



ADAPTATION FUND

AFB/B.9/4
March 8, 2010

Adaptation Fund Board
Ninth Meeting
Bonn, March 23-25, 2010

Agenda item 8

REPORT OF THE ACCREDITATION PANEL

I. BACKGROUND

1. At the seventh meeting of the Adaptation Fund Board, the Board approved the operational policies and guidelines for Parties to access resources from the Adaptation Fund (AFB/B.7/4). Paragraphs 32 to 38 of the operational guidelines specify the accreditation of implementing entities, including the accreditation process and the fiduciary standards to be met by the applicant.
2. At its seventh meeting, the Board also approved the terms of reference for the establishment of the Accreditation Panel (AFB/B.7/5), and decided:
 - a) To appoint Mr. William Kojo Agyemang-Bonsu (Ghana, Non-Annex I Parties) and Mr. Jerzy Janota Bzowski (Poland, Eastern Europe) as members of the Accreditation Panel; and
 - b) To request the secretariat to issue a call for experts for the Adaptation Fund Accreditation Panel in accordance with the adopted terms of reference, and to submit a short list of experts to the Board at its eighth meeting.
3. At its eighth meeting, the Board considered a short-list of experts (AFB/B.8/5/Rev.1) that had been produced by the secretariat through a screening process, and based on the short list, the Board decided to appoint three candidates as expert members for the Accreditation Panel.
4. During December 2009 and January 2010, the secretariat contracted the following three expert members:
 1. Mr. Peter Maertens, Canada/Netherlands
 2. Mr. Murari Aryal, Nepal
 3. Mr. Ravinder Singh, India

II. WORK OF THE PANEL

5. The Panel launched its work in a telephone conference on January 27, 2010, followed by a meeting in the secretariat's premises in Washington, DC, on February 17-18, 2010. In addition, the Panel worked actively via e-mail correspondence, and an additional telephone conference was held on March 1, 2010.
6. In accordance with the operational guidelines, the secretariat forwarded to the Panel four accreditation applications that it had reviewed and that according to its judgment contained adequate information on all fiduciary standards approved by the Board. One of these applications concerned accreditation as a National Implementing Entity (NIE) and three as a Multilateral Implementing Entity (MIE), as follows:
 1. Centre de Suivi Ecologique, Senegal; NIE application,
 2. United Nations Development Programme (UNDP); MIE application,
 3. International Bank for Reconstruction and Development (IBRD); MIE application, and
 4. A third MIE applicant for which the review is still on-going.

Panel Consideration of the Applications

Centre de Suivi Ecologique, Senegal

7. The accreditation application of the Centre de Suivi Ecologique (CSE), dated December 21, 2009, was received on January 7, 2010 with several supporting documents and submitted to the Panel on January 27, 2010. Requested by the Panel, additional documentation was provided by CSE by e-mail and in a telephone conference arranged for February 18. Following a written approval by CSE, the Panel also solicited evaluation of CSE work from two bilateral donors that had funded projects carried out by CSE in the past.

8. In its discussion on the CSE application, the Panel noted, *inter alia*, that the organization has apparent technical capacity, it meets the fiduciary standards set up by the Board to a considerable degree, and that it has successfully carried out assignments with and funded by reputable international organizations. However, the Panel also noted that the supporting documentation provided for some areas of the fiduciary standards did not provide sufficient evidence of meeting these standards, in particular in the area of risk management. Further, the organization had usually managed projects of smaller size compared to the potential maximum size of projects and programmes to be financed by the Adaptation Fund. Notwithstanding, the comments received from the representatives of the donors were highly positive and the organization has a successful record in project implementation and administrative management.

9. Hence, the Panel agreed to recommend accreditation of CSE as an NIE, accompanied by certain additional management advice to the Board. Namely, the Panel was of the opinion that because CSE had previously only managed projects of smaller size, it might experience some difficulties when implementing considerably larger projects. The Panel therefore decided to recommend that the Board exercise additional due diligence if it were to consider projects larger than USD 1 million to be implemented by CSE. As an additional safeguard measure, the Panel also decided to recommend that the Board consider requiring more frequent reporting on the projects and programmes implemented by CSE, than the standard requirement of annual status reports stated in paragraph 48 of the operational policies and guidelines.

United Nations Development Programme (UNDP)

10. The accreditation application of UNDP was received on January 12, 2010 with several supporting documents and submitted to the Panel on January 27, 2010. In addition to the application and its supporting documentation, UNDP referred to an independent review of its fiduciary standards in its role as a GEF implementing agency, made by the auditing firm PricewaterhouseCoopers.

11. The Panel discussed the various parts of UNDP application, and concluded that it clearly meets all the fiduciary standards set by the Board.

12. The Panel decided to recommend accreditation of UNDP as an MIE. The Panel also decided to recommend soliciting permission to use the application as an outstanding example for aspiring MIEs, if the Board would decide to grant accreditation to UNDP.

International Bank for Reconstruction and Development (IBRD)

13. A request for accreditation in the form of an e-mail message was received from the World Bank Group on November 6, 2009. A formal application was received on February 26, 2010, specifying that the entity seeking accreditation was the IBRD which is part of the World Bank Group. In addition to the application and its supporting documentation, the IBRD referred to an independent review of its fiduciary standards in its role as a GEF implementing agency, made by the auditing firm PricewaterhouseCoopers.

14. The Panel, in its meeting on February 17-18, 2010, and in its teleconference on March 1, 2010, discussed the application of IBRD, and concluded that the organization clearly meets all the fiduciary standards set by the Board.

15. The Panel decided to recommend accreditation of IBRD as an MIE.

16. The Panel wishes to remind the Board that the three expert members on the Panel, identified by the Secretariat and appointed by a decision of the Board, are hired through consultancy contracts with the IBRD, as the GEF secretariat as secretariat of the Board is hosted by the IBRD. The members of the Panel felt that it was purely a contractual mechanism and since the expert Panel members had no other link with the IBRD, it did not constitute a conflict of interest or hamper in any way the expert advice that they formulated and gave on the IBRD application. Nevertheless, they wished to be fully transparent and provide this information to the Board at the time of making a recommendation on the accreditation application of the IBRD.

Fourth accreditation application

17. The accreditation application of a third MIE applicant was received by the secretariat on February 18, 2010 and submitted to the Panel on February 19, 2010. This application was considered by the Panel but is still being reviewed.

Panel Consideration of its work procedure

18. The Panel noted that while several entities submitted their applications to be accredited as NIEs, only one applicant provided all required documentation, and was further reviewed by the Panel. The Panel discussed the options at its disposal when reviewing accreditation applications. It was noted that while the operational guidelines and the terms of reference of the Accreditation Panel provide for options such as carrying out field visits to support the review process of an application, and providing technical support to applicants, the budget is currently constrained and such work-intensive options are not readily available. The Panel decided to request the Board to consider modalities for both conducting field visits and providing technical support to applicants, which would significantly contribute to the overall accreditation process and increase the number of applications reviewed by the Panel.

19. The Panel noted that while the Board had not yet decided on the maximum allocations for project activities, the decision on accreditation was closely linked to the amount of funds to be entrusted to the implementing entity to disburse, and to the capacity of the implementing entity to do so effectively. Recognizing that the accreditation process is separate and independent from the project and programme

review process of the Adaptation Fund Board, the Panel concluded that the best solution to addressing possible limitations in management capacity related to project size might be through providing additional guidance, if necessary, to the Board when recommending a positive accreditation decision.

20. The Panel noted that the fiduciary standards agreed on by the Board are comprehensive and suit the purpose of accrediting implementing entities. However, the Panel felt that the accreditation framework could be further developed as experience from concluded accreditation applications is accrued, to facilitate more effective examination of applicants' fiduciary standards. The Panel agreed to appoint one panelist to lead the work on further developing the accreditation framework.

21. The *Invitation Letter to Eligible Parties to Submit Proposals for Accreditation to the Adaptation Fund Board* (AFB/B.7/6), adopted by the Board at its seventh meeting, includes an example of an accreditation application form. While the Panel appreciated the flexibility to accommodate different national situations in terms of types of supporting documentation, it felt that following the accreditation application format, however, would help to ensure completeness of information, and would not pose any additional heavy burden on the applicants. The Panel agreed to recommend to the Board that the status of the accreditation application template would be changed from example to that of a mandatory one.

22. At a request of the Chair, the secretariat had also prepared a draft Oath of Service, attached in Annex 1 to this document as part of the process of disclosing conflicts of interest. The Panel took the Oath, and agreed on a procedural routine of all Panelists declaring their potential conflicts of interest in the beginning of each meeting.

23. The Panel considered the document *Guidelines for disclosure of conflicts of interest for Accreditation Panel members*, prepared by the secretariat at a request from the Panel Vice-Chair, and attached in Annex 2 to this document. The objective of the guidelines is to clarify what is meant by conflict of interest. The document fulfilled the expectations that the panelists had about those guidelines, and the Panel agreed to recommend to the Board that the document be adopted.

24. The Panel adopted a tentative work schedule for the calendar year 2010, attached in Annex 3, which includes four actual meetings during the year, scheduled in a way to facilitate making recommendations to the Board before its meetings. The Panel also agreed on an interim internal division of duties.

25. The Panel members expressed their wish to introduce themselves in person to the Board, if feasible and deemed necessary. Two of the Panel members informed their wish to attend the next Board meeting as observers.

III. RECOMMENDATIONS

Accreditation of Centre de Suivi Ecologique

26. The Accreditation Panel, having considered the accreditation application of the Centre de Suivi Ecologique, Senegal, recommends to the Adaptation Fund Board:

- a) To accredit the Centre de Suivi Ecologique as the National Implementing Entity for Senegal;
- b) To exercise, through the Project and Program Review Committee, additional due diligence when considering projects and programmes proposed by the Centre de Suivi Ecologique, which are worth more than USD 1 million; and
- c) To require more frequent reporting than the standard requirement in the operational policies and guidelines for the projects and programmes implemented by the Centre de Suivi Ecologique.

(Recommendation AFB/AP.1/1)

Accreditation of United Nations Development Programme

27. The Accreditation Panel, having considered the accreditation application of the United Nations Development Programme, recommends to the Adaptation Fund Board:

- a) To accredit the United Nations Development Programme as a Multilateral Implementing Entity; and
- b) To solicit permission from the United Nations Development Programme to use its application as an outstanding example for aspiring Multilateral Implementing Entities.

(Recommendation AFB/AP.1/2)

Accreditation of the International Bank for Reconstruction and Development

28. The Accreditation Panel, having considered the accreditation application of the International Bank for Reconstruction and Development, recommends to the Adaptation Fund Board to accredit the International Bank for Reconstruction and Development as a Multilateral Implementing Entity.

(Recommendation AFB/AP.1/3)

Guidelines for disclosure of conflicts of interest for Accreditation Panel members

29. The Accreditation Panel recommends to the Adaptation Fund Board to adopt the document *Guidelines for disclosure of conflicts of interest for Accreditation Panel members*.

(Recommendation AFB/AP.1/4)

Accreditation application template

30. The Accreditation Panel recommends to the Adaptation Fund Board to request that implementing entity applicants mandatorily use the accreditation application template, included in document AFB/B.7/6.

(Recommendation AFB/AP.1/5)

Technical support to applicants

31. The Accreditation Panel recommends to the Adaptation Fund Board to consider modalities for providing certain technical support to implementing entities applicants.

(Recommendation AFB/AP.1/6)

Evaluation field visits

32. The Accreditation Panel recommends to the Adaptation Fund Board to include in the budget for fiscal year 2011 provisions for evaluation field visits.

(Recommendation AFB/AP.1/7)



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OATH OF SERVICE

I, _____,

Member of the Adaptation Fund Accreditation panel, hereby sign and agree to respect the below written oath of service before assuming/continuing my service for the Board:

“I solemnly declare that I will perform my duties as member of the Adaptation Fund Board Accreditation Panel honourably, faithfully, impartially and conscientiously.

I further solemnly declare that, subject to my responsibilities within the Accreditation Panel, I shall not disclose, even after the termination of my functions, any information marked confidential coming to my knowledge by reason of my duties in the Accreditation Panel.

I shall disclose immediately to the Accreditation Panel any interest in any matter under discussion before the Accreditation Panel which may constitute a conflict of interest or which might be incompatible with the requirements of independence and impartiality expected of a member of the Accreditation Panel, and I shall refrain from participating in the elaboration and adoption of recommendations by the Accreditation Panel in relation to such matter.”

Washington, 17th of February, 2010

Panel Member Signature

Print Name

AFB Chair Signature

Guidelines for disclosure of conflicts of interest for Accreditation Panel members

1. The Accreditation Panel members shall disclose activities, including business, government or financial interests which might influence their ability to discharge their duties and responsibilities objectively. The Accreditation Panel members must disclose such activities before starting consideration of an accreditation application. They must also disclose any financial or contractual relationship or link with an entity seeking accreditation as national or multilateral implementing entity of the Adaptation Fund. An illustrative list of interests is provided in the annex to the present draft guidelines.
2. A conflict of interest may also refer to activities or interests of the spouse or personal partner or dependant of an Accreditation Panel member that would influence the expert's work with respect to the subject matter being considered by the Accreditation Panel.
3. In these cases, the members shall refrain from participating in the elaboration and adoption of recommendations by the Accreditation Panel in relation to such matter.
4. Should there be a likelihood of a conflict of interest, a member shall seek the advice of the Chair.
5. The Chair shall seek to avoid conflicts of interest. This could include requesting a member to take appropriate action, such as to take no role or a restricted role in the determination of an item.
6. Cases of conflicts or likely conflicts of interest relating to the Chair should be raised with the Chair of the Adaptation Fund Board.

Annex

7. The following is an illustrative list of the types of interests that should be disclosed:
 - (a) A current employment, consultancy, or other position held by a member or his/her spouse, personal partner or dependant, whether or not paid, in any entity whose accreditation application is under consideration by the Accreditation Panel;
 - (b) A current employment, consultancy, or other position held by a member or his/her spouse, personal partner or dependant, whether or not paid, in the administration of a government that has submitted an accreditation application of a national entity under consideration by the Accreditation Panel;
 - (c) The provision of advice to a government or entity with respect to the matters under consideration by the Accreditation Panel;
 - (d) Performance of any paid research activities for or receipt of any fellowships or grants from a government or entity that has submitted an accreditation application under consideration by the Accreditation Panel.



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WORK SCHEDULE FOR 2010

Jan 27	1 st teleconference of the Accreditation Panel
Feb 17–18	1 st face-to-face meeting in Washington, DC
Mar 5	Recommendations on the 1 st batch of applications
Mar 23–25	9 th AFB meeting in Bonn (AFB members of AP), decision on the 1 st batch
Apr 27	Cut-off date for 2 nd batch of applications
May 10-11	2 nd face-to-face meeting
May 18	Recommendations on the 2 nd batch of applications
June 15-17	10 th AFB meeting in Bonn (AFB members of AP), decision on the 2 nd batch
Jul 27	Cut-off date for 3 rd batch of applications
Aug 9-10	3 rd face-to-face meeting
Aug 18	Recommendations on the 3 rd batch
Sep 14-16	11 th AFB meeting in Bonn (AFB members of AP), decision on the 3 rd batch
Oct 27	Cut-off date for 4 th batch of applications
Nov 8-9	4 th face-to-face meeting
Nov 18	Recommendations on the 4 th batch
Dec 12-14	12 th AFB meeting in Cancun (AFB members of AP), decision on the 4 th batch

Note: A third day may be necessary for the face-to-face meetings, depending on the number and complexity of applications.