



ADAPTATION FUND

19 March 2020

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast Track Re-accreditation of the National Fund for Environment and Climate (FNEC) of Benin as National Implementing Entity (NIE) of the Adaptation Fund.

Having reviewed the fast-track re-accreditation application of the National Fund for Environment and Climate (FNEC), the Accreditation Panel recommended that FNEC be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

A summary of the review can be found in Annex I

Re-accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the fast-track process approved by Decision B.28/38, the Adaptation Fund Board decided to re-accredit ***the National Fund for Environment and Climate (FNEC) of Benin*** as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The re-accreditation expiration date is 18 March 2025.

Decision B. 34-35/24

ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE NATIONAL FUND FOR ENVIRONMENT AND CLIMATE (FNEC) OF THE MINISTRY OF LIVING ENVIRONMENT AND SUSTAINABLE DEVELOPMENT FOR RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.

Background

The National Fund for Environment and Climate (FNEC) is an autonomous government entity in the Ministry of Living Environment and Sustainable Development of the Republic of Benin. It is the legal successor of the National Fund for Environment (FNE) under the Ministry for the Environment and the Protection of Nature that was initially accredited as a national implementing entity (NIE) of the Adaptation Fund in June 2011. Following its accreditation, the entity received a Technical Assistance Grant in the amount of USD 20,000 in February 2016 for ESP and Gender Policy. FNEC submitted its application for re-accreditation to the Secretariat through the online workflow system on 4 August 2016. In February 2019 FNEC was accredited with the Green Climate Fund (GCF) under its fast-track process in view of it being an AF-accredited NIE. Subsequently [researching date], FNEC was advised by the AF Secretariat that it was eligible for fast-track re-accreditation under AF Board Decision B.28/38.

Assessment against the fast-track re-accreditation criteria

The assessment for fast-track re-accreditation has, in accordance with AFB-EFC 19-7-Rev.1 (Effectiveness and Efficiency of the Accreditation Process) and AFB/EFC.23/4 (Accreditation Standards Related to Anti-Money Laundering/Countering the Financing of Terrorism), and the AF Secretariat's advice to FNEC, focused on the following criteria:

- **The Fiduciary Standard related to the Legal Status** –There has been no significant change in the entity's legal status since its initial accreditation in 2011 as the "Fonds National pour l'Environnement" (FNE). After FNE submitted its application for re-accreditation in August 2016, the GoB, through Decree number 2017-128 of 27 February 2017 took the decision to also add "Climate" to its name (becoming "Fonds National pour l'Environnement et le Climat" (FNEC). The Legal Office of the AF Secretariat carried out an extensive review of the legal implication of the transformation from FNE into FNEC and concluded that the change in name is not considered to have impacted the entity's legal status since its initial accreditation. FNEC has provided documentation from the Government of Benin's (GoB) Council of Ministers chaired by the President of the Republic confirming this conclusion. On this basis, the Panel concludes that FNEC fully meets the fiduciary criterion.
- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – FNEC has developed a suit of policies to deal with financial mismanagement and other forms of malpractice that conform to national laws and meet international standards. Its zero tolerance for fraud statement, articulated in its fraud policy document is complemented by a comprehensive complaint mechanism that is accessible through multiple avenues (in person, mail and telephone and e-mail hot lines), investigation protocols and sanctions regime. Clear lines of responsibilities and process

timelines in the fraud prevention management system help to safeguard its integrity and objectivity. As an autonomous government entity FNEC is subject to the GoB's fiduciary policies and frameworks, including the public procurement and anti-corruption frameworks. The entity's Internal Auditor and the Inspector General of the supervisory ministry provide investigation services in cases of complaints related to fraud, corruption and misconduct involving FNEC administration using appropriate guidelines. With respect to money-laundering and countering the financing of terrorism (AML/CFT), the national system overseen by the Cellule Nationale de Traitement des Informations Financieres (CENTIF), the national Financial Intelligence Unit (FIU) which has the mission to receive, analyze and process suspicious financial transactions. Benin is active in a number of regional and international initiatives and conventions committed to addressing the challenges of AML/CFT. FNEC has in place appropriate measures for screening disbursements to third parties and managing AML/CFT risks. ***The Panel is satisfied that FNEC has zero tolerance towards fraud, financial mismanagement and other forms of malpractice, policies to deter such behavior, and the commitment and the capability to receive reports of such behavior, have them objectively reviewed and take appropriate action where the behavior is confirmed. It has appropriate internal measures for anti-money laundering and countering the financing of terrorism (AML/CFT), supplemented by national AML/CFT controls and investigation systems.***

- **Commitment by the entity to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy** – Since its initial accreditation FNEC has continued to make strides in its ESP and Gender Policy. The Director General issued a commitment to the AF Secretariat to abide by the Fund's ESP and GP and their related management plans; FNEC has developed, adopted and published on its website its own suit of policies, principles and standards demonstrating alignment with the AF and, perhaps, most notably and most recently, demonstrating its capability in their operationalization, providing convincing examples of progress made. The Panel is satisfied that FNEC has the commitment and capability to abide by the AF Environmental and Social Policy and Gender Policy.
- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** – FNEC has published on the homepage of its website information presenting an accessible, transparent, fair and effective mechanism for receiving complaints about environmental and social and gender harms caused by its projects/programs. Accessibility of the mechanism (including through the local offices of the ministry) should engender closer interaction between affected communities and FNEC and provide opportunities for early detection and resolution of issues. The national complaints mechanism, with similar positive features, complements the FNEC mechanism, and the substantial collaboration between the two mechanisms is a good indicator of their potential effectiveness. The Panel is satisfied that FNEC has the commitment and the capability to receive, independently review and take remedial action

where appropriate on complaints regarding environmental, social and gender harms caused by programs/projects

Assessment of the Conditions Related to the Fast-Track Accreditation by the Green Climate Fund

Decision B.31/1 of the AF Board provided that in cases where conditions are attached to fast-track accreditation by the Green Climate Fund of entities that are accredited by the Adaptation Fund, such conditions will be assessed. Pursuant to this decision of the AF Board, the Panel conducted such an assessment and obtained indications that fulfilment of these conditions are in progress of implementation.

Recommendation

The Accreditation Panel recommends that the National Fund for Environment and Climate (FNEC) of the Ministry of Living Environment and Sustainable Development be re-accredited as an NIE of the Adaptation Fund.