

MINISTRY OF WATER AND ENVIRONMENT  
Joint Technical Review 2018

**Undertaking : 12**

Progress on finalization of  
Accreditation Requirements for MWE  
as the NIE for GCF &AF

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# Background

- The current trend in reduction sector donor funding in form of grants and increase in loan financing is a concern to the sector.
- Hence a need to exploit alternative financing sources such as the GCF, AF, LDCF, etc. for funding of projects.
- Uganda a LDC is eligible for accessing climate change funds (directly or indirectly) from GCF & AF.
- Direct access window through the National Implementing Entity (NIE) is a preferred option since the NIEs are encouraged to take full ownership of their national projects/programmes.

# Background

- MWE was nominated by NDA/MFPED as the NIE, consequently it logged in its applications to both Adaptation Fund and Green Climate Fund.
- This is the right strategic direction towards resource mobilization for implementation of ministry's programmes.

# Benefits of Accreditation

- Achieve Management License during the execution of climate change mitigation and adaptation projects both in government and private sector.
- Benefit from the management fee up to 10 % accruing from GCF approved funds.
- Increase credibility in the management and attract potential additional DP funding

# Accreditation Requirements

- ❑ There are specific accreditation requirements needed to apply for GCF & AF. Though they differ in approach and content .
- 1. Contact Information of the Applicant Entity**
- 2. Track Record of the mitigation and adaptation interventions**
  - ✓ Types of projects / programmes undertaken
  - ✓ Size(s) of projects/programmes undertaken, including total project costs in USD and duration
  - ✓ Type(s) of financial instrument(s) deployed in projects/programmes undertaken
  - ✓ Environmental and social risk level(s) of projects/programmes undertaken
  - ✓ Experience and track record with Performance Standards 2-8

# Accreditation Requirements

- 3. Intended Scope of Projects/Programmes and Estimated Contribution Requested**
  - ✓ Types of intended projects / programmes
  - ✓ Type(s) of financial instrument(s) for intended projects / programmes to be requested from the GCF
  - ✓ Environmental and social risk level(s) of intended activities (categories)
- 4. Contribution of the NIE policies and interventions to the GCF objectives**
  - ✓ A statement on how the entity intends to support potential sub-national, national, and regional implementing entities and intermediaries in order to meet, the accreditation requirements of the GCF in order to enhance country ownership.

# Accreditation Requirements

## 5. Basic fiduciary criteria

- ✓ General management and administrative capacities
- ✓ Financial management and accounting
- ✓ Internal and external audit, Procurement
- ✓ Control frameworks
- ✓ Transparency and Accountability
- ✓ Disclosure of conflicts of interest
- ✓ Preventing financial mismanagement
- ✓ Evidence of an independent and objective investigation function for allegations of fraud and corruption,
- ✓ Anti-money laundering and anti-terrorist financing policies.

# Accreditation Requirements

## 6. Specialized fiduciary criteria-

- ✓ Project Management including the ability to manage executing entities;
- ✓ Project identification, preparation and appraisal
- ✓ Project oversight and control
- ✓ Monitoring and evaluation
- ✓ Project-at-risk systems and related project risk management capabilities
- ✓ Grant award procedures
- ✓ Public access to information on beneficiaries and results
- ✓ Transparent allocation of financial resources
- ✓ Good standing for financial requirements with regard to multilateral funding (e.g. through recognized public expenditure reviews)



# Accreditation Requirements

7. **Environmental and Social Safeguards (ESS)-track record on identification of Risks and Impacts.**
  - ✓ ESS which is consistent with PS2-8,
  - ✓ endorsed by Management, and
  - ✓ communicated within the organization.
  - ✓ mechanisms to address complaints about E&S harms caused by projects
8. **Gender**
  - ✓ demonstrate competencies, policies and procedures to implement the Green Climate Fund's Gender Policy
  - ✓ demonstrate experience with gender and climate change, including a track record of lending to both men and women
9. **Transparency, self-Investigative powers,**
  - ✓ Anti-corruption measures-competency to deal with financial mismanagement and other forms of malpractice.

# Justification for Undertaking:12

- ❑ The Ministry as an entity has been receiving review questions and comments and some of the concerns raised include to show commitment:
  1. Readiness to fulfil the 15 principles of ESS and PS.
  2. Grievance/Complaints Handling Mechanism for the Ministry of Water and Environment to address the complaints about environmental social and social harms caused by the projects.
  3. Ministry Specific Integrated Internal Control Framework (COSO) etc..
- ❑ These are not available in the ministry.

# Justification for Undertaking-12

- ❑ The management should show commitment to the accreditation process for MWE as the NIE in order to enhance increased sector funding

**Hence the Objective is :**

- To support MWE in addressing the information gaps for fulfillment of its accreditation.

# Key deliverables of the Undertaking-12

- The key deliverables for the proposed undertaking will include the following;
- Develop the ministry's **Environment and Social Safeguard Policy (based on 15 AF Principles and 7 GCF Performance Standards)**. The overall goal is avoid unnecessary environment and social harm as a result of implementing CGF and AF projects.
- Develop ministry **Grievances Redress Mechanism to address the complaints about environmental and social harms caused by the projects.**

# Key deliverables of the Undertaking-12

- Develop an independent ministry **Integrated Internal Controls System (COSO)** including the specific
  - **Fraud Management Policy,**
  - **Internal Audit Charter to guide in organisational governance, risk management, internal control practices etc.. and**
  - **Strategic Risk Management Business Plan** to govern the Risk Assessments at Project, Department levels in the Ministry etc..

## Action taken to address accreditation requirements

- Task force for the accreditation is already in place.
- Equally responsible for the implementation of the undertaking for Accreditation Requirements for AF and GCF.
- Composition of task force
  1. **Principal Assistant Secretary (PAS) (Chair)**
  2. **AC (M&E)**
  3. **AC (PP)**
  4. **AC-Accounts**
  5. **Sector Financial Advisor**
  6. **AC-Audit**
  7. **C-WMD**
  8. **C-CCD**
  9. **AC-HRM**
  10. **Principal Engineer- WESLD**
  11. **Senior M&E Specialist-UWSS**
  12. **Representatives from WfP, RWSS, FSSD, DESS**

## Action taken to address accreditation requirements

- A draft ESS policy was initially submitted to AF as evidence of commitment to ESS.
- An outline of principles needed for MWE-Integrated Internal Controls System (COSO) including Fraud Management Policy, Internal Audit Charter, Audit Committee Charter and Risk Management at Project, department levels etc were prepared pending detailed technical and stakeholder's input.

# Key areas considered in outline

Theme	Area for covering
Audit Committee Charter and Internal Audit Charter (IAC)	Domesticate the existing guidelines under the Audit Committee Charter focusing on organization's governance, risk management, and internal control practices etc..
COSO–Integrated Internal Controls System	Relevant internal controls, roles and responsibilities, financial management levels at PS as accounting officer, MWE staff and project, types of controls (preventive/detective) internal audit standards etc..
Fraud Management Policy	Ministry/departmental responsibilities, line management responsibilities, roles of IA, departmental fraud committee, fraud investigative mechanism etc..
Risk Management Strategy	Identification of risk categories, governance and risk management, audit and risk management, our internal and external operating environment, planning and risk management, operational risks, how to monitor risks etc..



# Core Principles of ESS

## 15 principles which apply to AF ESP

1. Compliance with the Law\*-
2. Access and Equity –
3. Marginalized and Vulnerable Groups-
4. Human Rights\*-
5. Gender Equality and Women's Empowerment
6. Core Labour Rights\*
7. Indigenous Peoples -.
8. Involuntary Resettlement-
9. Protection of Natural Habitats
10. Conservation of Biological Diversity
11. Climate Change-
12. Pollution Prevention and Resource Efficiency-
13. Public Health –
14. Physical and Cultural Heritage-
15. Lands and Soil Conservation-

## *GCF-Performance Standards (PS)*

- PS 2: Labour and Working Conditions  
PS 3: Resource Efficiency and Pollution Prevention  
PS 4: Community Health, Safety and Security  
PS 5: Land Acquisition and Involuntary Resettlement  
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources  
PS 7: Indigenous Peoples  
PS 8: Cultural Heritage

## Action taken to address accreditation requirements

- ❑ Preparation of ToR for engaging eligible consultants to undertake the following tasks:
  1. Developing Ministry's Environment and Social Safeguard Policy.
  2. Developing Ministry 's Grievances Redress Mechanism
  3. Developing an independent Ministry Integrated Internal Controls System (COSO) including the ministry specific
    - Fraud Management Policy, Internal Audit Charter, Audit Committee Charter and Strategic Risk Management Business Plan
  4. Initiated the Procurement process and it is before the contracts committee

# Challenges

1. Oversight to commit funds to facilitate the accreditation process,
2. Commitment and support
3. New accreditation requirements which must also be fulfilled by the NIE before accreditation . i.e.
  - a. Communication, Education Participation and Awareness Strategy (CEPA) for Water and Environment Sector.
  - b. Evaluation policy and manual to meet the GCF criteria.
  - c. Project operational manual including project closure for GCF specific projects
  - d. Internal procedures for financial mismanagement and Whistleblower Protection



**Thank you!!**

**The End**