



ADAPTATION FUND

26 January 2022

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast-Track Re-accreditation of the Centre de Suivi Ecologique (CSE), Senegal as a National Implementing Entity (NIE) of the Adaptation Fund

Having reviewed the fast-track re-accreditation application of the *Centre de Suivi Ecologique* (CSE), Senegal the Accreditation Panel recommended CSE to be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

A summary of the review is presented in Annex I below.

Re-accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the fast-track re-accreditation process approved by Decision B.28/38, the Adaptation Fund Board decided to re-accredit the ***Centre de Suivi Ecologique (CSE), Senegal*** as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 25 January 2027.

Decision B.37-38/4

ANNEX I
REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE CENTRE DE SUIVI ECOLOGIQUE FOR THE SECOND-TIME RE- ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.

BACKGROUND

Senegal is highly vulnerable to climatic and environmental shocks. Droughts and floods have intensified in recent years, and climate change is expected to further exacerbate the extremes of weather patterns and natural hazards facing Senegal. The *Centre de Suivi Ecologique* (CSE) or Center for Ecological Monitoring was initially established as a project in 1986 in response to the droughts of the 1970s and mid-eighties which led to the loss of more than 60% of livestock in Senegal. CSE's mission is to "contribute to knowledge and the sustainable management of natural resources and the environment through the generation and distribution of knowledge services to assist decision-makers" at national and local levels in policymaking and operations.

Although a relatively small organization (total staffing of 40, of which 28% are female) and established as a national organization, CSE's reach is regional as demonstrated by the number and types of projects it has implemented in cooperation with regional and international partners, establishing itself as a key player in climate change adaptation in the Sahel and West Africa.

CSE operates under the supervision of the Ministry for the Environment. Its highest governing body is the General Assembly (GA) which is comprised of all members of the Association. The GA meets once a year in ordinary session, appoints the Board and the Director-General (DG), the external auditor, approves the external accounts and the operating budget of the Association. The key decision-making powers of the GA are delegated to a 5-member "Bureau" which, although nominally advisory, functions as an executive body of the GA. The members of the Board are elected by the GA for a 3-year term renewable once. The main responsibilities of the Board are to supervise the Director-General and assist the GA in its oversight responsibilities. The DG, appointed for a 5-year renewable term, is the chief executive officer responsible for the day-to-day management of the organization. CSE is funded by contributions from the government of Senegal, the United Nations Development Programme and the United Nations Sudano-Sahelian Office, endowment income, voluntary contributions from individuals and organizations, and project grants on which CSE receives management fees.

The AF Board initially approved CSE's accreditation as a National Implementing Entity in 2010 and re-accredited it in March 2015. It has completed implementation of one AF project and is close to completing a second. **CSE submitted to the Secretariat via the online workflow system in November 2018 its application for fast-track re-accreditation having** received Green Climate Fund (GCF) fast track accreditation with conditions in March 2015. It is currently implementing one GCF project.

ASSESSMENT FOR ACCREDITATION

By virtue of its accreditation with the GCF CSE is being assessed pursuant to the Board's approval of a Fast Track Re-accreditation (FTR) process for implementing entities that had been accredited by the Green Climate Fund (GCF) pursuant to EB Decisions B.32/1 dated 12 October 2018 based on AFB/B.32/5. It also includes an assessment of the Fund's Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism pursuant to Board Decision B.32/36 based on AFB/EFC.23/4. Furthermore, from the second time re-accreditation, pursuant to the re-accreditation-process the financial management and integrity criteria of the fiduciary standards are also assessed.

Financial Management and Fiduciary Standards

Legal Status

In accordance with its Statute of Association established under Senegalese law, CSE has its own legal personality, 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. There has been no change to its legal status since its accreditation. CSE provided examples of agreements it has entered into with the AF and other international organizations.

Financial statements including Project Accounts and Provisions for Internal and External Audits

CSE's Audited Financial Statements (AFS) comply with the West African Accounting Standards which are being harmonized with the International Financial Reporting Standards. CSE submitted AFS for several years, all with unqualified audit opinions.

CSE's institutional financial statements are externally audited by an independent accounting firm, in accordance with the International Standards on Audit published by the International Federation of Accountants.

CSE uses the e-PEGASE application for its Enterprise Resource Planning system to manage its financial and accounting information system. The application has a decade-long track record in the mainly francophone countries of West and Central Africa sub-regions, and CSE's is implementing recommendations of its external auditor to leverage the additional capabilities of the application.

Internal audit services, aimed at improving the efficiency and effectiveness of CSE 's operations, are outsourced to an individual expert. CSE has demonstrated the effectiveness of the internal audit function through periodic reports and the implementation of audit recommendations.

The GA established an Audit Committee (AC) in 2019 to help the GA in its oversight responsibilities and the approved AC charter meets the essential requirements of best practice, and the demonstrated high quality of the IA services will contribute to the AC's

ability to fulfill its mandate. The GA continues to direct oversight activities while the AC is in its startup phase.

Internal Control Framework

CSE's internal control framework (ICF) is largely defined by its Statute, and additionally by policies and guidelines that aim to strengthen accountability and transparency at both the institution and project levels. The policies and guidelines are built into the CSE's organizational structures and operations and are fully integrated in the management processes of planning, execution and monitoring. CSE has recently updated and approved several elements of the ICF: Code of Ethics, Project Cycle Management Manual, Policy on Anti-Money Laundering/Countering the Financing of Terrorism, and Manual of Administrative, Accounting and Financial Procedures.

Policies and procedures, screening and decision-making related to anti-money laundering/countering the financing of terrorism (AML/CFT) on disbursements, procurement, and handling instances of non-compliance to these policies and procedures, and laws.

CSE operates within a national financial system which is subject to Senegalese AML/CFT laws. The national law itself relies on a common approach adopted by members of the West African Monetary Union (WAEMU). As well, the Government of Senegal is party to other international agreements to fight money laundering and the financing of terrorism. CSE has made its own efforts to incorporate these frameworks into its institutional policies related to screening AML/CFT risks in the payment system, procurement policies, and handling breaches of AML/CFT laws. Its current AML/CFT policy was approved by the GA in September 2019. CSE has submitted documentation demonstrating the actual operation of its AML/CFT regime, including an active cooperation with relevant financial institutions

Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets.

CSE prepares five-year plans based on its mandate and long-term strategic objectives. The draft Strategic Plan undergoes a validation process which culminates in its approval by the General Assembly prior to implementation through annual operational plans and budgets. The SP includes frameworks for results and monitoring and evaluation. The completed SP (2015-2019) was reviewed in 2018 and CSE took its major recommendation into account in the development of the new strategic plan (2020-2024) whose finalization and approval has been delayed due to the covid-19 pandemic. CSE has a process for operationalizing its strategic plan and monitoring its budget to ensure its continued viability as a going concern. It provided actual examples of budget monitoring reports and analysis that are generated from the ERP, e-PEGASE.

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

Policies and Framework for Dealing with Financial Mismanagement and Other Forms of Malpractices

CSE's policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice apply to both staff and external parties conducting business with CSE. It is easily

accessible in both French and English on CSE's website, which also includes accessible reporting mechanisms. Violations of the policy are subject to sanctions provided in the rules and procedures of CSE, as well as possible referral to competent authorities.

The internal oversight function includes management of the hotlines and the investigation procedures that are carried out either by the Internal Auditor or external expert resources using best practice investigation guidelines commensurate to CSE's size as an organization. CSE did not report any case of fraud or financial mismanagement in the last two years.

Commitment by the entity to apply the Fund's Environmental and Social (E&S) Policy and Gender Policy

The Director General reaffirmed in writing CSE's commitment to abide by the AF's Environmental and Social, and Gender (ES&G) policies, and has demonstrated compliance in its AF financed projects. Although its projects are classified as having minimal or no adverse environmental and/or social risks and/or impacts, CSE has taken steps (updating key ES & G documents) to strengthen its ES&G risk and impact management processes in projects to ensure that they meet AF's ES&G safeguard standards. The Gender *Action Plan* focusses on integrating issues of gender in CSE's strategic plans and implementing a gender specific monitoring and evaluation system. CSE has satisfactorily implemented the AF's ES & G requirements in its AF-funded projects.

Mechanism to Deal with complaints on Environmental and Social Harms and Gender Harms Caused by Projects/Programmes

CSE has the commitment and the capability to receive, have independently reviewed and take remedial action where appropriate on complaints regarding environmental, social and gender harms caused by its programmes and projects. CSE has not registered any complaints on its projects since implementation of its grievance mechanism but wants to strengthen this and decided recently to test the concept by customizing this for a specific project.

CONCLUSION

After taking into consideration the information provided by CSE during the re-accreditation process, the applicant is considered to meet all the standards reviewed and the Panel, therefore, recommends that CSE be re-accredited through the fast-track approach for the second time as a National Implementing Entity of the Adaptation Fund.