



ADAPTATION FUND

AFB/PPRC.32-33/2
27 November 2023

Adaptation Fund Board
Project and Programme Review Committee

**READINESS PACKAGE GRANT PROPOSAL TO SUPPORT
NATIONAL IMPLEMENTING ENTITY ACCREDITATION FOR
KENYA**

Background

1. At its twenty-second meeting, the Adaptation Fund Board Secretariat (the secretariat) had prepared document AFB/B.22/6 which outlined the possible elements and options for a phased programme to support readiness for direct access to climate finance for national and regional implementing entities and presented a framework and budget for a first phase of the programme. Following a discussion of the document, the Board decided to:

- a) *Approve Phase I of the Readiness Programme as detailed in document AFB/B.22/6, on the basis that it would follow performance-based funding principles;*
- b) *Take note of the options provided by the secretariat on a programme to support readiness for direct access to climate finance for national and regional implementing entities;*
- c) *Request the secretariat to submit to the Board intersessionally between the twenty-second and twenty-third meetings, execution arrangements, criteria/eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, as well as a timeline of activities, with a view to start implementing the programme before the twenty-third Board meeting; and*
- d) *Approve an increase in the Administrative Budget of the Board, secretariat and trustee for FY2014 of US\$ 467,000 for the programme described in AFB/B.22/6, and authorize the trustee to transfer such amount to the secretariat and request the trustee to set aside the balance amount of US\$ 503,000 from the Adaptation Fund Trust Fund resources for subsequent commitment and transfer at the instruction of the Board.*

(Decision B.22/24)

2. At its twenty-third meeting, the Board had decided through decision B.23/26 to approve the execution arrangements and eligibility criteria to allocate the funds to the accredited implementing entities for specific activities, contained in document AFB/B.23/5, which included grants for technical assistance and South-South Cooperation (SSC).

3. Based on the Board Decision B.23/26, the first call for readiness project proposals was issued in May 2014 and eligible countries were given the opportunity to submit applications for a readiness grant.

4. At the tenth session of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol (CMP 10), the Parties recognized the Readiness Programme of the Adaptation Fund and decided to:

Invite further support for the readiness programme of the Adaptation Fund Board for direct access to climate finance in accordance with decision 2/CMP.10, paragraph 5;

Decision 1/CMP.10

and also decided to:

Request the Adaptation Fund Board to consider, under its readiness programme, the following options for enhancing the access modalities of the Adaptation Fund:

- a) Targeted institutional strengthening strategies to assist developing countries, in particular the least developed countries, to accredit more national or regional implementing entities to the Adaptation Fund;*
- b) Ensuring that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-sized projects and programmes;*

Decision 2/CMP.10

5. Upon completion of Phase I of the Readiness Programme, the secretariat had prepared document AFB/B.25/5 which outlined the progress made in Phase I and proposed Phase II of the Readiness Programme, taking into account the results from Phase I of the programme and integrating decision 2/CMP10. Following a discussion of the document, the Board decided to:

Approve Phase II of the Readiness Programme, as outlined in document AFB/B.25/5, with a total funding of US\$ 965,000, including funding of US\$ 565,000 to be transferred to the secretariat's budget and funding of US\$ 400,000 to be set aside for small grants to National Implementing Entities from resources of the Adaptation Fund trust fund.

(Decision B.25/27)

6. At its twenty-seventh meeting, the Board decided to integrate the Readiness Programme into the Adaptation Fund (the Fund) work plan and budget and set aside funding for small grants to be directly transferred from the resources of the Adaptation Fund Trust Fund. At this meeting, the Board decided to:

- a) Take note of the progress report for phase II of the Readiness Programme;*
- b) Integrate the Readiness Programme into the Adaptation Fund work plan and budget; and*
- c) Approve the proposal for the Readiness Programme for the fiscal year 2017 (FY17), comprising its work programme for FY17 with the funding of US\$ 616,500 to be transferred to the secretariat budget and US\$ 590,000 for direct transfers from the resources of the Adaptation Fund Trust Fund for allocation as small grants.*

(Decision B.27/38)

7. At the twenty-eighth meeting of the Board, the Project and Programme Review Committee (PPRC) had recommended to the Board to establish a standing rule on the intersessional project review cycle for grants under the Readiness Programme to allow for continued review and approval of readiness grants intersessionally each year. Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided to:

- a) Request the secretariat to continue to review readiness grant proposals annually, during an intersessional period of less than 24 weeks between two consecutive Board meetings;*

- b) *Notwithstanding the request in paragraph (a) above, recognize that any readiness grant proposal can be submitted to regular meetings of the Board;*
- c) *Request the PPRC to consider intersessionally the technical review of such readiness grant proposals as prepared by the secretariat and to make intersessional recommendations to the Board;*
- d) *Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure; and*
- e) *Request the secretariat to present, in the twentieth meeting of the PPRC, and annually following each intersessional review cycle, an analysis of the intersessional review cycle.*

(Decision B.28/30)

8. At the thirty-sixth meeting of the Board, the PPRC had discussed the review cycle for readiness grants and recommended to the Board for readiness proposals to be submitted for review and consideration by the Board during both intersessional periods between the regular meetings of the Board. Having considered the recommendations of the PPRC, the Board decided:

- a) *To request the secretariat to review readiness grant proposals during all intersessional periods between Board meetings while recognizing that such grants may also be reviewed at regular meetings of the Board;*
- b) *To request the PPRC to consider intersessionally the technical review of such readiness grant proposals as prepared by the secretariat and to make intersessional recommendations to the Board;*
- c) *To consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;*
- d) *To also request the secretariat to send a notification to implementing entities and other stakeholders informing them about the new arrangement;*
- e) *To further request the secretariat to present, at the twenty-eighth meeting of the PPRC, and at subsequent PPRC meetings following each intersessional review cycle for readiness grants, an analysis of the intersessional review cycle.*

(Decision B.36/26)

9. At the thirty-sixth meeting of the Board, following completion of the pilot phase for the readiness package grant, the Project and Programme Review Committee (PPRC) had recommended to the Board to approve the readiness package grant as a standing grant to support accreditation to the Fund. The readiness package grant would replace South-South cooperation grants and continue to facilitate peer-peer support for accreditation through South-South cooperation using a more enhanced and comprehensive approach. Having considered the comments and recommendation of the PPRC, the Board decided:

- a) *To approve the Readiness Package Grant as a standing window and replacement to*

South-South Cooperation Grants under the Readiness Programme to provide support for the accreditation of a National Implementing Entity (NIE) of the Fund;

- b) That the Readiness Package Grant shall be available for accreditation of NIEs only, up to a maximum of US\$ 150,000 per country;*
- c) That Implementing Entities submitting proposals for the Readiness Package Grant should do so using the application form in Annex I of document AFB/PPRC.27/29 and that such proposals should be reviewed using the review sheet in Annex II of document AFB/PPRC.27/29;*
- d) That the review cycle and approval of Readiness Package Grants shall follow the review and approval process as well as reporting requirements for readiness grants under the Fund;*
- e) That already approved South-South Cooperation grants should continue implementation and fulfil all reporting requirements until completion;*
- f) To request the secretariat to prepare an analysis for opening the Readiness Package Grant to non-NIE intermediaries that are accredited implementing entities of the Fund;*
- g) To also request the secretariat to notify all accredited implementing entities of this decision by the Board on the Readiness Package Grant and South-South Cooperation Grants.*

(Decision B.36/25)

10. During the intersessional period between the thirty-seventh and thirty-eighth meetings of the Board, the PPRC had considered proposals submitted under the readiness package grant and recommended to the Board to make readiness grants available per NIE following decision B.36/42 to allow up to two NIEs to be accredited per country. The PPRC also recommended to the Board to update the readiness package grant application form and review template to facilitate provision of more comprehensive information by entities to enable the secretariat to adequately conduct a technical review of the submitted readiness package grant proposals. Having considered the recommendations of the PPRC, the Board decided to:

- a) Request the secretariat to amend the language of decision B.36/25 to allow the Readiness Package Grant to be made available for accreditation of NIEs only, up to a maximum of US\$ 150,000 per NIE, to ensure that entities going through the accreditation process are adequately supported;*
- b) Request the secretariat to update the application form and technical review sheet for Readiness Package grant proposals, and present them for consideration by the Project and Programme Review Committee (PPRC) at its twenty-ninth meeting;*

[...]

(Decision B.37-38/14)

11. At its fortieth meeting, the Board, through decision B.40/64, approved the readiness workplan for FY24 as contained in the secretariat work schedule and work plan, document AFB/EFC.31/4. Following decision B.40/64 by the Board, the secretariat launched a call for readiness project proposals intersessionally between the forty-first and forty second meetings of the Board and eligible countries were given the opportunity to submit applications for a readiness package grant to receive peer support for accreditation through an intermediary. The size of the readiness package grant would be up to a maximum of US\$ 150,000 per NIE as per decision B.37-38/14 by the Board.

12. At the Fortieth meeting of the Board, following the assessment for opening the Readiness Package Grants to non-NIE intermediaries that are accredited implementing entities of the Fund, the Project and Programme Review Committee (PPRC) had recommended to the Board to extend the role of intermediary to all accredited IEs of the Fund, which include the multilateral implementing entities (MIEs) and regional implementing entities (RIEs) that are accredited to the Fund. The eligibility criteria for an IE to access the RPG and deliver support for accreditation would remain unchanged and would apply uniformly to all IEs. Having considered the comments and recommendation of the PPRC, the Board decided to:

- a) *To extend the role of intermediary in the delivery of support for the accreditation of an NIE via the readiness package grant to all accredited implementing entities of the Fund;*
- b) *To require that all accredited implementing entities of the Fund that wish to deliver support for accreditation of a national implementing entity via the readiness package grant meet the following eligibility requirements:*
 - (i) *Have an “active accreditation” status with the Adaptation Fund;*
 - (ii) *Have experience advising or organizing relevant accreditation or capacity building support for institutions, organizations or other entities in developing countries at the national, subnational or local level to receive climate finance for adaptation projects and programmes;*
 - (iii) *Have experience implementing an Adaptation Fund project or programme and have submitted at least one project performance report, thereby demonstrating its commitment to adhering to the Fund’s fiduciary standards and operational policies and guidelines.*
- c) *To request the Adaptation Fund Board secretariat to update the website and notify all accredited implementing entities of the above decision by the Board.*

(Decision B.40/60)

13. Peer support for accreditation provided by the intermediary could involve a combination of activities that include (i) support to the designated authority (DA) to nominate a suitable NIE candidate (ii) In-country support by the intermediary to an NIE candidate (iii) technical support through experts (iv) organization of local, national or regional consultations/workshops, and (v) continuous support during the accreditation application process to address and respond to feedback provided by the accreditation panel (AP) during assessment of the NIE candidate application for accreditation.

14. It is expected that the peer-peer support would effectively help build national capacity and sustainability and that readiness package grants will enhance South-South cooperation for

accreditation to the Fund, through a more comprehensive suite of tools to help institutions in countries seeking direct access to the Fund's resources, to prepare and submit their applications for accreditation.

15. In response to the call for readiness grant proposals launched by the secretariat intersessionally between the forty-first and forty-second meetings of the Board, the secretariat received three grant proposals for readiness package grants for three countries to receive peer support for accreditation from three intermediary NIEs.

16. The present document introduces the readiness package project proposal submitted by the National Environment Management Authority (NEMA) of Kenya on behalf of the government of Kenya. The proposal is for the accreditation of a second NIE for Kenya. It includes a request for funding of US\$ 149,342.52 outlining the activities to be undertaken by NEMA to support the accreditation process of a second NIE in Kenya.

17. The secretariat carried out a technical review of the project proposal and completed a review sheet.

18. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with NEMA and offered them the opportunity to provide responses before the review sheet was sent to the PPRC.

19. The secretariat is submitting to the PPRC pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25/15, the proposal is submitted with changes between the initial submission and the revised version.



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ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY Readiness Package Grant

Readiness Package support recipient Country: **Kenya**
 Accredited Implementing Entity (Intermediary) delivering support: **National Environment Management Authority (NEMA)**
 Nominated National Implementing Entity (NIE) Candidate: **National Environment Trust Fund (NETFUND)**
 Type of Intermediary (NIE/RIE/MIE): **NIE**
 Requested Financing from Adaptation Fund (US Dollars): **\$149,342.52**
 AF Project ID:
 Reviewer and contact person: **Farayi Madziwa** Co-reviewer(s): **Ishani Debnath**
 IE Contact Person: **Wangare Kirumba**

Technical Summary

The project to support NIE accreditation in Kenya will be done through the three components below:

Component 1: Review/ Developing polices, guidelines and manuals (USD 86,285.73)

Component 2: Acquisition of systems (USD 35,714.29)

Component 3: Post review of the submitted application by the AF Accreditation Panel and stakeholder consultations (USD 15,642.86)

Requested financing overview:

Total Project/Programme Cost: USD 137,642.88

Implementing Entity Fee: USD 11,699.64

Financing Requested: USD 149,342.52

The initial technical review raises some issues, such as clarifying communication between the DA and NIE candidate, the IE management fee and clarifying some elements of the proposed budget as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

	The final technical review finds that the revised proposal has sufficiently addressed the clarification requests and corrective action requests made in the initial technical review.
Date:	22 November 2023

Review Criteria	Questions	Comments on 25 October 2023	Comments on 22 November 2023
Country Eligibility	1. Is the country that does not yet have an accredited NIE a Party to the Kyoto Protocol?	Yes	-
Eligibility of IE (Intermediary)	1. Is the project submitted through an Implementing Entity with an “accredited” status with the Fund?	Yes	-
	2. Does the Implementing Entity have an approved project by the Adaptation Fund Board and has submitted at least one project performance report (PPR)?	Yes. NEMA has submitted 3 PPRs for the project: Integrated Programme To Build Resilience To Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya.	-

	3. Has the Implementing Entity demonstrated adequate experience providing capacity building support to NIE candidates and other national/sub-national entities for access to climate change adaptation finance?	Yes. NEMA successfully supported EMA of Zimbabwe to obtain accreditation to the AF through a SSC grant. NEMA has also supported Malawi with NIE accreditation to the AF, is supporting Botswana and Tanzania with NIE accreditation to the AF using AF funds, and has provided capacity building for executing entities in Kenya under the GCF.	-
Eligibility of nominated NIE candidate	1. Has the nominated NIE candidate taken the AF online course on accreditation and demonstrated adequate results during the self-assessment to meet accreditation criteria of the Fund?	Yes. 4 staff members (2 of whom are NIE candidate staff) have successfully completed the course.	-

	2. Is the suitability of the candidate NIE to meet the accreditation criteria justified considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures?	Yes. The NIE candidate has experience implementing environmental conservation and sustainable development initiatives in Kenya. It also has a governance system that ensures institutional capacity and has policies and control frameworks in place relevant to meet the accreditation criteria, which include: a policy that ensures transparency and accountability; a control framework that stipulates decision making at all levels; and policies on finance procedures, procurement, corruption and fraud prevention and others.	-
Project Eligibility	1. Has the designated authority for the Adaptation Fund in the country seeking accreditation endorsed the project?	Yes. Endorsement letter signed on 29 August 2023.	-

	<p>2. Has the intermediary undertaken an assessment or had dialogue on the NIE candidate gaps/challenges and ability of the candidate NIE to meet the requirements stipulated in the AF accreditation application form?</p>	<p>Not cleared. An initial dialogue was held between Kenya's DA and the Chief Executive Officer. However, it is not clear if the Chief Executive Officer referred to is from the NIE candidate.</p> <p>The initial dialogue identified some strengths (see point 2 under Eligibility of nominated NIE candidate) and some gaps which include the need to strengthen some of its systems and structures including its project management, review of grants management manual, procurement manual, monitoring and evaluation policy and framework, gender and social safeguards policies, resource mobilization policy, grants management manual, development of anti-money laundering and counterterrorism financing policy and enhancement of board operations from a manual system to a digital platform.</p> <p>CR1: Please clarify if the Chief Executive Officer is from the NIE candidate.</p>	<p>CR1: Cleared</p> <p>The Chief Executive Officer is from the NIE candidate, as noted in the response sheet.</p>
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	3. Have accreditation gaps/challenges been clearly identified and the approaches to address them clearly outlined?	<p>Yes. Gaps include the need to establish an Anti-Money Laundering and Counter-terrorism Financing Policy, and the need to update the following: Gender Policy; Monitoring and Evaluation Policy and Framework; Environment and Social Safeguards policy; Project Cycle Management Manual; Grants Management Manual; establishing a digital Project Management System and an electronic board system.</p> <p>Consultants will be hired to address the above policy and control frameworks.</p>	-
	4. Are the proposed activities to address identified gaps/challenges for the NIE candidate to obtain accreditation with the Fund justified?	Yes	-
Resource Availability	1. Is the requested project funding within the cap for the Readiness Package grants set by the Board?	Yes	-
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme	Not cleared. The fee is 8.54% and should be adjusted to fall within the cap. Additionally there are no budget notes to explain what the management fee will be used for.	<p>CAR1: Cleared.</p> <p>The fee is 8.5%. The management fee will be used for conference fee during launch of the readiness</p>

	budget before the fee?	CAR1: Please revise the IE management fee to within the cap of 8.5% of the total project/programme budget before the fee and provide notes in the budget table to explain what the implementing entity management fee will be used for.	package grant and review sessions by NIE, as noted in the responses.
	3. Is there budget set aside to continue support post submission of a complete application for accreditation to the AF secretariat?	Yes. A budget to provide an estimated 1 month of post submission support is provided.	-
Implementation Arrangements	1. Has adequate time been provided to respond to and address comments and feedback that may be made by the Accreditation Panel?	Yes. The given timeframe of 1 month is a reasonable timeframe to address comments by the AP.	-

	<p>2. Is a detailed budget including budget notes included?</p>	<p>Not cleared. The figures in the annotated budget (Annex I) do not match with those in the table listing the project components (section C(iv)). As currently presented in the components table, the sub-total for component 1 would be \$86,285.73; \$15642.86 for component 3, and the total grant request would be \$149,342.52.</p> <p>CR2: Please double check the calculation of figures for the components and the total grant requested and match the figures in the components table with those in the annotated budget.</p>	<p>CR2: Cleared</p> <p>The budget has been revised to match the figures in the component table with those in the annotated budget.</p>
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ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY Readiness Package Grant

Readiness Package support recipient Country: **Kenya**

Accredited Implementing Entity (Intermediary) delivering support: **National Environment Management Authority (NEMA)**

Nominated National Implementing Entity (NIE) Candidate: **National Environment Trust Fund (NETFUND)**

Type of Intermediary (NIE/RIE/MIE): **NIE**

Requested Financing from Adaptation Fund (US Dollars): **\$148,645.00**

AF Project ID:

Reviewer and contact person: **Farayi Madziwa**

Co-reviewer(s): **Ishani Debnath**

IE Contact Person: **Wangare Kirumba**

Technical Summary	<p>The project to support NIE accreditation in Kenya will be done through the three components below:</p> <p><u>Component 1:</u> Review/ Developing polices, guidelines and manuals (USD 86,285.73).</p> <p><u>Component 2:</u> Acquisition of systems/ ICT applications (USD 35,714.29)</p> <p><u>Component 3:</u> Post review of the submitted application by the AF Accreditation Panel. (USD 15,642.86)</p> <p><u>Requested financing overview:</u> Total Project/Programme Cost: USD 137,642.88 Implementing Entity Fee: USD 11,699.64 Financing Requested: USD 149,342.52</p> <p>The initial technical review raises some issues, such as clarifying communication between the DA and NIE candidate, the IE management fee and clarifying some elements of the proposed budget as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.</p>
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Date:	25 October 2023
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Review Criteria	Questions	Comments	Responses
Country Eligibility	1. Is the country that does not yet have an accredited NIE a Party to the Kyoto Protocol?	Yes	
Eligibility of IE (Intermediary)	1. Is the project submitted through an Implementing Entity with an “accredited” status with the Fund?	Yes	
	2. Does the Implementing Entity have an approved project by the Adaptation Fund Board and has submitted at least one project performance report (PPR)?	Yes. NEMA has submitted 3 PPRs for the project: Integrated Programme To Build Resilience To Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya.	
	3. Has the Implementing Entity demonstrated adequate experience providing capacity building support to NIE candidates and other national/sub-national entities for access to climate change adaptation finance?	Yes. NEMA successfully supported EMA of Zimbabwe to obtain accreditation to the AF through a SSC grant. NEMA has also supported Malawi with NIE accreditation to the AF, is supporting Botswana and Tanzania with NIE accreditation to the AF using AF funds, and has provided capacity building for executing entities in Kenya under the GCF.	

Eligibility of nominated NIE candidate	1. Has the nominated NIE candidate taken the AF online course on accreditation and demonstrated adequate results during the self-assessment to meet accreditation criteria of the Fund?	Yes. 4 staff members (2 of whom are NIE candidate staff) have successfully completed the course.	
	2. Is the suitability of the candidate NIE to meet the accreditation criteria justified considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures?	Yes. The NIE candidate has experience implementing environmental conservation and sustainable development initiatives in Kenya. It also has a governance system that ensures institutional capacity and has policies and control frameworks in place relevant to meet the accreditation criteria, which include: a policy that ensures transparency and accountability; a control framework that stipulates decision making at all levels; and policies on finance procedures, procurement, corruption and fraud prevention and others.	
Project Eligibility	1. Has the designated authority for the Adaptation Fund in the country seeking accreditation endorsed the project?	Yes. Endorsement letter signed on 29 August 2023.	

	<p>2. Has the intermediary undertaken an assessment or had dialogue on the NIE candidate gaps/challenges and ability of the candidate NIE to meet the requirements stipulated in the AF accreditation application form?</p>	<p>Not cleared. An initial dialogue was held between Kenya's DA and the Chief Executive Officer. However, it is not clear if the Chief Executive Officer referred to is from the NIE candidate.</p> <p>The initial dialogue identified some strengths (see point 2 under Eligibility of nominated NIE candidate) and some gaps which include the need to strengthen some of its systems and structures including its project management, review of grants management manual, procurement manual, monitoring and evaluation policy and framework, gender and social safeguards policies, resource mobilization policy, grants management manual, development of anti-money laundering and counterterrorism financing policy and enhancement of board operations from a manual system to a digital platform.</p> <p>CR1: Please clarify if the Chief Executive Officer is from the NIE candidate.</p>	<p>The Chief Executive Officer referred to in the Grant application under section C (a) of the readiness grant application form is indeed the Chief Executive Officer of the candidate NIE.</p>
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	3. Have accreditation gaps/challenges been clearly identified and the approaches to address them clearly outlined?	<p>Yes. Gaps include the need to establish an Anti-Money Laundering and Counter-terrorism Financing Policy, and the need to update the following: Gender Policy; Monitoring and Evaluation Policy and Framework; Environment and Social Safeguards policy; Project Cycle Management Manual; Grants Management Manual; establishing a digital Project Management System and an electronic board system.</p> <p>Consultants will be hired to address the above policy and control frameworks.</p>	
	4. Are the proposed activities to address identified gaps/challenges for the NIE candidate to obtain accreditation with the Fund justified?	Yes	
Resource Availability	1. Is the requested project funding within the cap for the Readiness Package grants set by the Board?	Yes	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	<p>Not cleared. The fee is 8.54% and should be adjusted to fall within the cap. Additionally there are no budget notes to explain what the management fee will be used for.</p> <p>CAR1: Please revise the IE management fee to within the cap</p>	<p>The management fee will be used for conference fee during launch of the readiness package grant and review sessions by NIE.</p> <p>The management fee has been calculated at the total project cost</p>

		of 8.5% of the total project/programme budget before the fee and provide notes in the budget table to explain what the implementing entity management fee will be used for.	@ 137,642.88 by 8.5% amounting to 11,699.64.
	3. Is there budget set aside to continue support post submission of a complete application for accreditation to the AF secretariat?	Yes. A budget to provide an estimated 1 month of post submission support is provided.	
Implementation Arrangements	1. Has adequate time been provided to respond to and address comments and feedback that may be made by the Accreditation Panel?	Yes. The given timeframe of 1 month is a reasonable timeframe to address comments by the AP.	
	2. Is a detailed budget including budget notes included?	<p>Not cleared. The figures in the annotated budget (Annex I) do not match with those in the table listing the project components (section C(iv)). As currently presented in the components table, the sub-total for component 1 would be \$86,285.73; \$15642.86 for component 3, and the total grant request would be \$149,342.52.</p> <p>CR2: Please double check the calculation of figures for the components and the total grant requested and match the figures in the components table with those in the annotated budget.</p>	The figures were inadvertently entered incorrectly under section IV. We have made the appropriate corrections.

APPLICATION FORM/PROPOSAL TEMPLATE FOR READINESS PACKAGE GRANTS

ADAPTATION FUND

READINESS PACKAGE GRANT APPLICATION FORM TEMPLATE

Application for a Grant to support NIE accreditation through the readiness package

Submission Date: 15/11/2023

Adaptation Fund Grant ID:

Country receiving support: Kenya.

Institution to navigate accreditation process, if already identified: National Environment Trust Fund (NETFUND)**Name of Implementing Entity delivering support:** National Environment Management Authority (NEMA)**Type of Implementing Entity delivering support (NIE/RIE/MIE):** NIE**A. Timeframe of Activity**

Expected start date of support	January 1 st 2024
Completion date of support	June 30 th 2024

B. Experience participating in, organizing support to, or advising other NIE candidates

- (i) Describe the support provided for accreditation through readiness grants from the Adaptation Fund to developing countries and/or entities seeking to use the Fund's Direct Access modality (*please list only up to five of the most recent and add any others as an annex to this template*).

Year support started	Year support ended	Climate Fund (source of grant)	Type of support provided	Outcome of the support	Country/institution supported
2020	ongoing		<p>Workshop held in Nairobi with Botswana team, and Zimbabwe teams. Several online meetings held. The objective was to:</p> <p>a) Mentor NDB and FNDS to review their existing systems, procedures and documents.</p> <p>b) Support in the identification of documents for accreditation submission and develop an action plan for gaps that needed to be addressed.</p> <p>c) Developing project selection criteria and Performance Monitoring tools that meets AF eligibility criteria.</p> <p>d) Training on project Governance tools</p>	<p>Accreditation application by National Development Bank (NDB) of Botswana</p> <p>Review of accreditation application for FNDS of Mozambique</p>	<p>National Development Bank (NDB) of Botswana</p> <p>Mozambique (FNDS)</p>

2017	2019	Adaptation Fund	<p>NEMA received south south grants to support the Environmental Management Agency (EMA) of Zimbabwe, as the nominated institution pursuing accreditation on behalf of Government of Zimbabwe and Malawi Environment Trust Fund (MEET) that was nominated for Accreditation by the government of Malawi.</p> <p>The support was to:</p> <ul style="list-style-type: none"> a) Engage high level government officials to secure commitment from both countries to execute the Adaptation Fund South to South grant towards achieving accreditation for EMA and MEET. b) Technical support to identify and develop governance tools that meet the AF policies and guidelines standards. c) Share knowledge and experiences of the AF Programme design and implementation. 	EMA, Zimbabwe got AF Accreditation in 2019.	Zimbabwe
16 th Sept. 2013	21 st Sept. 2013	Adaptation Fund	NEMA hosted a high-level delegation on a learning mission from NEMC Tanzania to exchange knowledge on climate change adaptation.	Exposure to the various experiences under the theme of climate change adaptation in NEMA and in other ministries and institutions.	Tanzania

16 th March 2017	18 th March 2017	Adaptation Fund	<p>NEMA Mentored the Environmental Management Agency (EMA) from Zimbabwe and the Malawi Environmental Endowment Trust (MEET) Malawi.</p> <p>The mentoring started with a high-level activity to ensure high level government interactions, between the participating countries.</p>	<p>This high-level engagement: Secured commitment from both countries to execute the Adaptation Fund South to South grant towards achieving accreditation for EMA and MEET</p>	Zimbabwe Malawi
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27 th Nov. 2017	29 th Nov. 2017	Adaptation Fund	<p>Workshop held in Nairobi with Malawi and Zimbabwe teams. The objective was to:</p> <p>e) Mentor MEET and EMA review their existing systems, procedures and documents.</p> <p>f) Support in the identification of documents for accreditation submission and develop an action plan for gaps that needed to be addressed.</p>	<p>Environmental Management Agency (EMA) and Malawi Environment Trust Fund (MEET) achieved the following from the workshop.</p> <p>a) Gained skills and knowledge on how to review their existing systems, procedures and documents.</p> <p>b) EMA & MEET resubmitted documentations as required by the AF Board.</p> <p>c) EMA and MEET initiated processes and integrated their internal policies to be in line with the national frameworks for resubmission to AF accreditation panel.</p> <p>d) EMA initiated engagement with the Zimbabwe's financial Department/ Focal Point/ DA.</p>	Zimbabwe Malawi
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5 th March 2019	7 th March 2019	Adaptation Fund	<p>Training workshop took place to assist EMA and MEET develop governance tools that meet the AF policies and guidelines standards.</p> <p>NEMA also shared knowledge and experiences on programme design process that meet AF eligibility criteria</p>	<p>The following are the learning yhoutcomes and strategic direction:</p> <p>Learning Outcomes</p> <p>a) Gaps identified during workshop held during workshop held in November 2017 were addressed. The two institutions were able to identify the documents required.</p> <p>b) Operational policies and governance tools that were not in place were developed and those in place that needed review were revised.</p> <p>c) Reviewed documents were resubmitted to AF accreditation panel for consideration.</p> <p>d) EMA designated a focal person to deal with accreditation issues on daily basis</p>	Zimbabwe Malawi
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(ii) Describe any other type of support provided outside the grants from the Adaptation Fund to other national, sub-national and/or local entities relevant to the AF accreditation process.

Year support started	Year support ended	Climate Fund (source of grant)	Type of support provided	Outcome of the support	Country/institution supported
2018	2022	Green Climate Fund (GC)	Readiness support to subnational entities who are potential executing Entities	<ol style="list-style-type: none"> 1. Strengthening of internal systems of the target organizations 2. Increased Knowledge of Climate Change programming 	Kenya

C. Proposed activities to support NIE accreditation

- (i) Describe the initial exchange that took place with the candidate entity and with the DA e.g., state with who (director, committee, DA etc.). Also state when the discussion took place and state what conclusions were arrived at. e.g., briefly state what issues the identified candidate NIE(s) is likely to face considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures.

a) Initial exchange between the Designated Authority and NIE candidate

The Chief Executive Officer in his capacity as the Accounting Officer for the NIE Candidate, held a meeting with the Principal Secretary for Environment and Climate Change in his capacity as the Designated Authority, and in recognition of the huge funding gap required to meet Kenya's Adaptation Actions, identified the need to have a second accredited NIE in the country to accelerate access to Adaptation Fund resources. NETFUND being the primary resource mobilization entity for the environment sector in Kenya was identified as the suitable candidate for NIE accreditation.

Consequently, on May 11th, 2023, NETFUND made a formal request to the Designated Authority to be nominated for accreditation by the Adaptation Fund. The Designated Authority reviewed this request and resolved that NETFUND being the principal agency for mobilization and management of resources for the Environment, Climate Change and Forestry sector in Kenya, is strategically placed for accreditation.

On May 12th, 2023, the Designated Authority submitted a nomination letter to the Adaptation Fund Board nominating the Fund for accreditation and also recommending that the organization be considered for the capacity building resources to support the capacity strengthening efforts to fast track accreditation process.

b) Experience in managing project finance.

NETFUND has demonstrated institutional capacity to undertake Adaptation Fund projects through its track record of successfully implementing environmental conservation and sustainable development initiatives in Kenya. The organization has established partnerships with other stakeholders, including government agencies, non-governmental organizations, and local communities, to implement the following projects successfully. These include, the Forestry and Land Restoration Action for Kenya project (FLaRAK), Restoration and sustainable management of the Cherangany forest ecosystem for climate change resilience and improved livelihood, Enhancing climate resilience and nutrition uptake through the fortification of corn flour with locally produced high nutrition value crops, Promotion of Green Growth through Innovations that reduce effects of Climate Change, Low Emission and Climate Resilient Development Project in Kenya and Supporting the Implementation of the Green Economy Strategy and Implementation Plan through development of Low Carbon Projects for Resource Mobilization.

c) Institutional capacity

NETFUND is led by a Board of Trustees (BoT) appointed by the Cabinet Secretary, Ministry of Environment Climate Change and Forestry. The Board comprises of five non-executive independent professionals and two representatives from the Ministry of Environment, Climate Change and Forestry and The National Treasury respectively. The Board is the highest decision-making organ with fiduciary responsibility of the Fund charged with resource mobilization, policy formulation including strategic planning, risk management, control of assets and undertaking other activities in line with the mission and vision of NETFUND.

d) Transparency and Accountability

The Chairperson of the Board of Trustees is non-executive and is primarily responsible for providing leadership to the Board while a Chief Executive Officer is responsible for the day-to-day management of the Fund. This achieves an appropriate balance of power, increased accountability and improved capacity for decision making. The Chief Executive Officer is recruited through a transparent process. When the position falls vacant, the Board of Trustees advertises for the vacant position on the national newspapers, applications are received, shortlisting is done in accordance with the criteria set out on the qualifications required and the job description, interviews are done and a list of three best candidates is submitted to the Cabinet Secretary Ministry of Environment Climate Change and Forestry for the formal appointment.

The Chief Executive Officer has more than fifteen years of progressive experience in Finance and accounting in the public sector. He has a Master of Science Degree in Finance and a Bachelor of Commerce. He is a Certified Public Accountant (K), with expertise in developing and implementing financial controls, financial reporting, IFRS, IPSAS, budgeting, Taxation, Project accounting and financial management.

NETFUND has accounting procedures which are guided by section 68 of the Public Finance Management Act 2012 and internally it has Finance and Procedures Manual that guides the day to day financial management using the SAGE 300 software for processing of payments and preparation of financial statements. Additionally, the finance department has an establishment five members of staff headed by a Finance Manager who is a Certified Public Accountant of Kenya (CPA K).

NETFUND has a robust Control Framework that clearly stipulates decision making at all levels. While discharging their oversight functions, the Board of Trustees are guided by the Board Charter that defines the roles, responsibilities and the governance structure for the Fund. The Fund has a resource mobilization framework that provides a clear, systematic, well-coordinated approach to resource mobilization, management, reporting, monitoring, and evaluating of cash and in-kind resources from development partners. In addition, the project cycle Manual (PCM) describes procedures followed during the lifecycle of a project.

The Fund also has the Finance and procedures manual, Human Resource Policy and Procedures manual and the procurement Manual that guide financial management, human resource and procurement of goods and services.

e) Self-investigative powers and anti-corruption measures

NETFUND has various policies on corruption and fraud prevention such as the Corruption Prevention Policy and the Whistle Blowing Policy. The Fund has also provided a platform on the website where the public can report corruption issues anonymously and has provided a corruption reporting box where anyone can drop the complaints.

NETFUND has displayed at the entrance of the offices, a statement communicating that NETFUND is a corruption free zone and discouraging all forms of corruption including bribery, fraud, financial mismanagement and other forms of malpractice. Finally, the Fund has a team of qualified internal auditors who provide an independent internal audit oversight that is guided by the Internal Audit Charter. The department is headed by a Manager Internal Audit who is a Certified Fraud Examiner (Global), Certified Public Accountant of Kenya (CPA K) among other qualifications.

f) Conclusion

The Fund meets most of the accreditation standard requirements, however there is need to strengthen some of its systems and structures including its project management, review of grants management manual, procurement manual, monitoring and evaluation policy and framework, gender and social safeguards policies, resource mobilization policy, grants management manual, development of anti-

money laundering and counterterrorism financing policy and enhancement of board operations from a manual system to a digital platform to meet the Adaptation Fund requirements.

Additionally, the Fund requires to strengthen the capacity of project staff through capacity building in Environmental Social Governance, gender inclusion in project management and emerging climate change issues.

(ii) Describe results of the self-assessment done by the candidate NIE or assessment done by intermediary on suitability of the candidate/nominated NIE to meet the accreditation criteria. Confirm whether any candidate NIE staff took the AF online course on accreditation and explain how the learning outcome from taking this course has been incorporated into the proposal. (The AF accreditation course can be found [here](#)).

a) Results of the self-assessment done

The candidate NIE undertook a self-assessment and identified key strengths and gaps to meet the accreditation requirements.

The candidate NIE is mandated to mobilize, avail and manage resources to support the Country's environmental initiatives including ecosystem restoration, biodiversity conservation, circular & blue economy, and promotion of alternative nature-based solutions. As such the candidate has a dedicated team of professionals with expertise in various fields such as resource mobilization, fund management, project management, climate finance, natural resource management, and biodiversity conservation.

The candidate NIE has the necessary institutional arrangements, financial management systems, and technical capacity to meet the Adaptation Fund's accreditation requirements. It has a well-established governance structure, including a Board of Trustees, independent Internal Audit Department and a Secretariat responsible for managing funds and implementing projects.

The candidate NIE however, has identified areas that require strengthening through support from the Readiness Package Grant from the Adaptation Fund. These include; acquisition of a Project Management System, review of; project management manual, Grants management and Resource Mobilization Manual, Procurement Policy and Manual, Monitoring and Evaluation Policy and Framework, Gender Policy and environment and Social sustainability Policy and Anti-Money Laundering and Counter-terrorism Financing Policy.

b) AF online course on accreditation

Four members of staff member have completed the course on Direct Access: Unlocking Adaptation Funding and certificates have been issued by the Adaptation Fund and the World Bank Group. (Certificates attached)

The E-Learning Course on Direct Access has provided an overview and guidance to the Fund's accreditation process. The course covers project design and implementation processes that will help NETFUND develop effective projects in Kenya. It has imparted user-friendly knowledge of the Fund's requirements for accreditation, understanding and application of environmental, social and gender considerations when formulating and implementing sustainable climate change adaptation projects. The course provides insights on project risk management and development of mitigation plans.

The course has also provided an overview of Enhanced Direct Access (EDA) modality and guidance on how to complete the project proposal template. Finally, the course has enhanced institutional knowledge on operations of the AF which will be critical for future engagements.

(iii) Briefly justify why the nominated NIE candidate is best suited to meet the accreditation criteria.

Legal status

NETFUND is established under the Environmental Management and Coordination Act (EMCA 1999) as a Semi-Autonomous Government Agency under the Ministry of Environment, Climate Change and Forestry in Kenya, mandated to undertake resource mobilization to support the Environment, Climate Change and Forestry Sector. As such, the organization is a body corporate with perpetual succession and is capable of suing and being sued.

Financial Management and Integrity

NETFUND operates under a rigorous financial policies and systems. The organization is guided by chapter 12 of the Kenyan Constitution which explicitly lays out the principals of public finance in Kenya and the Public Financial Management Act 2012 which confers fiduciary responsibility to accounting officers of government entities in Kenya. The regulations provide the foundational tenets for public financial management in Kenya. In addition, the Fund has a finance policy and manual that provides the guidelines and procedures for receiving and processing payments.

The organization has an automated financial management system supported by SAGE ERP that enables real-time entry and approval processes, multilevel approval workflow for documents and requisitions, schedules and plans project resources with gaunt chart enabled web interphase, facilitates requisition submissions and approvals with email alerts, and full multi-currency support for expense reporting and reimbursements.

The internal audit department on annual basis prepares a risk-based audit plan, which provides assurance over key business processes, operational and financial risks facing the Fund. The plan entails audit of all the Directorates, departments and ongoing projects. The generated reports are submitted to the Board Audit Committee where they are reviewed and recommendations are submitted to the full board for adoption and follow ups on implementation of recommendations by the internal audit team.

NETFUND is audited by the Office of the Auditor General as required by the Public Audit Act 2015. The Act requires the Office of the Auditor General to undertake an audit three months after the closure of the financial year. The report generated is submitted to The National Assembly for the Parliamentarians to determine outstanding audit issues and ensure appropriate action is taken. Additionally, project based independent audits are undertaken based on internal or external stakeholder requests.

The financial statements are prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates and in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Fund's financial statements for the past 3 years have had an unqualified opinion from the Office of the Auditor General.

Institutional capacity

i. Procurement of goods and services

The procurement of goods, services, works and disposal of assets in NETFUND is guided by a legal framework (public procurement and asset disposal act 2015 and the attendant regulations 2020) and the NETFUND procurement manual.

To ensure checks and balances there is clear segregation of duties as procurement is processed through adhoc committees in adherence to the Act and Regulations. NETFUND ensures that procurement is done competitively, fairly and transparently in line with the legal framework. All procurement opportunities are advertised through the national newspaper and the Public Procurement Regulatory Authority online portal as well as the NETFUND website.

ii. Project Appraisal

NETFUND has a robust Control Framework that clearly stipulates decision making at all levels. While discharging their oversight functions, the Board of Trustees are guided by the Board Charter that defines the roles, responsibilities and the governance structure for the Fund. The Fund has a resource mobilization framework that provides a clear, systematic, well-coordinated approach to resource mobilization, management, reporting, monitoring, and evaluating of cash and in-kind resources from development partners. In addition, the project cycle Manual (PCM) describes procedures followed during the lifecycle of a project.

In order to appraise projects/programmes effectively, NETFUND has established a systematic and transparent process for evaluating project/programme proposals, including a clear set of guidelines espoused in the organisation's Project Cycle Manual (PCM), Gender Policy and Environment and Social Sustainability Policy for assessing the technical, economic, social, and environmental aspects of each proposal. In the project cycle manual, the project appraisal starts with situational analysis of the environment sector to identify environmental focus areas that forms the basis for program and project design. Upon design and development of projects, all proposals are subjected to a review process by The National Treasury under the Public Investment Management guidelines to determine if the program/ projects are aligned to government priorities and plans.

The Fund has a qualified team of professionals from the Programs, Finance and Resource mobilization departments, and where necessary engages experts from the sector agencies to carry out project appraisal to ensure strict conformity to the Project Cycle Manual and Development Partners requirements. Equally, at The National Treasury, the Public Investment Management Unit is responsible for project appraisal.

iii. Monitoring and Evaluation

NETFUND has adopted and customized the National Integrated Monitoring and Evaluation System (NIMES) and developed the M&E framework and policy.

The Fund has a qualified and competent Monitoring & Evaluation (M&E) team with requisite skills and knowledge to effectively undertake monitoring and evaluation for the projects and programmes. The team uses the following guiding documents; M&E framework and policy, M&E plans for specific projects, M&E system/software and project management system. Data is managed through *tola* data software to ensure protection security, easy visualization and tracking of the project processes.

Each project/ programme must have an M&E plan and clearly defined specific indicators approved by the Chief Executive Officer.

The M&E team carries out baseline studies, quarterly, midterm, end term and impact evaluations with direct reporting to the CEO for accountability and decision making.

iv. Environmental Social Safeguards

NETFUND uses the Environmental and Social Sustainability Policy to ensure that environmental management and social responsibility is adhered to as stipulated in EMCA 1999. The policy promotes sustainable best practices by ensuring that environmental and social risks are considered in all Fund's projects and programmes.

The projects team has environment and social specialists that monitor the environment and social risks related to the project. At the design stage, the team undertakes screening of the environment and social risks for every project and develops an environment and social management framework to guide identification and implementation of mitigation measures.

Transparency, Self-investigation, & Anti-corruption

In compliance with Section 81 of the Public Finance Management Act, 2012 (PFM) and section 14 of the State Corporations Act, the Fund prepares financial statements which give a true and fair view of the state of affairs of the Fund. The financial statements are prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates and in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Trustees are required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Fund's financial statements for the past 3 years have had an unqualified opinion from the auditors.

The Fund has various policies on corruption and fraud prevention such as the Corruption Prevention Policy and the Whistle Blowing Policy. The Fund has also provided a platform on the website where the public can report corruption issues anonymously and provided a corruption reporting box where anyone can drop the complaints. In compliance with the Bribery Act 2016 and the Corruption & Economics Crime Act the Accounting Officer appoints a corruption prevention committee comprising heads of departments. The Committee oversees corruption prevention activities. Equally the committee prepares an annual Bribery and Corruption Risk Assessment and Mitigation Plan which is submitted to the Ethics and Anti-Corruption Commission (EACC). The mitigation plan is monitored on quarterly basis and a report is submitted to the Commission. The Commission gives a score on the annual performance based on the reported implementation of the mitigation plan.

The Board considers significant control on matters raised by the internal and external auditors. Where weaknesses are identified, the Board ensures that management takes appropriate action.

The Fund also has a public complaints committee that defines a systematic structure for receiving, investigating and responding to public complaints relating to the funds actions regarding environmental, social, programmatic and financial concerns.

Compliance with Adaptation Fund Gender policy

NETFUND is guided by the Bill of Rights in the Constitution of Kenya enshrines the principle of equality of all genders and prohibits discrimination of any person on the basis of gender. The government of Kenya developed a National Policy on Gender and Development that aims to create a just, fair and transformed society free from gender based discrimination in all spheres of life practices. In line with the National policy on gender and development, NETFUND has a gender policy whose goal is to promote gender equality and inclusion in all the Fund's operations, programmes and the work environment.

The policy provides guidelines on;

- i. Compliance to gender requirements in line with national, regional, international legal and policy frameworks.
- ii. Mainstreaming gender equality and inclusion in the Fund's operations, programmes and projects
- iii. Capacity building of the Fund on gender equality and inclusion
- iv. Establishment of mechanisms for prevention, response and management of sexual and gender-based violence

To mainstream the gender policy, NETFUND has ensured that for every project gender analysis is undertaken and a gender action plan is developed to ensure that gender issues are mainstreamed in the project cycle. NETFUND has prepared the Gender assessment and Action Plan for the Climate Resilience project for Makueni and Baringo Counties, Ecosystem Based Management of Lake Naivasha Basin and the Mitigation Action Facility for Electric Mobility among other projects.

NETFUND has a team of experts trained on gender issues and this ensures that gender issues are mainstreamed during programming.

- (iv) Provide a list in chronological order of occurrence, of the main components/steps that would be implemented to address the NIE candidate gaps/challenges, the activities to be undertaken, and the requested budget to support accreditation of the NIE candidate. An example is provided within the table in italics

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Tentative completion date	Requested budget for component (USD)
1. Review/ Developing polices, guidelines and manuals	Develop anti-money laundering and counter-terrorism financing policy	Anti-money laundering and counter-terrorism financing policy defining guidelines to prevent money laundering and	29 th Feb 2024	13,214.29
	Review gender policy	Updated Gender Policy taking a programmatic approach	29 th Jan 2024	6321.43
	Review Monitoring and Evaluation policy and framework	Updated Monitoring and Evaluation policy and framework that aligns to international standards	15 th March 2024	14,464.29
	Review Environment and Social Safeguards policy	Updated Environment and Social Safeguards policy incorporating programming approach, addressing human rights issues	15 th March 2024	15,178.57
	Training on Environment Social Governance and Gender inclusion	Ten members of staff Capacity built on Environment Social Governance and Gender inclusion	15 th March 2024	8,178.57
	Review Project Management manual	Updated Project management manual	15 th April 2024	14,464.29

	Review Grants Management & Resource Mobilization Manual	Updated Grants Management & Resource Mobilization Manual	15 th April 2024	14,464.29
Subtotal for component				86,285.73
2. Acquisition of systems/ ICT applications	Procure and install a project management system and E-board	Operational project management system and an E Board in place	15 th May 2024	35,714.29
3. Post review of the submitted application by the AF Accreditation Panel.	Submission of a revised application for AF accreditation consideration	Revised application for AF accreditation consideration	15 th June 2024	3,750
	Multi stakeholder consultation	Stakeholder buy in	30 th June 2024	11,892.86
Total Project/Programme Cost				137,642.88
Project/Programme Cycle Management Fee charged by the Implementing Entity (Maximum of 8.5%)				11,699.64
Total Grant Requested (USD)*				149,342.52

**Please provide a detailed budget (with budget notes including a note of how the management fee will be used) attached as an annex to the application (Annex I)*

D. Justification of project activities

Provide a description of each identified NIE candidate gap/challenge and explain the status core, current processes and procedures within the NIE candidate regarding the identified gap/challenge and explain how the activities to be undertaken would address the identified gaps/challenges to advance accreditation of the NIE candidate. For new policies, procedures and institutional structures that need to be newly established, also provide a timeframe for demonstrating their effective operation and submission of evidence to the Accreditation Panel (AP), including responding to feedback from the AP. *(for missing policies, manuals and institutional structures, please list and explain each one individually)*

The following key gaps/ challenges identified and require to be addressed at NETFUND:

1) Policies that do not exist at organizational level and requires to be developed;

• Anti-money laundering and counter-terrorism financing policy

NETFUND currently relies on national level policies and guidelines on issues relating to anti-money laundering and terrorism financing. These policies provide general framework and there is need to domesticate these policies at institutional level to deal with specific organizational context. After development and operationalization of this policy, the effectiveness of this policy will be evaluated within three months. The Fund will ensure that the policy meets the Adaptation Fund standards to employ reasonable efforts, consistent with its standard practices and procedures, including those pertaining to combating financing for terrorists, to ensure that the Grant funds provided to the

Implementing Entity are used for their intended purposes and are not diverted to terrorists.

2) Gaps in some of the existing policies, procedures and manuals

While most of the policies required to meet the Adaptation Fund accreditation standards are available, the following policies require to be reviewed to meet the Adaptation Fund threshold;

Gender Policy:

NETFUND gender policy is more focused on gender mainstreaming within the organization and in projects and programmes. The NETFUND gender policy will be reviewed to meet the Adaptation Fund standards and to ensure that the Fund will achieve more effective, sustainable and equitable adaptation outcomes and impacts in both its internal and external procedures that pro-actively analyze and seek to address dynamic interlinkages between enhancing gender equality, the empowerment of women and girls, adaptation needs and other societal challenges, vulnerabilities and exclusions that women and girls, men and boys and their communities face.

The review will also ensure that the gender issues take programmatic and operational approach and to prescribe the process of addressing gender issues in design and development projects and as well as expand the gender indicators that meets the international standards.

Monitoring and Evaluation policy and framework:

While NETFUND Monitoring & Evaluation policy has been adequate for its operations, it requires to be reviewed to integrate high level indicators, adopt funds management approach and align with Adaptation Fund standards. Additionally, the framework will provide guidance on proving assurance on the achievement of the Fund objectives through the assessment of results, effectiveness, processes, and performance of Fund-financed activities and their contribution to those objectives.

In addition the framework will provide for Learning, feedback, and knowledge-sharing on results and lessons learned among different groups participating in the project to improve ongoing and future activities and to support decision-making on policies, strategies, programme management, projects, and programmes.

Environment and Social Safeguards policy:

NETFUND ESS policy is not adequate on issues of human rights and the indigenous communities. The policy is also more inwards looking with limited consideration to programmatic issues and stakeholders. This policy will be reviewed to incorporate and be more deliberate on Human Rights, protection of natural habitats, involuntary settlements and gender equality and women empowerment.

Project Cycle Management Manual:

While NETFUND has a project cycle management manual that is rigorous, there is need to update the manual and incorporate the Adaptation Fund standards on project appraisal.

Grants Management Manual:

There is need to strengthen the NETFUND's grants management manual on screening process including the related tools such a due diligence and assessment. The manual will be reviewed to address this gap and to meet the accreditation standards on grants management.

3. Acquisition of a project management system module

NETFUND's project management cycle is still undertaken manually which makes project management process inefficient and expensive. NETFUND intends to acquire and install an automated project management software that will facilitate project planning, scheduling, execution and monitoring and evaluation. This will also involve capacity building of project staff on the application of this software.

4. Acquisition of Electronic-board (E-board) system

The NETFUND board of Trustees holds their meetings on a quarterly basis. Presently, preparation and documentation of the meeting is a manual process. The fund requires to digitalize this process through acquisition of an E-board for efficient board deliberations and also safeguarding of the board documents and resolutions.

After NETFUND addresses the above gaps and operationalized the policies and systems the organization will revise its application in the Adaptation Fund online portal for consideration. This will be undertaken with the support of NEMA the only accredited entity in Kenya.

Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures

Head of Implementing Entity	Signature	Date (Month, day, year)	Implementing Entity Contact Person	Telephone	Email Address
Mamo B. Mamo		August 2023	Wangare Kirumba		

E. Record of request of support on behalf of the government

Provide the name and position of the government official who is the Designated Authority of the Adaptation Fund in the NIE candidate country and indicate date of endorsement. The letter of endorsement from the Designated Authority should be attached as an annex to the application.

<i>(Enter Name, Position, Ministry)</i> Eng. Festus Ngeno EBS Principal Secretary, State Department of Environment and Climate Change, Ministry of Environment, Climate Change and Forestry.	Date: 11/15/2023
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ANNEX 1: BUDGET NOTES

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Requested budget for component (USD)	Budget Notes	Amount (USD)
Review/ Developing polices, guidelines and manuals	Develop anti-money laundering and counter-terrorism financing policy	Anti-money laundering and counter-terrorism financing policy defining guidelines to prevent money laundering and terrorism financing	13,214.29	Procure consultant	10,714.29
				Accommodation for 10 pax	2,000.00
				Conference facility for review and validation for 10 pax	500
	Review gender policy	Updated Gender Policy taking a programmatic approach	6,321.43	Procure consultant	3,571.43
				Accommodation for 10 pax	2,000.00
				Conference facility for review and validation for 10 pax	750
Review Monitoring and Evaluation policy and framework	Updated Monitoring and Evaluation policy and framework that aligns to international standards	14,464.29	Procure consultant	10,714.29	
			Accommodation for 10 pax	3,000.00	
			Conference facility for review and validation for 10pax	750	

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Requested budget for component (USD)	Budget Notes	Amount (USD)
	Review Environment and Social Safeguards policy	Updated Environment and Social Safeguards policy incorporating programming approach, addressing human rights issues	15,178.57	Procure consultant	11,428.57
				Accommodation for 10 pax	3,000.00
				Conference facility for review and validation for 10pax	750
	Capacity building on Environment Social Governance and Gender inclusion	Training on Environment Social Governance and Gender inclusion	8,178.57	Accommodation for 10 pax a for 5days	8,178.57
				Conference facility at 3500 for 5 pax	
				Trainer @50,000 for 5days	
	Review Project Management manual	Updated Project management manual	14,464.29	Procure consultant	10,714.29
				Accommodation for 10 pax	3,000.00
				Conference facility for review and validation for 10pax	750

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Requested budget for component (USD)	Budget Notes	Amount (USD)
	Review grants Management & resource mobilization Manual	Updated Grants management manual	14,464.29	Procure consultant	10,714.29
				Accommodation for 10 pax	3,000.00
				Conference facility for review and validation for 10pax	750
	Subtotal for component One		86,285.73	-	86,285.73
Acquisition of systems	Procure and install a project management system	Project management system	35,714.29	Procure a project management system	35,714.29
	Subtotal for component Two		35,714.29		
Stakeholder consultations	Multi stakeholder consultation	Stakeholders buy in	11,892.86	Accommodation for 30 pax	9,642.86
				Conference facility for review and validation for 30pax	2,250.00
Post review of the submitted application by the AF Accreditation Panel.	Submission of a revised application for AF accreditation consideration	Resubmitted application for AF accreditation consideration	3,750.00	Accommodation for 10 pax	3,000.00

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Requested budget for component (USD)	Budget Notes	Amount (USD)
				Conference facility for review and validation for 10pax	750
	Subtotal for component Three		15,642.86	-	15,642.86
Total Project/Programme Cost			137,642.88	-	
Project/Programme Cycle Management Fee charged by the Implementing Entity (Maximum of 8.5%)			11,699.64	Conference fee during launch of the readiness package grant and review sessions by NIE	11,699.64
Total Grant Requested (USD)*			149,342.52	-	



REPUBLIC OF KENYA

**MINISTRY OF ENVIRONMENT, CLIMATE CHANGE & FORESTRY
State Department for Environment & Climate Change
Office of the Principal Secretary**

Telephone: 254-20- 2730808/9
Email : psoffice@environment.go.ke
Website : www.environment.go.ke

N.H.I.F Building
Ragati Road
P. O. Box 30126 – 00100
NAIROBI

When replying, please quote:

Ref: MEF/EMC/1/1

29th August, 2023

The Adaptation Fund Board

C/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

**RE: ENDORSEMENT OF KENYA'S READINESS GRANT APPLICATION TO
THE ADAPTATION FUND BY THE GOVERNMENT OF KENYA**

In my capacity as Designated Authority for the Adaptation Fund in Kenya, I confirm that the above national grant proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Kenya.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the Project will be implemented by National Environment Management Authority (NEMA) and executed by National Environment Trust Fund (NETFUND).

Eng. Festus K. Ng'eno
PRINCIPAL SECRETARY







