

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: 31 August 2023

Adaptation Fund Grant ID:

Country receiving support: Zimbabwe

Institution to navigate accreditation process, if already identified: FBC Bank Limited

Name of Implementing Entity delivering support: Environmental Management Agency

Type of Implementing Entity delivering support (NIE/RIE/MIE): National Implementing Entity (NIE)

A. Timeframe of Activity

Expected start date of support	January 2024
Completion date of support	July 2024

A. 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
January 2024 (Expected start date)	July 2024 (Expected completion date)	Adaptation Fund	The Environmental Management Agency (EMA), the NIE for Zimbabwe, intends to provide accreditation support to FBC Bank Limited, the second nominated NIE for Zimbabwe. EMA, which was accredited in July 2019, has the capacity to provide the required peer support to the second nominated NIE and is eligible to receive the Readiness Package Grant from the Adaptation Fund	The expected outcome is to have Zimbabwe's second nominated NIE accredited to the Adaptation Fund	FBC Bank Limited

- (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
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2014	2018	United Nations Development Programme (UNDP)	Strengthening integrated planning and budgetary process	<ol style="list-style-type: none"> 1. Development of CC adaptation plans 2. Mainstreaming of CC within local authority plans, processes and programmes 3. Climate Change awareness 4. Strengthening the capacity of institutions to address climate change issues in their budgetary and development planning 5. Alignment of policies to climate change governance frameworks with a focus on adaptation 	Environmental Management Agency
2010	2011	United Nations Environment Programme (UNEP)	Strengthening integration of environmental issues in the Judiciary system	<ol style="list-style-type: none"> 1. Judiciary system integration of environmental issues in the discharge of their mandate 2. Reviewing and updating policy and governance frameworks in the Judiciary system 	Judicial Commission Service
2018	2022	European Union	Natural Resource Management Programme (Review of the CAMPFIRE programme, Forestry Policy and EMA Act reviews)	<ol style="list-style-type: none"> 1. Updated CAMPFIRE policy framework 2. Amended EMA Act 3. Amended Forestry Policy 	Environmental Management Agency

B. 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.

FBC Bank Limited has demonstrated its willingness and commitment to integrate Environmental, Social and Governance (ESG), Gender and climate related issues into its processes as highlighted below:

- Engagements with Development Partners
 - Gap assessment carried out by SouthSouthNorth (2019, 2020 and 2022)
 - Review of FBC Bank Limited policies by United Nations Development Programme (UNDP) (2022)
 - Executive Management exchange meetings between FBC Bank Limited and UNDP Executives (2022)
 - Green Climate Fund (GCF) Regional Learning Forums (2022)
 - Global Environmental Facility (GEF) Environmental and Social Safeguards (ESS) training by UNDP (2023)
 - UNDP and Business Council for Sustainable Development Zimbabwe (BCSDZ) facilitated Sustainability Reporting capacity building programmes (2023)
- Green Climate Fund Self-assessment
 - Financial Management Capacity Assessment (2021)
 - Direct Access Entity (DAE) Accreditation Assessment (2021)
- FBC Holdings Limited (The Group) Board engagements
 - Feedback from the Board Corporate Governance, Nominations and Sustainability Committee (Quarterly meetings)
- FBC Bank Limited engaged the Designated Authority seeking assistance on available capacity building support towards addressing gaps and challenges identified.
 - FBC Bank Limited expressed interest to get accredited to the Adaptation Fund as the second National Implementing Entity (NIE) and the Designated Authority issued a letter of endorsement support the request.
- FBC Bank Limited approached EMA, requesting for peer support and preparing the accreditation process to the Adaptation Fund. Following this request, the two entities organized a high-level meeting to secure commitment from both parties in executing FBC Bank's accreditation to the AF.
- In addition, a technical meeting was held to identify the gaps and challenges on FBC Bank's accreditation application process as well as sharing experience and knowledge on Adaptation Fund accreditation processes. From the readiness package grant, a detailed gap/challenges analysis is planned through peer-to-peer support.
- Candidate's competence for transparency, self-investigative powers and anti-corruption measures:

FBC Bank Limited has the following departments and units:

- Climate Finance and Sustainability Department
- Internal Audit Division

- Risk Management Unit
- Legal and Compliance Unit
- Finance and Administration Unit
- Human Resources Department
- Information, Technology and Management Information Systems Department
- Credit Management Department
- Treasury Department
- Structured Trade and Trade Finance Department
- Issues likely to be encountered by the candidate based on its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life-cycle
 - Human resource capacity building to manage climate finance projects across the Bank's departments (e.g procurement processes).
 - Implementation of Environmental and Social Safeguards and applying a gender lens approach throughout the project cycle.
 - Alignment of policies, trainings, manuals and monitoring and evaluation frameworks with Adaptation Fund requirements.
- After nomination letter, a high level meeting was held, in July 2023, between representatives from FBC Bank Holdings Limited Board and EMA Board and Directorate. The outcomes of the meeting were to constitute a technical team to develop the application for the Readiness Package Grant.
- Three technical meetings were held towards understanding FBC Bank's fiduciary standards, and existing gaps that require readiness support from the Adaptation Fund. It was recommended that FBC Bank undergo the readiness support to align its policies with the Adaptation Fund requirements.

(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](#)).

- In 2021, the candidate completed a GCF Financial Management Capacity Assessment (FMCA) towards becoming a Delivery Partner under the GCF Readiness and Preparatory Support Programme.
- The FMCA was undertaken to ascertain the requisite legal, fiduciary, procurement, transparency, anti-corruption, and project management capacities required to effectively implement the Readiness project. The candidate's assessment was completed and is a Delivery Partner of the GCF Readiness and Preparatory Support Programme under a project titled "Green Resilient Recovery Rapid Readiness Support in Zimbabwe".
- FBC Bank Limited has managed international funds from various multilateral development banks such as NORSAD Capital, Afreximbank and proved its competency to manage transactions, comply with anti-money laundering and countering the financing of terrorism policies and procedures; and pass auditing processes.
- A candidate NIE staff undertook the AF online course and this learning opportunity was used to strengthen the application in the following ways:
 - Reviewing and endorsement of the key gaps towards alignment with the application for support towards accreditation.

- Guidance from the Financial Management Capacity Assessment in check listing and matching the accreditation requirements with documentation prepared under the FMCA process.

FBC Bank Limited has managed the following funds:

Developmental Projects

- Green Resilient Recovery Rapid Readiness Support in Zimbabwe (GRRRR) project

The GCF developed a Readiness Programme, dedicated to the Green Resilient Rapid Recovery of affected nations. The Readiness Programme provides support to countries to promote sustainable economic and climate resilient recovery from the impacts of the Covid-19 pandemic. In February 2022, the GCF approved an application made by the Government of Zimbabwe to the tune of US \$300 000 for the project entitled “Green Resilient Recovery Rapid Readiness Support in Zimbabwe (GRRRR)”. FBC Bank Limited was nominated by the National Designated Authority, which is the Climate Change Management Department, as the Delivery Partner to the project.

The objective of the project is to develop a national Green Resilient Recovery Strategy and an Investment Plan which will guide the development of three (3) concept notes and their respective feasibility studies for submission to the GCF. The outcome of the project will pave way for the development of a strategy that contributes towards green and resilient recovery in all key sectors of the country.

- Zimbabwe Schools Water and Agriculture Project (ZIMSWAP)

A local accounting firm, C & J, in partnership with FBC Bank and the Ministry of Primary and Secondary Education rolled out a solar powered borehole concept in 2017 to 2019 with a view to assist schools through the provision of clean water for drinking and domestic purposes for the surrounding communities as well as reliable supply for market gardening within the schools. This project was also meant to provide a nutritious supplemental food source for the learners and to generate additional income.

Disbursements were done using a relatively low interest rate to allow schools to repay without straining their budgets. Almost US\$400 000 was disbursed to 32 schools with an average enrolment of 1 400 students. For every borehole sunk, 1 community near the school with an average of 15 families benefited from clean water and approximately 10 communities around each school getting fresh produce from the horticultural projects.

- RBZ Women Empowerment Fund

Having noted the challenges faced by women in accessing financial services and products due to lack of gender-disaggregated data, the Reserve Bank of Zimbabwe (“RBZ”) set a fund which sought to improve financial services uptake and usage by women. Through the Business Banking Division of FBC Bank, US\$155 700 of the RBZ facility was disbursed to over 15 women controlled businesses at an all-inclusive rate of 10% which was way below the industry average.

- Agrobills

In its efforts towards national development, FBC Bank has over the years participated in a number of private sector led national initiatives that include, but not limited to, the support of the Agriculture Bank of Zimbabwe through the issuance of Agro-bills for and on behalf of Agricultural Bank of Zimbabwe (“Agribank”), a state owned financial institution that has had prior challenges accessing capital markets. For nine consecutive years since 2010, but we have successfully raised more than US\$160 million (cumulative), with proceeds used to strengthen notable agricultural value chains.

- Afreximbank facility

The US\$90million Afreximbank facility received by FBC Bank requires the bank to align operations to green standards. Through the Reserve Bank of Zimbabwe, proceeds from this facility were channeled towards developmental projects at national level. The organization has had to align its operations to a new dimension where community enrichment becomes the most pertinent objectives in all projects undertaken by the bank. During the tenor of this facility, periodic sustainability returns are submitted and FBC Bank is making continued efforts to impact the community it serves.

Additional development finance experience within FBC Holdings Limited

- Shelter Afrique

A US\$5 million facility, from Shelter Afrique, was received for onward lending to clients for the purchase of housing units in the open market. The loan limit per applicant was US\$100 000 with 10-year tenor. The Building Society facility is 10 years with 2-year grace period for capital repayments. The Facility was fully repaid by 31 March 2022.

- Norsad facility

FBCB accessed a \$10million facility in 2016 earmarked for recapitalizing FBC Holdings but with a specific focus on-lending to mitigation and adaptation project from Norsad Finance, a development finance institution. This facility came with a mandate to disclose sustainability covenants on a periodic basis as well review of the sustainability policy. Through these years, the bank has been submitting periodic returns relating to its development agenda and making great strides to make its operations sustainable.

- FAO Livelihood Food Security Programme (LFSP)

The project, which commenced in 2015, was spearheaded by the Food and Agriculture Organization of the United Nations (FAO) in partnership with one of the Group’s microfinance subsidiary. Five low cost branches were opened to facilitate the disbursements. Of US\$10 million LFSP facility which is to be split amongst five financial institutions, our sister subsidiary has already participated to the tune of US\$1.5 million. Now that the program has been extended by an additional two years to expire in 2022, four branches have been added to the portfolio bringing the number of branches under the LFSP program to nine. The thrust of the LFSP facility is to target the under-banked, unbanked and unbankable rural communities. Projects funded under this arrangement include farming, poultry and piggery, apiculture, aquaculture, vendors, cross boarder

traders, retail shops amongst others. Borrowers can access the facility to fund capital expenditure as well as working capital requirements for their various projects. Loan tenor is tailor the Government of Zimbabwe has also offered free agricultural experts to augment the program.

- National Social Security Authority (NSSA) Retrenchee Facility

NSSA availed a 2 year USD\$5million facility in 2012 that was split between two financial institutions. Microplan, one of FBCH's subsidiaries, received funding to the tune of USD\$2.5m for on-lending to the NSSA retrenchees for the purpose of working capital and asset financing. Projects financed ranged from small holder farmers under value chain finance, retailers, cross border traders, producers.

This community of retrenched staff benefited from the financing, capacity building, market linkages, networking and good business management practice. To this end, some are even running successful diversified business enterprises as the clients were capacitated and survived beyond the NSSA retrenches loan facility.

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

- Financial Management Capacity Assessment undertaken by the Bank has strengthened the Bank's credibility and endorsement as a qualified entity to manage climate change funds and implement related projects. The Bank is one of the leading financial services provider in Zimbabwe and has a footprint across the country's 10 provinces.
- The Bank has a proven track record of managing both domestic and international funds. FBC Bank Limited has managed to build capacity over the years through projects such as the GCF Green Resilient Recovery Rapid Readiness Support in Zimbabwe project, the ongoing GCF accreditation process and several other projects that have been implemented in collaboration with Development Finance Institutions (DFIs) and development agencies in rural finance and development initiatives.
- FBC Bank Limited is a member of:
 - Southern African Climate Finance Partnership Community of Practice
 - Chartered Institute of Management Accountants
 - Business Council for Sustainable Development Zimbabwe
 - Institute of Chartered Accountants of Zimbabwe
 - Institute of Bankers of Zimbabwe
 - Institute of Internal Auditors of Zimbabwe
 - Project Management Institute of Zimbabwe

The following are policies and documents to prove the eligibility of FBC Bank Limited to access Adaptation Fund resources:

- Legal status,
 - Certificates of Incorporation (Companies Act, Chapter 24:03)
 - Reserve bank of Zimbabwe (RBZ) Commercial Banking License
 - FBC Holdings Limited is Zimbabwe Stock Exchange (ZSE) Listed Entity
- Financial management and integrity,
 - International Financial Reporting Standards (IFRS)
 - Ethics and Integrity Policy

- Code of Conduct
 - Safeguarding Policy
- Procurement Policy
- Accounting Policy
- Gender Policy
- Environmental, Social and Governance (ESG) Policy
- Institutional capacity: Managed development projects
 - Zimbabwe Schools Water and Agriculture Project: 2017-2019 (USD400, 000)
 - RBZ Women Empowerment Fund: 2019 (USD4155, 700)
 - Agro-bills: 2010-20 Agriculture Season (USD160 million)
 - Afreximbank facility: (USD90 million)
 - Shelter Afrique: 2022 (USD 5million)
 - Norsad facility: (USD10 million)
 - Food and Agriculture Organization of the United Nations (FAO): 1.5 million
 - National Social Security Authority (NSSA) Retrenchee Facility: (USD2.5 million)
- Anti-corruption, Transparency and Self-investigation
 - Audit Charter
 - Audit Policy
 - Whistle-blower guideline
 - Financial Crimes Compliance Policy
 - Anti-bribery, Anti-terrorism
 - Anti-corruption
 - Stakeholder Engagement Policy
- Board Committees at FBC Bank Limited level
 - Board Credit Committee
 - Board Risk and Compliance Committee
 - Board Loans Review Committee
 - Board Asset, Liability Committee
 - Board Human Resources and Remuneration Committee.
- Board Committees at FBC Holdings Limited level
 - Board Corporate Governance, Nomination and Sustainability Committee
 - Board Audit Committee
 - Risk and Compliance Committee
 - Human Resources and Remuneration Committee
 - Marketing and Public Relations Committee
 - Digitalization and Innovation Committee
- The Bank is currently implementing the Reserve Bank of Zimbabwe (RBZ) Climate Risk Management Guideline, which incorporates the inclusion of climate-related risks in the Group's operations and investments. This initiative is complimented by a Sustainability Standards Certification Initiative (SSCI) programme spearheaded by RBZ.
- As part of this strategic thrust, the Bank established a fully-fledged Climate Finance and Sustainability department to spearhead alignment of processes and procedure manuals to sustainability best practices and mobilize climate finance resources.
- What sets FBC Bank Limited apart is its unwavering commitment to contribute towards a climate-resilient and low-carbon development pathway as well as the fulfilment of the National

Development Strategy (NDS 1), Vision 2030, the adaptation components Zimbabwe's Revised Nationally Determined Contribution and the National Adaptation Plan.

(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 (2024)	Requested budget for component (USD)
Detailed policy gap/challenge analysis	Activity 1: Detailed Gap/Challenge analysis across FBC Bank departments and units	Gap Analysis Report	Month 1	13, 000
	Activity 2: Development of a Comprehensive Action Plan to implement the identified gaps	Comprehensive action plan for identified gaps and challenges developed	Month 1	10, 000
Developing/ Updating and alignment of policies, frameworks, plans and mechanisms	Activity 3: <ul style="list-style-type: none"> • Alignment of FBC's Environmental, Social and Governance (ESG) system and Gender policy: <ul style="list-style-type: none"> ○ ESG Policy ○ Gender policy Development of: <ul style="list-style-type: none"> ○ ESG Procedure Manual, ○ Gender Action Plan ○ Environmental and Social Action Plan (ESAP) ○ Gender equality and social inclusion guidelines 	Updated ESG system and gender policy ESG Procedure Manual; Gender Action Plan; and the ESAP developed	Month 2 to 6	10, 000
	<ul style="list-style-type: none"> ○ Alignment of FBC's Financial Management and Integrity: <ul style="list-style-type: none"> ○ Ethics and Integrity Policy ○ Code of Conduct ○ Procurement Policy ○ Accounting Policy ○ Risk Management Policy 	Financial Management and Integrity policies aligned		10, 000
	<ul style="list-style-type: none"> ○ Development of Institutional capacity for FBC Bank Limited: <ul style="list-style-type: none"> ○ Project Management ○ Monitoring and Evaluation ○ Operational and funding 	Project Management and Monitoring and Evaluation competencies developed		15, 000

	modalities			
	<ul style="list-style-type: none"> • Alignment of Anti-corruption, Transparency and Self-investigation system: <ul style="list-style-type: none"> ○ Audit Policy ○ Financial Crimes Compliance Policy ○ Stakeholder Engagement Policy 	Anti-corruption, Transparency and Self-investigation policies aligned		13,000
	Alignment of FBCH's Grievance Redress Mechanism (GRM)	Grievance Redress Mechanism aligned		20,000
	Development of a Grant Management Policy (GMP)	Grant Management Policy developed		
	Development of a Monitoring and Evaluation Framework	Monitoring and Evaluation Framework developed		
	Development of an Impact Reporting Framework (IRF)	Impact Reporting Framework developed		
	Subtotal for component			91,000
Component 2 Workshops, Meetings, technical assistance	1 Inception workshop; 3 national stakeholder consultation workshops; 1 Project closure workshop	Workshop reports	6 months	18,000
	Validation of developed/aligned policies by all key stakeholders	Validation report	1 month	4,000
	Post readiness review of the Adaptation Fund accreditation process by the Accreditation Panel	Post readiness review	Post-project end date	2,000
	Updating and printing training modules/manuals/materials by NIE/Consultant	Developed manuals/materials	1 month	7,000
	Recruitment and Consultancy fees	Consultancy fees	6 months	15,250
	Subtotal for component			46,250
Total Project/Programme Cost				137,250
Project/Programme Cycle Management Fee charged by the Implementing Entity (Maximum of 8.5%)				12,750
Total Grant Requested (USD)*				150,000

***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**

C. 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

<ul style="list-style-type: none"> Alignment of Anti-corruption, Transparency and Self-investigation system: <ul style="list-style-type: none"> Audit Policy Financial Crimes Compliance Policy Stakeholder Engagement Policy 	Not aligned	Under implementation	Strengthens projects' alignment with Adaptation Fund principles, procedures and requirements	
Alignment of FBCH's Grievance Redress Mechanism (GRM)	Not aligned	Under implementation		
Development of a Grant Management Policy (GMP)	Not developed	Identified in previous assessments	Strengthens projects' alignment with Adaptation Fund principles, procedures and requirements	One year after development
Development of a Monitoring and Evaluation Framework	Not developed	Identified in previous assessments		One year after development
Development of an Impact Reporting Framework (IRF)	Not developed	Identified in previous assessments		One year after development

D. 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
Environmental Management Agency	<i>[Signature]</i>	31.08.23	<i>Steady Kamgata</i>	+263 773404779	<i>steady.kamgata@ema.co.zw</i>

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>Washington Zhakata Director: Climate Change Management Department Ministry of Environment, Climate, Tourism and Hospitality Industry</i>	Date: 22 August 2023
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All communications should be addressed to

"The Secretary for Environment, Climate, Tourism and Hospitality Industry"

Telephone: 701691/2

Telegraphic address: "TOURISMT"

Fax: 702054



ZIMBABWE

**Secretary for Environment,
Climate, Tourism and
Hospitality Industry**

11th Floor, Kaguvi Building

Corner 4th and Central Avenue

Harare

ZIMBABWE

22 August 2023

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

Subject: Endorsement for accreditation to FBC Bank Limited to become a National Implementing Entity (NIE) under the Readiness package Grant

In my capacity as Designated Authority for the Adaptation Fund in Zimbabwe, 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 Zimbabwe.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by Environmental Management Agency and executed by FBC Bank Limited.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Washington Zhakata'.

Mr. Washington Zhakata
Director, Climate Change Management Department (CCMD)
Ministry of Environment, Climate, Tourism and Hospitality Industry (MECTHI)



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THE OPEN LEARNING CAMPUS

CERTIFICATE

Awarded to

Desire Nemashakwe

for having successfully completed the course

"Direct Access: Unlocking Adaptation Funding (Self-Paced)"

23 August 2023



WORLD BANK GROUP

POVERTY IN MOVEMENT

MIKKO OLLIKAINEN
MANAGER OF ADAPTATION FUND



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