredited NIE meeting the funds’ fiduciary standards, environmental and social safeguards and gender policy. In this context, the IE bears full responsibility for the overall management of the projects and programmes approved by the AFB; and carry out financial management, monitoring and reporting responsibilities for the project.
- As at October 2017, there are 44 Accredited Implementing Entities including, 12 MIEs, 6RIEs, and 26 NIEs.
- The Accreditation Process⁴ is composed of 5 phases: (DA’s Official Letter of NIE Nomination, IE’s Preparation & Submission of Application, Secretariat’s Screening of Application, Accreditation Panel’s Review & Recommendation on accreditation, AFB Decision on Accreditation).

⁴ Accreditation Related Documents, Guidance on Accreditation Standards, Accreditation Application Form, NIE Accreditation Toolkit, Guidelines for Designated Authorities to Select an NIE (to be updated) available at <https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/>



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- The parties involved in the accreditation process includes the DA (submission and endorsement letter to AFB Secretariat), the Applicant IE (submission of application), AFB Secretariat (screening), the Accreditation Panel (AP) (Panel Review: (1) Initial review (2) Tripartite call (3) Applicant's response, (4) Panel's feedback w/ follow-up questions, (5) Applicant's response and (6) Panel's final report and recommendation to the Board), and the AFB who makes the final decision.
- The DA is a government official who acts as the focal point for the Adaptation Fund. On behalf of the national government, the DA endorses an NIE, which is deemed eligible to meet AF fiduciary criteria and the RIE endorsement is done by the DA through a letter of endorsement of RIE as its member country, but also endorse the project proposal by NIE, RIE or MIE for adaptation projects/programmes in the DA's country.
- Upon receipt of the DA's letter of NIE endorsement, the NIE is given access to the Online Accreditation Workflow system. The NIE must complete (in English) and submit its application to the Secretariat with required supporting documentation to demonstrate how they meet the Fiduciary requirements, the Fund's ESP and Gender Policy on Online Accreditation Workflow. It must respond to the Accreditation Panel's information requests and clarify any pending issues.
- The AFB Secretariat screens the application for completeness, communicates with the AFB, and communicates with applicant and the AP.
- The AP is an independent reviewer of the application and deliberates on the findings and conclusions and reach consensus. They provide feedback to the applicant and make a recommendation on accreditation or non-accreditation to the AF Board.
- The accreditation cycle is based on 9 steps: IE submission of application, screening by Secretariat, AP's initial review, conference call among panel, entity, Secretariat, applicant's submission of pending documentation requested by Panel, second conference call, if needed, Panel's Final Assessment Report, Panel's Consensus on Recommendation for Accreditation or Non-Accreditation, and AFB Decision on Accreditation or Non-Accreditation.
- The Accreditation Process can take from six to 24 months depending on how quickly the applicant entity provides all the required information.
- The accreditation is valid for 5 years, but the IE continues to be eligible to submit a project proposal and readiness grant proposal.
- The streamlined accreditation process (smaller NIEs) is designed to open up possibilities for a smaller NIE to access the AF resources while considering the limited capacities of such an entity.
- The accreditation process sometimes takes longer for one entity than others because of the limited capacity in some areas of Fiduciary Standards, the applicant's experience limited to handling of small projects (hence systems and processes not adequate to meet AF Standards), the applicant's underestimating the work involved in completing the accreditation process and not driving process actively, or/and there is a lack of in depth understanding of Accreditation Criteria and their requirements.
- The key elements of selecting a suitable NIE: DA's selection of an appropriate entity for accreditation is vital, reviewing existing institutional capacity of potential candidates for NIE,



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Entity's ability and willingness to devote time and resources to actively pursue and complete the accreditation process.

- The standards of accreditation are about legal status; financial management and integrity, institutional capacity, transparency, self-investigative powers, anti-corruption measures and handling complaints about harmful environmental or social impact of projects.
- Compliance with AF ESP and GP are the '3Cs': policies, framework and capacity to deal with fraud, corruption and other forms of malpractice, commitment to complying with the fund's environmental & social and gender policy, capacity, complaint handling mechanism to deal with complaints on environmental and social, and gender harms caused by projects.



Picture 9 Silvia Mancini, Operations Officer, Adaptation Fund Board Secretariat, presented "Accreditation: Access to Adaptation Fund Resources"

Discussion

What is observed in some aspiring IEs is a limited capacity in meeting the AF standards and capacity gaps for very small entities. However, the AF facilitates their identification. The IE needs to comply with the accreditation process and understand the criteria, which might be a costly process. The website contains very useful information to help the aspiring IE to better understand the process.

Re-accreditation must be carried out every 5 years. The reason for the re-accreditation process is to update the Fund about the capacity of the entity to continue managing adaptation projects. It also allows the entity to improve its processes by actualizing them. If the reaccreditation process deadline is missed, funds cannot be accessed, and a full application is needed. This process is monitored by the Secretariat, who will send reminders of the deadline, but they do not mandate or force the entity. All special cases can be discussed with the AF Secretariat.



2.6. Interactive exercise: Understanding the technical specifications for accreditation

Bert Keuppens, Accreditation Expert, Adaptation Fund Board Secretariat, introduced the interactive exercise for understanding the technical specifications for accreditation. For this exercise, each group was presented with 2 hypothetical candidate NIE scenarios (Annex 3). They were asked to select an NIE that will seek accreditation and explain why it has been chosen, then to explain the areas/actions and documents that the candidate entity selected would need to provide to satisfy the AFB accreditation criteria. The results of the exercise are presented in Table 3.

Table 3 Results of the participants' exercise: "Understanding the technical specifications for accreditation"

	NIE A	NIE B
<i>Positive</i>	Manage larger projects Has a better project experience Better organizational structure	Strong experience Less bureaucratic Financial stability Fiduciary More staff Own investigative power Zero tolerance for fraud
<i>Negative</i>	Less budget Less whistle blowing Less staff No ESP and G	Small projects No ESP and G

NIE B was unanimously chosen by all groups.

Discussion

To comply with the AF standards, it was identified that, according to the guidelines NIE B is not at International Financial Reporting Standards, hence would need an audit and strengthened procurement. Moreover, they must strengthen internal audit, may have an internal control, have procurement and implement an audit committee for stronger project management. It would also need to develop risk, M&E and fraud policies, and implement an internal audit department. NIE B would also need to develop a website, an operation manual about ESG policies, and a grievance mechanism.

For the guidelines on Gender policy, the IE needs to demonstrate that it has the capacity to implement procedures and a grievance mechanism. When no grievance is emitted, the Board will review the mechanism, however, as in the case of Jamaica, due to having an active transparency framework in place, they did not register grievances.



Picture 10 Bert Keuppens, Accreditation Expert, Adaptation Fund Board Secretariat introduced the interactive exercise about understanding the technical specifications for accreditation

2.7. Workshop Closing

Daouda Ndiaye, Senior Climate Change Specialist, AFB Secretariat, and Daniel Best, Director of Projects, CDB, closed the workshop, thanking the participants. Dr Ndiaye expressed his gratitude and satisfaction, on behalf of the Secretariat to the participants for two intensive days of interaction and learning. He hoped that this workshop would be useful for future interaction of Caribbean countries with the Fund, be it through increased submission of accreditation applications or project and programme proposals to the Fund. Mr. Best gave a detailed summary of the 2-days event. He pointed out that there is a desire to expand NIEs and a need to strengthen operational practices. Adaptation is a key component to include in projects and the AF offers an opportunity for financing and co-financing. A need to integrate gender balance in the culture is also shown and the AF presents an opportunity to do so. Hence, countries should take advantage of the AF and the CDB will continue to provide support to the Caribbean countries.



Picture 11 Daouda Ndiaye, Senior Climate Change Specialist, Adaptation Fund Board Secretariat, and Daniel Best, Director of Projects, CDB closed the workshop



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Annexes

Annex 1: Agenda



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THE CARIBBEAN REGIONAL WORKSHOP FOR ENHANCING KNOWLEDGE ON THE ADAPTATION FUND PROJECT DEVELOPMENT PROCESS AND PROJECT CYCLE

Venue: Conference Centre, Caribbean Development Bank, Wilkey, Barbados

Date: 24 - 25 October, 2017

Workshop objectives:

- Enhanced knowledge and understanding of the Adaptation Fund fiduciary requirements, project cycle and best practices in the programming of climate finance Direct Access for adaptation.
- Enhanced knowledge and understanding of the Adaptation Fund project preparation and development process.

Day 1: Tuesday October 24, 2017

Workshop Facilitator: Dr. Alicia Hayman

8:30 - 9:00a.m	Arrival and Registration	CDB
Welcome and Introduction		
9:00 - 9:30a.m	Welcome and opening remarks	Mikko Ollikainen, Manager, Adaptation Fund Board Secretariat Monica La Bennett, Vice President, Operations, Caribbean Development Bank Nicole Taylor, Deputy Permanent Secretary from Ministry of Environment and Drainage of Barbados
9:30 - 9:35a.m	Workshop objectives, approach and overview	Facilitator
9:35 - 10:00a.m	Introductions from participants	Facilitator
Overview of the Adaptation Fund and review of UNFCCC Financial Channels		
10:00 - 10:30a.m	Adaptation Fund status update	Daouda Ndiaye, Senior Climate Change Specialist, Adaptation Fund Board Secretariat
10:30 - 10:45a.m	Coffee Break	
10:45 - 11:15a.m	AF readiness programme: pre-accreditation and project development support	Farayi Madziwa, Readiness Coordinator, Adaptation Fund Board Secretariat
Adaptation Fund Project/Programme Review Cycle and Process		
11:15 - 11:35a.m	Overview of the AF project/programme cycle - Review and approval process including timeframes	Daouda Ndiaye, Senior Climate Change Specialist, Adaptation Fund Board Secretariat
11:35 - 11:45a.m	Dialogue and open discussion	
11:45a.m - 1:00pm	Panel discussion: Design and Development of a climate change adaptation project • Antigua and Barbuda - Arica Hill • Jamaica - Le-Anne Roper • St Lucia - Perle Alcindor	Facilitator
1:00 - 2:00pm	Lunch	
2:00 - 3:15pm	Group discussion: AF project proposal template – PART II, SECTION A (concrete adaptation activities); PART II, SECTION C (cost effectiveness analysis)	Patty Miller, Environmental & social Safeguards Expert and Daouda Ndiaye, Adaptation Fund Board Secretariat
3:15 - 3:30pm	Coffee Break	
3:30 - 4:30pm	Group discussion: AF project proposal template – PART II, SECTION F (duplication with other funding sources); PART II, SECTION H (stakeholder consultation)	Patty Miller and Daouda Ndiaye, Adaptation Fund Board Secretariat



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4:30 – 4:35pm	Closing remarks and End of Day 1	Facilitator
4:35 – 6:00pm	AFB and CDB secretariat clinic sessions: Bi-laterals with AFB secretariat staff or with CDB staff. Please register in advance.	
6:00 – 7:30pm	Reception/Cocktail Party	

Day 2: Wednesday October 25, 2017

DAY 2		
9:00 – 9:10a.m	Day 1 recap and outlook for day 2	Facilitator
Mainstreaming Gender, Environmental and Social considerations into AF Projects and Programmes		
9:10 – 9:30a.m	Overview of Adaptation Fund ESP and Gender Policy	Patty Miller, Environmental & social Safeguards Expert, Adaptation Fund Board Secretariat
9:30 – 9:45a.m	Dialogue and open discussion	Facilitator
9:45a.m – 10:50pm	Interactive exercise: Implementing the AF's Environmental and Social Policy and Gender Policy in projects and programmes.	Patty Miller, Environmental & social Safeguards Expert, Adaptation Fund Board Secretariat
10:50 – 11:05a.m	Coffee Break	
11:05 – 11:30a.m	Interactive exercise: Implementing the AF's Environmental and Social Policy and Gender Policy in projects and programmes...CONTINUED.	Patty Miller, Environmental & social Safeguards Expert, Adaptation Fund Board Secretariat
Managing knowledge within the adaptation project cycle		
11:30a.m – 12:30pm	Panel Discussion: Sharing knowledge management experience within the Caribbean. <ul style="list-style-type: none"> Jamaica – Claire Bernard Caribbean Development Bank – Claudia James Caribbean Community Climate Change Centre - Vincent Peter 	Facilitator
12:30 – 1:30pm	Lunch	
Project performance and reporting		
1:30 – 1:50pm	Overview of the AF project performance report	Martina Dorigo, Program Analyst, Adaptation Fund Board Secretariat
1:50 – 2:00pm	Dialogue and open discussion	Facilitator
The Accreditation Process of the Adaptation Fund		
2:00 – 2:30pm	Accreditation: Process overview and the criteria	Silvia Mancini, Operations Officer, Adaptation Fund Board Secretariat
2:30 – 4:00pm	Interactive exercise: Understanding the technical specifications for accreditation	Bert Keuppens, Accreditation Expert, Adaptation Fund Board Secretariat
4:00 – 4:15pm	Coffee Break	
4:15 – 4:20pm	Workshop evaluation	Facilitator
4:20 – 4:30pm	Workshop Close	Daouda Ndiaye, Senior Climate Change Specialist, Adaptation Fund Board Secretariat Derek Gibbs, Climate Finance Specialist, Caribbean Development Bank
4:30 – 5:30pm	AFB and CDB secretariat clinic sessions: Bi-laterals with AFB secretariat staff and/or with CDB staff. Please register in advance.	



Annex 2: List of participants

Regional Workshop for Enhancing Knowledge on the Adaptation Fund Project Development Process and Project Cycle
Barbados, October 24-25 (DAY 1)

No.	COUNTRY	Name	Entity	Signature
1	Antigua & Barbuda	Ms. Alicia M. Hill	Department of Environment-Ministry of Health and the Environment	<i>A Hill</i>
2	The Bahamas	Mr. Jamil A. Jibrilu	THE BEST Commission	<i>J. Jibrilu</i>
3	Barbados	Mr. Winston H. Benett	Commonwealth secretariat- Ministry of Finance and Economic Affairs	<i>W Benett</i>
4	Barbados	Mr. Seibert Frederick	Economic Affairs Division	<i>S. Seibert Frederick</i>
5	Barbados	Ms. Kelly Hunte	Economic Affairs Division	<i>KH</i>
6	Barbados	Mr. Ron Goodridge	Ministry of Environment and Drainage	<i>R Goodridge</i>
7	Barbados	Mr. Travis Sinckler	Ministry of Environment and Drainage	<i>T Sinckler</i>
8	Barbados	Mrs. Nicole Taylor	Deputy Permanent Secretary, Ministry of Environment and Drainage	<i>N Taylor</i>
9	Barbados	Mr. Derek Gibbs	Caribbean Development Bank (CDB)	<i>Derek Gibbs</i>
10	Barbados	Mr. Hopeton Peterson	Caribbean Development Bank (CDB)	<i>H Peterson</i>
11	Barbados	Ms. Cheryl Dixon	Caribbean Development Bank (CDB)	<i>CD</i>
12	Barbados	Mr. Elbert Ellis	Caribbean Development Bank (CDB)	<i>No Show - 11/11</i>
13	Barbados	Ms. Ann Marie Chandler	Caribbean Development Bank (CDB)	<i>Chandler</i>

Anthony George CDB

George



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Regional Workshop for Enhancing Knowledge on the Adaptation Fund Project Development Process and Project Cycle Barbados, October 24-25 (DAY 1)

14	Barbados	Mr. Paul Saunders	Caribbean Development Bank (CDB)	<i>Paul Saunders</i>
15	Barbados	Ms. Claudia James	Projects Department (PD) ; Environmental Sustainability Unit (ESU)	<i>Claudia James</i>
16	Belize	Ms. Karlene L. McSweeney	Ministry of Economic Development and Petroleum	<i>Karlene L. McSweeney</i>
17	Belize	Mr. Darrel H. Audinette	Protected Areas Conservation Trust	<i>Darrel H. Audinette</i>
18	Belize	Mr. Vincent Peter	Caribbean Community Climate Change Centre	<i>Vincent Peter</i>
19	Dominican Republic	Mr. Rafael E. Beriguete Pena	Instituto Dominicano de Desarrollo Integral (IDDI)	<i>Rafael E. Beriguete Pena</i>
20	Grenada	Mr. Bhagwan T. Isaac	Ministry of Finance, Department of Economic and Technical Cooperation	<i>Bhagwan T. Isaac</i>
21	Guyana	Ms. Shawn-Ann A. Greene	Ministry of Public Infrastructure	<i>Shawn-Ann A. Greene</i>
22	Guyana	Mr. Kyle W. Walrond	Ministry of Finance	<i>Kyle W. Walrond</i>
23	Jamaica	Ms. Le-Anne M. Roper	Planning Institute of Jamaica	<i>Le-Anne M. Roper</i>
24	Jamaica	Ms. Annette M. Johnson	Ministry of Finance & the Public Service	<i>Annette M. Johnson</i>
25	Jamaica	Ms. Katherine M. Blackman	Climate Change Division-Ministry of Economic Growth and Job Creation	<i>Katherine M. Blackman</i>
26	Saint Kitts & Nevis	Mr. Hqusac U.A. Huggins	Ministry of Finance	<i>Hqusac U.A. Huggins</i>
27	St. Lucia	Ms. Perle M. Alcindor	Department of Economic Development	<i>Perle M. Alcindor</i>

Jamaica

Ms. Claire Bernard PIOJ

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Regional Workshop for Enhancing Knowledge on the Adaptation Fund Project Development Process and Project Cycle Barbados, October 24-25 (DAY 1)

28	St. Lucia	Ms. Valerie Leon	Sustainable Development	
29	Saint Vincent & the Grenadines	Ms. Sharie J. Roberts	Ministry of Economic Planning, Sustainable Development, Industry, Information and Labour	
30	Saint Vincent & the Grenadines	Ms. Nerissa I. S. Pitt	Ministry of Economic Planning	
31	Suriname	Mrs. Sima Ramrattan	Ministry of Finance, Directorate Planning and Development Finance	
32	Trinidad & Tobago	Ms. Marion Lewis	Socio-Economic Policy Planning Division	
33	Trinidad & Tobago	Mr. Javed Lakhan	Environment Policy Planning Division	
34	Washington D.C. - USA	Mr. Daouda N'Diaye	Adaptation Fund	
35	Washington D.C. - USA	Mr. Farayi O. Madziwa	Adaptation Fund	
36	Washington D.C. - USA	Ms. Silvia Mancini	Adaptation Fund	
37	Washington D.C. - USA	Ms. Martina Dorigo	Adaptation Fund	
38	Belgium, Brussels	Mr. Bert Keuppens	Adaptation Fund	
39	Bozeman, Montana - USA	Ms. Patty Miller	Adaptation Fund	
40	Costa Rica	Ms. Jessica Roccad	Adaptation Fund	
41	Jamaica	Ms. Alicia Hayman	Adaptation Fund	

42 Barbados
43 Barbados

Khalifa Mohammed
Julian McBurnett



Annex 3: Hypothetical candidate NIE scenarios

Adaptation Fund Accreditation Readiness Workshop October 2017

CASE STUDY

PART A: Selecting a National Implementing Entity (NIE)

The Adaptation Fund (AF) has a process for eligible countries to directly access financing for adaptation projects and programmes. To make use of this, a country must use an existing national institution (entity) so long as it meets the AF's Fiduciary Standards to implement projects. It is the country itself that determines which entity is best suited to access AF grants for project funding and implements the projects that the AF supports. This entity is called the National Implementing Entity (NIE) and needs to show that:

- It is capable of taking on responsibility for the **oversight role** for projects funded through the AF. *The AF cannot play an oversight role for the hundreds of projects that it will potentially fund; therefore, it contracts the role of oversight to a NIE.*
- It is able to take **full legal responsibility** for all funds received from the AF for projects and programmes.
- It has the **capacity to take full responsibility for the overall management of the projects and programmes** financed by the AF.
- It has the **systems in place to be fully responsible all financial, monitoring and reporting.**

The AF Fiduciary Standards provide a framework for a potential NIE to check whether it has the appropriate policies, processes and capabilities to successfully handle projects. Compliance with the Fiduciary Standards demonstrates the NIE's ability to meet its responsibilities for handling AF funds and project implementation.

PART A of the Case Study focuses on what a country should think about when deciding how to select an NIE for AF accreditation purposes. The **objective** is to help you make this selection, 2 different potential NIE's are presented below. PLEASE NOTE: both could become the NIE – but each has distinctive advantages and disadvantages when compared against each other. And both would have to do some work to meet AF Standard requirements. So, there is no clear 'winner'.

Your Task is to:

- Discuss both potential NIE's and list the key advantages and disadvantages of each;
- Select one potential NIE over the other - and give reasons for your selection;
- List your reasons for not choosing the other potential NIE; and
- Be prepared to share your decision in the Workshop.



	Potential NIE	A	B
1	Type of organization	<ul style="list-style-type: none"> • It is a national government Ministry. • For most projects (both government and donor-funded), it subcontracts to other Ministries or 3rd parties (including potential NIE B) to deliver the projects. • It has some experience of climate adaptation project implementation and is willing to expand its capacity to this type of work. • It largely relies on donors to provide it with project ideas, and yet has a good record of delivering projects on time and within budget – ever since it was created some 15 years ago. • As is usual in government, there has been turnover of senior management. This will continue but is not expected to negatively affect the Ministry because of good human resources in middle management and technical staff. • Because it's a Ministry, it has to comply with government-wide policies, procedures and systems. As such there are bottlenecks that occur that can slow down project delivery. 	<ul style="list-style-type: none"> • Is a national non-governmental organization (NGO) but its leadership is well-connected to others in the environmental field, the government, and the donor community. • It decided that a strategy of focusing almost exclusively on climate adaptation project implementation was what the donors wanted and the country needed. • While only 5 years old, it finds it works best when the donors and the NGO work jointly to find the right sort of projects as this satisfies the donors who have committed increased funding to the NGO – particularly for climate adaptation work. • It has good leadership and technical staff that have been with the NGO from the start. • Because it is not part of government, it has its own strategy, policies, procedures and systems, which the donors like, because it able to move quicker than government can.
2	Funding stability	<ul style="list-style-type: none"> • At present, it receives around 50% of its revenue from the national budget allocation - the rest comes from the donor community. • 2 years ago, its budget allocation was cut from 60% of its revenue to 50%, with a 'threat' of more cuts in the coming years. • Efforts to find external sources of funds are underway, with some recent success, simply because the Ministry has a good track record of project delivery – not only on donor-supported projects but on government-funded projects as well. 	<ul style="list-style-type: none"> • Receives about 75% of its funding from the multilateral donor community and 20% as a sub-grantee of the Ministry (i.e. potential NIE A). The remaining 5% comes in the form of income from investments. • It aims to set aside about 10% of its annual income for reserves to support its financial sustainability and increase its self-sufficiency. • It looks ahead and is working with the donor community on possible future projects. The donors have indicated that funding is likely to make available on a multiyear project-funding basis.



		<ul style="list-style-type: none"> Because funding is somewhat uncertain and because there is a hiring 'freeze', it has to rely on minimal staff to oversee the projects executed by others on its behalf. 	<ul style="list-style-type: none"> On the strength of the donor support, it is hiring its own technical staff as well as monitoring and evaluation specialists.
3	Project oversight and execution involvement	<ul style="list-style-type: none"> It relies on other Ministries to provide it with project proposals because it does not have this capability in-house. Even with a small staff, it does provide oversight for project cycle, mainly through project committees, which it participates in - or chairs. Because of budget constraints, donors pay all monitoring and evaluation costs for donor-funded projects. That said, knowledge is transferred to staff who oversee its non-donor funded project portfolio. It has overseen projects that rise in size to US\$5M (average around US\$1,5M) and has a project portfolio of US\$25M – with project implementation timelines running from a year up to 4 years. For post-implementation evaluation, it relies on donors to finance this task. There is no requirement yet for this type of review for non-donor funded projects. 	<ul style="list-style-type: none"> It looks for projects that donors want to finance and has been successful in doing so since the start. It has staff dedicated to project execution and is careful to keep its project portfolio smaller rather than larger to ensure good project outcomes. Average size of its projects is US\$250K and the average project lifecycle runs at around 1,5 years. Its project portfolio has grown from US\$1M, 4 years ago, to US\$10M at present. It is keen to show the value of M&E, and has hired its own staff to perform this task – including for donor-funded projects. It will use donor-funded post-implementation experts for some of its work, but also ensures that lessons learned from this are shared with its staff and applied on other projects.
4	Risk of fraud and corruption	<ul style="list-style-type: none"> It applies the government policies and procedures for whistleblowing, investigations. It therefore relies on other organs of government to receive, investigate and complete any allegations involving wrongdoing in any of the activities for which it is responsible. Over the years, there have been 10 allegations all involving project procurement – but none of them resulted in any sanction, to its knowledge. You have to know your way around the various Ministry websites in order to lodge a complaint against this Ministry. 	<ul style="list-style-type: none"> It has strong views on the proper use of donor funds. It's antifraud and corruption policies and procedures are still in draft form. Because it's a relatively new and small organization, senior leadership is very much involved to ensure that procurement (in particular) is handled correctly. Senior leadership wants a 'clean' organization and so demonstrates a 'zero tolerance for fraud and corruption' stance through their words and actions. There was one allegation of fraud involving funds handled by the NGO. Investigators were brought in, the investigation was completed and an accountant, who was



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			found to be involved, was dismissed and the issue taken to the police.
5-	Environmental, Social and Gender Issues	<ul style="list-style-type: none"> • The government has draft policies for all three areas. As is typical, this Ministry is only required to comply with these when they are finally approved. Nonetheless, the current senior management team takes these issues seriously already and is applying the draft policies in their project work, which is a condition for some donor grants. • It does not yet have any dedicated E&S and Gender staff and, as a strategy, wants these issues to be integral to all Ministry official job descriptions. 	<ul style="list-style-type: none"> • Policies, recently approved, don't fully embody all the elements required by the AF – only the most important ones. There is no indication if or when the Policies will be revised. • Nonetheless, it has dedicated E&S professionals who carefully monitor E&S and Gender issues for all projects undertaken – not just the donor-funded projects.



**Adaptation Fund
Accreditation Readiness Workshop
October 2017**

CASE STUDY

PART B: Assessing Readiness to Submit an Accreditation Application

To become accredited, an applicant NIE must be able to show there is a genuine **commitment** to AF requirements. It does this by demonstrating that it has appropriate oversight arrangements, policies and procedures in place to satisfy AF requirements. More than these, the NIE must be able to provide evidence that it has the **capacity** to actually perform the tasks that it is committed to. Finally, it needs to demonstrate a reasonable level of competence in performing its work and show it is in **compliance** with AF requirements.

PART B of the Case Study focuses on selected AF criteria – the ones that most often hold up accreditation. The **objective** is to help you (1) become familiar with key AF criteria and (2) think about what areas/actions are needed to ensure that the accreditation process goes as smoothly as possible.

Your Task is to:

- Compare the AF Accreditation Requirements ¹(listed below) with the information you have on the potential NIE (chosen in Part A above);
- Identify what areas/actions are still needed to satisfy AF accreditation criteria;
- List these action steps; and
- Be prepared to share your views in the Workshop.

¹ This list is NOT the entire Accreditation Application Checklist – it has been shortened for the purposes of this Workshop.



	AF Accreditation Requirements (extracted from the AF Application Form)	The Current Situation	LIST what the NIE should do to satisfy AF Accreditation requirements?
1	Production of reliable financial statements that are prepared in accordance with internationally recognized accounting and auditing standards	<ul style="list-style-type: none"> • It prepares its annual financial statements using country specific accounting standards rather than international accounting standards. However, the two sets of standards are said to be in alignment. • There are no plans right now to convert fully to international accounting standards. • The government's external auditor is also the auditor for the NIE. • The most recent Audited Financial Statements are two years old. At that stage, the audit opinion was 'clean'. • As required for the more recent set of financial statements, the auditors were presented with management's Representation letter that confirm their belief that internal controls for financial reporting are OK. • The most recent auditor's Management Letter (prepared once the audit is completed) shows that there were significant weaknesses in the procurement system. Because the last audit is 'old', it is not yet clear if the issues have been resolved to the satisfaction of the auditor. 	
2	Demonstration of capability for functionally independent internal auditing in accordance with internationally recognized standards	<ul style="list-style-type: none"> • There is a small Internal Audit (IA) function that was created three years ago. It is not known what standards they comply with. • There is an audit plan but the IA says it is often asked by the Director General of the NIE 	



		<p>to perform special investigations for her – delaying delivery of the approved audit plan.</p> <ul style="list-style-type: none"> • IA focuses more on project-level compliance auditing, than NIE-wide systems and processes. • The IA staff have recognized national accounting qualifications but none have a specific IA qualification or certification. • Although the IA department has only 3 staff (including the director), it has a small budget to hire consultants to work on audit projects. • IA has a draft Policies and Procedures Manual but says it follows these nonetheless. 	
3	Demonstration of use of a control Framework that is documented with clearly defined roles for management, internal auditors, the governing body, and other personnel	<ul style="list-style-type: none"> • There is an Operations Manual that contains all policies and procedures and articulates the roles and responsibilities of the governing body and the Audit Committee. • The Audit Committee terms of reference were approved by the Director General but do not articulate its role vis-à-vis the external auditor. • It meets monthly and focuses most of its time on financial performance, with the rest of its time looking at risk, internal and external auditing matters. • The 5 members of the Audit Committee are drawn from senior management of other Ministries (3) and non-government technical specialists (2). The chair is the representative of the Ministry of Finance. 	
4	Evidence of transparent and fair procurement policies and procedures at the national level that are consistent with recognized international practice	<ul style="list-style-type: none"> • Procurement is handled for the most part by the NIE following government policies and procedures. 	



	(including dispute resolution procedures)	<ul style="list-style-type: none"> • The auditors some years ago noted serious issues with non-compliance with competitive bidding compliance requirements. • The country is not highly rated by Transparency International meaning that there are serious risks of fraud and corruption in the government. • Nevertheless, the World Bank produced a PEFA report last year and noted that it was relatively happy with the state of procurement across the government (including the NIE). • The NIE is careful with its procurement and produces reports that the Audit Committee reviews listing all major procurements and also cases where exceptions to the rule were made by the Director General. • Other international donors have reviewed the procurement procedures in the NIE and have shared the results with the NIE (who shared them with the Audit Committee). 	
5	Demonstration of the ability to examine and incorporate the likely impact of technical, financial, economic, social, environmental, gender, and legal aspects into the Project Appraisal stage itself	<ul style="list-style-type: none"> • When a project is identified, the write up that leads to project appraisal does not always cover all the requirements listed by the AF. It depends largely on who is funding the project. If it is a donor, it is comprehensive. If it is a government project, much less information is produced for appraisal and approval purposes. 	
6	Evidence of procedures/framework in place to undertake risk assessment and integrate mitigation strategies/plans into the project document	<ul style="list-style-type: none"> • The NIE does not yet have a formal Risk Policy in place. • Projects are risk assessed the first time a monitoring mission reviews project progress. 	



		<p>At that stage, the plans might change depending on what risks are found.</p> <ul style="list-style-type: none"> • Senior management discusses the portfolio as a whole and adjustments are made to timelines and budgets based on the discussion. However, the word 'risk' is not mentioned or noted in the meeting minutes. • A budget is set for each project but overruns in time and money are often only picked up when it's too late to take preventative action. 	
7	Demonstration of capabilities 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 E&S and Gender risks	<ul style="list-style-type: none"> • The NIE does have a Monitoring and Evaluation Policy that is included in its Operations Manual. However, a revision of the E&S and Gender policies is overdue and is still being drafted. • Monitoring and evaluation for E&S and Gender risks is looked at for donor-funded projects, but not always for non-donor funded projects. One reason given is that donors pay for this capacity in the grant, which is not the case for other projects. 	
8	Evidence/tone/statement from the top 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	<ul style="list-style-type: none"> • There is a fraud and corruption policy that applies across government, including for the NIE. • However, the risk of fraud and corruption – and cases that come in from time to time - is discussed in management meetings and at the Audit Committee levels both for projects and across the NIE itself. • There is no specific statement as to a 'zero tolerance for fraud' from senior management, because 'everyone knows this is the policy'. 	



9	Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice	<ul style="list-style-type: none"> • It does not have its own staff investigate allegations of financial mismanagement. It uses a government agency for this purpose. • There is a 5-step web link to this agency - should anyone wish to lodge a complaint. • It is entirely reliant on this agency to process the complaints and report back the results of any investigation that is carried out. 	
10	Demonstration of an accessible, transparent, fair and effective mechanism (either within the entity itself, local, national or project specific) for receiving complaints about E&S and Gender harms caused by projects/programmes	<ul style="list-style-type: none"> • Compliance with these policies is discussed towards the completion of the project, rather than earlier on. • The website Homepage has a link to the current E&S and Gender policies and provides a web link should anyone wish to lodge a complaint. • The Operations Manual lists the process to be followed should there be a complaint, but this process is not publically available on the website. • There have been no complaints using the NIE's website over the last 3 years even though some of the projects had major E&S risks (three projects had to be 'reworked' to deal with E&S issues that were raised by international NGOs with the donor community). 	