SOUTH AFRICAN NATIONAL IMPLEMENTING ENTITY

TO THE ADAPTATION FUND & GREEN CLIMATE FUND*

POLICIES AND PROCESSES MANUAL

Version 6: MAY 2016

*The application for accreditation with the Green Climate Fund is currently under review.

1. INTRODUCTION

The purpose of this document is to set out the policies and procedures that govern the operations of the South African NIE to the Adaptation Fund and to the Green Climate Fund. This document will be amended from time to time, as policies and procedures are amended and/ or added. Any amendments will be approved by the NIE Steering Committee and recorded accordingly.

2. BACKGROUND TO THE ADAPTATION FUND

The Adaptation Fund (AF) was established in 2001 by the Parties to the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC), as a mechanism to finance concrete adaptation projects and programmes in developing country parties. The fund is capitalised mainly from a percentage of proceeds of the Clean Development Mechanism. It was specifically initiated to assist developing countries in meeting the costs of adaptation, and to finance concrete projects and programmes that are country driven.

Adaptation Fund resources are accessed via Multilateral Implementing Entities (MIEs) and National Implementing Entities (NIEs). Adaptation projects and programmes are developed by executing entities, under the oversight of implementing entities, either MIEs or NIEs.

In late 2011, with the endorsement of the Department of Environmental Affairs (DEA), the South African National Biodiversity Institute (SANBI) successfully met the criteria of the global AF Board to achieve the accreditation to be a NIE. As South Africa’s NIE, SANBI is responsible for vetting and endorsing project and programme proposals, and will disburse resulting funding released from the AF in the event a proposal is successful. SANBI also has full responsibility for overall management of projects and programmes including financial, monitoring and reporting responsibility.

All projects and programmes will need to align with the results framework of the AF and meet its eligibility criteria (see https://www.adaptation-fund.org/document/results-framework-and-baseline-guidance-project-level). Within this framework, South Africa is able to focus its programme of investment.

3. BACKGROUND TO THE GREEN CLIMATE FUND

The Green Climate Fund (GCF) was established in 2010 as an operating entity of the UNFCCC financing mechanism to redistribute money from the developed world to fund adaptation and mitigation projects and programmes in developing countries. The GCF is intended to operate at a larger scale than other comparable funds to promote a paradigm shift towards low-emission and climate-resilient development pathways. A particular goal is to become the main global finance mechanism for climate change finance. Funding will primarily come from pledges from developed countries, but also from some developing countries, as well as from private investments.

Similar to the AF, GCF resources are accessed via accredited international and national entities. SANBI was recently (February 2015) nominated by DEA to apply for accreditation as a NIE to the global GCF, and submitted its application for accreditation on 1 July 2015. The application for accreditation is currently being assessed.

4. NIE ADMINISTRATION

(DECISION 2013:1, LETTER TO SANBI FROM THE ADAPATION FUND DATED SEPTEMBER 7, 2011; NOTED AT NIE SC MEETING OF 31 JANUARY 2013)

(DECISION 2015: 1, LETTER FROM DEPARTMENT OF ENVIRONMENTAL AFFAIRS TO THE GREEN CLIMATE FUND; DATED 04 FEBRUARY 2015)

NIE Secretariat

Following nominations DEA, SANBI was accredited as South Africa's National Implementing Entity (NIE) to the Adaptation Fund in September 2011 and is in the process of applying for GCF accreditation.

SANBI's NIE operations are led by its NIE Secretariat, which is housed within SANBI's Climate Change Adaptation Division. The operations of the NIE Secretariat are governed by SANBI's policies and procedures.

The NIE Secretariat is responsible for coordinating NIE governance, leading the processes to develop the NIE investment strategy, leading all project identification and development processes, ensuring project appraisal process are robust and fair, overseeing project implementation and ensuring compliance with polices and processes that apply to the AF and GCF respectively.

5. NIE GOVERNANCE

(DECISION 2013:2, NOTED AT NIE SC MEETING OF 28 FEBRUARY 2013)

(DECISION 2015:2, NOTED AT NIE SC MEETING OF 14 APRIL 2015)

(DECISION 2015:3, NOTED AT NIE SC MEETING OF 22 JUNE 2015)

NIE Steering Committee

The NIE is supervised by the NIE Steering Committee.

At the April 2015 NIE Steering Committee meeting is was decided that the Steering Committee that supervises the Adaptation Fund-related operations and projects would do so for the Green Climate Fund operations as well. Should it become evident that additional capacity is required as a result of the expanded scope of the GCF, the Steering Committee will be augmented with the required members.

The NIE Steering Committee is Chaired by the CEO of SANBI. In the event of the unavailability of the SANBI CEO to chair a meeting, Mr Shonisani Munzhedzi of DEA: Chief Directorate – Climate Change Adaptation will serve as alternate Chair. The NIE Steering Committee comprises mandated individuals from the following institutions and networks, who are invited to join the Steering Committee by way of a formal invitation from the Chair of the Steering Committee.

- DEA
- SANBI
- Treasury
- The Presidency/ DPME (formerly the National Planning Commission)
- The Adaptation Network

Members are expected to provide support to the NIE, attend Steering Committee meetings, and to contribute to the agenda and discussions.

Objectives of the Steering Committee

The objectives of the NIE Steering Committee are as follows:

- Support SANBI to ensure overall compliance with the spirit, policies and procedures of the Adaptation Fund and any other funds that fall within the scope of the committee.
- Support the NIE to build a coordinated adaptation response that delivers tangible outcomes.

- Guide the development of and endorse the NIE investment strategy, ensuring optimal linkages with the policy environment and that projects are driven by country needs.
- Set up and oversee the project review process, including guiding the development of terms of reference for reviewers, setting up the review panel, and considering the recommendations of reviewers.
- Endorse projects for submission to the Adaptation Fund and any other funds that fall within the scope of the committee, ensuring appropriate linkages with relevant Fund criteria and facilitating appropriate consultation with and, where necessary, endorsement from relevant spheres of government. From time to time this may involve promoting agreement on the roles of relevant institutions in implementing projects and facilitate the resolution of disputes among project partners.
- Provide an oversight function to ensure compliance with the policies and procedures of the Adaptation Fund and any other funds that fall within the scope of work of the committee, including compliance with safeguards.
- Promote cooperation between relevant South African Institutions and funding agencies to enhance synergy and avoid duplication between adaptation efforts, to leverage additional resources where appropriate, and to support information management and flows between and feedback between the NIE and the NCCC and IGCCC and contribute towards climate finance and climate change adaptation policy development.

Meetings of the NIE Steering Committee

The NIE Steering Committee meets according to an agreed schedule that responds to the programmatic needs of the NIE and at least twice yearly. The NIE will provide logistical and administrative support to Steering Committee meetings.

6. GRIEVANCE AND DISPUTE RESOLUTION PROCESS

(DECISION 2013:4, AGREED AT THE NIE SC MEETING OF 12 JULY 2013)

(TO BE NOTED AT THE NIE SC MEETING OF 1 JUNE 2016)

Any objections that stakeholders wish to raise in respect of the work of the NIE should first be raised with the NIE Secretariat. If not resolved at this level, these could be forwarded to the NIE Steering Committee, via the Chair. Should the matter still not be resolved, objections should be sent to the Director-General (DG) of DEA for final arbitration and resolution.

For grievances and disputes within AF- and GCF-funded projects, Executing Entities are contractually obligated to identify grievance mechanisms that provide people affected by projects/programmes supported by the projects with an accessible transparent, fair and effective process for receiving and addressing their complaints. Complaints may include environmental or social harms caused by any such project/programme, issues of fraud or corruption, and/ or any other issues that are identified by interested and/ or affected parties. Where grievances and disputes cannot be satisfactorily addressed at the project level by Executing Entities, they may be raised with the NIE as per the procedure outlined above.

7. NIE INVESTMENT FRAMEWORK FOR ADAPTATION FUND PROJECTS

(DECISION 2013:2, NOTED AT NIE SC MEETING OF 28 NOVEMBER 2012; NOTED AT NIE SC MEETING OF 28 FEBRUARY 2013)

A nominal country cap of US$10 million has been set for developing country parties by the AF – subject to funds remaining in the fund. Projects can be 3 – 5 years long.

This limited level of funding provides a key opportunity for South Africa to learn how to develop, resource and implement adaptation projects, gear up for scaled up implementation, and demonstrate how investments in climate change adaptation can deliver tangible and lasting benefits to those who are most vulnerable to climate change. In this way, successful project outcomes will provide a foundation for future investments in climate change adaptation

In support of these learning outcomes, the NIE will support the development of a community of practice to ensure that knowledge and experiences are shared, and will endeavour to capture and publish case studies to assist further adaptation efforts. We will also seek opportunities for sharing experiences with other NIEs and implementers in other countries.

In our efforts to build a coordinated adaptation response that delivers tangible outcomes, the NIE will work with project proponents to build between one and three integrated projects that support these learning and demonstration objectives. The NIE will be investigating the possibility of one of these projects being a small grants facility whereby vulnerable communities can directly access project funds.

Projects that are supported must align with the AF results framework and will need to meet the eligibility criteria that are set out below:

Concrete and tangible results

Projects must support concrete adaptation actions. Projects should increase the resilience of communities to climate change and decrease climate related vulnerability, at present and into the future. They should focus on high impact and vulnerable areas. Supported by the best-available science, all proponents must be able to demonstrate that their interventions are responses to climate change and not business-as-usual.

Co-benefits and focus on vulnerable communities

Projects must provide economic, social and environmental co-benefits, with particular reference to the most vulnerable communities, including gender considerations. Investments should benefit communities in geographic areas that are most vulnerable to climate change at the local level, and in lasting ways. Gender considerations should be mainstreamed in all stages of the project cycle.

Linkages

Projects must align with and be guided by national and local policies, plans and priorities concerning climate change (especially the White Paper and Second National Communication), sustainable development, poverty reduction and the green economy, and should demonstrate multi-disciplinary approaches and cross sectoral linkages. Where possible, projects should align with and complement – but not duplicate - related climate and other initiatives, as a mechanism of leveraging additional funding and as part of a process of achieving improved coordination and integration.

Partnerships

Projects should support sustainable partnerships between government, communities and individuals that continue once projects are completed. Vertical and horizontal integration should be promoted. Relevant stakeholders should be involved and engaged at all stages of the project identification, planning and implementation processes. Climate change champions and ambassadors, including leaders from rural areas, could be identified to support the process.

Cost-effectiveness, sustainability and replication

Projects must be cost effective and must be able to provide justification for the funding requested on the basis of the full cost of adaptation. Projects should contribute to long term outcomes and should be sustainable beyond the AF investment period, and should be replicable and scale-able.

Knowledge management and learning

Project should seek to capture lessons and to build local capacity and awareness, empowering citizens and decision makers to develop and implement climate change adaptation responses.

8. NIE INVESTMENT FRAMEWORK FOR GREEN CLIMATE FUND PROJECTS

(DECISION 2015:4, NOTED AT THE NIE SC MEETING OF 15 SEPTEMBER 2015;
TO BE FINALSIED AS A RESULT OF A STAKEHOLDER ENGAGEMENT PROCESS THAT WILL TAKE PLACE ONCE SANBI HAS GCF ACCREDIATION)

The GCF does not impose a country cap. However, entities are accredited for specific sized projects/programmes. SANBI is presently applying to be accredited for projects in the Micro (up to US$ 10 million for an individual project) and Small (above US$ 10 million and up to and including US$ 50 million) category. Furthermore, SANBI is applying to become accredited for adaptation themed-projects, and cross-cutting projects (both adaptation and mitigation in an individual project).

The GCF provides an opportunity to scale up some of the pilot work South Africa has undertaken through the AF. Once accredited with the GCF, SANBI will undertake a national stakeholder engagement process, similar to that which was undertaken to develop the Investment Framework for AF projects, to determine to what extent this Investment Framework is relevant to the opportunity provided by the GCF, and what criteria need to be added.

The GCF Investment Framework is based on a combination of the principles that were agreed to guide the NIE AF programme of work and the GCF high-level investment criteria. It will be taken through a national stakeholder engagement process and updated with any new GCF activity-specific sub-criteria and assessment methodologies once these are made known.

Projects that are supported must contribute to the achievement of the GCF's objectives and result areas and will need to meet the eligibility criteria that are set out below:

Concrete and tangible results

Projects must support concrete adaptation actions. Projects should increase the resilience of communities to climate change and decrease climate related vulnerability, at present and into the future. They should focus on high impact and vulnerable areas. Supported by the best-available science, all proponents must be able to demonstrate that their interventions are responses to climate change and not business-as-usual.

Co-benefits and focus on vulnerable communities

Projects must provide economic, social and environmental co-benefits, with particular reference to the most vulnerable communities, including gender considerations. Investments should benefit communities in geographic areas that are most vulnerable to climate change at the local level, and in lasting ways.

Gender sensitive

Projects must apply a gender-sensitive approach to project design and implementation. This approach must be context specific and include indicators that focus on the specific vulnerabilities of women in the context of climate change.

Linkages

Projects must align with and be guided by national and local policies, plans and priorities concerning climate change (especially the White Paper and Second National Communication), sustainable development, poverty reduction and the green economy, and should demonstrate multi-disciplinary approaches and cross sectoral linkages. Where possible, projects should align with and complement – but not duplicate – related climate and other initiatives, as a mechanism of leveraging additional funding and as part of a process of achieving improved coordination and integration.

Partnerships

Projects should support sustainable partnerships between government, communities and individuals that continue once projects are completed. Vertical and horizontal integration should be promoted. Relevant stakeholders should be involved and engaged at all stages of the project identification, planning and implementation processes, and provided with sufficient time to comment on applicable project documentation. Climate change champions and ambassadors, including leaders from rural areas, could be identified to support the process.

Cost-effectiveness, sustainability and replication

Projects must be cost effective and must be able to provide justification for the funding requested on the basis of the full cost of adaptation. Projects should contribute to long term outcomes and should be sustainable beyond the GCF investment period, and should be replicable and scale-able.

Knowledge management and learning

Project should seek to capture lessons and to build local capacity and awareness, empowering citizens and decision makers to develop and implement climate change adaptation responses.

9. PROJECT APPLICATION PROCESS FOR ADAPTATION FUND PROJECTS

(DECISION 2013:3, NOTED AT NIE ISC MEETING OF 28 NOVEMBER 2012; NOTED AT NIE SC MEETING OF 28 FEBRUARY 2013)

Taking its lead from the AF itself, the NIE project approval process (see Figure 1) will be accessible and transparent. The NIE will call for the submission of project concepts. These will be reviewed with the support of a qualified and experienced review panel, and applicants will be notified of the outcomes. In order to build a coherent programme of investment, and to provide an opportunity for organisations who may not qualify as Executing Entities to participate in and implement components of AF investments, the NIE may request successful applicants to partner and collaborate.

The NIE Secretariat will support successful applicants to develop project concepts more fully into the format this is required by the AF. These will be submitted to the AF for approval.

The AF makes an effort to make the project cycle simple, and this process is clearly explained on the AF website and in supporting materials. The AF Board meets four times a year to consider project applications, and concepts must be submitted nine weeks ahead of board meetings.

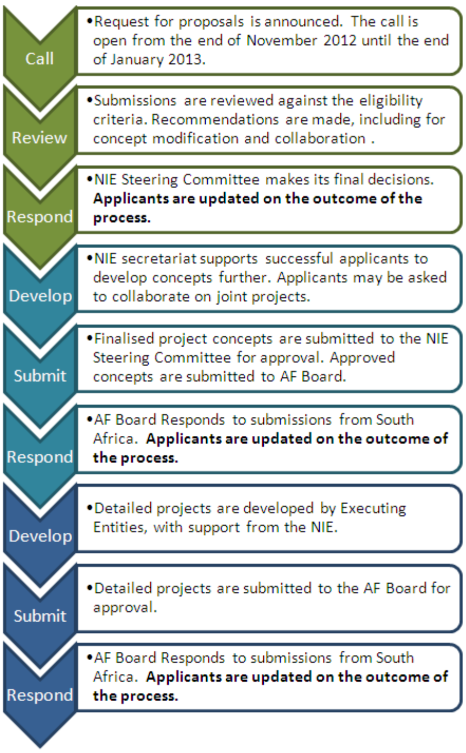

Figure 1: AF NIE project development process.

10. PROJECT IDENTIFICATION AND DEVELOPMENT PROCESS FOR GREEN CLIMATE FUND PROJECTS

(DECISION 2015:4, NOTED AT THE NIE SC MEETING OF 15 SEPTEMBER 2015)

The NIE project approval and detailed design process for the GCF will be based on the process that SANBI implemented in its role as NIE for the AF (Section 9) and on the guidelines provided by the GCF itself. The process will be led by the NIE Secretariat and supported by a SANBI Expert Environmental & Social Risk Management Panel (See Section 11) and the NIE Steering Committee. The process will focus on ensuring alignment with the NIE's GCF Investment Framework and ensuring compliance with the GCF Performance Standards and NIE E&S Risk Management Framework.

The NIE Secretariat and SANBI Expert Environmental & Social Risk Management Panel will be responsible for categorising projects against the Environmental & Social risk categories of the GCF (see Table 1). This categorisation, and confirmation of categorisation, will occur at various stages in project development process, as described in Table 2 below. Only Category B and C projects will be considered for funding. Should there be a risk of Category A activities occurring against any of the 8 Performance Standards in any project, the project will be considered a Category A project and will not be supported by the NIE.

During the participatory planning processes that are integral to the approach that the NIE supports for project design, local communities will be empowered to understand climate projections and likely impacts, develop local level responses and detect and mitigate environmental and social risks.

Processes to build local community capacity to do this will be integrated in the capacity building activities that are envisaged during the early stages of each project component in all projects, and will be essential in ensuring that local communities understand the intentions of the project and can contribute to the design of sub-component activities accordingly, know their rights and are aware of the recourse they may have for raising any risk-related issues should these arise.

Local communities and other stakeholders who are interested in and/ or potentially affected by proposed project interventions will need to be provided with sufficient time during which to comment on project documents, including those relating project design and to safeguard review. The timeframes and methods by which this will be achieved will be context specific, noting that conventional correspondence in English may not be suitable for local contexts. Prospective Executing

Entities will need to clearly describe their capacity building and consultation processes in their project documentation, and verify that local support for proposed projects has been obtained.

The indicative steps of the process are set out in Table 2 below.

Table 1: GCF Environmental & Social Risk Categories (Refer to document GCF/B.07/02).

Category A	Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.
Category B	Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.
Category C	Activities with minimal or no adverse environmental and/or social risks and/or impacts.

Table 2: GCF NIE project development process.

Project Identification	• Public call for proposals.
	• Submission of applications within allotted timeframe.
	• Screening of projects by NIE Secretariat and SANBI Expert E&S Risk Management Panel:
	  o Screening for alignment with the NIE GCF Investment Framework
	  o Screening and categorisation against GCF Environmental & Social Principles.
	• Task Team provides recommendations to NIE Steering Committee.
	• NIE Steering Committee makes decision on whether or not to approve application.
	• All applicants notified of decision.
	• Successful applicants supported by NIE Secretariat to develop application into Concept Note.

Concept Note Development	• Concept Notes are developed with NIE Secretariat support. • Completed Concept Notes reviewed by relevant members of the SANBI Expert E&S Risk Management Panel, to *inter alia* confirm the E&S risk categorisation, and adjusted accordingly in consultation with applicants. • Completed Concept Notes submitted to NIE Steering Committee for approval. • Concept Notes submitted by the NIE Secretariat to the GCF. • GCF reviews Concept Notes and responds. • Applicants notified and supported by NIE Secretariat to respond to comments. • Once comments addressed re-submission of Concept Notes to GCF if necessary, via Task Team and NIE Steering Committee. • Concept Notes approved by the GCF. • All applicants notified of decision.
Detailed Design	• Applicants supported by NIE Secretariat to develop approved Concept Notes into Funding

	Proposals in format prescribed by the GCF. This will include capacity building, support to undertake detailed investigations, stakeholder consultation, project design and review of proposed activities against the NIE E&S Risk Management Framework. • Completed Funding Proposals reviewed by relevant members of the SANBI Expert E&S Risk Management Panel, to *inter alia* confirm the E&S risk categorisation, and adjusted accordingly in consultation with applicants. • Completed Funding Proposals submitted to the NIE Steering Committee for approval. • Funding Proposals submitted by the NIE Secretariat to the GCF. • GCF reviews Funding Proposals and responds. • Applicants updated, supported by NIE Secretariat to respond to comments. • Once comments addressed re-submission of Funding Proposals to GCF if necessary, via the SANBI Expert Panel and NIE Steering Committee. • Funding Proposals approved by the GCF. • All applicants notified of decision. • Public notified of approval of Funding Proposals by GCF.

11. PROVISION OF INFORMATION TO THE PUBLIC

(TO BE NOTED AT THE NIE SC MEETING OF 1 JUNE 2016)

The public will be notified of the successful approval of projects by the AF and GCF.

This notification will:

- Contain information on the approved project(s), including a brief overview of the project, details and contact information of the Executing Entity and sub-Executing Entities, the amount of funding awarded.
- Be posted on the SANBI website, and be circulated via the NIE mailing list. Adaptation Network newsletter and other relevant mailing lists.
- Be made available within 30 days of the successful approval of such projects.

In addition to the notification of grant awards, a project update will be made available annually for each project. This update will include a high-level report on technical and financial implementation. The update will be circulated through the channels mentioned above.

Furthermore, ‘eNews’ bulletins will be regularly posted on the SANBI website. These bulletins will provide project updates and include relevant contact details of implementing partners.

Furthermore, all NIE operational policies will be made available on the SANBI website or on request from the NIE Secretariat.

12. SANBI NIE ENVIRONMENTAL & SOCIAL RISK MANAGEMENT FRAMEWORK: FOR AF- AND GCF-FUNDED PROJECTS IN SOUTH AFRICA

(DECISION 2015:4, NOTED AT THE NIE SC MEETING OF 15 SEPTEMBER 2015)

(TO BE NOTED AT THE NIE SC MEETING OF 1 JUNE 2016)

The NIE has noted its responsibility to ensure compliance with the Adaptation Fund (AF) Environmental and Social Policy (ESP) and the Green Climate Fund (GCF) interim Environmental and Social Safeguards (ESS), and has designed an Environmental & Social Risk Management Framework that will ensure compliance with these policies and standards and South Africa's National legislation.

Compliance with these policies and standards will be ensured during project identification, selection, development and submission processes (as outlined elsewhere in the NIE Policies and Processes Manual) and during project implementation.

The NIE Secretariat and SANBI Expert Environmental & Social Risk Management Panel will be responsible for categorising projects against the AF ESP and GCF ESS categories. Only projects with no anticipated risks (Category C) or risks in Category B will be considered for funding. For the AF a Category B project is defined as one with "possible but limited adverse environmental or social impacts". For the GCF, a Category B project is defined as one "with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures". Should there be a risk of Category A activities occurring against any of the 8 Performance Standards in any GCF-funded project, the project will be considered a Category A project and will not be supported by the NIE.

Projects that are supported by the NIE will be carefully designed to beneficiate local communities, with a particular focus on women and vulnerable groups, and the environment in their focal areas, with no anticipated adverse social or environmental impacts. This Environmental & Social Risk Management Framework has been developed to ensure that any unintended adverse impacts are avoided, and that, where this is not the case, they are timeously detected and appropriately mitigated.

The Framework comprises a feedback loop that ensures that risks are identified and appropriately mitigated in a timeous manner (see Figure 2). The process entails a self-assessment by project

Executing Entities, review and identification of mitigation measures by an expert panel, endorsement of corrective actions by the NIE Steering Committee, feedback to the EE, feedback by the EE to project partners and affected stakeholders and the co-development of mitigation measures and their integration into project design and appropriate. The NIE Secretariat will be responsible for ensuring that the process is implemented. The process is expanded upon below.

It is envisaged that this process will be applied on a quarterly basis.

Figure 2: NIE Environmental and Social Risk Management feedback loop.

The Environmental & Social Risk Management Framework will ensure that:

- Adequate capacity is in place for risk screening during project development, review and implementation processes;
- Projects are categorised against the relevant standards and only projects will acceptable levels of risk are considered for funding.
- Adequate capacity building for risk management is provided to successful Executing Entities (EEs) and other implementation partners at project start-up;
- Activity forecasts are screened for potential risks on a quarterly basis and that associated disbursement is not approved where these arise (see below for details);
- EE Project reporting processes to the NIE have a particular focus on detection and appraisal of environmental and social risks;
- Project oversight and governance processes are designed to ensure that oversight is provided for risks detection, avoidance where necessary mitigation; and
- Stakeholders are aware of a mechanism to raise concerns relating to risks with the project EE and governance structures and the NIE Steering Committee, should concerns relating to risks not be adequately addressed by the EE.

The NIE Secretariat will support the Environmental and Social risk management process by:

- Ensuring that adequate screening and categorisation takes place during project development;
- Providing relevant materials and training during project inception;
- Developing and implementing a quarterly project forecasting and reporting system that has a specific focus on risk screening and mitigation (see below); and
- Ensuring that all project forecasting, monitoring, evaluation, reporting and governance processes are able to timeously detect both anticipated minor risks, as well as any unforeseen risks that may arise, so that they are managed accordingly.

Institutional Arrangements for Risk Management

The process of screening, identifying, mitigating and managing environment and social risks that may arise during the NIE project identification, development and implementation processes will be coordinated by the NIE Secretariat and supported by an internal SANBI Environment & Social Risk Management Panel. Results will be communicated to the NIE Steering Committee at its meetings that take place three to four times a year.

SANBI Environment & Social Risk Management Panel

SANBI's Environmental & Social Risk Management Panel comprises experienced staff from across the Institution who will support the NIE Secretariat in project design and risk management. Additional information about the Panel and its competencies is available on request.

Risk Management Oversight

The NIE Steering Committee will provide an oversight function for risk management.

On a quarterly basis, a completed risk management dashboard (see below), which has been reviewed by the NIE Secretariat and the SANBI Environmental & Social Risk Management Panel, will be tabled at the NIE Steering Committee meeting for approval. This will include reporting on projected risk, mitigation actions, and progress in action implementation. The NIE Steering Committee will officially issue recommendations for further action. These actions will form part of each project's performance management processes.

Risk Identification and Management Process

Risk Management Dashboard

SANBI has developed risk management dashboards that will be integrated into all project development, forecasting and reporting processes.

These dashboards are based on the dashboards that are in SANBI's internal risk management operations, and have been custom-made for AF or GCF purposes. They will allow any risks to be easily and timeously identified, and managed accordingly.

Prospective and contracted Executing Entities will be required to complete the relevant dashboard by way of a self- assessment and the competed dashboard will form part of the documents that are submitted in response to the NIE call for proposals, and for all quarterly forecasting and reporting processes.

Risk Management Action Plan

Where risks are identified during project design and development, the NIE will require proponents to modify their activities so that risks are either avoided altogether or adequately mitigated. In this way, the NIE will give effect to an early safeguard that ensures that risks are either avoided altogether or adequately mitigated, that no projects that are classified as risk Category A (high risk) are supported, and that where Category B projects are supported, and residual impacts are adequately mitigated.

Where risks are identified during project implementation, Executing Entities will be required to set out a series of appropriate responses that show how the identified risks will be avoided, or how mitigation measure will be put in place to ensure that risks are appropriately managed. These proposed risk management actions will be integrated into project workplans and monitored for compliance.

The NIE Secretariat will review workplans and budgets to ensure that sufficient resources are allocated to appropriate risk management and mitigation.

Risk management review

The SANBI Environmental & Social Risk Management Panel will review the self-assessment dashboard and mitigation plans through a process that will be coordinated and supported by the NIE Secretariat.

During the project proposal stage, careful attention will be directed to project design to ensure that all projects that are considered beyond the initial screening fit into the risk management categories for which SANBI is accredited.

Risk Management during Project Identification, Development and Design

The project identification and development process for Green Climate Fund projects sets out how Environmental and Social risks will be identified and managed during the GCF project identification and detailed design processes.

Risk Management during Project Implementation

Project Inception

During the project start-up phase, the NIE will engage directly with the EE and other project partners on the procurement, human resources, financial management and other operating procedures that will apply to the management of the project, and that will be necessary to ensure compliance with SANBI and AF / GCF policies and procedures, as relevant.

During project inception, attention will be drawn to the Environmental & Social Risk Management Framework and a dedicated capacity building session will be held to ensure that the EE and other project partners are able to competently detect environmental and social risks in future project planning, monitoring, evaluation and reporting processes, and to competently complete the required dashboards.

In this regard, attention will be given to ensuring that projects do not impact adversely on any heritage resources, priority biodiversity areas or ecosystem support areas, and that there are no negative impacts on local communities, including vulnerable groups with a particular focus on women and where relevant indigenous people.

Screening during Project Implementation

The Environmental & Social Risk Management dashboard provides a forecasting and screening framework to timeously detect and respond to any environmental and/or social risks.

In order for funds to be disbursed, the EE will need to submit detailed quarterly forecasts to the NIE that are built up from anticipated project activities. In an effort to strengthen risk screening, and to ensure that no unintended negative impacts are caused or not mitigated, all Component and sub-Component Leaders will be required to submit the relevant project risk screening dashboard with their forecasts. These tables will need to be submitted to the EE and NIE, as part of the forecast approval process.

Where minor risks that can easily be mitigated are detected, the EE or sub-EE will be required to note these in the action section of the dashboard, and to develop a sub-Environmental and Social

Risk Management Plan, commensurate with the severity of the risk associated with the relevant sub-component activity. The EE and/ or sub-Executing Entity will need to show that costs associated with this can be provided within the project budget, and this will need to be approved by the NIE.

Project activities that pose social or environmental risks that are not easily mitigated will not be approved during the detailed quarterly forecasting process.

The NIE is well placed to review these risks for accuracy and severity through a process that will be led by the NIE Director, Dr Mandy Barnett, and supported by the SANBI Environmental & Social Risk Management Panel.

External Evaluations

The external evaluations of the AF- and GCF-funded projects will assess the extent to which projects achieve their objectives and contribute to the objectives of the AF and GCF, as relevant. These evaluations will include a specific focus on environmental and social risks, and ensure compliance with the Environmental & Social Risk Management Framework.

On the basis of these evaluations, EEs will be required to development management responses that are subsequently fully integrated into the project performance monitoring processes.