



ADAPTATION FUND

AFB/B.35-36/1  
18 November 2020

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Adaptation Fund Board

**REQUEST FOR DIRECT PROJECT SERVICES:  
SOUTH AFRICAN NATIONAL  
BIODIVERSITY INSTITUTE (SOUTH AFRICA)**

## Background

1. The Adaptation Fund Board (the Board) at its twenty-fourth meeting, approved a four year project titled "Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change", submitted by the South African National Biodiversity Institute (SANBI) for a requested amount of US\$ 2,442,682 (decision B. 24/15).

2. The objective of the project is to incorporate climate adaptation response strategies into local practices so that assets, livelihoods and ecosystem services are protected from climate induced risks associated with expected droughts, seasonal shifts and storm-related disaster events. The project includes three main components: i) Providing small grants to vulnerable communities that deliver tangible and sustainable benefits; ii) Empowering local institutions to identify and implement adaptation response measures; and iii) Compiling and sharing lessons learned to facilitate future scaling up and replication of small grant-financing approaches.

3. As of November 16, 2020, a total amount of US\$ 2,442,682 had been disbursed to the project by the trustee, corresponding to 100% of the project funding. In addition, the project has submitted 4 out of the 5 project performance reports (PPR) expected during project implementation. The 4<sup>th</sup> PPR was cleared by the Adaptation Fund Secretariat on November 10, 2020 and the fifth and last PPR is expected by March 2021.

4. In April 2019, the Board has granted a first extension of project completion date from 30 September 2019 to 30 June 2020 (Decision B.33-34/3). A second request was submitted by SANBI in January 2020, which was approved by the Board, for a further nine-month extension of the project completion date from 30 June 2020 to 31 March 2021 (Decision B.34-35/14).

5. The Year 4 of the project implementation has been challenging and some activities have been delayed due to senior management turnover in the uMgungundlovu District Municipality and associated administrative challenges; which have led to a marginally unsatisfactory (MU) rating for the 4<sup>th</sup> PPR.

6. During the Year 4 of the project implementation and at a request of the Executing Entity (EE), SANBI directly procured four services (DPS), for a total value of approximately US\$ 50,000 which equates to 0.8% of total available project budget (see Table 1 in Annex 1).

7. In accordance with the Fund's operational procedures and guidelines (OPG) and its Annex 7, the request for RDPS for a project/programme that has already been approved by the Board, must be submitted to secretariat for Board consideration on an exceptional basis, along with a letter from the Designated Authority of the Adaptation Fund for the country of the project/programme endorsing the RDPS.

8. The procurement services mentioned above are considered as DPS and should have been approved by the Board prior to the execution by SANBI. However, as stated in the RDPS submitted by SANBI (Annex 1), the IE was not aware of the OPG provision for DPS and *"had overlooked the Adaptation Fund policy which requires that the direct procurement of project services by the National Implementing Entity on behalf of the Executing Entity would require explicit approval by the Adaptation Fund, and endorsement by the National Designated Authority"*.

9. The provision of DPS by SANBI was undertaken following SANBI's standard procurement practices and in compliance with the Fund's OPG. These services included the annual audits, the project mid-term evaluation, and two capacity building contracts under the component 4.

These activities and associated budgets were included in the relevant annual plan for Year 4 of the project, prepared by the EE and approved by SANBI as the Implementing Entity.

10. In addition to DPS already completed and in order to expedite the project implementation and avoid further delays, SANBI has requested to provide additional DPS for the procurement of the uMngeni Resilience Project Audits on behalf of the EE going forward, for a total amount of US\$50,000.

11. This process has proved to be an efficient and effective practice that aligns with a request from the SANBI Board that all foreign donor funded project audits, where these are required, are directly procured by SANBI. The audits will be procured using SANBI's competitive bidding processes, in line with the Fund's OPG.

### **Secretariat's review of the request**

12. Following a review of the request, the secretariat finds that the request from the SANBI to provide DPS for audit services is justified and will ensure timely delivery of project activities until the project completion date.

13. In addition, and in relation to DPS already completed by SANBI, the secretariat acknowledged the justification provided by SANBI and recommends the Board's approval of the DPS for a maximum amount of US\$ 50,000, retrospectively. The procurement process is found to be compliant with the Adaptation Fund fiduciary risk management standards.

14. Given the above, the secretariat finds, therefore, the request reasonable and relevant for a timely implementation of the approved project.

### **Recommendation**

15. The Board may consider and decide to approve, on an exceptional basis, the provision by SANBI of a no-additional-cost Direct Project Services for the project "Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change".

### **Annex**

1. Letter from SANBI informing of the Adaptation Fund Board to provide direct project services;
2. Letter from the Republic of South Africa Designated Authority endorsing the RDPS

## Annex 1 – Request from the South African National Biodiversity Institute (SANBI) to the Adaptation Fund Board to provide direct project services (DPS)



17 November 2020

The Adaptation Fund Board  
 C/O Adaptation Fund Board Secretariat  
 1818 H Street NW  
 Washington DC  
 20433  
 USA  
 Email: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org)

Dear Adaptation Fund,

### RE: Justification of previous and future Direct Project Services provided by SANBI in the uMngeni Resilience Project

The South African National Biodiversity Institute (SANBI) is aware that where Implementing Entities undertake Direct Project Services on behalf of Executing Entities, a letter in this regard needs to be submitted to the Adaptation Fund justifying such services.

#### Previous direct procurement services

In Year 4 of the uMngeni Resilience Project, SANBI was requested by the Project Manager, based at the uMgungundlovu District Municipality i.e. the Executing Entity, to support the implementation of the project by procuring four contracts critical to project progress and adherence to the project's operational policies and procedures. These contracts were to undertake/implement the following services:

- Annual Audit of project activities for the period 01 October 2016 to 30 September 2017;
- Mid-Term Evaluation of the project;
- Capacity Building Programme focussed on climate change adaptation; environmental issues and biodiversity conservation; and
- Capacity Building Programme focussed on community skills development.

In Year 5 of the project SANBI was again requested to undertake the procurement of the following contract:

- Annual Audit of project activities for the period 01 October 2017 to 31 December 2018.

The combined value of these five contracts is USD 55,334, which equates to 0.8% of the available budget (see Table 1).

The Annual Audits and the Mid-Term Evaluation were to be resourced out of the Executing Entity portion of the budget, and the two Capacity Building contracts were to be resourced out of Component 4: Capacity Building and Learning. These activities and associated budgets were included in the relevant annual plan for Year 4 of the project, prepared by the Executing Entity and approved by SANBI as the Implementing Entity.

As noted in the Project Performance Reports of the uMngeni Resilience Project submitted to the Adaptation Fund to date, the implementation of the project has been behind schedule for a number of years. One of the primary reasons for the delays in anticipated progress has been delays in the Executing Entity's procurement and related processes.

SANBI agreed to these requests to procure the services on behalf of the Executing Entity, and procurement was undertaken following SANBI's standard procurement practices. Supporting documentation (i.e. Terms of Reference that were advertised, collated list of bids that were received, assessment of viable bids, recommendation based on technical assessment, and final decision on preferred bidder factoring in price) is available for each contract should this be required.

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The implementation of the contracts proceeded effectively and was collaboratively managed by SANBI and the Executing Entity. All the contracts noted in the table above have now been concluded, and all were successfully delivered.

**Table 1: List of contracts that were directly procured by the Implementing Entity on behalf of the Executing Entity**

| Output           | Contract name   | Contracted Entity                            | Contract value (USD) | Contract start date | Contract end date |
|------------------|---|--|----------------------|---------------------|-------------------|
| Executing Entity | Annual Audit of project activities for the period 01 October 2016 to 30 September 2017  | Licksman Accounting Services                 | 2 922                | 26-Nov-18           | 31-Jan-19         |
| Executing Entity | Annual Audit of project activities for the period 01 October 2017 to 31 December 2018   | Licksman Accounting Services                 | 5 725                | 27-Jan-20           | 30-April-20       |
| Executing Entity | Mid-Term Evaluation of the Project  | Vision Research Strategy Management          | 19 998               | 27-Nov-18           | 31-May-19         |
| Component 4.1    | Implementation of a Capacity Building Programme focussed on climate change adaptation; environmental issues and biodiversity conservation | Tonex Management Solutions                   | 8 917                | 14-Jan-19           | 13-Jul-20         |
| Component 4.1    | Implementation of a Capacity Building Programme focussed on community skills development  | Wildlife Environment Society of South Africa | 17 772               | 14-Jan-19           | 13-Nov-20         |

At the time of agreeing to this direct procurement, SANBI had overlooked the Adaptation Fund policy which requires that the direct procurement of project services by the National Implementing Entity on behalf of the Executing Entity would require explicit approval by the Adaptation Fund, and endorsement by the National Designated Authority. We apologise for this oversight.

In this regard, SANBI requests that permission be retrospectively granted by the Adaptation Fund for SANBI to undertake the above Direct Project Services.

#### **Future Direct Project Services**

SANBI would also like to please request permission from the Adaptation Fund to directly undertake the procurement of the uMngeni Resilience Project Audits on behalf of the Executing Entity going forward.

There are four audits remaining on the project: Year 4, Year 5, Year 6 and the end of project audit. While the value of these audits will be based on the assessment of proposals received as per SANBI's procurement processes, based on anticipated spend, it is estimated that the combined value of the four audits will not exceed USD 50,000.

The direct procurement of audit services has proved to be an efficient and effective practice that aligns with a request from the SANBI Board that all foreign donor funded project audits, where these are required, are directly procured by SANBI.

The audits will be procured using SANBI's competitive bidding processes.

Please advise if this is in order.

Sincerely,



Dr Mandy Barnett  
Chief Director: Adaptation Policy and Resourcing

## Annex 2 - Letter from the Republic of South Africa Designated Authority endorsing the RDPS



### environment, forestry & fisheries

Department:  
Environment, Forestry and Fisheries  
**REPUBLIC OF SOUTH AFRICA**

Private Bag X447, Pretoria, 0001, Environment House, 473 Steve Biko Road, Pretoria, 0002 Tel: +27 12 399 9000, Fax: +86 625 1042

**Ref:** EDMS 198869

**Enquiries:** Shahkira Parker

**Tel:** 012 399 9240 **Email:** [sparker@environment.gov.za](mailto:sparker@environment.gov.za)

The Adaptation Fund Board  
c/o Adaptation Fund Secretariat

**Email:** [Secretariat@adaptation-fund.org](mailto:Secretariat@adaptation-fund.org)

Dear Sir/Madam

#### **ENDORSEMENT FOR THE SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE (SANBI) TO OBTAIN DIRECT PROJECT SERVICES FOR THE UMNGENI RESILIENCE PROJECT**

I refer to the Umngeni Resilience Project currently under implementation.

It has been brought to my attention that the project has been behind schedule for a number of years due to delays in the Executing Entity's procurement and related processes. As a result, the South African Biodiversity (SANBI) was requested to undertake procurement services for the project on behalf of the Executing Entity. Subsequently, SANBI agreed to procure the services on behalf of the Executing Entity, and procurement was undertaken following SANBI's standard procurement practices.

Contracts were concluded to undertake the following services:

- Annual Audit of project activities for the period from 01 October 2016 to 30 September 2017;
- Mid-Term Evaluation of the project;
- Capacity Building Programme focused on climate change adaptation; environmental issues and biodiversity conservation;
- Capacity Building Programme focussed on community skills development; and
- Annual Audit of project activities for the period from 01 October 2017 to 31 December 2018.

The combined value of these five contracts amounted to USD55 334. The contracts were collaboratively managed by SANBI and the Executing Entity, and all the contracts noted have now been concluded.

It is in this regard that I hereby endorse the direct project services already undertaken by SANBI, as indicated above, on behalf of the Executing Entity for the uMngeni Resilience Project. I further endorse that SANBI directly undertake the procurement of the uMngeni Resilience Project Audits on behalf of the Executing Entity going forward.

Yours sincerely

**Mr Ishaam Abader**  
**ACTING DIRECTOR-GENERAL**  
**DATE: 09/11/2020**



*Batho pele* - putting people first