



ADAPTATION FUND
Readiness Programme
for Climate Finance

**WORKSHOP ON ACCREDITATION GAPS, CHALLENGES, AND READINESS SUPPORT FOR
ENHANCING DIRECT ACCESS TO CLIMATE FINANCE**

WORKSHOP REPORT

DATE: 4 – 6 April 2018

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ACRONYMS AND ABBREVIATIONS

AF	Adaptation Fund
CER	Certified Emission Reductions
CC	Climate Change
DA	Designated Authority
EIA	Environmental Impact Assessment
ESMP	Environmental and Social Management Plan
ESP	Environmental and Social Policy
ESGP	Environmental and Social Policy and Gender Policy
GP	Gender Policy
Gok	Government of Kenya
IE	Implementing Entity
KM	Knowledge Management
LDC	Least Developed Country
M&R	Monitoring & Reporting
MIE	Multilateral Implementing Entity
MTE	Mid-term Evaluation
MTR	Mid-term report
NIE	National Implementing Entity
PDMU	Programme Development and Management Unit
PFG	Project Formulation Grant
PPR	Project Performance Report
PPRC	Project and Programme Review Committee
RIE	Regional Implementing Entity
RBM	Results-Based Management
RA	Risk Assessment
TAG	Technical Assistance Grant
SE	Stakeholder Engagement
S-S	South-South
TE	Terminal Evaluation
VA	Vulnerability Assessment

1.0 DAY 1

1.1 WORKSHOP OBJECTIVES AND EXPECTATION

The Workshop on Accreditation Gaps, Challenges, and Readiness Support for Enhancing Direct Access to Climate Finance took place from the 4th to the 6th of October 2017 in Panari Hotel, Nairobi Kenya and was facilitated by Cyprian Nyamwamu.

Key interest and expectations

A snapshot of participants' expectation

- Sharing experiences
- More details on the Adaptation Fund
- How to access funding
- Experience from both those who supported accreditation and those who received the mentoring/support
- Many issues to be tackled but lack of accreditation hampers access to funds
- Find out what type of hurdles are being faced by others

1.2 WELCOMING REMARKS BY THE HOSTING PARTNER

The remarks were made by Dr Charles C. Mutai, member of the Adaptation Fund Board and who was also representing the Ministry of Environment and Natural Resources of Kenya (MENR).

- On behalf of the Government of Kenya (GoK) and the agencies directly responsible for climate change (MENR/NEMA) Dr Muatai welcomed the participants to the country
- He went on to highlight Kenya's vulnerability to climate change and that it is currently receiving unseasonably heavy rains which has led to a lot of flooding throughout the country. Previously, there had been a very severe drought that had to be classified as an emergency event. Therefore, adaptation to climate change is clearly an existential issue. Adaptation has been prioritized and Kenya is among the first few countries to be accredited thanks to an enabling legal and policy environment. Some of these actions that have been taken include the enactment of the Climate Change Act (2016). To roll it out, a Climate Change Council headed by the president has already been constituted and a directorate responsible for all matters on climate change has already been formed. To mobilise funds to see this process through, a Climate Change fund within the Ministry of Finance has also been set up. The act also provides for mainstreaming of climate change actions at the various levels of governance and through the use of various tools such as the budgetary process.
- Currently a Medium-Term Framework (MTF) plan for 2018-2022 that incorporates climate change issues is being formulated with a view to emphasizing the centrality of climate change. With the 2013-2018 and the Climate Change Action Plan currently being formulated, Kenya has consistently shown her commitment to meeting her international commitments such as those agreed on during the Paris agreement
- It's on this basis that Kenya is offering to share her experience for both the accreditation process and also implementation of initiatives supported by the Adaptation Fund (the Fund).

1.3. ADAPTATION FUND STATUS UPDATE

Mr. Mikko Ollikainen, Manager of the Adaptation Fund Board Secretariat (the secretariat) provided an overview of funding climate adaptation.

- Since inception, the Fund has mobilized 725 million US dollars in resources. US\$ 199 million came from CER proceeds and US\$ 513 million from developed countries' contributions. The Fund's main revenue source is CER sales but the collapse of carbon markets means new resources are needed. Contributions are now the main source of funds with Investment income CER US\$ 11.9M income US\$ 199 M and Contributions US\$ 514 M.
- The Adaptation Fund currently funds 73 concrete, localized adaptation and resilience projects in 59 vulnerable countries with approximately 5.5 million direct beneficiaries. Since 2010 the Fund has approved US\$ 476 million for 77 countries.

- As of December 2017, there are projects under development in 21 countries totaling US\$ 101.0 million and 16 regional projects totaling US\$ 149.9 million.
- The number of direct access entities has been increasing with **46 Implementing Entities** 28 NIEs (46% LDCs, SIDS) 6 RIEs 12 MIEs. **Direct Access**, whereby a country can access funds directly from the Fund and other climate funds that have adopted a similar modality to manage adaptation/mitigation projects, requires an accredited National Implementing Entity (NIE) meeting the funds' fiduciary standards, environmental and social safeguards and gender policy
- The Adaptation Fund is already contributing to the adaptation objectives of the Paris Agreement and to the implementation of adaptation actions included in the Nationally Determined Contributions (NDCs) of developing countries by financing its portfolio of concrete adaptation projects and programmes. Additional value of the Fund serving the Paris Agreement include;
 - Achieving the PA goal of balancing funding for adaptation and mitigation in developing countries
 - Article 9.4: Financing Adaptation must take into account national strategies and priorities of the most vulnerable countries with capacity constraints, such as LDCs and SIDS
 - The Agreement attributes to adaptation a share of the proceeds of the Sustainable Development Mechanism it has established (Articles 6.4 and 6.6). This may be a market mechanism similar to the clean development mechanism.
- **Roadmap of the Adaptation Fund (AF) contributing to the implementation of the Paris Agreement**
 - **Paris (2015):** (COP 21, CMP11) The Adaptation Fund *may* serve Paris Agreement
 - **Marrakech (2016):** (CMA 1) The Adaptation Fund *should* serve the Paris Agreement
 - **Bonn (2017):** (CMP 13) The Adaptation Fund *shall* serve the Paris Agreement
 - **2018:** Ad Hoc Working Group on the Paris Agreement undertakes the necessary preparatory work to address:
 - Governance and institutional arrangements,
 - Environmental and social safeguards
 - Operating modalities, including sources of funding
- **Medium-term Strategy (MTS): approved in October 2017**
 - The Fund's purpose is aligned with goal of Paris Agreement, SDG 13
 - Focus remains on the most vulnerable
 - The Fund has delivered:
 - concrete **action**,
 - **innovative** approaches to climate finance
 - valuable **learning**
 - Inclusion of new pillars into concrete projects + targeted support
- **MTS Implementation Plan: approved in March 2018**
 - In addition to existing ones, new funding modalities:
 - “Action”
 - “Innovation”
 - “Learning and sharing”
- **Implementation Plan for the MTS: approved in March 2018**
- **Evaluation: Phase I (2014-2015) – systems**

The first phase of the overall evaluation of the Fund produced the following results:

 - **Relevance:** AF design is coherent with and complementary to other adaptation efforts under UNFCCC
 - **Effectiveness:** AF main processes are generally effective and demonstrate steady improvement, with the exception of resource mobilization and knowledge management
 - **Efficiency:** AF and its institutional arrangements provide good value for money
 - **Sustainability:** significant, structural threat to the sustainability, adequacy, and predictability of resources for the AF
- Evaluation: Phase II (2017-2018) – portfolio Draft conclusions of the second phase of the overall evaluation of the fund show that:
 - **Relevance:** AF portfolio is in alignment with mandate and strategic priorities
 - **Effectiveness:** AF is making progress toward all seven outcome areas of the AF Strategic Results Framework. Projects have and do contribute to strengthening resilience at national and/or local levels
 - **Efficiency:** AF is efficient in managing accreditation and project cycle processes
 - **Results and sustainability:** AF has increased developing countries' access to adaptation finance. However, this is limited by the scale of financing available. Establishment of the AF evaluation function

In addition, the Adaptation Fund will establish an evaluation function through a Technical Evaluation Reference Group (TERG) to:

- ✓ **Evaluate:** Independently commission the evaluation of the relevance, effectiveness, efficiency and sustainability of the Fund overall operation projects and programmes implementing entities
- ✓ **Advise:** Set minimum evaluation standards with the Fund
- ✓ **Oversee:** Provide quality control of the minimum evaluation requirements

The Fund will continue to implement its streamlined accreditation process (accreditation process for smaller entities), and the funding window for regional activities, and will continue to provide support for accreditation and at the project development stage through the readiness programme for climate finance. The Fund will also continue to explore synergies and areas of complementarity with the Green Climate Fund (GCF).

Mikko concluded the presentation by highlighting that in summary, the Adaptation Fund increases resilience through concrete adaptation projects, and outlined some of its innovative features which include:

- Governed by **majority of developing countries**
- **Levy on** Clean Development Mechanism **proceeds** & other sources of funding
- **Direct access** alongside conventional access through international organizations
- Policy: Environmental and Social (November 2013) and Gender Policy (March 2016)
- Environmental and Social Policy now rolled out to operations and Gender policy approved in March 2016

1.4. OVERVIEW AND LAUNCH OF READINESS SUPPORT PACKAGE

This segment was presented by Mr. Farayi Madziwa, the AF Readiness Programme Coordinator. He stated that the goal for the readiness programme was:

To increase the number of accredited national implementing entities (NIEs), and strengthen the overall capacity of NIEs and regional implementing entities (RIEs).

Farayi explained that the readiness programme was implemented through 4 key components

- Support to accredited IEs, which includes technical assistance grants, and peer-peer learning through webinars, seminars, workshops, guidance documents and facilitating dialogue and exchange at international events such as the subsidiary body meetings under the United Nations Framework Convention on Climate Change (UNFCCC).
- Cooperation/Partnership with climate finance readiness providers
- Support to countries seeking accreditation which includes South-South (S-S) cooperation grants, a new readiness support package grant, workshops, and guidance documents.
- Knowledge management which includes publishing NIE adaptation stories, a climate finance ready microsite, and a community of practice platform for Direct Access Entities (CPDAE).

The Adaptation Fund board (the Board) had to date approved 29 readiness grants in 26 Countries, and of these 13 were S-S cooperation grants. Total disbursements towards S-S cooperation grants amounted to US\$ 634,694.

- Farayi then proceeded to officially announce the commencement of the readiness support package. He stated that the readiness package would initially be implemented as a pilot for a period of 12 months, following which the secretariat would report back to the Board. It was largely expected that the readiness package would continue beyond the pilot as a standing window of support for accreditation available to developing countries. Farayi presented that the readiness package was:
 - approved at AFB 29, March 2017
 - structured to provide tailored support to countries
 - approved to deliver support through a grant of up to US\$ 100,000
 - structured in a manner to promote country ownership and the NIE candidate would be expected to drive the process of its own accreditation (*put in place necessary institutional arrangements, policies, procedures and capacities; make the necessary management decisions, inter-departmental/organizational coordination, and avail the necessary human and financial resources to actively drive the accreditation process within the entity*)

Support through the readiness package could be in one or more of the following:

- In-country support to prepare an application;
- Technical support to address gaps in policies, procedures and other institutional arrangements (*demonstration remains the responsibility of the NIE candidate*);
- Organization of “regional” consultations/workshops to support several NIE candidates.
- May set aside small portion of the grant to address and respond to feedback provided by the Accreditation Panel (recommended)

Readiness support package pilot phase eligibility criteria;

- NIE candidate had to meet the following;
 - Must be located in a developing country Party to KP with no existing accredited NIE
 - Must have a DA
 - Must submit DA letter of endorsement together with expression of interest
 - Must have log-on credentials to access the AF accreditation workflow
 - Must not be under review by AP Readiness support package pilot phase eligibility criteria:
- Intermediary had to meet the following;
 - Must have “active accreditation”
 - Must be listed on AF S-S grant readiness web page <https://www.adaptation-fund.org/readiness/readine-ss-grants/south-south-cooperation-grants/> as meeting eligibility requirements to provide peer support for accreditation.
 - Must have experience implementing a readiness project through an AF S-S grant
 - Must have experience implementing a concrete AF project/programme (demonstrates effective compliance with fiduciary standards and the Fund’s operational policies and guidelines (OPGs)
 - Must have experience advising, supporting applicant NIEs

Following the current workshop in Nairobi, the secretariat would undertake a review of the expressions of interest submitted for the pilot phase: Intermediary and NIE candidate, and would identify the intermediary and NIE candidates to participate in the pilot phase of the package. The secretariat would then hold a second workshop with the identified intermediary and NIE candidates to:

- Discuss country-specific challenges and possible ways of addressing them
- Train the trainer: familiarize experts/consultants with the AF accreditation process and procedures
- Have an in-depth discussion of the accreditation application form relevant to country context
- Discuss implementation of project by Intermediary over 12 months (includes reporting and evaluation)

2.0 DAY 2

2.1. OVERVIEW OF AF ACCREDITATION AND PROJECT CYCLE PROCESSES

This segment was presented by Ms. Young Hee Lee, Legal - Operations Analyst, AFB secretariat.

Role of Implementing Entities (IEs)

- Responsible for the **oversight role** for projects/programmes funded through the Adaptation Fund (AF)
 - The AFB cannot oversee all projects directly, therefore it entrusts this role to IEs
 - The IE will be responsible for all funds received from the AF for a project or programme
- The AFB operates at portfolio (Fund-level). The Fund-level monitoring is carried out by the secretariat under the direction of the Board
- However, since the AFB cannot oversee all projects directly, the projects/programmes-level monitoring is carried out by the NIEs, MIEs, RIEs

Designated Authority (DA)

- Responsible for **endorsing** each project/ programme submitted for AF funding from the country
 - Understanding of the needs and priorities
 - Knowledge of adaptation-related and sector strategies and policies
 - Understanding of other adaptation activities taking place (avoidance of duplication)

Adaptation Fund OPG: “*The Designated Authority shall confirm that the endorsed project/programme proposal is in accordance with the government’s national or regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks posed by, climate change in the country or region.*”

What next after accreditation? Overview of the AF project/programme cycle - Review and approval process

Background

After accreditation the following is a general overview of the generalities for accessing the AF funds. The mandate of the AF is to finance concrete adaptation activities that should produce visible impacts on the ground. So far the AF finances climate change adaptation (CCA) initiatives in a variety of sectors (8 sectors so far): food security, rural development, forests, water management, coastal management, disaster risk reduction (DRR), agriculture, multisector and there is increasing interest in urban resilience (single country proposals). For regional proposals the sectors include: Food security; DRR and early warning systems; and Transboundary water management. In addition to the specified thematic focal areas, as a cross-cutting fourth theme, the programme seeks to support activities that represent innovation in adaptation finance. For the latter sector there will be increasing funding opportunities aligned with the AF MTS key priority areas of action.

Ms. Lee stated that currently the AF does not require co-financing as part of the proposals to be submitted for funding. The principal and explicit aim of the project/programme should be to adapt and to increase resilience of a specific system or communities, to the adverse effects of climate change and variability. Therefore, the proposal should demonstrate that the project/programme activities are relevant in addressing its adaptation objectives and that, taken solely, without additional funding from other donors, they will help achieve these objectives, what the fund call the FULL-COST OF ADAPTATION REASONING. Although co-financing is not required, it is possible and often cost-effective to implement Adaptation Fund projects in parallel with projects funded from other sources. In such a situation, the Adaptation Fund project should be able to deliver its outcomes and outputs regardless of the success of the other project(s).

There are two means of accessing project funds and each has varying implication on the project responsibilities. One way of accessing resources is using Traditional Access through a Multilateral Implementing Entity (MIE) or Regional Implementing Entity (RIE), where the project management and project oversight functions are conducted by the MIE or RIE and just the execution activities remain on a domestic level. The second way is through Direct Access where the oversight function and project responsibilities fall under the NIE: here the implementation and execution are both conducted on a domestic level by an NIE and an executing entity respectively.

It was pointed out and encouraged that implementing entities seeking accreditation with the Fund should undertake the accreditation and project identification and design processes in parallel. Stages in the Adaptation Fund project cycle process include:

1. Project identification
2. Submission of the project or programme proposal
3. Technical review by the AFB secretariat
4. Review by the Project and Programme Review Committee
5. Decision-making by the AFB
6. Contracting by the AFB
7. Project implementation
8. Monitoring /Reporting by the Implementing Entity

I. Project identification - in line with national priorities (NAP and other national and regional policies)

- a. NIEs have followed different approaches, e.g.:
 - i. NIE, together with Designated Authority, **identifies** key national adaptation projects for development
 - ii. NIE opens a **call for proposals**, and best ideas are selected for developing proposals to the AF as **individual projects**
 - iii. NIE opens a **call for proposals**, and best ideas are selected for developing a **programme** to the AF
- b. Regardless of approach:
 - i. Consultation is mandatory
 - ii. Project idea has to align with national priorities
- c. Some NIEs have piloted different sectors

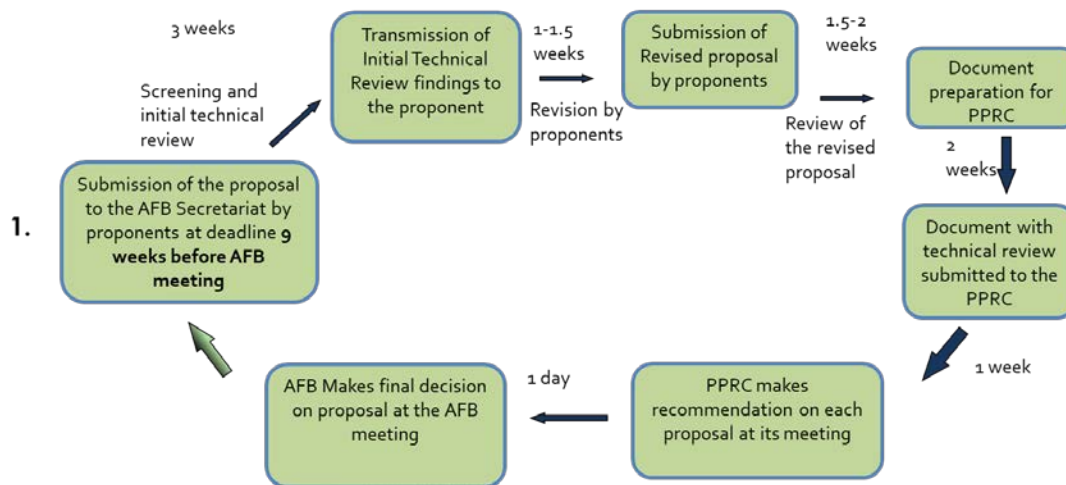
2. Submission of the project or programme proposal

- a. Implementing entities have to use the **project proposal materials** (including 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/>
- b. Project/programmes proposals (and endorsement letters) are **submitted by implementing entities** to the AFB Secretariat
- c. Implementing Entities can submit proposals **twice a year**, for consideration at the respective bi-annual Board meetings
- d. In addition, an **intersessional review cycle** allows certain proposals to be submitted 3 times a year:
 - i. Resubmissions of concepts + formulation grant requests
 - ii. New submission of full proposal for which the concept had been endorsed

- iii. Resubmissions of full proposals
- iv. Delay avoided by proponents with intersessional review: 3 months
 - 1. The project proposal materials are available on the AF website.
 - 2. IE can submit the proposals twice per year (during the standard review cycle) in January and August.
 - 3. Additionally, certain proposals could be submitted during the intersessional review period.
- 3. Technical review by the AFB secretariat
 - a. Once received, proposals are reviewed by the AFB secretariat
 - b. Reviews are done using **review criteria** (including environmental and social policy (ESP)/gender policy (GP)-related)
 - c. Forward the proposals with the technical reviews to the Project and Programme Review Committee (PPRC)

After submission by the proponents, proposals are reviewed by the secretariat.

- 4. Review by the Project and Programme Review Committee (PPRC);
The PPRC considers and reviews projects and programmes submitted to the Board, technical reviews prepared by the AFB secretariat, and makes a recommendation to the AFB
- 5. Decision-making by the AFB;
 - a. The PPRC is responsible for assisting the Board in tasks related to project/programme review
 - b. The AFB will then take decisions on projects, following the recommendations by the PPRC.
 - c. Timeline of the review process



AF process of approving proposals

- For all projects/programmes (below USD IM or larger than USD IM), a choice of a **one-step** (full proposal) or **two-step** process (concept approval and project/programme document)
- For regional **projects/programmes**, additional choice of a **three-step** process (pre-concept, concept endorsement and project/programme document)

The next submission deadline is August 6 (The 32nd meeting of the Board "AFB 32" will be held on 9-12 October).
The overall review process takes 9 weeks (a little more than 2 months).
Time between first submissions of proposal to board approval, average of FY 2012–15.

- One-step projects: 8.1 months (9 months)
- Two-step projects: 12.6 months (12 months)

6. Contracting by the AFB – the agreement

After a project/programme is approved by the Board, an agreement between the AFB and the IE is signed, the agreement contains clauses on the administration of the grant, project implementation – monitoring – project reporting and project closure as well as information on the disbursement schedule. Once the agreement is signed by the two entities, the AFB proceeds with the disbursement of the first tranche of funding.

a) Project implementation

- a. Role of the implementing entities:

- i. To administer the AF financing and supervise the project
 - ii. Full responsibility for the overall management of a project or programme financed by the AF
 - iii. Within the project, specific responsibilities may be delegated to Executing Entities (project partners) but IE bears ultimate responsibility of EE actions
 - iv. All financial, monitoring and reporting responsibilities
 - v. No differentiation between MIE, RIE and NIE in terms of the IE's role
- b. Role of the **Executing Entity**:
- i. Executes and manages the day-to-day project operations and activities

After the legal agreement is signed the IE can start the project implementation.

The role of the IE, as mentioned before, is to oversee the project and to administer the AF financing.

- Within the project there can be specific implementation arrangements in between the IE and EE or EES (can be many), but the IE bears ultimate responsibility of EE actions.
- the IE is responsible for all financial, monitoring and reporting aspects
- These responsibilities are the same for all entities: MIE, NIE and RIE
- The role of the EE is instead to manage projects activities on a daily basis.

- c. Role of the **DA**: Responsible for observing project/programme during implementation
- i. Can provide comment and rating of project/programme on an annual basis (in Project Performance Reports)
 - ii. Reviewing mid-term report
 - iii. Ensuring that government continues to endorse
 1. The Implementing Entity
 2. The project or programme being implemented
 - iv. Eligible to call off project implementation if it ceases to endorse the IE or the project

During project implementation it is a good practice to engage the DA, which can play an active role not only in the identification of a NIE to be accredited, or in the project endorsement, as such we encourage you to involve the DA in:

- The provision of a project performance rating in the PPR
- Reviewing the MTR

b) Reporting requirements

- a. **Project Performance Reports**: on an annual basis
- b. **Project completion report**, including any specific Project implementation information, within six (6) months after Project completion
- c. **Mid-term review or evaluation report**, for projects of 4 year duration or more
- d. **Final evaluation report**, prepared by an independent evaluator. Shall be submitted within 9 months after Project completion. Copies of these reports shall be forwarded by the IE to the Designated Authority for information; and
- e. **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

Proceeding with the reporting requirements during project implementation and project closure:

- MTR - apart of sending the PPR on a yearly basis, in the case a project length is 4 or more years, the IE shall conduct a MTE. This should be prepared by an independent evaluator that is selected by the IE but at the same time is independent from the project management. Every evaluation should ascribe to standard principles such as: it should be impartial, transparent, disclosed to the public in general and should be participatory. MTEs purpose is to provide an independent external view of the progress achieved by the project at that point, and to provide feedback and recommendations to the IE. The MTE should be prepared no later than 6 months after the mid-point of the project and should be sent to the Secretariat.
- TE – Prepared by an independent evaluator, should be submitted within 9 months after project completion. Promote accountability and transparency within the Fund; organize and synthesize experiences that might help improve the selection

and design of future AF funded interventions; provide a feed-back into the decision-making process and assess the efficiency, relevance and effectiveness of projects. If the IE has an independent evaluation unit, it should follow its own procedures on conducting final evaluations, and it should be requested to participate in the evaluation. When conducting these evaluations IE will apply their own evaluation norms in addition to the one required by the AF.

- Final audited financial statement: prepared by an independent auditor or evaluation body.
- The AF strategic results framework includes a long-term goal, outcome, outputs and a small set of indicators for the Fund as a whole. As such, any project or programme funded through the AF must align with at least one outcome and one output of the Fund's results framework and directly contribute to the overall objective and outcomes outlined.
- Tool 2:
 - Project-level indicators and their measurements methodologies are not always comparable across projects. Thus, even if two projects are targeting similar outcomes, it becomes difficult to aggregate indicators across projects.
- The AF Sec adjusted the indicators that fall under each of the seven Fund-level outcomes to better aggregate these indicators
- In addition, the secretariat also developed 5 core indicators.
- All projects will be required to provide data on the first indicator (“Number of beneficiaries”)
- The other four should be provided only if they apply to the project itself

Finally, is it important to recall the AF policy for project/programme delays:

- The IE has 4 months to sign the legal agreement after the Board approval of the project;
- After the 1st cash transfer that usually follows few days after the signing of the legal agreement, the project should start within 6 months (the project starting date coincides with the inception workshop), if the project does not start the IE should notify the secretariat and the DA
- IE can request for extension of project completion date: sent along with supporting documents.

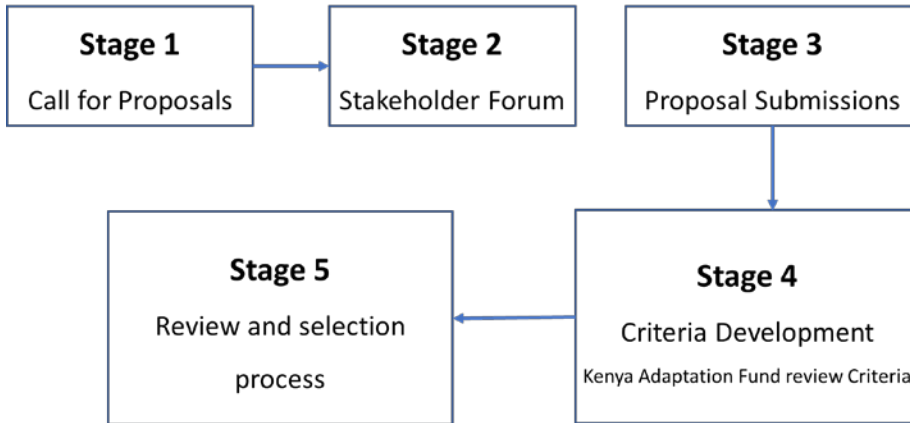
2.2 LINKING ACCREDITATION TO ADAPTATION ACTION: THE CASE OF NEMA AF FUNDED PROGRAMME

This segment was presented by W. Kirumba / S. Maithya

Background

- NEMA-Kenya - accredited as the National Implementing Entity (NIE) for Kenya in a decision taken during Adaptation Fund Board 16th Meeting held on 17th March, 2012 in Bonn, Germany.
- NEMA ; Direct Nomination by Ministry of Environment
- Process: 2009 to 2012
- Globally NEMA-Kenya - Twelfth National Implementing Entity (NIE)
- Kenya comprises 83% of arid and semi-arid land and has an economy and livelihoods that are heavily reliable on rain-fed agriculture, which is in turn vulnerable to extreme droughts exacerbated by climate change and variability.
- AF programme Kenya seeks to enhance resilience and adaptive capacity to climate change for selected communities in various Counties in Kenya in order to increase food security and environmental management.
- Programme proposes to develop and implement integrated adaptive mechanisms to increase community livelihood resilience to climate change.

Design Process



The process of programme approval in Kenya was as follows:

- AFB Approval, Oct. 2014; Funds Transfer Dec. 2014
- Approval from the Treasury, Dec. 2015
- Programme Launch 29th January 2016
- Contract Signing, 29th January 2016

Adaptation Fund Programme Counties in Kenya are being implemented in Kwale, Kilifi, Taita Taveta, Garissa, Wajir, Marsabit, Kitui, Machakos, Makeni, Mauera, Laikipia, Kajiado, Kisumu, Homabay

Executing Entities

- TARDA
- CDA
- KEFRI

Programme governance structure

TARDA
Coast Development Authority
KEFRI

Programme Components

Component 1: Enhancing Climate Change resilience for improved food security in selected Counties

Component 2. Improving climate resilient water management systems to enhance food security in selected Counties

Component 3. Increase resilience to the effects of sea level rise and shoreline changes through Integrated system and Mangrove Ecosystem Management (ISMEM) in Kenyan coastal zone

Component 4. Disaster Risk Reduction and increasing preparedness among Vulnerable communities

Component 5: Strengthening institutional capacity and knowledge management on climate change adaptation

NEMA Project Sites

Project activities are under implementation in Machakos County (Demo Masinga Irrigation), Kajiado County (KEFRI Demo), Taita-Taveta, Kilifi and Kwale Counties (Demo CDA), Marsabit County, Kisumu County, Kitui County, and Laikipia County.

ACCREDITATION; NEMA KEY LESSONS

It is essential to note that accreditation is not just an application,

It is;

- Accreditation is an institution wide appraisal process

- A very intrusive Interrogation of systems, processes and procedures
- Requires a lot of evidence

Accreditation; Success Factors

1. Requires Strategy, Planning, Resources
2. Needs top management support...CEO Level
3. Requires political leadership
4. Need to mobilise internal institutional psyche
5. Need for proper information management system
6. Submit appraisals that you can support with evidence
7. It's not per se a branding opportunity. Rather a process to authentically articulate capacities of your organization
8. Need to manage key relationships

Why pursue accreditation

- Credited to for strengthening the ability of NIEs to perform their functions.
- NEMA disbursement criteria
 - Complete technical report
 - Expenditure authentication
 - Submission and approval of workplans
 - Cleared internal Audit reports
 - 70% absorption of 1st quarter disbursement
- NIE's - potential to transition to vehicles for access to multiple global climate finance sources

2.3. GOING THROUGH THE ACCREDITATION PROCESS – SELECTING AN NIE (CASE STUDY)

For ease of discussion, the participants were divided into three groups based on preferred spoken language to facilitate easier discussion (English, French and Spanish speaking groups). The groups were provided with profiles of two hypothetical entities (Entity A and Entity B) and asked to choose one and provide a rationale for their choice.

Group Feedback

Francophone Group

Chose Entity B due to the following reasons:

- Entity already works on matters adaptation
- Has internal procedures already in place
- Has staff with required technical skills ready to step in and take charge as may be required
- Has financial independence and can also mobilise resources
- Have in place a business and strategic plan (for short and long term)
- Has a greater diversity of donors and does not depend on any one donor
- The entity has a history of implementing good practices
- Has a marketing strategy
- They have in place mechanisms to react to complaints

The group found Entity A to be unsuitable due to the following reasons

- The national character of Entity A does not provide for a stable working environment
- The subcontracting aspect has led to lack of internal capacity to implement project
- Procedures are still being implemented and therefore policies on Gender and Environment may not be operational

Anglophone Group

They settled on A and their reasons were as follows:

- Being a government body, the policy environment is favorable as opposed to entity B which has to seek permission from the national governments or its agents.

- Having been operations for over 15 years, Entity A has a lot of experience
- With a better network, has the ability to implement projects
- Has had a long time to implement more projects
- By its very nature, it is required to be accountable to the public.
- Has a monitoring and Evaluation mechanism in place

However, some of negative issues associated with Entity A include;

- Its operations are tied to the unpredictable political processes
- Has to work under sometimes unwieldy bureaucratic
- No complaint redress mechanism in place
- Dependent on monitoring

Spanish Group

Chose Entity B and provided the following reasons;

- Entity A does a lot of sub-contracting and hence does not build its own internal capacity
- The high turnover within the ministry does not provide for institutional stability
- Does not have internal capacity to carry out M&E and depends on donors to pay for this service
- Most times, NGOs formulate projects that align with donor priority
- Compared to the ministry, the NGOs reach is limited both spatially and programmatically and therefore does not cover the whole AF spectrum
- The ministry does not have a complaints redress mechanism
- Though governments may have the Gender and Environment policies, this in most cases is only on paper with very little action on the round

PLENARY DISCUSSION

The plenary discussion concluded that the challenge was to get the nominee to meet the expectations of the country. What is important is to appreciate that there are no winners or losers but rather the choice of a nominee will depend on various factors.

The following was noted;

- Entity's A operational stability has been affected by the high turnover of senior managers
- Entity A depends on subcontracting whilst B has internal capacity
- Though there may be a need for a particular intervention area, if it does not fall within Entity's B area of operation, it may be ignored unlike Entity A which may be operating under other considerations such as universal coverage or provision of basic human rights
- Both entities are depended on donor funds however the in addition to being better at leveraging resources from various sources, the NGO's tendency of keeping aside some funds provides it with more financial stability as compared to the government entity
- Being dependent on other ministries/agencies to 'square the cycle' makes the government entity much more vulnerable and the mercy of this other agencies which may have a different set of priorities.
- **Overall, the choice of a nominee will be dependent on the context of a particular country. In coming up with the nominee, it is absolutely necessary to focus on the gaps and areas that require improvement.**

Question and answer

- Mr. Ollikainen responded to a question raised on donor influence and stated that this does not arise insofar as the AF was concerned because donors could not earmark contributions made to the Fund and also because the priorities and agenda for the Fund are set by the Board whose membership is two thirds Least Developed Countries (LDC).
- On the question of comparing local NGO with international NGO, the workshop was informed that the choice was up to the government seeking to access financing from the Fund and that from the AF perspective, accreditation would depend on how they met the stipulated accreditation which were the same whether the IE was an NGO or international NGO. Participants were informed that currently over 50% of accredited NIEs were from outside the government.

Remarks by AF accreditation panel member

- Use internationally accepted standards and if national standards are similar to international standards can also adopt them.
- The internal auditing unit must be independent and evidence to this effect should be submitted. Further, it should be operating within the requirement of the international standards.
- There should an audit plan which should be risk based and thus be able to plan around such an eventuality.
- Head of department must attest to the fact that the internal control mechanisms are in place and operational.
- If accounting systems need improvement, this must be put in place
- The certification of the Internal Audit should be recent and the auditors should undergo regular training.
- Manual can be in draft since they are always in the process of being reviewed and updated to conform with the most current practice and standards
- Should include a section which demonstrate what is currently being done to deal with emerging issues
- In case where there may be challenge of capacity, the solution could be to retain a consultant who will offer the services as appropriate.
- If they exist, reports from independent bodies such as Transparency International or World Bank could be used as a measure to gauge the effectiveness of an auditing infrastructure. It is essential to share these types of reports with the secretariat.
- **Overall it is important to note that the process also helps to strengthen and streamline the operations of participating institutions**

2.4. UNDERSTANDING ACCREDITATION GAPS AND CHALLENGES - EXPERIENCE SHARING BY PARTICIPANTS

This segmentation was presented by Ms. Jessie Mabutas, (Accreditation Panel Member), and the accreditation team of the AFB secretariat

Group discussion by participants on their experience with the accreditation process

Group 1 feedback

Challenges

- For the countries whose official language is not English, there is a challenge faced when it comes to translating official documents. One way of getting around this is to translate the essential parts of relevant documents only
- There is a challenge in meeting the Environment and Gender policy requirements as most countries do not have that expertise in place. A solution could be to hire consultants or part-time staff who will help to bridge the gap.
- There is an issue with transparency which has to incorporate some aspect of public complaints handling
- Standardization of the procurement /tendering documentation process though sufficient, has it challenges especially since it's meant to be filled by government ministries, quasi government Agencies, NGOs. It was suggested that to resolve these issues, the form should incorporate different sections. Another approach would be to form South-south partnerships with entities with similar procedures and learn from them
- At the level of the accreditation panel, there is need to simplify the bureaucracy especially at the early stages.
- Overall it is extremely important to get it right the first time by identifying the right NIE by following the correct identification procedures

Group 2 feedback

Challenges (Most of the other issues were captured by the previous group)

- There is need to set a side time and resources for a thorough self-analysis (Situation analysis)
- Internal audits- the participants mentioned that at times the audit protocols may exist, however they may not be referred in a different way and hence erroneously reported as missing.

Group 3 feedback

- Most countries have a gap when it comes to project management
- There is also a lack of mechanisms on how to review projects
- In most countries the institutions with mandate are unstable and in extreme instances, it is left to temporary task Forces whose mandate very limited.

- The other challenge is lack of resources and thus makes it difficult to correct the challenges such as lack of skills which could otherwise be resolved by hiring consultants
- Language barrier is also a serious concern especially because all documents are in English a fact which was a considerable challenge for non-English speaking countries
- Capacity building for the agencies and improve the structure and set up unit(s) that are currently not in place
- Though there may be some form of audits being carried out, some institutions have no culture of documenting these processes
- This lack of documentation has led to a situation of creating a gap between what the accreditation process requires and what can be produced and shared.
- Political support especially from the head of the agency is critical and this is in addition to a concerted and directed to garner support from the parties concerned
- There may be Grievance Resolution Mechanism, however due to lack of proper documentation it may be difficult to provide the necessary documents for the accreditation process

2.5. PROVIDING PEER SUPPORT THROUGH SOUTH-SOUTH COOPERATION GRANTS

Panel discussion with NIEs that have been providing peer support to candidate NIEs for accreditation through South-South cooperation grants under the Readiness Programme. The NIEs will share their experiences and discuss challenges and possible solutions for enhancing the effectiveness of support provided.

a) PIOJ, Jamaica – Ms. Claire Bernard

Jamaica has been accredited since 2010. However, they are yet to embark on a full-blown support. The much they have achieved so far, is to prepare a PowerPoint presentation of some of the crucial elements required during accreditation and are sharing this on request. They have also participated in panels organized by the AF secretariat on various aspects of the accreditation process. Some pointers shared by Jamaica include;

- When starting the accreditation process, it is absolutely essential to carry out an honest self-evaluation. Assess what is available and document and formalize the process.
- It was also pointed out that it was very important to ensure that the entire organization (in some instances the whole government) be part of the process or on the least ensure that there is a buy in by the key arms. This was necessitated by the fact that approval or the responsible entities as per the accreditation requirements had different entities with mandates

Achievement thus far;

- System is in place
- Business procedures and processes is in place throughout the value chain
- There is an environmental and gender policy in place
- There is a specific annex on how to embed climate change considerations into sectoral planning instruments

Challenges;

- Success or failure of the accreditation process depends on the readiness of the entity
- The process may be affected by the lack of a common understanding of what the roles and responsibilities of the various parties insofar as the collaboration is all about
- If not thought out well beforehand, the responsibilities associated with being a mentor may interfere with optimum operations of the organization and consequently result in unmet objectives
- There is a substantial probability of there being a reputational risk if the process comes unstuck
- Need to assess the current situation to set a roadmap which will guide the process in a concise, clear and transparent manner where each party is treated as an equal.
- For the accreditation process to succeed, there is need to bring other players (such as the Ministry of Finance and the Attorney General's office) and this should be done as early as is possibly convenient.
- Within the institutions participating in the accreditation process, effort should be made to include all players within from senior management to the lower cadres within an institution
- Some aspect of hand holding is necessary especially at the initial stages

b) NEMA, Kenya- Ms. Wangare Kirumba

Lessons shared by Kenya

- Kenya has been offering peer support for Malawi and this process started in the 2015 readiness workshop while support for Zimbabwe during the 2016 COP
- The initial process requires endorsement from the Designated Authority of both countries
- There is need to develop an engagement document with clearly defined objectives and the respective DA should be in the loop to avoid a situation where the process is stalled because of this lack of engagement in the formative stages.

Challenges

- There may be cases where the DA may not do a thorough pre-screening to assess the gaps of potential NIE thus appoint an institution whose structures cannot meet the stringent accreditation criteria
- There is need to provide a clear roadmap of what is required during the accreditation process
- Very high personnel turnover leading to loss of institutional memory thus delaying the process
- Lack of financial resources especially for developing manuals and other policies
- Had to directly communicate with the DAs and bring on board insofar as what the partnership entailed
- There was lack of understanding by both parties as to what were their responsibilities and it took some time to arrive at the process to be used which was more a mentoring than coaching
- Similar with the Jamaican experience, Kenya also felt that in addition to reputational risks, there was also the possibility of work overload and therefore unmet targets

c) CSE, Senegal - Ms. Aissata B. Sall

Currently supporting six countries in Africa in their process to obtain accreditation with the AF and they are in various stages of accreditation with one country having already submitted their full application and are currently working on comments from the Secretariat.

Challenges;

- Working with other countries may put a serious strain on the institution offering these mentorship services and thus affect their effectiveness. There is need to balance between providing assistance to other countries but also ensure that they are not neglecting their core mandate
- On accreditation, one of the biggest challenge will be to identify the right projects which fit in with their mandate

2.6. WORKSHOP CLOSURE

Participants were encouraged to start the process of identifying and designing their projects even before they had completed the accreditation so as to shorten the time lag between accreditation approval and project Implementation. The workshop concluded with final remarks from the AFB secretariat and from NEMA.

FIELD VISIT

The final activity by the participants was a full day field visit to sites where projects funded by the AF and implemented by NEMA and its partners were underway.