



ADAPTATION FUND

29 April 2020

Adaptation Fund Board

Accreditation Panel Recommendation on the Accreditation of the Interprofessional Fund for Agricultural Research and Advice (in French – Le Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles or FIRCA) of Côte d'Ivoire as National Implementing Entity (NIE) of the Adaptation Fund.

Having reviewed the accreditation application of the Interprofessional Fund for Agricultural Research and Advice (FIRCA), the Accreditation Panel recommended that FIRCA be accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

A summary of the review can be found in Annex I.

Accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the accreditation process approved by Decision B.28/38, the Adaptation Fund Board decided to accredit ***the Interprofessional Fund for Agricultural Research and Advice (FIRCA) of Côte d'Ivoire*** 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 accreditation expiration date is 28 April 2025.

Decision B.35.a-35.b/2

ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE INTERPROFESSIONAL FUND FOR AGRICULTURAL RESEARCH AND ADVICE (FIRCA) OF CÔTE D'IVOIRE FOR ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.

Background

The Interprofessional Fund for Agricultural Research and Advice (in French – Le Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles or FIRCA), is a public-interest organization created in 2002-2003 under Ivoirian national legislation. FIRCA applied for accreditation by the Adaptation Fund (AF) in March 2019. It provided about 150 distinct documents in the workflow as part of its initial application and a further 30 documents during the Panel's review. It also arranged for discussions between the Panel and representatives of two of its key international funds providers. The Panel also considered other information in FIRCA, other Ivoirian Government and multilateral agency websites.

The Applicant – FIRCA

Under its Statutes, FIRCA supports the development of Côte d'Ivoire's plant, forestry, animal production and fisheries sectors, through the financing of programs of technical and economic research, knowledge dissemination, and capacity building. FIRCA's main sources of funding are from membership contributions from agricultural industry members, projects funded by specific industry sectors, and international donor-funded projects. A small portion of funding comes from direct subventions from the State and exoneration from value-added tax; and from financial investments. It has a governance structure that is representative of producer and industry organizations as well as the State, designed to promote financial transparency. Through the industry sector financial contributions, FIRCA provides an instrument of solidarity and co-financing among the agricultural sectors and regions of the country. Between 2004 and 2017 FIRCA realized 628 projects for the agriculture sectors, relating to applied research, institutional strengthening, advisory services, professional training and reinforcement, and studies.

Assessment for Accreditation

The review is structured according to the revised application form at Annex 2 AFB/EFC.23/4, adopted by the Board as part of Decision B.32/36.

Financial Management and Fiduciary Standards

- **Legal Status** – FIRCA has been established with its own legal personality, with the capacity to receive funds directly, authority to enter into contracts or agreement with international organizations and capacity to represent itself as plaintiff or defendant in legal processes.
- **Financial statements including Project Accounts and Provisions for Internal and External Audits** – FIRCA prepares institutional financial statements in accordance with the international accounting standards which prevail in West African countries signatory to the Organization for the Harmonization of Business Law in Africa (OHADA) business harmonization treaty. Its institutional annual financial statements are audited by a member of a global audit, accounting and consulting firm, and their recent audit reports are unqualified and confirm they audit FIRCA's accounts in accordance with the International Standards on Audit published by the International Federation of Accountants. It also provided examples of

unqualified project level audit reports. FIRCA is also subject to periodic reviews by the State Inspectorate General, a government control and review body. The most recent review was conducted in 2017, covering the three prior years.

It uses an internationally recognized accounting system that supports the preparation of financial statements meeting OHADA requirements as well as the accounting and reporting requirements of international donors. FIRCA also provided a copy of its Financial Procedures Manual which sets out the accounting procedures to support the production of the financial statements, and a project-specific manual to guide particular accounting requirements for that project.

FIRCA has established an internal audit function with a charter and manual adopting the Institute of Internal Auditors (IIA) international internal auditing standards, code of ethics and definition of internal auditing. It reports to the FIRCA Board through the Executive Director. The charter provides for the function's independence within the organization. During 2019, FIRCA implemented actions which align it more closely with international practice. The risk basis of audit planning has been fully implemented in a triennial audit plan for 2019-2021 and the involvement of the Board in reviewing and approving plans was formalized in 2019 and will be effective in 2020. The function was subject to an external review in 2019, including alignment to the IIA Standards. This identified strengths and weaknesses which are in the process of being addressed.

The FIRCA Board is supported by several working committees which collectively review and monitor program plans and budgets, internal control, internal and external audit functions and management implementation of external audit recommendations. The Financial Resources Committee mandate expanded in 2019 (effective 2020) to cover internal audit and internal control). In late 2019 members participated in a capacity building workshop to support this development.

- **Internal Control Framework with Particular Reference to Controls over Disbursements and Payments** – Although not consolidated in one internal control framework document, the key elements of internal control and the responsibilities of management, internal audit and the governing body are set out in various institutional policy documents. FIRCA provided evidence that these documents are subject to periodic review and update. The 2019 detailed risk mapping exercise complements the documented internal control framework.

It has put in place an institutional payment/ disbursement system and provided an example of a project-specific system, and internal audit reports confirming compliance. There are adequate Anti-Money Laundering and Counter the Financing of Terrorism (AML-CFT) controls, considering the relatively low risks to FIRCA's operations.

- **Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets** – FIRCA has medium term operational planning processes in place supported by a multi-year track record of managing its funds to ensure its continuity as a going concern, primarily financed from industry membership fees and domestic and international financing for program and project activities. It prepares annual budgets linking planned operations and expected funding for the year, and its financial system supports budget control and monitoring at institutional and project levels.

Requisite Institutional Capacity

- **Procurement** – FIRCA has well experienced and qualified procurement staff and established institutional procurement procedures, aligned to national public procurement rules which a major international financial institution has determined substantially meet international norms, and which internal audit has reviewed and found FIRCA to be in compliance. FIRCA also has experience as a fiduciary agent for international donor-funded projects including those of major international financial institutions, applying procurement procedures aligned to their requirements. The Public Procurement Code provides for public procurement reviews by the Autorité Nationale de Régulation des Marchés Publics (ANRMP). Complaints relating to public procurement launched by FIRCA are handled by the ANRMP. FIRCA's internal AML-CFT controls connected with contract awards are commensurate with the related risks.
- **Project cycle management (overview)** – FIRCA's 2018 Project Cycle Management Manual covers the full range of steps comprising project identification, preparation, appraisal/quality review, supervision and closure. While it has yet to build up a track record of applying the Manual to its project portfolio, it is based on an earlier project-specific manual. The Project Cycle Management Manual is supplemented by a 2012 Monitoring and Evaluation (M&E) Manual and a recent (February 2019) Environmental and Social (E&S) Policy and Gender Policy. FIRCA has extensive experience providing technical and fiduciary services to projects funded by multilateral and bilateral donors and managing a portfolio of projects/activities in its mandate areas financed by its domestically generated funds, and executed by agricultural sector organizations and sub-grantees.
- **Project Preparation and Appraisal including impact (environment, socio- economic, political, gender etc.) assessment study with risk assessment and mitigation plans** – The Project Cycle Management Manual, together with the E&S and Gender Policies, provides a good base for ensuring the full range of aspects expected by AF are considered during project preparation and appraisal. It has experience in applying internal review processes to assess project proposals including under competitive calls. It presented two large donor-funded projects as examples. The related donor reference indicated that FIRCA has experience in what it has now formalized in the Manuals and Policies, including delivering on safeguards and gender requirements in the two big projects submitted by FIRCA to show its capacity. FIRCA's technical teams (Technical Departments, Planning and Monitoring and Evaluation Unit, Gender and Environment Department) and fiduciary units (Finance and Accounting Administration Department, Procurement and Contract Unit, Internal Audit Unit) have actively organized and participate in the preparation and appraisal processes of these projects. FIRCA also provided two examples illustrating its risk assessment capacity. The donor reference confirmed that FIRCA has shown in depth understanding of risk assessment and mitigation at project level, and ability to anticipate risk.
- **Project Implementation Planning and Quality-at-entry Review** – The Project Cycle Management Manual provides a good base for quality at entry steps prior to and during project start up, and FIRCA provided examples of planning for quality in multi-year sector programs. The donor reference confirmed that FIRCA has the capacity to develop and present quality project proposals and outputs are well designed. FIRCA has detailed procedures for project budgeting and for roll up of project/program budgets into the institution-wide budget. It provided examples of its capacity for budgeting and budget analysis on large international donor-funded projects.

- **Project Monitoring and Evaluation During Implementation** – FIRCA has been purposefully building its M&E capacity, putting appropriate policies and internal expertise in place, and provided examples of monitoring missions during project implementation. Although its track record of applying the new M&E policy needs to be developed, it has shown through its six-monthly institutional reports good capacity to monitor and evaluate ongoing projects in the portfolio. These show capacity to identify projects with sub-optimal performance for action. FIRCA's accounting system supports the production of project accounts and FIRCA was able to provide examples of independent audits of project financial statements with unqualified opinions.
- **Project Closure and Final Evaluation** – FIRCA's project portfolio indicates that donors have confidence in its competence in overseeing project execution, and this was confirmed by one key donor reference. FIRCA has recently adopted appropriate project closure policies and an evaluation policy which will support its compliance with AF requirements. It provided examples of both closure reports and evaluations of completed projects that it has commissioned from independent experts, with the strengths being in analysis of technical and financial aspects. It is still building its capacity and experience in respect of environmental, social and gender dimensions but has demonstrated under other criteria that it has relevant capacities.

Transparency, self-investigative powers, and anti-corruption measures

- **Policies and Framework for Dealing with Financial Mismanagement and Other Forms of Malpractices** – FIRCA has taken recent steps to strengthen its anti-fraud and corruption framework, and in the context of receiving funds through the Government (either pass through of funds received from sector organizations or government subventions), may be subject to review by Government anti-fraud and corruption mechanisms. It has disseminated, on its public website, an anti-fraud and transparency policy. This policy explicitly confirms a zero-tolerance approach, supported by disciplinary and sanctioning measures for violations.

The policy also describes the process of handling complaints of violations. It has a web page and other communication information for making complaints and is also subject to a number of government mechanisms for receiving complaints, including the Inspection Générale d'Etat, the Haute Autorité pour la Bonne Gouvernance, the Cour de Comptes (Supreme Audit Institution), the Inspection Générale des Finances, l'Inspection du Travail, Organs charged with public procurement, Inspections Techniques des Services, or a partner organization in the FIRCA structure. It has a new code of ethics, rules of conduct and conflicts of interest policy, and a new internal ethics function will become operational in 2020. The country's financial intelligence office (CENTIF) has broad authority to monitor financial transactions under Côte d'Ivoire's anti-money laundering (AML-CFT) laws, and to investigate suspicious financial transactions, including those of government officials, and has provision in its public website to receive complaints about suspected money laundering. Internal audit has the role of coordinating investigations, internally or by outside experts. As a recipient of public funds, FIRCA may also be subject to state investigative institutions, including relating to complaints of AML-CFT violations as well as fraud and financial mismanagement in FIRCA. FIRCA advised that there have been no cases in recent years subject to investigation.

- **Commitment by the entity to apply the Fund's Environmental and Social (E&S) Policy and Gender Policy** – FIRCA provided a letter of commitment to adopt the AF's Environmental and Social Policy and Gender Policy in respect of AF projects. Further, it adopted in 2019 its

own Environmental and Social Policy and Gender Policy, posted on its public website, which substantially aligns to the AF Policies. There is a FIRCA Gender and Environment Unit, including a Gender specialist who works with 21 gender focal points in the agricultural sectors. FIRCA also presented examples that demonstrate its capacity to address E&S and gender risks prior to its adoption of relevant policies.

- **Mechanism to Deal with complaints on Environmental and Social Harms and Gender Harms Caused by Projects/Programs** – FIRCA adopted an E&S grievance mechanism policy which is published on its website, with clear information for users on filing complaints concerning non-compliance with safeguard policies and how the complaints will be handled. Complaints may be made through the website using the general contact form or through other channels advertised in the grievance mechanism policy. Although the institutional mechanism is new, FIRCA has experience with implementing project specific mechanisms. There have not yet been complaints submitted under the new policy and FIRCA advised that none had been received under prior project-level mechanisms. This was confirmed by a donor reference in respect of that donor's financed projects.

Conclusion

The Accreditation Panel concludes that the Interprofessional Fund for Agricultural Research and Advice (FIRCA) meets the AF's fiduciary standards, environment and social policy and gender policy, and has demonstrated capacity regarding quality at entry and project/programme implementation. It has in place adequate mechanisms (both within FIRCA and the government) to address issues relating to fraud and financial mismanagement as well as grievance mechanisms for projects. It therefore recommends that FIRCA be accredited as the National Implementing Entity of the Adaptation Fund for Côte d'Ivoire.