



ADAPTATION FUND

AFB/B.33/4  
22 February 2019

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Adaptation Fund Board  
Thirty-third Meeting  
Bonn, Germany, 14-15 March 2019

Agenda item 7

## **REPORT OF THE THIRTIETH MEETING OF THE ACCREDITATION PANEL**

## WORK OF THE ACCREDITATION PANEL

1. The Accreditation Panel (the Panel) continued its work reviewing both new and existing applications. On 30–31 January 2019 the Panel held its thirtieth meeting at the Adaptation Fund Board Secretariat's (the secretariat) offices in Washington, D.C. The Chair of the Accreditation Panel Mr. Chebet Maikut (Uganda, Least Developed Countries) presided over the meeting.

2. For the thirtieth Panel meeting, the secretariat didn't receive any new complete accreditation applications. During the period from the thirtieth Panel meeting to the date of the finalization of this report, however, the secretariat has received two new complete accreditation applications for a potential National Implementing Entity (NIE) and a potential Regional Implementing Entity (RIE). The Panel has continued reviewing 8 re-accreditation applications – eight NIEs– and 14 accreditation applications of 12 potential NIEs and two potential RIEs that were previously reviewed but required additional information for the Panel's review. Out of the 12 potential NIE applications, three applications have been dormant for over six months since the last Board meeting. Therefore, in accordance with Board Decision B.31/26, the secretariat sent a letter in January 2019 for the second time<sup>1</sup> to the respective Designated Authorities (DAs) of the countries who nominated the NIE applicant of the country informing the inactivity of the applicant entity.

3. After considering the recommendations by the Panel, the Board intersessionally approved fast re-accreditation of the Observatoire du Sahara et du Sahel (OSS) as RIE (decision B.32-33/14) and re-accreditation of the Protected Areas Conservation Trust (PACT) of Belize as NIE (decision B.32-33/13).

4. At its thirtieth meeting, the Panel concluded the review of an application for accreditation of a potential NIE and an application for re-accreditation of an NIE and reached a consensus to recommend accreditation and re-accreditation respectively. During the period from the thirtieth meeting of the Panel to the date of the finalization of this report, the Panel additionally concluded the review of two re-accreditation applications for one RIE and one NIE and reached a consensus to recommend re-accreditation. These applications are as follows and the Panel's reports on its assessment of respective application are contained in the Annexes I- IV to this report:

- (i) Accreditation application of the Ministry of Water and Environment of Uganda;
- (ii) Re-accreditation application of South African National Biodiversity Institute (SANBI);
- (iii) Re-accreditation application of the Secretariat of the Pacific Regional Environment Program (SPREP); and
- (iv) Re-accreditation application of Ministry of Environment (MoE), Rwanda

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<sup>1</sup> First letter informing the dormant status of the respective application was sent to its DA in May 2018.

5. 14 applications (12 for potential NIEs and two for potential RIEs) are currently under review by the Panel as per the following list. For purposes of confidentiality, the assigned code is used to report on the status of each nominated Implementing Entity's application.

- 1) National Implementing Entity NIE018
- 2) National Implementing Entity NIE044
- 3) National Implementing Entity NIE046
- 4) National Implementing Entity NIE057
- 5) National Implementing Entity NIE064
- 6) National Implementing Entity NIE065
- 7) National Implementing Entity NIE066
- 8) National Implementing Entity NIE113
- 9) National Implementing Entity NIE133
- 10) National Implementing Entity NIE136
- 11) National Implementing Entity NIE139
- 12) National Implementing Entity NIE141
- 13) Regional Implementing Entity RIE008
- 14) Regional Implementing Entity RIE016

## **GENERAL TRENDS**

6. As at the date of this report, the total number of accredited implementing entities amounts to 46: 28 NIEs, six RIEs, and 12 Multilateral Implementing Entities (MIEs) (Figure 1). Among 28 NIEs, there are seven accredited NIEs that are from Least Developed Countries (LDCs) and six accredited NIEs that are from Small Islands Developing States (SIDS) (Figure 2). Out of the 46 accredited implementing entities of the Fund, 15 entities (33%) have been re-accredited: four NIEs, one RIE and 10 MIEs. With respect to the geographic coverage of the 28 NIEs and six RIEs, 13 entities are from Latin American and the Caribbean region, 12 are from Africa region, eight are from Asia-Pacific region and one entity is from Eastern Europe region (Figure 3).

Figure 1. Accredited Implementing Entities by type

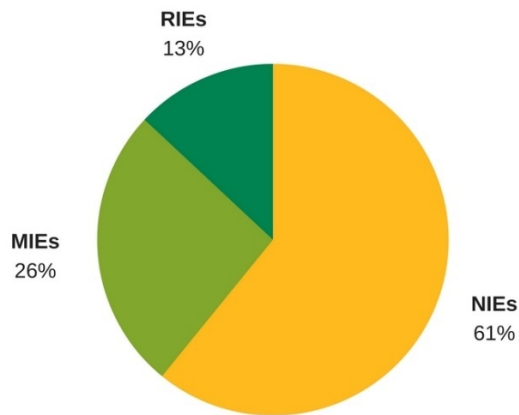


Figure 2. LDCs and SIDS among accredited NIEs

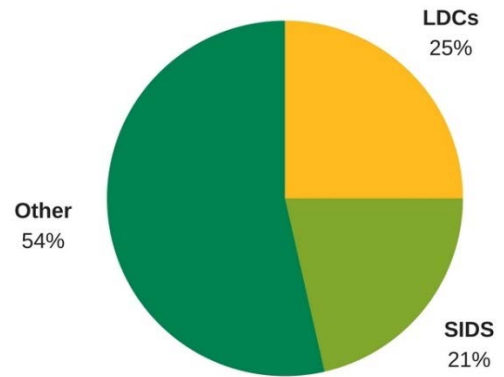
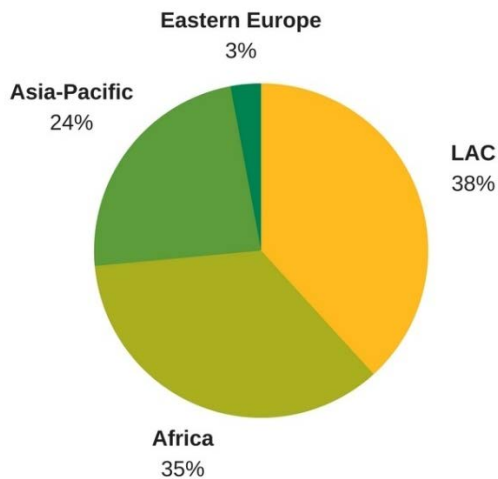


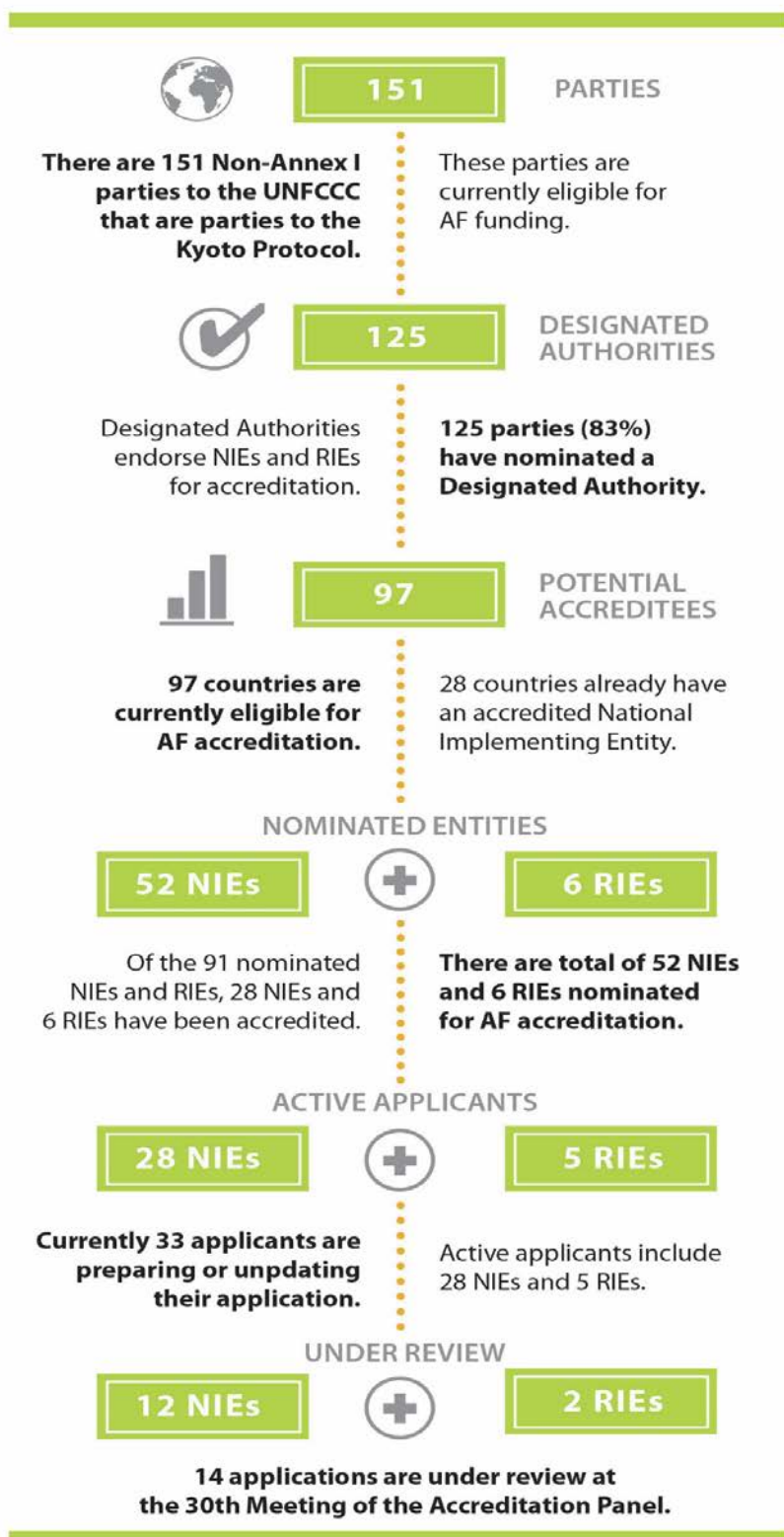
Figure 3. Accredited NIEs and RIEs by region



## ACCREDITATION PIPELINE

7. The following infographic (Figure 4) provides an update on the current accreditation pipeline which does not include re-accreditation applications.

Figure 4. The accreditation pipeline of the Adaptation Fund as of 21 February 2019.



**STATUS OF APPLICATIONS UNDER REVIEW**

	<b>SUBMISSION OF APPLICATION</b>	<b>REFERENCE FOR BACKGROUND INFORMATION</b>	<b>CURRENT STATUS</b>
<b>EXISTING APPLICATIONS</b>			
NIE018	Aug-18	N/A	On 9 August 2018, the applicant submitted an application. After screening by the secretariat, the application was sent back to the applicant with comments and request of upload of missing supporting documents on 13 September 2018, The Applicant resubmitted application on 12 December 2018. The secretariat is in the process of screening verifying the applicant's compliance with legal capacity requirements for accreditation.
NIE044 (Dormant Application)	Jan-13	Doc. AFB/B.32/5	Despite secretariat's follow-up emails, there has been no progress since AP23 meeting in August 2016. In accordance with AFB Decision 31/26 this application is considered as 'dormant,' and the secretariat sent a letter to the DA informing the inactivity of the applicant for the first time on 22 May 2018 and on 16 January 2019 for the second time. The DA has yet to acknowledge the receipt of the letter.
NIE046	Dec-12	Doc. AFB/B.32/5	A field visit was conducted in June 2018. The secretariat and the Panel found that the field visit has facilitated the accreditation process. On 21 August 2018, the Panel communicated a list of updated pending documents to be uploaded. On 31 January 2019, the applicant submitted supporting documents. The Panel completed their review of the submitted documents on 13 February 2019 and feedback will be shared with the applicant.
NIE057 (Dormant Application)	Apr-14	Doc. AFB/B.32/5	The challenge that the applicant is facing is its lack of experience of noncredit (grant) project funding and implementation. There has been no progress since 15 August 2017. The secretariat sent a follow-up email in November 2017 and received a response from the entity thanking the support. In accordance with AFB Decision 31/26 this application has been considered as 'dormant,' and the Secretariat sent a letter to the DA informing the inactivity of the applicant for the first time on 22 May 2018 and on 16 January 2019 for the second time. The DA acknowledged the receipt of the two letters respectively and reconfirmed the support to the applicant's accreditation process with the Adaptation Fund.

NIE064 (Dormant Application)	Apr-16	Doc. AFB/B.32/5	Upon the secretariat's follow-up email, the applicant replied on 12 January 2017 indicating that the government decided to put its NIE accreditation on hold to ensure that the NIE is equipped with its required institutional capacities and rules and procedures. The applicant deems that it will take some time to complete the process. The applicant will contact the secretariat to resume accreditation process again once the process is done. In accordance with AFB Decision 31/26 this application is considered as 'dormant,' and the secretariat sent a letter to the DA informing the inactivity of the applicant for the first time on 22 May 2018 and on 16 January 2019 for the second time. The DA has yet to acknowledge the receipt of the letter.
NIE065	Aug- 18	N/A	The applicant has submitted an application on 3 August 2018. The secretariat completed the screening on 13 August 2018 and sent the application back to the applicant with a request of uploading missing supporting documents. The applicant resubmitted application on 9 January 2019. The Panel started reviewing the application on 20 January 2019 after the secretariat screening.
NIE066	Apr-15	Doc. AFB/B.32/5	The applicant is a small organization with limited capacity. The accreditation process is officially under the streamlined accreditation. In the context of the AF South-South Cooperation Grants programme (approved by the Board in March 2016), the applicant has completed its application, initially submitted in August 2015, with the help of an AF accredited NIE in 2017. The Panel was of the view that the applicant made improvement with regard to its financial management and has been working on required policies and procedures, but it may take some time for the applicant to demonstrate the track record of the implementation of the newly set-up system. The secretariat sent the DA an official letter with the Panel summary report on the status of the applicant's application on 18 January 2019. The Panel reemphasized the importance of the DA's role in selecting a suitable NIE applicant.

NIE113	Dec-15	Doc. AFB/B.32/5	The application has been under the streamlined accreditation process since an official letter signed by the Designated Authority on the agreement of pursuing streamlined accreditation process was submitted to the Secretariat on 31 October 2016. The applicant had received readiness support from the Fund's accredited NIE under the South-to-South Cooperation Grants Programme. Applicant submitted some of the requested documents on 30 May, 20 July and 20 August 2018. The secretariat/Accreditation team held a bilateral meeting with the applicant during COP24 in Poland in December 2018. Applicant's submission of other requested documents is pending and a conference call among the secretariat, Panel, and the applicant will be held soon.
NIE133	Feb-17	Doc. AFB/B.32/5	The applicant's submission of requested information is pending. The secretariat sent a follow-up email to the applicant on 16 May 2018. Based on the information and documentations received so far, the Panel shared their concern over whether the applicant is suitable for accreditation due to its lack of track record of non-credit and development projects. The corporate mandate and strategies appear to be purely focused on financial and banking goals. The Secretariat sent an official letter with the Panel's summary report to the DA on 18 January 2018.
NIE136	Aug-16	Doc. AFB/B.32/5	The applicant has been receiving readiness support from the accredited NIE under the Fund's South-to-South Cooperation Grants Programme. Applicant submitted 39 additional documents in June and August 2018. The Panel shared his feedback of the submitted documents and an updated list of pending information with the applicant on 11 September 2018. The Secretariat conducted a field visit to applicant in October 2018. Between November 2018 and January 2019, the applicant submitted 87 additional documents. The Panel submitted feedback of the submitted documents and an updated list of pending information to the applicant on 9 January 2019. The list of pending documents was shared with the applicant, and the applicant expressed its commitment to uploading the requested documents.



NIE139	May-17	Doc. AFB/B.32/5	The application was submitted on 30 May 2017 and was re-submitted in July 2017. The applicant has maintained active communications with the secretariat and the Panel through emails, conference calls. The Secretariat was informed of the change of the NIE focal point in January 2018. Applicant submitted some of the requested documents on 23 August 2018. The Panel completed review of the submitted documents and communicated the applicant with a list of updated pending information on 15 October 2018. On 25 January 2019 the applicant submitted additional documents. The Panel reviewed the documents and communicated the applicant with a list of updated pending information on 12 February 2019.
NIE141	Dec-17	Doc. AFB/B.32/5	The applicant has been receiving readiness support from the accredited NIE under the Fund's South-to-South Cooperation Grants Programme. Applicant's communicated to the Secretariat on 7 July 2018 of the changes related to the DA, NIE applicant's institutional change, and the focal point of the NIE applicant. The secretariat held a bilateral meeting with the delegation of the country to discuss the accreditation process during the Climate Change conference (COP24) in Poland in December 2018, The Secretariat received an official letter of new DA appointment on 8 January 2019. As next steps, the Secretariat advised the applicant that it needs to receive (i) an official letter of endorsement of an NIE applicant due to the 'split' of the existing NIE applicant; (ii) once a new focal point of NIE applicant is confirmed by the new DA, a phone conversation with the new focal point of the NIE applicant will be scheduled. The afore-mentioned process (i) and (ii) are pending, and the review process is currently on hold.
RIE008	Jan-14	Doc. AFB/B.32/5	The application had been dormant for over two years. The Secretariat's receipt of an official letter from the applicant that it intends to withdraw its application from the AF accreditation process in April 2018. The Secretariat sent a letter to the entity providing further clarification, and the applicant acknowledged the receipt of the letter and has yet to request any further clarification. Following the secretariat's communication of the Board decision B.32/1 related to fast-track accreditation, the applicant expressed its interests in resuming the accreditation process with the Adaptation Fund, and that it would inform the secretariat of its final decision after internal discussion

RIE016	Mar-17	Doc. AFB/B.32/5	Applicant submitted some supporting documents on 28 June 2018. Other requested documents are pending. A field visit was held in early November 2018. The Panel is reviewing the additional documents and response to the third set of questions the applicant submitted in January 2019.
<b>RE- ACCREDITATION</b>			
NIE002	Jun-16	Doc. AFB/B.32/5	Accreditation expired on 21 June 2016. The Panel was of the view that the entity has been through some positive restructuring, but there are still capacities which have not been fully demonstrated. A Bilateral meeting was held during the COP24 in Katowice, Poland between the entity and the secretariat. Applicant's submission of requested documents/ information is still pending.
NIE016	Aug-16	Doc. AFB/B.32/5	Accreditation expired on 13 December 2016. Many of the documents were not in English. The entity submitted some of the requested documents in English in late April 2017. The focal point of the entity has changed, and the secretariat, Panel and the new focal point and their team had a conference call to facilitate a smooth handover of the re-accreditation work in June 2017. Since then, the entity submitted some of the requested information in early and late August 2017, but other requested information is still pending. The secretariat sent follow-up emails in May and June 2018. A Bilateral meeting between the secretariat and delegation of the country was held in December 2019 during the COP24, Katowice, Poland. The entity's submission of requested information is pending.
NIE017	Nov-17	Doc. AFB/B.32/5	Accreditation expired on 15 April 2017 and the entity submitted the re-accreditation application on 21 November 2017. The entity submitted 49 supporting documents on 28-30 July 2018. The Panel provided feedback to the applicant on submitted documents on 30 November 2018. The entity's submission of requested documents is pending.

NIE030	Dec-16	Doc. AFB/B.32/5	Accreditation expired on 15 March 2017. The Secretariat and the Panel conducted a field visit to the entity on 9-10 May 2018. During the visit, the Designated Authority provided information that it may consider nominating a new NIE and asked related questions to the secretariat and the Panel. The secretariat explained that as only one NIE can be accredited per country, if the country decides to nominate a new NIE, the DA needs to send an official letter of new NIE nomination and the current NIE withdrawal. In that case, the new NIE needs to start 'accreditation process' anew. The Panel updated the assessment and shared a list of pending information/documents with the entity. The entity communicated to the secretariat that with new administration in place, lots of changes are ongoing, but the entity may likely continue the re-accreditation process: 8 January 2019. The entity's submission of the requested documents is pending.
NIE031	Aug-16	Doc. AFB/B.32/5	Accreditation expired on 15 March 2017. In July 2018, the Secretariat was notified by email of a possible re-organization of the NIE. In September 2018, the Secretariat was notified that the NIE re-organization was completed. The entity submitted additional documents on 22 August 2018 and January 2019. On 15 January 2019, the Panel completed the review of the submitted documents and requested the entity to submit pending information and documents.
NIE032	Apr-18	Doc. AFB/B.32/5	Accreditation expired on 30 December 2017. The entity submitted requested documents on 23 August and on 4 September 2018. On 26 October 2018, the Panel completed its review of the submitted documents and communicated its feedback to the entity. The entity submitted requested documents on 25 January 2019. The Panel is currently reviewing the submitted documents and will share their feedback on these with the entity.
NIE037	Jan-19	Doc. AFB/B.32/5	Accreditation expired on 18 November 2017. The entity submitted re-accreditation application on 19 January 2019. The secretariat completed the screening and the Panel started review of the application on 1 February 2019
NIE042	Jun-18	Doc. AFB/B.32/5	Accreditation will expire on 20 March 2019. The entity re-submitted application on 9 July 2018. The Panel has completed the initial review and communicated the result and a list of pending documents to the Entity on 17 October 2018. Entity's submission of requested documents is pending.

## OTHER MATTERS

8. **Discussion on a ‘fast-track’ accreditation process for entities accredited with the Green Climate Fund:** This discussion is related to the Board decision B.32/1, paragraph (c): “To request the secretariat to carry out an assessment of the GCF accreditation standards in 2019, including a gap analysis, and to present it to the Board at its thirty-fourth meeting.” The secretariat provided background information, including the countries’ interests and request of further streamlined accreditation process, harmonization of similar processes in climate funds to allow them to access climate financial resources. Regarding the gap analysis to be conducted in the following months, the Panel mentioned that such analysis could be used later by the Board, in consideration of whether it would wish to harmonize the accreditation criteria of the Fund and the GCF.

9. **Discussion on implications of implementing entity reorganization:** This discussion is related to the Board decision B.32/37 where regarding the possible implications of the reorganization of a national implementing entity for project implementation and its accreditation and/or reaccreditation, the Adaptation Fund Board decided to request the secretariat, in collaboration with the Accreditation Panel, to prepare and submit a background document reflecting specific cases to the EFC for consideration at its twenty-fourth meeting, as well as options for dealing with cases where the national implementing entity is reorganized. The Panel exchanged their views and suggestions on: what steps are to be taken, which supporting documents the re-organized entity needs to submit, which capacity of entity will be assessed to determine whether the entity needs to go through a new accreditation (as a new entity) or re-accreditation (as a successor entity when the re-organization is minor such as name change, and the successor entity has the policies and systems similar to those which had existed in the predecessor entity). The Panel also shared its experiences of dealing with three cases where the entity was renamed and/or reorganized. The Panel’s experiences dealing with IE reorganization in terms of accreditation and re-accreditation are reflected in document AFB/EFC/24.3.

10. **Discussion on the Reaccreditation application form:** This discussion is related to the Board Decision B.32/36 paragraph (c) (i). The Panel exchanged their views and suggestions on the list of supporting documentation which needs to be streamlined to avoid possible duplication of documentation that has already been provided at the time of original accreditation. Also, to further streamline re-accreditation review process, the idea of ‘self-assessment’ from a high-level authority within the entity in relevant sector (instead of submitting all the documentation which were presented at the accreditation) was suggested as an option. To this aim, the Panel’s input will be requested on sections 2-9 of the accreditation application form with a view to identify feasibility of self-assessment on these sections instead of full documentation.

11. **Change of status of Agencia Nacional de Investigación e Innovación (ANII) of Uruguay as National Implementing Entity:** The entity’s accreditation expired on 16 September 2015. Considering the updated re-accreditation process approved by the Board by decision

B.31/1 (Annex I to document AFB/B.31/4)<sup>2</sup>, “the statuses of an implementing entity can be categorized into three: “Accredited,” “In Re-accreditation Process,” and “Not-Accredited.” If an implementing entity does not submit re-accreditation application by its accreditation expiry date, or the entity does not achieve re-accreditation within three years from the accreditation expiry date, it acquires the status of “Not-Accredited” following a Board decision”. ANII has not resubmitted the application within the accreditation expiry date (16 September 2015) and has not achieved re-accreditation within three years from the accreditation expiry date, by 16 September 2018. The secretariat has, since 2016, been repeatedly in touch with ANII, also involving the Designated Authority for Uruguay, and ensured that ANII is aware of this consequence of not applying for re-accreditation. Following the fact that ANII has not applied for re-accreditation, according to the re-accreditation policy contained in Annex I to document AFB/B.31/4, the status of the ANII will change into “Not-accredited,” which means that ANII will no longer be an accredited entity of the Adaptation Fund when a Board decision is made. The relevant AP recommendation is contained in the AP report to be presented to the Board for its consideration and decision. In addition, to ensure that the ANII will continue to implement and complete the project in accordance with the terms and conditions of the grant agreement signed between the Board and the ANII on 27 December 2011 the draft decision prepared by the secretariat is presented in the ANNEX V to this document for Board’s consideration and decision.

12. The thirty-first meeting of the Accreditation Panel: 21-22 May 2019 in Washington D.C.

### **Recommendations:**

#### Accreditation of the Ministry of Water and Environment of Uganda as National Implementing Entity

13. Having reviewed the accreditation application of the Ministry of Water and Environment of Uganda, the Accreditation Panel recommends that the Ministry of Water and Environment be accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

**(Recommendation AFB /AP.30/1)**

#### Fast-track re-accreditation of South African National Biodiversity Institute (SANBI) as National Implementing Entity

14. Having reviewed the re-accreditation application of South African National Biodiversity Institute (SANBI), the Accreditation Panel recommends that SANBI be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

**(Recommendation AFB /AP.30/2)**

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<sup>2</sup> Available at [https://www.adaptation-fund.org/wp-content/uploads/2018/03/AFB.B.31.4-AP-Report\\_final\\_12\\_March2018.pdf](https://www.adaptation-fund.org/wp-content/uploads/2018/03/AFB.B.31.4-AP-Report_final_12_March2018.pdf).

Change the status of Agencia Nacional de Investigación e Innovación (ANII) of Uruguay into 'not-accredited'

15. Having considered the fact that the Agencia Nacional de Investigación e Innovación (ANII) of Uruguay, a National Implementing Entity of the Adaptation Fund accredited on 17 September 2010, has not submitted a re-accreditation application by its accreditation expiry date of 16 September 2015 and has not achieved re-accreditation within three years from the accreditation expiry date, by 16 September 2018, in accordance with decision B.31/1 related to the revised re-accreditation policy contained in the Annex I to document AFB/B.31/4, *the Accreditation Panel recommends that the status of the Agencia Nacional de Investigación e Innovación (ANII) be changed into 'not-accredited'*.

**(Recommendation AFB /AP.30/3)**

Fast-track re-accreditation of the Secretariat of the Pacific Regional Environment Programme (SPREP) as Regional Implementing Entity

16. Having reviewed the re-accreditation application of the Secretariat of the Pacific Regional Environment Programme (SPREP), *the Accreditation Panel recommends that SPREP be re-accredited as a Regional Implementing Entity (RIE) of the Adaptation Fund.*

**(Recommendation AFB /AP.30/4)**

Fast-track re-accreditation of the Ministry of Environment of Rwanda (formerly the Ministry of Natural Resources of Rwanda) as National Implementing Entity

*Having reviewed the re-accreditation application of Ministry of Environment (MOE) of Rwanda (formerly the Ministry of Natural Resources of Rwanda), the Accreditation Panel recommends that MOE be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.*

**(Recommendation AFB /AP.30/5)**

## **ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE APPLICATION OF MINISTRY OF WATER AND ENVIRONMENT OF UGANDA FOR ACCREDITATION AS NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.**

### **I. The Applicant**

The Ministry of Water and Environment (MWE) is responsible for setting national policies and standards, managing and regulating water and environment resources and determining priorities for water development and management in Uganda.

It also monitors and evaluates sector development programs to keep track of their performance, efficiency, and effectiveness in service delivery. Its activities are both diverse in nature and widespread geographically. It does not enjoy full funding from the Treasury and so relies on donors for around 50% of its budget requirements and, in turn, also executes projects funded by the donor community.

MWE has a long history with project execution both on behalf of the GoU as well as for the international development donor community.

Finally, and ahead of AF accreditation, MWE has identified projects for possible submission for AF funding just as soon as its accreditation by the AF Board is approved. We note that any project proposed by MWE should be carefully reviewed by the AF Secretariat due to MWE's participation in grant-funded regional projects implemented by other AF accredited Regional Implementing Entities, to ensure the activities proposed are distinct and complementary to those already financed through these regional projects.

### **II. The Application Process**

On 12 December 2015, MWE applied for AF accreditation. Over the review timeline, the application was supported by over 350 documents. During this time, the Adaptation Fund Secretariat and Panel reviewers engaged with MWE (i.e., conference calls, workshops, etc.) to ensure that MWE was responsive to AF requirements. This culminated in an Accreditation Panel site visit to Uganda in August 2018 to meet MWE leadership and staff, other key stakeholders, and observe MWE project activities in-country. This valuable interaction helped clarify issues, resolve other matters, and allowed the Panel member and a staff of the Secretariat to see MWE in action, firsthand. The site visit, in our view, has led to the point where the Panel is confident to propose MWE's accreditation application to the AF.

### **III. Financial Management and Integrity**

#### **A. Legal Status:**

As a Ministry with the Government of Uganda (GoU), MWE was established legally under the Cabinet decision in May 2006 and authorized to initiate legislation, policy, standards, inspections, monitoring, coordination, and back-up technical support related to the water and environment sectors. As an integral part of the Government it is subject to distributed responsibilities for certain legal aspects. Under a Joint Partnership Fund arrangement, MWE receives funding from the multilateral development community and bilateral donors under

agreements between the donor and the Government of Uganda, represented by the Minister of Finance, Planning and Economic Development. The Minister of MWE has the capacity to enter into agreement with any person or community for the purpose of promoting compliance with the principles laid down in the National Environmental Management Act 107 of 1998, Section 35.

The Reports of the Auditor General (OAG) on MWE's Financial Statements confirm the receipt of funds by MWE by donors for project execution activities. According to the section 38 of the National Environmental Management Act 107 of 1998, the Minister of MWE has the legal capacity in intervening in litigation before a court in any matter under the Act. In case of legal issues, it is the Attorney General (AG) of Uganda to sue or be sued on behalf of MWE, it being a government institution.

## **B. Financial Statements, Accounting Systems and External Audit:**

MWE's Financial Statements have been prepared in accordance with the requirements of the Public Financial Management Act 2015 and comply with Generally Accepted Accounting Principles (GAAP). The Financial Statements have consistently been prepared using the Modified Cash Basis of Accounting except where stated otherwise. Modified Cash Basis of Accounting recognizes revenue when cash is received and expenditure when cash is paid (except for expenses approved to be accrued). However, semi-autonomous institutions under the Ministry use International Financial Reporting Standards (IFRS) in preparing their respective Financial Statements. Also, for some specific projects, the financing entity may require a particular financial reporting standard.

Following GoU Financial Reforms, and in line with the Financial Management and Accountability Act (2015), the MFPED established the Integrated Financial Management System (IFMS) with the aim to facilitate transparent financial management and accountability across the GoU: in Ministries, Departments, Agencies and at the Local Government level. IFMS is a computerized accounting and reporting system that is controlled by the MFPED and is aligned to the Output Budgeting Tool as well as the Quarterly/Annual Reporting system. In recent years, the GoU has started rolling out projects on IFMS and moved towards a Single Treasury Accounting (STA) system.

The Office of the Auditor General (OAG) which is the state audit institution and the external auditor for the Government, including MWE, and conducts its audits in accordance with International Standards on Auditing. MWE received a qualified audit opinion on its 2015-16 financial statements due mainly to incorrect accounting within line items. The audit opinion for 2016-17 was unqualified on the basis that MWE had made significant improvements to their accounting and financial reporting and had responded to OAG findings and acted on the recommendations and, more importantly, because MWE had improved its internal controls over financial reporting.

## **C. Internal Auditing and Audit Committee Oversight:**

### ***Internal Auditing***

Internal auditing across the GoU takes place at two levels: a GoU-wide Internal Auditor General function (IAG) that reports to the Permanent Secretary of the MPFED, and MWE's own internal audit function (MWE IA) that reports functionally to the MWE Audit Committee, administratively to the MWE Permanent Secretary, and to the IAG for monitoring purposes. Its functions and responsibilities are articulated in the 2018 version of the Internal Control Framework. In line with the Public Financial Management Act (PFMA), IAG performs all GoU internal audit work by seconding its staff on a three year rotational basis to ministries; provides supplementary



specialized audit services and risk management advice; monitors and follows up actions on internal audit recommendations; provides GoU-wide internal audit standards and methods (aligned with international standards), software and the internal audit manual; receive complaints (mainly for fraud and corruption allegations) for which it has the power to arrest and prosecute; and provide training to internal auditors across the GoU and local communities to be alert to fraud and corruption issues. IAG has set up a complaints mechanism across the GoU (including for MWE) but has received only a few complaints mainly related to National Water that are relatively small claims. The IAG commented positively to the Panel reviewer during the site visit about the tone set by management of MWE.

MWE IA prepares an Audit Plan annually that is reviewed by MWE senior management and approved by the Audit Committee together with its annual budget. This includes project level audits. The Audit Plan is designed using judgment, however a new Internal Control Framework requires MWE IA to perform a formal risk assessment as a basis to its planning. IAG monitors MWE management responsiveness to MWE IA's audit recommendations annually and follows up on the previous year's issues. IAG confirms, in its 2016-17 Consolidated GoU Report, that MWE is responsive to MWE IA recommendations; and that the Permanent Secretary of MWE is very supportive of MWE IA. The Panel confirmed with IAG and OAG that MWE IA interacts with senior management in ways that affirm the function's independence of management control, its credibility and stature, and ability to add value to MWE.

With regard to quality assurance, the IAG's internal Assessment of MWE's IA function to see if there was conformance with the IIA Standards (International Professional Practices Framework of the Institute of Internal Auditors) resulted in MWE IA's assessment as '*partially conformed.*'

*This can be considered as a self-assessment because the MWE IA report for resources, quality standards and guidance from the IAG. However, the MWE IA follows the IIA Standards and still to undertake an independent external assessment.*

### **MWE Audit Committee**

The Water and Environment Sector Audit Committee has multiple oversight duties, including for MWE. Its general duties are specified in the Public Finance Management Act, with which it complies. A new development in the recently adopted Administrative Guidelines on Internal Control Framework and Internal Audit Standards that adds a requirement that the Audit Committee addresses the governance requirements of Enterprise Risk Management for those organizations it oversees (including for MWE). The profiles of the Audit Committee membership confirm the Committee's breadth of experience that is evidenced in its deliberations and interaction with MWE management and its internal auditors.

### **D. Internal Control Framework:**

MWE adopted the COSO Framework as its internal control framework. This Framework is comprehensive and includes the Administrative Guidelines on the Internal Control Framework and Internal Audit Standards; the Risk Management Framework; and the Fraud Risk Management Framework. Responsibilities for internal controls are set out and the roles of internal audit and risk management are clearly defined. MWE took the initiative of implementing the COSO Framework (in MWE and at the project levels) well before it was formally approved in 2018. Audits by OAG and MWE IA confirm that the implementation of the new Framework is underway.

## **E. Anti-Money Laundering and Countering the Financing of Terrorism (AML-CFT) Considerations**

AML-CFT considerations present inherent risks in financial transactions, procurement activities, and more broadly in financial management. The Panel assessed the risk under the relevant disbursement, procurement and investigation criteria. However, due to the nature of the threat, and recent inclusion in AF criteria, it is discussed here separately. The relevant controls for MWE are at the country-level, established under various laws and comprising the investigatory role of the Inspectorate of Government and implemented through Government-wide systems utilized by MWE. The GoU began addressing AML-CFT some years ago by introducing laws and mechanisms to address the risks and handle allegations as they arose. In 2017, the Financial Action Task Force (FATF) International Cooperation Review Group (ICRG) reviewed progress in Uganda against a comprehensive Action Plan to address deficiencies identified earlier by the FATF. Based on the significant progress made, ICRG proposed to FATF that Uganda be removed from the 'Grey List' because Uganda's financial system was robust enough to adequately identify and address Money Laundering and Financing of Terrorism Risks. In September 2018, the Eastern and Southern Africa Anti-Money Laundering Group confirmed Uganda's progress overall. On 21 January 2019, The Permanent Secretary sent a letter to the Secretariat of the Adaptation Fund setting out the commitment by the MWE to abide by the Government anti-Money Laundering/Counter-Terrorist Financing.

## **F. Procurement, Payments and Disbursement Controls**

MWE is required to comply with GoU procurement, payment and disbursement policy and procedures. It uses the established GoU systems and procedures as articulated in the Public Procurement and Disposal of Assets Act of 2003 (PPDAA), the PFMA 2015, the Public Procurement and Disposal of Public Assets Authority (PPDA) Rules and Methods of Procurement 2014, the Standard Public Finance Management Regulations 2016, as well as specific Project Operational Manuals for use at the project level and as directed by some donors. In addition to establishing the framework for transparency and value for money, the GoU procurement rules and policies cover codes of ethics for bidders and providers, and for procurement-related complaint mechanisms via the PPDA. MWE management is required to use the GoU payment system and maintain good internal controls for payments as required by the MFPED and MWE's own Internal Control Framework. The PPDAA provides that "Procuring and disposing entities shall at all times use industry standards defined and codified by internationally recognized trade associations and professional bodies in the appropriate fields. The Ministries' compliance with internal controls and policies and procedures set out in these standards, is reviewed annually by OAG, which has confirmed compliance, and periodically through Donor-funded Reviews that assess the efficiency and effectiveness of project systems and activities, including payments in line with approved project budgets. The Panel also reviewed how MWE estimates its procurement pipeline so that it lodges its cash flow needs with the MFPED in a timely manner. In this way, MWE has been able to manage its cash flow needs on time to stay within budget limits.

## **G. Business Plans, Budgets, and Monitoring of Expenditure**

### ***Planning and Budgeting:***

MWE undertakes a comprehensive, multifaceted approach to setting its Business Plans and Budgets by involving all key stakeholders. This starts with engaging recipients and ends up with parliament. This interaction helps with the estimation of the financial side of the Business Plan. MWE's efforts to use a participatory approach to its planning and budgeting - by engaging all

key stakeholders (including other GoU Ministries and the donor community), is a positive approach.

MWE aligns its plans with the Second National Development Plan dated June 2015 covering the 2016-2010 time frame. Its Business Plan confirms that labor and social development, environment and natural resources, as well as climate change and gender equality, are high priorities for MWE (as it is for the GoU) going forward. Also, the Business Plan calls for an emphasis on infrastructure and agriculture development both of which have significant social and environmental dimensions. MWE, for budgeting purposes, also considers the National Budget Framework Paper 2015/16 that provides the GoU Medium-Term Macroeconomic Plan, Fiscal Framework, and Indicative Revenue Framework.

***Monitoring Performance and Expenditure against Budget:***

MWE monitors budget expenditure routinely in various ways including through MWE's Quarterly Performance Report (that shows the progress of expenditure against the approved Ministry budget vote); the Annual Expenditure Report (that compares actual spending against the budget); and the Performance Report (GAPR) for the same period where Sector expenditure against budget is again compared and monitored. MWE also prepares an Annual Joint Sector Performance Report in conjunction with all stakeholders (including Development Partners, the private sector and CSOs). This Report is the culmination of various reviews and monitoring activities that engage a combination of MWE staff and others including auditors, accountants, engineers, economists, environmentalists, sociologists, administrators, and donors. Further, there are programme-level monitoring exercises to assess/ascertain the progress in the implementation of various MWE activities at project and district levels.

Also, MWE prepares the Ministerial Policy Statement – Water and Environment Sector that provides comprehensive and detailed information and supporting data covering (among other topics) budget performance to date and planned project activities going forward.

#### **IV. Project Cycle Management**

***Background Information:***

MWE has a comprehensive, multilayered arrangement to handle the project cycle of projects it executes from beginning to end. The process starts with the two MWE Working Groups to ensure good project oversight and monitoring. The Water and Environment Sector Working Group (WESWG) - the formal decision-making body on Sector-wide related key issues is supported by two sub-sector groups (i.e., Water and Sanitation Sub-Sector Working Group (WSS-WG) and the Environment and Natural Resources Sub-Sector Working Group (ENR-WG)). Below there are other committees and groups whose job it is to advise how best to handle specific and/or technical issues that arise in projects from time to time.

Performance for the Sector as a whole is communicated in an annual Joint Sector Review (JSR) that compares agreed performance indicators with actual results. This Review involves a broad spectrum of sector stakeholders (including central government, local governments, civil society, selected private sector consultants and contractors, and the media). One outcome of this Review is that the JSR makes recommendations on emerging key policy and strategic issues in the sector as a means to encourage greater efficiency and effectiveness in the project cycle.

Also, a Joint Technical Review (JTR) (a forum for a mid-term assessment or review of the progress of implementation of the actions/undertakings, which were agreed on in the JSR) is held approximately six months after the JSR is issued. This too is a multi-stakeholder

engagement process. The JTR can also make recommendations for MWE consideration. The Water and Environment Sector Working Group receives both JSR and JTR recommendations and decides what will be implemented over the subsequent 12-month period.

#### **A. Project Identification and Appraisal:**

##### ***Alignment with National Priorities***

MWE aligns its plans with the Second National Development Plan (NDP) for 2015/16 to 2019/20 that was compiled with the help of multiple stakeholders including the donor community and the Working Groups mentioned above. The NDP confirms that labor and social development, environment and natural resources, as well as climate change and gender equality, are high priorities for the GoU. Also, the NDP calls for an emphasis on infrastructure and agriculture development - both of which have significant social and environmental dimensions.

##### ***Project Appraisal***

The Liaison and Finance Sub-Committee of the Water and Environment Sector Working Group determines project technical and financial viability. This Working Group vets all new proposed projects and so acts as a compliance check to ensure the right project proposals taken to the next stage of the project cycle and that these are aligned to MWE and national priorities. To encourage a consistent approach to project appraisals, the GoU uses the Simplified Manual for Economic Appraisal of Public Investment Projects in Uganda – 2015. This Manual provides guidance as to how to deliver a comprehensive appraisal that incorporates all the critical elements of proper project preparation. It includes components for Appraisals, as well as how to conduct Project Preparation, an Integrated Project Analysis, and it provides Project Evaluation Criteria. Project appraisal activities are assisted by the Development Committee Guidelines for the Approval and Review of the Public Investment Plan. This Guideline will be applied to any projects submitted for AF funding and details all the facets that the AF wants to see assessed and addressed by MWE in a project proposal.

##### ***Comprehensiveness of Project Proposals***

Project proposals also address Environmental matters to ensure comprehensiveness. A Guide to the Environmental Impact Assessment was produced as part of a series on Sustainable Development starting 2001. This document has proven to be useful for environmental assessments as it gives guidance to project staff as to how good project design and planning in environmental matters should be done.

The Good Governance Working Group arrangement ensures that all relevant technical, financial, economic, environmental & social, gender, and legal aspects as well as risk and assessments and mitigation proposals/actions as required in the Project Investment Manual (PIM) of 2017. These are in line with AF requirements.

##### ***Project Risk Assessment during Planning***

The Internal Control Framework addresses risk across MWE and at the project level. Although only signed into existence in late 2018, it has been in draft for some years and used for that time. This Framework sets out responsibilities for risk identification and remediation but does not yet do enough to ensure that users understand that all risks are not the same. For example, the Framework identifies risks by category (and not individually). This means that risks such as AML-CFT, by implication, are covered in either the Fraud and Corruption or the Theft of Assets Categories, or both. Also, Gender risks are not shown as a separate Category but are subsumed into either the Social Risk Category or Cultural Risks Category or both.

Despite this limitation, the Panel believe that these risks (that are particularly relevant to the AF) are nonetheless considered in other ways: E&S and Gender risks are identified at the appraisal

stage; MWE 'engages with the affected community and explores other options to address their concerns before deciding on the project'; and the risks are looked at carefully at various stages of the project cycle and by oversight bodies (e.g., MWE Working Groups, of which a key one is the Liaison and Finance Sub-Committee of the Water and Environment Sector Working Group).

## **B. Project Implementation Planning and Quality-at-Entry Review**

### ***Planning and Quality-at-Entry:***

All the Working Group sub-committees play a role in ensuring quality at entry of MWE projects. However, the Liaison and Finance Sub-Committee of the Water and Environment Sector Working Group has the authority to decide on projects approval. Its role is that of a compliance check to ensure that project proposals are aligned to MWE and national priorities and to ensure that all project proposals are financially and technically viable.

Due to the way that projects are designed, there are multiple requirements for stakeholder engagement from the start to the end of the project cycle. So, project decisions are not taken by MWE alone, but with the involvement of a wide range of stakeholders. Interactions comprise discussions and decision-making on projects to be implemented as well as discussion regarding projects that are rejected – or might be rejected unless this committee's recommendations are heeded and the quality of the project improved. In such cases, proposals are referred back to the applicant for revision and/or refinement. These activities were confirmed both in minutes of meetings as well as during a community site visit by the Panel Reviewer.

### ***Project Budgeting:***

Projects all have detailed budgets as part of the project proposal information, prior to their approval. This is also because the Liaison and Finance Sub-Committee of the Water and Environment Sector Working Group vets the technical and financial terms to see if these are viable or not and has the authority to accept or reject proposals based on the quality of what information is submitted.

Also, MWE reports its total project portfolio budget showing the Vote for each project and a breakdown on the budget and expenditure against it.

## **C. Project monitoring and evaluation during implementation**

Project monitoring falls under MWE's Planning Department responsibilities and it is increasing its technical capacity to include engineers. Project monitoring by this Department is now done on a quarterly basis. To monitor the progress of project implementation and identify issues (and risks) that occur, MWE uses Project Committees that comprise key project stakeholders (i.e., representatives from all of MWE, local government, project technical team, etc.). At monthly meetings of the project stakeholders, various issues are raised for discussion and resolution. These are notified to the MWE PS and senior management team to make appropriate decisions. In addition, MWE arranges on-site project technical review meetings that can take up to 3 days. Of note is that fact that the media is present. MWE management believes that the presence of the media has improved overall project risk management and project outcomes of MWE-executed projects. Donors arrange for their monitoring and evaluations of their funded projects, and MWE uses these to learn from them and enhance their technical capacity to do monitoring.

***Sectoral Monitoring:***

MWE Sector Monitoring includes assessing projects in selected Districts of Uganda on a systematically planned basis. The Overall Sector Performance Water and Environment Report confirmed (in 2017) that its monitoring activities were comprehensive and detailed and included investments, targets, achievements, and sectoral challenges over that year.

***Project Level Monitoring Reporting:***

The Good Governance Working Groups and the Senior Management Committee monitor projects. Examples of reports produced after monitoring activities that were shown during the visit were comprehensive and included planned actions to operationalize monitoring committee decisions and assess realities on the ground for selected Districts of Uganda.

At the site visit, the Panel observed how well-acquainted the MWE local staff were with the project visited. The Panel also saw the quality of interaction between MWE staff and beneficiaries and assessed that the relationships were excellent and that the community was comfortable to discuss issues about which the Kampala-based staff were well abreast.

***Project Accounts and External Audits***

For every project that comes on board, the relevant Ministry ensures that it maintains the accounting system on IFMS or an earlier system Navision. However, in line with current policy, MFPED is promoting the use of IFMS for all project accounting purposes. As a result, all reporting is IFMS/Navision based. However, data generated from both IFMS and Navision is manually organized into a format that is compatible with the Program Budgeting System (PBS). The formatted files are then uploaded into the PBS to generate a financial report. Samples of detailed actual expenditure against budget for GoU and Donor projects are indicated in Programme Based Budgeting System quarterly output generated reports. External Audits of projects financial statements are required and conducted by the OAG. Examples were provided of project accounts audited by the OAG.

**D. Project Risk Assessment during Implementation**

The applicant provided examples of where projects in the project portfolio are reviewed by senior management and risk mitigation solutions discussed, agreed and monitored. The Monitoring reports contain data on issues and challenges that impede project implementation progress. In practice, these observations form the basis for recommendations to improve projects—so these constitute a de facto project risk management system, and provide an agenda for follow-up. Risk issues are identified and communicated in reports to MWE's Water and Sanitation & Environment Working Groups where the problems are discussed, decisions are taken, and actions are monitored. For regional projects, joint impact assessments are included in the review.

At the site visit and in discussions by the Panel with the Permanent Secretary, it was evident that MWE takes Ministry-wide and project risk seriously. At the project level, risk management starts with the signed MoU with the executing agency agreeing on expectations for each project. All project technical requirements must meet specific design standards. All projects have a project-specific management structure to ensure that the plan is implemented correctly. Moreover, MWE is careful to assess project sustainability beyond the actual project implementation cycle.

MWE uses its E&S and Gender specialists to assess E&S and Gender risks across the project portfolio. Their particular focus is 'mega donor-funded projects.' Because of this, non-donor

funded projects may be at some risk of not receiving sufficient attention from the E&S and Gender specialists. The oversight arrangements mitigate this risk for all projects.

### **E. Project closure and final evaluation**

Examples of Comprehensive Completion and Evaluation Reports on projects produced by either the NPCU in MWE or by consultants covered all the facets required by the AF. These reports confirmed MWE's capacity to perform and/or supervise well conducted project closure and final evaluation.

## **V. Policies and Framework to deal with Fraud, Financial Mismanagement and Malpractice**

On MWE's website home page, the Permanent Secretary states, *"In the process of executing all its operations, the Ministry is committed to zero tolerance to fraud and corruption as guided by the existing legal national frameworks and institutions."* This aligns with a statement by the President of Uganda. In support of these statements, there are links to the Grievance Handling procedures and a Hotline with useful links to Report a Case to the Inspector General of Government. Standards are communicated via the Statement on Ethical Issues from the Permanent Secretary (on the MWE website – Home Page). These public communications are also contained in other MWE literature and are based on the Internal Control Framework.

Within MWE there are various mechanisms in place including: (a) The Good Governance Working Groups whose objective is "to strengthen governance, transparency, accountability, integrity..." in the sector with evidence that they are progressing towards meeting their objectives - including improving oversight of fraud and corruption risks; and (b) MWE's Clients Charter (FY2018-21) that is available on the website and that articulates MWE's commitment to Values and Principles under which it will deliver its services nationwide. This Charter covers fraud and corruption issues and also communicates how complaints can be lodged and what the process will be.

MWE has the capacity to handle financial mismanagement investigations using its own resources – as well as using GoU mechanisms where needed. In 2018, MWE approved and published its Grievance Redress Mechanism whose purpose is as follows: "a means through which stakeholders shall be able to raise concerns, grievances and legitimate complaints." This Mechanism sets out the process to be followed for any complaint and how MWE interacts with other GoU Mechanisms (e.g., National and International Grievance and Conflict management mechanisms).

The Procurement and Disposal of Public Assets Authority (PPDA) conduct investigations of procurement-related fraud and corruption in the government - including for MWE and reports both audit and investigation results on its website. MWE senior management confirmed that the Ministry did not have any procurement investigations in 2018. The Inspectorate of Government Act 2002 requires that the Inspector General of Government (reporting directly to the President of Uganda and with broad powers to investigate corruption) conduct corruption investigations (including those related to money laundering and terrorism financing). No cases of MWE corruption investigation came to the attention of the Panel.

All other investigations are handled by the MWE IA (that has a dedicated budget to take care of investigations) and reported to the Audit Committee when they occur. When issues come to MWE, the allegations and findings are reviewed and decisions made by the MWE Disciplinary Committee. Also, the MWE Disciplinary Committee has a 'backstop' in the form of the MWE

Rewards and Sanctions Committee that derives its authority from the Public Service and Sanctions Framework.

## VI. Commitment to apply the Fund's Environmental & Social and Gender Policies

MWE shows its commitment to addressing E&S and Gender Safeguards and attendant risks in multiple and interlinked ways:

- Letter of Commitment: The Permanent Secretary provided a Letter of Commitment underpinning his agreement to comply with Environmental and Social Safeguards. This is also now visible on MWE's website where it states, MWE is *'committed to avoiding, minimizing, and mitigating adverse environmental and social impacts associated with its projects, as well as adopting a gender-sensitive and gender-equitable approach for all its projects.'*
- Clients Charter (FY2018-21): Also available on the website, this spells out MWE's commitment to values and principles under which it will deliver its services nationwide. This Charter covers E&S and Gender topics and also communities how complaints can be lodged and what the process will be.
- Policy: MWE's Environmental and Social Safeguards Policy 2018 aligns with AF Standards including Gender Equality and Women's Empowerment and includes the Grievance Mechanism.;
- MWE-wide Planning: MWE aligns its plans with the Second National Development Plan dated June 2016 (092), that was compiled with the help of multiple stakeholders including the donor community. This document confirms that labor and social development, environment and natural resources, as well as climate change and gender equality, are high priorities for the GoU going forward. Also, the Plan calls for an emphasis on infrastructure and agriculture development both of which have significant social and environmental dimensions. Also, this Plan takes on board the lessons learned from the First Plan.
- Project Implementation: At each stage of the project cycle E&S and Gender topics are now embedded.
- Project Performance Monitoring: In various reports, E&S and Gender are a reportable requirement.
- Gender: MWE is required to adhere to the requirements of the Ministry of Gender, Labour and Social Development (commonly called the Ministry of Gender). In the website, it's stated, *"Ministry of Gender, Labour and Social Development is a Government Ministry with a responsibility to empower communities in diverse areas. The Ministry promotes cultural growth, skills development, and labor productivity while promoting gender equality, labor administration, social protection and transformation of communities'.*

## VII. Capacity to address complaints on environmental & social and gender harms caused by projects/programs:

**Grievance Mechanism:** With the 2018 Grievance Redress Mechanism, MWE makes its commitment clear and puts in place a mechanism for MWE's complaints handling of E&S and Gender matters. This is available on MWE's website. All internal MWE complaints follow GoU mechanisms including laid-down procedures. For external complaints, the Head of Department is empowered to respond to the complaint and seek to resolve the issue/s. For those elevated to the Permanent Secretary, a Reward and Sanctions Committee makes the decision. MWE's strategy is to provide multiple channels for complaints to know about their rights; understand



complaints procedures, and lodge complaints if they so choose. These include MWE's website, local newspapers, radio, TV, and social media). Also, there are private news-gatherers who act as a watchdog on government issues (including MWE's). Additionally, MWE's Project Committees that comprise key project stakeholders (i.e., representatives from all of MWE, local government, project technical team, etc.) meet on a monthly basis and complaints of an E&S, or Gender nature are raised there and notified to the MWE Permanent Secretary and senior management team for resolution.

#### **VIII. Overall Conclusion:**

***The Accreditation Panel concludes that MWE meets the requirements of the Adaptation Fund's Fiduciary Standards including its most recent additions in respect of anti-money laundering and counter-terrorist financing, its Environmental & Social Policy and Gender Standards. It appreciates MWE's efforts to strengthen its oversight, transparency, and operational accountability during the accreditation process.***

## **ANNEX II: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE APPLICATION OF SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE (SANBI) FOR FAST-TRACK RE-ACCREDITATION AS NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.**

### **Background**

The South African Biodiversity Institute (SANBI), based in Capetown, applied for re-accreditation with the Adaptation Fund in August 2016. SANBI qualified for fast track re-accreditation (FTR) in accordance with Adaptation Fund Board Decision B.28/38 because it was accredited by the Green Climate Fund (GCF) within a period of four years prior to the submission of the re-accreditation application to the Adaptation Fund. The GCF accredited SANBI in October 2016 based on its existing accreditation as a National Implementing Entity of the Adaptation Fund.

### **Assessment for Fast Track Re-accreditation**

The assessment for fast-track re-accreditation of SANBI was conducted in accordance with Board decision B.28/38 (Effectiveness and efficiency of the accreditation process” fast-track re-accreditation) and Board decision B.32/11 (Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism), and Adaptation Fund-financed project information provided by the Secretariat. The assessment applied the following criteria:

- **The Fiduciary Standard related to the legal status** - There has been no significant change since the initial accreditation. The National Environmental Management: Biodiversity Act, (NEMBA) 2004, stipulates that SANBI may for the purposes of performing its duties perform legal acts, including acts in association with, or on behalf of, any other person or organ of state, and institute or defend any legal action.

***The basis of the legal status was revisited and the Panel concludes that SANBI continues to fully meet this fiduciary criterion.***

- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – A number of policies and procedures exist, including the Fraud Prevention Policy and Prevention Plan and a set of Fraud Investigation Procedures. During the review process, the landing page of the website was revised and improved to make the linkages clear to SANBI’s “Zero Tolerance” policy for fraud and corruption. SANBI also updated, improved, and expanded its Fraud Prevention Policy, which, once approved by the Management Committee, now expected in February 2019, will also be loaded onto SANBI’s website in the “Fraud” section at the bottom of the contacts page. HR is updating the staff induction booklet (to be re-printed in March 2019) to include a statement on SANBI’s zero tolerance on fraud and corruption. This will complement the existing staff code of conduct. With respect to anti-money laundering (AML) and Countering the Financing of Terrorism (CFT), SANBI, as a government entity, adheres to the prevailing national laws that govern South Africa’s obligations under international laws on anti-terrorism and AML, and has adopted and embedded these laws into its institutional policies, and into its corporate governance structure. SANBI screens all its suppliers and entities that receive funds from it by requiring that they register with a national treasury database, and will make payments only to designated bank accounts. In this manner,

SANBI can place reliance on the applicable procedures of banks and other financial institutions, required by the AML/CFT legislation. In addition, SANBI performs due diligence reviews of prospective executing entities and sub-executing entities to ensure that appropriate fiduciary standards and internal controls are in place prior to contracting with and receiving funds from SANBI. Relevant activities are overseen by the Risk Management and Fraud Prevention Committee, which is a sub-committee of the Audit and Risk Committee and is chaired by the SANBI Chief Corporate Officer. An external audit firm is entrusted with the hotline, which is featured prominently on the SANBI website, and with conducting investigations of fraud-related complaints. SANBI maintains Alleged Fraud Disclosure Registers, which include descriptions of the allegation, investigation, outcome, further actions and status; all fraud and corruption cases are reported to and discussed by SANBI's Risk Management and Fraud Prevention Committee. Fraud and corruption cases are reported periodically to the Audit and Risk Committee and to the Governance and Strategy Committee, which are subcommittees of the SANBI Board.

***The Panel is satisfied that SANBI has zero tolerance towards fraud, financial mismanagement and other forms of malpractice, policies and systems to deter or identify such behavior, and the commitment and the capability to receive reports of such behavior, have them objectively and independently reviewed and take appropriate action where the behavior is confirmed. The Panel is further satisfied of the existence of investigative procedures and functions that also cover AML/CFT policies and procedures.***

- **Commitment by the entity to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy** – SANBI's commitment to address environmental and social and gender risks is confirmed by a letter signed by the SANBI CEO, and by the SANBI Steering Committee's endorsement of the Policies and Processes Manual, particularly the section on the Environmental and Social Risk Management Framework (ESRMF). In addition, SANBI's website has been updated and improved to provide greater access, including elaboration which facilitates making complaints, and describing, highlighting, and showcasing its E&S and Gender policies. SANBI's E&S policy is governed also by the relevant national legislation. More specifically the ESRMF has been designed to ensure AF-project compliance with South Africa's national legislation and standards, while for non-AF projects SANBI recently adopted a process to review all new projects against a set of safeguards which include the AF E&S principles. The Gender Mainstreaming Policy—informed by the Public Service Commission Report of 2006 on gender mainstreaming—was adopted by SANBI in 2015, and is being implemented as planned, as also confirmed by a letter of commitment from the Chair of the Management Committee. Actions on SANBI's Gender Mainstreaming Policy implementation guidelines are being led by SANBI's HR function. HR is updating the staff induction booklet (to be re-printed in March 2019) to include statements on SANBI's commitment to gender mainstreaming in the workplace, and its zero tolerance for environmental and/or social harms and gender discrimination arising from SANBI's activities.

***The Panel is satisfied that SANBI continues to have robust policies and practices that fully demonstrate its commitment and the capability to comply with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.***

- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** – SANBI has added text to accompany the hotline details, already prominently placed on the main SANBI webpage, to indicate that it should be used to report any complaints on social, environmental and/or gender harms arising from SANBI's activities. The website also includes a linkage to a flowchart that describes the procedure for handling complaints and their outcome.

***The Panel is satisfied that SANBI 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 its programs and projects.***

### **Assessment of AF funded projects**

- The other aspect of focus for re-accreditation as set out by the Board (Decision B.22/3 approved on 26 October 2013) is the results of the assessment of the implementing entity's performance regarding quality at entry and project/programme implementation.
- The Secretariat provided the available information on the assessment of project performances with the inception dates of 16 September 2015 and 12 November 2015. The Secretariat explained that the assessment of quality at entry is dictated by the implementing entities' (IE) compliance with the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Fund, as well as with review criteria, which have to be met for a project/programme to be considered for approval by the Board. Further assessments on project/programme performance are conducted by the IEs through the submission of Project Performance Reports (PPRs) annually commencing at the end of each year after inception date, at mid-term and at project finalization of the project.
- Annex 1 of the Detailed Analysis of the Report to the Panel sets out more information on project amounts, inception dates, disbursements made to date, balances of the approved amounts, and assessments on the status of project performance.

***The Secretariat informed the Panel that to date the first and second PPRs for both projects have been received—of those four PPRs, one was rated marginally satisfactory, and the three others were rated satisfactory—and no particular concerns have emerged.***

## **ANNEX III: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE SECRETARIAT OF THE PACIFIC REGIONAL ENVIRONMENT PROGRAMME (SPREP) FOR FAST TRACK RE-ACCREDITATION AS A REGIONAL IMPLEMENTING ENTITY (RIE) OF THE ADAPTATION FUND.**

### **Background**

The Secretariat of the Pacific Regional Environment Programme (SPREP), based in Apia (Samoa), applied for re-accreditation with the Adaptation Fund in August 2017. SPREP qualified for fast track re-accreditation (FTR) in accordance with Adaptation Fund Board Decision B.28/38 because it was accredited by the Green Climate Fund (GCF) within a period of four years prior to the submission of the re-accreditation application to the Adaptation Fund. The GCF accredited SPREP in March 2015 based on its existing accreditation as a Regional Implementing Entity of the Adaptation Fund.

### **Assessment for Fast Track Re-accreditation**

The assessment for fast-track re-accreditation of SPREP was conducted in accordance with Board decision B.28/38 (Effectiveness and efficiency of the accreditation process fast-track re-accreditation) and Board decision B.32/11 (Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism), and Adaptation Fund-financed project information provided by the Secretariat. The assessment applied the following criteria:

- **The Fiduciary Standard related to the legal status** - There has been no significant change since the initial accreditation. As stipulated in Article 8 of the Agreement Establishing SPREP (1993), which remains fully in force, “SPREP shall have such legal personality as is necessary for it to carry out its functions and responsibilities and, in particular it shall have the capacity to contract, to acquire and dispose of moveable and immovable property and to sue and be sued.” Article 7 indicates that the SPREP Secretariat shall also “seek financial and technical resources for SPREP”.

***The basis of the legal status was revisited and the Panel concludes that SPREP continues to fully meet this fiduciary criterion.***

- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – SPREP’s Fraud Prevention and Whistleblower (FP&W) policy was updated in December 2016, and explicitly affirms the importance of a “zero tolerance” approach to be adopted by SPREP’s staff and in its operations including projects. The FP&W policy is available on SPREP’s website, which also includes a specific statement on its policy of zero tolerance for fraud and other forms of malpractice, and applies to all operations of SPREP and to all projects executed or implemented by SPREP or by any of its implementing or executing partners and to all SPREP staff. SPREP’s website also provides channels for reporting complaints about non-compliance, violation, misconduct and business conduct concerns, including fraud allegations, and descriptions in detail about the process and investigative steps that would be taken after a complaint has been lodged. The FP&W policy and the Staff Regulations describe and elaborate on the expected ethical conduct of staff, and on the expectations and obligations of staff to report reasonable suspicions of fraud, as well as conflict of interest, and protection of whistleblowers. After a complaint has been received, the internal auditor will oversee and

coordinate all investigations, and may seek the advice of the SPREP Legal Counsel. The Audit Committee is comprised of independent members, and it reviews and provides independent advice and oversight on cases regarding investigations submitted by the internal auditor, and the SPREP DG may take decisions on disciplinary actions as needed. With respect to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT), SPREP is hosted by the Government of Samoa (GOS), which has ratified a number of laws relating to AML and CFT that SPREP is required to comply with, and it relies upon the host country's regulations for specialized areas of regulations. As part of its business operations, SPREP conducts all financial transactions through financial institutions based in Samoa, which are also required to comply with the GOS regulations relating to AML/CFT. SPREP confirmed it has internal controls that help prevent or detect fraud. In addition, SPREP is audited annually by external independent audit firms, and these audits ensure compliance with regulations and ensure the accountability for all financial transactions through the SPREP financial management system.

***The Panel is satisfied that SPREP has zero tolerance towards fraud, financial mismanagement and other forms of malpractice (including adequate coverage of AML/CFT policies and procedures), and policies and systems to deter or identify such behavior, and the commitment and the capability to receive reports of such behavior, have them objectively and independently reviewed and take appropriate action where the behavior is confirmed.***

- **Commitment by the entity to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy** – SPREP's updated environmental and social management system (ESMS) Policy and Standards—easily accessible on SPREP's public website—were put into effect in February 2017, and set the policy and minimum sustainability requirements for SPREP and its implementing and executing partners. ESMS enables SPREP to anticipate and manage emerging environmental and social issues, and establishes a commitment to abide by environmental and social safeguards consistent with the AF ESS policy. SPREP's Gender Policy—also easily accessible on SPREP's public website—was developed in 2016 to strengthen its role as an implementing and/or executing agency and to guide the gender mainstreaming activities of the secretariat, and it: (i) reinforces SPREP's commitment to gender equality and the empowerment of women, (ii) establishes a policy framework and operating principles, and, (iii) outlines priority areas of action for SPREP. The Panel reviewed evidence of actual implementation by SPREP of the ESP and Gender Policy.

***The Panel is satisfied that SPREP continues to have robust policies and practices that fully demonstrate its commitment and the capability to comply with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.***

- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** – ESMS, noted above, requires a grievance mechanism at the project level for each project, and SPREP also has a grievance mechanism on its website that also applies to possible (alleged) gender harms. SPREP has informed the Panel that it has not received since 2015, and to date, any complaints about environmental and social harms and gender harms caused by any of its projects (AF or non-AF), and it attributes this to due diligence undertaken at the conceptual and design stages of projects. While no project performance reports are yet due for the AF project, no complaints have surfaced for that project either.

***The Panel is satisfied that SPREP 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 its programs and projects.***

#### **Assessment of AF funded projects**

- The other aspect of focus for re-accreditation as set out by the Board (Decision B.22/3 approved on 26 October 2013) is the results of the assessment of the implementing entity's performance regarding quality at entry and project/programme implementation.
- The AF Secretariat provided the available information on the assessment of project performance with the inception date of 13 March 2018. The AF Secretariat explained that the assessment of quality at entry is dictated by the implementing entities' (IE) compliance with the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Fund, as well as with review criteria, which have to be met for a project/programme to be considered for approval by the Board. Further assessments on project/programme performance are conducted by the IEs through the submission of Project Performance Reports (PPRs) annually commencing at the end of each year after inception date, at mid-term and at finalization of the project.
- To date, no project performance report (PPR) is due for submission to the Secretariat for the project Enhancing the Climate Resilience of vulnerable island communities in Federated States of Micronesia (FSM).

***The AF Secretariat informed the Panel that to date no PPR is due, and there are no matters arising.***

## **ANNEX IV: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE MINISTRY OF ENVIRONMENT OF RWANDA (FORMERLY THE MINISTRY OF NATURAL RESOURCES OF RWANDA, MINIRENA) FOR FAST-TRACK RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND.**

### **Background**

Rwanda is one of the poorest countries in the world with a Human Development Index ranking of 166 out of 187 (2011) but is now on a positive growth trajectory. The national priority is to transform Rwanda's economy into a middle-income country (per capita income of about USD 1,240 per year, from USD 520) by 2020. The number of people living below the national poverty line has reduced from 57% in 2000/2001 to 45% in 2011.

In 2000, Rwandans' aspirations for their future and society was set out in "Vision 2020," a framework and key priorities for their development and guiding tool. This was made operational through a series of medium-term national strategies, Economic Development Poverty Reduction Strategy (EDPRS I and II) that started in 2008. Rwanda has just completed EDPRS II (2013-2018) which was designed to accelerate the progress already achieved and was built on policies from EDPRS I that was effective in accelerating growth, creating employment and generating exports. EDPRS II innovated on strengthening policy and strategy approaches and ensured continuing achievement by more engagement of the private sector.

Rwanda's progress is evidenced in the following social and economic indicators by several international organizations:

- The world's fastest global reformer by the World Bank
- Highly ranked on political stability and governance by the World Bank
- The most competitive country in sub-Saharan Africa by the World Economic Forum
- Among the least corrupt countries in all of Africa by Transparency International.<sup>3</sup>

### **Assessment for Fast-Track Re-accreditation**

The assessment for fast-track re-accreditation of the Ministry of Environment of Rwanda (MoE) was conducted in accordance with Board Decisions B.28/38 (AFB/B.28/9),<sup>4</sup> B.31/11 (AFB/B.31/7),<sup>5</sup> Decision B.32/36 (AFB/B.32/11)<sup>6</sup>, AFB/EFC.19/7/Rev.1<sup>7</sup> and the Secretariat's advice to MoE, and was focused on the following criteria:

#### **➤ The Fiduciary Standard related to the legal status –**

- The Ministry of Natural Resources (MINIRENA) that was accredited as a National Implementing Entity for Rwanda by the Adaptation Fund in December 2011 was reorganized and split in 2017 into two Ministries, the Ministry of Environment (MoE) and

<sup>3</sup> Report on the Review of Environmental and Natural Resources Sector Policies, Jan. 2015 by Srinivaxan Sunderasan, Verdurous Solutions Private Limited, p. 49.

<sup>4</sup> Board Decision B.28/38 was based on AFB/EFC.19/7 and AFB/EFC.19/7/Rev.1 dated 18 September 2016.

<sup>5</sup> Board Decision B.31/1 contained in AFB/B.31/7 and AFB/B.31/8 and detailed in its Annex I and AFB/B.31/4, paragraphs 21 and 22

<sup>6</sup> [https://www.adaptation-fund.org/wp-content/uploads/2018/10/AFB.B.32.11\\_Decisions\\_of\\_the\\_thirty-second\\_meeting\\_of\\_the\\_Adaptation\\_Fund\\_Board.pdf](https://www.adaptation-fund.org/wp-content/uploads/2018/10/AFB.B.32.11_Decisions_of_the_thirty-second_meeting_of_the_Adaptation_Fund_Board.pdf).

<sup>7</sup> AFB/EFC.19/7/Rev.1, Effectiveness and Efficiency of the Accreditation Process – Assessment, including a Gap Analysis, of the Green Climate Fund's (GCF) Fiduciary and Environmental and Social Standards dated 18 September 2016



the Ministry of Land and Forestry (MINILAF). The MoE submitted appropriate legal documents that proved it has assumed all the functions, responsibilities and organizational structure relevant to the Adaptation Fund accreditation. Based on these documents and consultations with the Ministry and the Fund's Trustee, the Legal Office of the Secretariat concluded that the legal basis for the accreditation of MINIRENA remains in place at the MoE making it the legitimate successor of MINIRENA as the accredited NIE, and having been accredited by the GCF makes the Ministry eligible for fast-track re-accreditation by the AF.

- After a review of the relevant documents and consultation with the Ministry of Environment, it was concluded that there has been no change on the legal status of MoE since the initial accreditation.

***Panel concludes that the Ministry of Environment fully meets this fiduciary criterion.***

➤ **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – Policies and frameworks have been improved since the initial accreditation.

- The Government of Rwanda's (GoR) robust laws, policies and procedures in dealing with fraud, financial mismanagement and other forms of malpractices in the public sector is applicable to MoE. The Office of the Ombudsman that is mainly responsible for implementing these issuances is an independent body that is both an ombudsman and an anti-corruption authority. In discharging these responsibilities, the Office closely coordinates with other concerned governments institutions such as the National Prosecution Authority, the Office of the Auditor General, and the Public Accounts Committee as well as the National Bank of Rwanda (the nation's central bank) on matters relating to anti-money laundering (AML) and countering financing of terrorism (CFT).
- Being a government institution, MoE is bound to comply with these laws and policies and to adopt these prescribed procedures and practices in close coordination with the Office of the Ombudsman and with the other institutions indicated above. To facilitate the handling of any possible cases, MoE has set up in its website links to the applicable laws, code of professional ethics, whistle blower protection, and to the website of the Office of the Ombudsman. This is to ensure that all parties working for or doing business with MoE are aware and comply with these laws. It is also to provide a grievance mechanism for any party to be directed to the appropriate entities handling any complaints and addressing them.
- The Ministry's policy on Zero Tolerance for Fraud is specified in Article 8 of Presidential Order (PO) No 45/01 establishing the Code of Professional Ethics for Public Servants (CPEPS) which was issued in 2015. This policy provides zero tolerance for fraud as well as sexual harassment and other related malpractices. The CPEPS sets out the purpose of the PO, principles of conduct for a public servant, conduct at the workplace, conflicts of interests, obligations to respect the Code, and authorities responsible for its implementation. In addition, a Ministerial Instruction by the Minister of Finance and Economic Planning was issued in 2011 establishing the professional code of ethics governing public agents involved in public procurement that sets out the purpose and its application, guiding principles and ethical values, incompatibilities, conflicts of interests, sanctions for violations, and reporting.

- The Law on the Protection of Whistle Blowers of 2012 was updated in 2017 to enhance the guidelines on how whistle blowing is handled and managed; the organizations responsible for receiving and reviewing complaints; how whistle blowers are to be protected; handling confidentiality and reporting; and incorporating offences and penalties covering punishment of a person who makes disclosures of information brought to his/her attention; and punishment of a person who victimizes a whistle blower, among others.
- The GoR has very comprehensive laws on anti-money laundering (AML) and countering financing of terrorism (CFT) and has instituted measures for their implementation. The National Bank of Rwanda (NBR) is mainly responsible for ensuring compliance with these laws by all government institutions including MoE. These laws are: Law No. 48/2017 and Law No. 69/2018 setting out purpose and the scope; responsibilities of entities responsible for prevention, detection, freezing of assets and reporting of money laundering and terrorism financing and the relevant steps, procedures and processes; due diligence measures; declarations and confiscations of assets; and offences and penalties covering AML/CFT related crimes.
- The MoE indicated that “no acts related to injustice, corruption and other related offences were found in the Ministry.” A review of the published lists of convictions published by the Office of the Ombudsman did not have any case involving the MoE.
- It is well demonstrated in this review that since initial accreditation, the legal framework and procedure established by the GoR which resemble international best practices have been significantly improved and the responsible institutions strengthened to ensure that there is appropriate prevention and timely detection of fraud and other forms of financial mismanagement, as well as an objective investigation function that deals with allegations of fraud and corruption including breaches of anti-money laundering and anti-terrorism financing laws.

***The Panel concluded that MoE has clear zero tolerance and the capacities and framework to deal with financial mismanagement and other forms of malpractice including money laundering and financing terrorism and therefore meets the Fund’s requirements.,***

➤ **Commitment by MoE to apply the Fund’s Environmental and Social Policy (ESP) and Gender Policy** - There have been enhancements since the initial accreditation

- The commitment of MoE to apply the Fund’s environmental and social and gender policies are well articulated through new laws, policies and directives that were promulgated by the GoR as well as in Vision 2020 and a recently renewed Vision, “For Rwanda to be a developed climate-resilient, low-carbon economy by 2050.” The GoR has a National Environment Law (Law No. 04/2005) that sets out the modalities of protection, conservation and promotion of environment in Rwanda. To operationalize the provisions of this law, the GoR issued the Green Growth and Climate Resilience Strategy (GGCRS), a national strategy for climate change and low carbon development.
- MoE plays a central role in the implementation of this environment law and these strategies because when it was reorganized in 2017, it was given the mandate to coordinate the implementation of the GGCRS through convening and chairing Sector Working Group (SWG) Meetings including Joint Sector Reviews (JSRs) and Thematic Working Groups (TWGs). This is a strategic role for MoE to position the Fund’s Environment and Social Policy (ESP) in the National Economy. To ascertain how it could

fulfill this role, MoE commissioned a review of the government's national economic, social, governance and justice policies using the Adaptation Fund's 15 Environment and Social Principles (ESP) as the context of the assessment.

- The above-mentioned review revealed some gaps and had two main recommendations. One was to improve the mainstreaming process of ESP into projects/programs identification, screening, funding, implementation, monitoring and evaluation and the second was to institute an online grievance mechanism. MoE indicated they have secured funding for carrying out awareness campaign of ESP and the online grievance mechanism is now in place
- For its role as the Chair of the Environment and Natural Resources Sector (ENRS) of the government, MoE issued the 2018-2024 Environment and Natural Resources Strategic Plan (SSP) in 2017. The plan reflects sector contributions towards implementation of the first phase of the National Strategy for Transformation (NST-1), outstanding targets of Vision 2020 and emerging priorities for Vision 2050 and is aligned with strategic frameworks including the SDGs and Rwanda's Nationally Determined Contributions (NDC) to the Paris Agreement on Climate Change.
- The GoR has a National Gender Policy that was issued in 2010 and is still applicable to date. For its part, the MoE submitted, as evidence of how they are implementing the gender policy, a copy of a Gender Action Plan - FP073: Strengthening Climate Resilience of Rural Communities in Northern Rwanda (SCRNRP).
- Rwanda has closed 80% of its gender gap—edging out many countries in the Global North in the World Economic Forum's Global Gender Gap Index published in 2016 Rwanda is the only country in sub-Saharan Africa to be in the top 10 of the Index
- The Ministry's capacity in addressing environmental and social and gender risks was illustrated with reports on assessments of projects and with list of actions to address issues arising from these reports. Their National Environment Law requires that every project is subject to environment and social impact assessment (ESIA) using the Environmental and Social Management Framework (ESMF). The document of the AF funded project, "Reducing Vulnerability to Climate Change in North West Rwanda through Community Based Adaptation" includes an exhaustive analysis of environmental and social impact and gender aspects of the project including identification of risks and ways to mitigate and manage these.

***The Panel is satisfied that MoE continues to implement its robust policies and practices that fully demonstrate its commitment and capability in applying the environmental and social policy and the gender policy of the Adaptation Fund not only within the Ministry but for the entire GoR.***

- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** - There have been enhancements since the initial accreditation.
  - The Rwanda National Environmental Law includes the mechanisms for receiving and handling of complaints on environmental and social harms and gender harms caused by projects. The MoE is obliged to comply with this law which provides very detailed and long lists of prohibitions to ensure the protection, conservation and promotion of the environment and are the basis for any complaints. It also sets out punitive sanctions.

- For its part, the MoE has recently set up in its website a Complaints Mechanism portal, issued a user guideline for complainants to efficiently navigate the portal, and had designated a central secretariat to handle requests/responses on issues and complaints as well as the establishment of team assessment of issues relevant to a specific project and other arrangements that include field based review by teams of experts as well as public hearings.
- MoE indicated that to date, no complaints have yet been received through this portal.

***The Panel is satisfied that MoE has policies, procedures and the capability to receive, independently review and take remedial action where appropriate on complaints regarding environmental, social and gender harms caused by its programs and projects.***

**ANNEX V: DRAFT DECISION BY THE BOARD RELATED TO THE COMPLETION AND CLOSURE OF THE PROJECT “BUILDING RESILIENCE TO CLIMATE CHANGE AND VARIABILITY IN VULNERABLE SMALLHOLDERS” FOLLOWING THE CHANGE OF STATUS INTO “NOT ACCREDITED” OF AGENCIA NACIONAL INVESTIGACION E INNOVACION (ANII), OF URUGUAY**

In consideration of the change of status to “Not accredited” following Board Decision B.33/X, the Board may decide:

- a) To authorize *Agencia Nacional de Investigación e Innovación* (ANII) of Uruguay, on an exceptional basis and with a goal of minimizing further delay to the implementation of the project “Building resilience to climate change and variability in vulnerable smallholders,” to continue to implement the project in accordance with the terms and conditions of the grant agreement signed on 27 December 2011 even though ANII’s status has been changed to “Not accredited” in accordance with Decision B.33/X;
- b) To decide that the grant agreement will not be extended beyond April 30, 2020 in accordance with Decision B.31-32/25
- c) To request the secretariat to inform ANII that it has been authorized to continue to carry out the grant agreement to implement the final period of the project referred to in subparagraph (a) and there will be no extensions beyond April 30, 2020.