



ADAPTATION FUND

AFB/B.26/4/Rev.1

4 October 2015

Adaptation Fund Board
Twenty-sixth meeting
Bonn, Germany, 8–9 October 2015

Agenda item 5

REPORT OF THE TWENTIETH MEETING OF THE ACCREDITATION PANEL

WORK OF THE ACCREDITATION PANEL

1. The Accreditation Panel (the Panel) continued its work reviewing both new and existing applications. On 6–7 August 2015 the Panel held its 20th meeting at the secretariat's offices in Washington, DC. One new Panel expert was added to the Panel, Ms. Zahra Hassanali, who has more than fifteen years of international experience at the World Bank (WB), the International Finance Corporation (IFC), and most recently with Bateleur Capital, a private equity fund, in due diligence—screening new investments for organizational capacity, environmental, social and financial risks. The Panel meeting allowed for an opportunity to hold teleconferences with applicants, to communicate application status, to ask questions, and to provide direct guidance on any additional documentation required. The Panel also used the meeting to reflect upon the trends observed in the accreditation process.

2. For the 20th Panel meeting, four new completed applications were received. In addition to the new applications, the Panel reviewed four re-accreditation applications (two MIE and two NIEs). The Panel continued its review of the applications of nine potential National Implementing Entities (NIEs) and three potential Regional Implementing Entities (RIEs) that were previously reviewed but required additional information for the Panel to make its recommendations.

3. By the time of the finalization of this report, the Panel concluded the review of one application for accreditation:

- (i) The Central American Bank for Economic Integration (CABEI)

4. Eleven applications (nine for potential NIEs and two for potential RIEs) are currently under review by the Panel as per the list below. For purposes of confidentiality, only the assigned code is used to report on the status of each Implementing Entity's application.

- 1) National Implementing Entity NIE044
- 2) National Implementing Entity NIE046
- 3) National Implementing Entity NIE049
- 4) National Implementing Entity NIE057
- 5) National Implementing Entity NIE061
- 6) National Implementing Entity NIE076
- 7) National Implementing Entity NIE069
- 8) National Implementing Entity NIE075
- 9) National Implementing Entity NIE066
- 10) Regional Implementing Entity RIE008
- 11) Regional Implementing Entity RIE010

Completed Case

The Central American Bank for Economic Integration (CABEI)

5. **The applicant:** The CABEI founded in 1960 has over 300 employees and is headquartered in Tegucigalpa, Honduras. Its role is to promote economic integration and the balanced economic and social development of the Central American Countries. It is a medium-sized regional bank with a strong credit rating. It approves and disburses approximately US\$ 1.5 billion per year. Throughout partnerships it receives significant funding from over 30 multilateral and bilateral investment and development institutions. The CABEI operates in the Central American middle-income region where significant income gap and poverty pervade particularly amongst the indigenous people. The region has 50 million inhabitants approximately 33 per cents of whom survive on less than two dollars a day, and with 44 per cents or almost 22 million people living in poverty. It is a region that is very susceptible to the adverse impact of climate change including damage from tropical storms.

6. The application was received by the secretariat on 5 December 2014 through the accreditation workflow. The application was detailed and extensive covering 69 pages and included over a hundred documents. After screening the application for consistency and completeness, the secretariat forwarded the application to the Panel on 15 December 2014. The application was discussed by the Panel at its 18th meeting and two of its members reviewed the content in detail. The applicant appeared strong and the need for additional information was less than the case in usual. The main area relates to implementing a complaint mechanism for allegations relating to violations under the code of conduct/ethics and fraud, financial mismanagement as well as environmental and social complaint mechanism. These areas were already being addressed at the time of the application.

7. At the 19th and 20th meetings, the Panel continued to discuss remaining issues including the public procurement, the commitment and capacity to implement environmental and social policy and its grievance mechanism. The Panel requested additional information in March 2015 and followed-up during the summer of 2015. This enabled the Panel to understand the full potential and capacity of the applicant and provided the applicant an opportunity to install systems, procedures and documentation relating to the areas of anti-fraud and a complaint mechanism for allegations related to environmental and social harm that were not fully met before. As part of this dialogue approximately fifty additional documents were received and examined by the Panel.

8. Based on the extensive interactions with CABEI staffs and the examination of documents the Accreditation Panel concludes that CABEI meets the requirements of the fiduciary standards and those of the Environmental and Social Policy of the Adaptation fund. The applicant has demonstrated how it can effectively install complaint mechanism related to anti-fraud and corruption and to allegations of environmental and social harm during an accreditation process to meet the requirements to be an implementing entity for the Adaptation Fund.

9. A summary of the Panel's conclusions can be found in Annex I.

Cases under review

National Implementing Entity NIE044

10. The applicant submitted its application on 25 January 2013. Most of the supporting documentation was not provided in English, but only in French. The Panel provided the applicant with a list of selected supporting documents for translation in English. This was aimed at reducing the workload and cost of translating all applicant documents. At the 13th meeting held on May 20–21 2013, the Panel briefly discussed the application and agreed to communicate the additional information required and the need for further clarification on several issues. Many additional documents were provided by the applicant.

11. At the 14th meeting held 23–24 September 2013, the Panel agreed that the applicant may have the capacity to be accredited to be an executing entity. However, the best option would be to complete a review of the applicant's implementation capacity during a field visit prior to the 15th Accreditation Panel meeting. The field visit took place during the last week of January 2014. During the visit the applicant demonstrated that it has most of the systems and procedures in place to be a strong and effective NIE. Nevertheless, some actions still needed to be put in place and these were discussed with the senior staff of the applicant to ensure they were well understood. The required actions included: the completion of two internal audits with management comments; establishing an audit committee; issuing an internal control statement; completing a basic risk analysis including the identification and taking of risk mitigation steps; supplementing the procedures manual for selection of projects and how procurement of executing entities would be verified; comparing budget statements to actual with explanations for variances; and, developing the required system, procedures and internal capacity to deal with financial mismanagement and other forms of malpractices.

12. At the 15th meeting (10–11 February 2014), the Panel decided to wait for the applicant's additional provision of outstanding questions. However, at the 16th meeting held (5–6 May 2014), the Panel pointed out that the applicant had not responded since the field visit in January 2014. At the 17th meeting (25–26 August 2014), the Panel reported that the Executive Director of the entity had changed, and that the entity has remained silent since the last field visit. Therefore, the Panel agreed to prepare a letter asking whether the entity is still interested in pursuing the application.

13. After the change of the Executive Director, the Panel heard from the new Executive Director in February 2015. The Executive Director is interested in continuing with the application and addressing the gaps the Panel initially identified. The first few documents were received and the Panel will follow-up with the applicant and request information on plans to address gaps prior to the Panel's nineteenth meeting. It has also requested an update on the organization and its management so it can understand whether or not the change of Executive Director and possible other movements impact the ability of the applicant to meet the accreditation requirements.

14. The applicant typically handles individual projects and grants of less than US\$ 50,000. Only a few grants, handled by the applicant, were in the range of US\$ 100,000. Accordingly, the adequacy of the applicant's systems and processes had not been demonstrated for handling medium and large projects. The applicant also communicated that the size of the grants it currently makes, and anticipates making in the next several years (based on experience and the absorptive capacity of the majority of the project executing agencies), are likely to remain small. During the first week of June 2013, the applicant requested to be considered for accreditation for small projects and indicated that that it would not request funding beyond a mutually agreed threshold that is within its capacity to manage.

15. At the 19th and 20th meetings, the Panel indicated that the applicant has yet to respond, and that most of the documents submitted are outdated.

National Implementing Entity NIE046

16. The application submitted on 31 December 2012 was forwarded to the Panel members on 10 January 2013. The entity provided a large volume of supporting documentation for the Panel review and analysis at its 12th Panel meeting.

17. Several gaps were identified and the applicant was requested to provide answers to a list of additional questions relating mainly to the applicant's internal audit capacity; its track record in project appraisal, monitoring and evaluation; and its transparency and anti-corruption policy. The applicant uploaded the additional information requested to the accreditation workflow on 17 June, 2013. The information was reviewed and analyzed between the 13th and 14th Panel meetings.

18. The Panel found gaps still existed in a number of areas and requested additional information in August 2013. The applicant agreed to submit a response with additional supporting documentation prior to the 15th Panel meeting, scheduled for February 2014.

19. The applicant provided additional information in January and June 2014. The additional documentation was analyzed by the Panel and helped to close some of the open issues. However, several gaps remained and at the 16th meeting the Panel agreed that a field visit would be the best way to resolve the outstanding issues. The applicant was unable to host a field visit due to scheduling conflicts and workload issues.

20. The applicant was invited to the seminar for NIE's held in Bangkok 10–12 September 2014 in partnership with UNEP. The applicant sent two representatives to the meeting who met with two members of the Panel. The meeting provided an opportunity to discuss the progress of the application. The key outstanding issues were highlighted and also the need for addressing the issues in a satisfactory manner before the Panel could consider recommending accreditation. The representatives assured the Panel members that they would discuss the issues with their colleagues and work towards closing all the existing gaps. In January 2015, the applicant provided information aimed at closing the existing gaps. However, the information received did not address

all the outstanding issues. Given that the application has been under review for over two years and that the applicant has failed to respond to Panel questions and requests for additional information, the Panel requested the secretariat to seek guidance from the DA on how to proceed. If the applicant is unable to make the necessary changes to fill the gaps outlined by the Panel, the Panel will not be in a position to recommend accreditation.

National Implementing Entity NIE049

21. The application was received by the secretariat on 14 April 2013. After completing the initial screening, the secretariat submitted the application to the Panel for consideration at its fourteenth meeting of September 2013.

22. The Panel discussed the merits of the application and sent a list of information requirements to applicant in October 2013. The Panel has been following up with applicant on the status of implementation of the agreed measures to address the identified gaps. Some of the agreed measures relate to: (a) improving the effectiveness of the Audit Committee, internal audit and the internal control framework; (b) revamping the procurement manual; (c) preparing adequate guidelines for project risk assessment, appraisal, monitoring and evaluation and closure; (d) implementing a project-at-risk system; (e) enhancing the applicant's website to facilitate the reporting of allegations of malpractice and corruption; and (f) issuing a policy on whistle-blower protection.

23. The applicant has been in regular communication with the Panel and has continued to provide the required information in instalments. The last information was provided in the second half of February, 2015. The Panel assessed the information provided over the last several months, and recommended next course of action.

24. The applicant was invited to the Fund's Climate Finance Regional Workshop where the few outstanding items were discussed. The Panel Member at the Workshop was impressed with the ability of the applicant and advised that a Skype conference with the Panel Member in charge of the application and the submission of the last outstanding documents should enable the applicant to clear the remaining issues.

25. At the 19th and 20th meetings, the Panel continued to discuss remaining issues. Subsequently, the Panel sent applicant a list of pending questions including internal audit and the Ethics Committee. The applicant has undertaken to prepare an action plan for working on the gaps and submitting the same to the Panel as soon.

National Implementing Entity NIE057

26. The application was received by the secretariat in February 2014. After completion of the preliminary screening by the secretariat in April 2014, it was put forward for the Panel's consideration at its 16th meeting of May 2014.

27. After discussing the merits of application and fiduciary issues, on 6 June 2014, the Panel communicated to the applicant a list of questions and additional information requirements. While the applicant has demonstrated a solid experience in handling credit-financing activities, it has also recognized the existence of various gaps in meeting the requirements of the Fiduciary

Standards. For example, some of these gaps surfaced in competences related to: (a) procurement; (b) project appraisal and risk assessment for non-credit projects/programmes; (c) project quality at entry; (d) project-at-risk system; (e) monitoring, evaluation and closure procedures for non-credit projects/programmes; (f) an effective anti-fraud/corruption system; and (g) the framework to deal with complaints on environmental and social issues.

28. The applicant has sought external assistance in the preparation and implementation of a policy framework for meeting the requirements of the Fiduciary Standards. The consultant(s) provided an action plan for completing the work by May 2015. By the date of 19th meeting, the Panel had not received any information from the applicant. The Panel reached out to determine how much additional time was needed to enable it to set up the required policies/systems based on the consultant's work.

29. The applicant requested the Panel to undertake a field visit to resolve the remaining issues. The applicant was invited to the Regional Climate Finance Workshop held in Abuja, Nigeria on 21–23 September 2015. The applicant sent one representative to the workshop who met with one Panel member. The meeting provided an opportunity to discuss the progress of the application and to facilitate the field visit. The field visit to the applicant took place on 26–29 September 2015. The areas of gaps to be addressed during the field visit included: (a) internal audit; (b) audit of the procurement function; (c) appraisal structure for non-credit projects; (d) project-at-risk system; (e) an effective policies and framework for dealing with fraud, corruption, financial mismanagement and other forms of malpractice; (f) code of conduct/ethics; and (g) the commitment to environmental and social policy and grievance mechanism. During the field visit the applicant demonstrated that it has most of the systems and procedures in place to be a strong and effective NIE. Nevertheless, one action is still needed to be put in place related to audit of the procurement function and this was discussed with the top management of the applicant to ensure the impending action will take place before November. Based on the findings of the field visit and discussions with the entity staff/management the Panel will develop an outcome report.

National Implementing Entity NIE061

30. The application was received by the secretariat on 14 July 2014 through the accreditation workflow. After screening the application for consistency and completeness, the secretariat forwarded the application to the Panel on 16 July 2014 for consideration at its 17th meeting. The initial review of the application by the expert members of the Accreditation Panel was completed in October 2014. After discussing the initial review findings, the Panel communicated to the applicant a list of questions and additional information requirements in November 2014. The applicant provided responses to the Panel's questions and requests for additional information in February 2015. Analysis of the responses and results of the analysis were discussed at the 19th Panel meeting.

31. After the 19th meeting, the Panel sent a list of the issues still outstanding on 4 July 2015 relating to the entity's internal audit report and the Ethics/Integrity Committee. The applicant provided its responses and relevant documents on 22 September 2015, and the analysis of them is currently ongoing and will be discussed by the Panel.

National Implementing Entity NIE076

32. The application was received by the secretariat on 5 December 2014 through the accreditation workflow. After screening the application for consistency and completeness, the secretariat forwarded the application to the Panel on 15 December 2015.

33. The Panel completed its assessment of the application in February 2015 and found several areas in which the applicant did not demonstrate the requirements of the Fiduciary Standard, including compliance to the AF Environmental and Social Policy.

34. The list of additional information required was sent applicant and subsequently a detailed Skype call was held when the Panel's observations and requirements were discussed and explained. The applicant has since submitted an action plan for working on the identified gaps.

35. At the 19th and 20th meetings, the Panel continued to discuss remaining issues. Subsequently, the Panel sent applicant a list of pending questions on 7 August 2015 and received requested information/documents from the applicant on 9 September 2015. The Panel is currently reviewing the response and will follow-up with the applicant for the progress with respect to the response.

National Implementing Entity NIE075

36. The application was received by the secretariat on 2 December 2014 through the accreditation workflow. The application was sent back to the applicant by the secretariat to request additional missing documentation. The applicant responded with additional documentation and the secretariat forwarded the application to the Panel on 15 December 2015.

37. The Panel completed its assessment of the application in the beginning of March 2015 and found several areas in which the applicant did not meet the requirements of the fiduciary standards. In particular, there are gaps in the area of financial management (including external and internal audits), the internal control framework, and project management where the bulk of the policies and systems appear to be at a draft stage and yet to be approved or implemented.

38. The list of additional information required was sent applicant and subsequently a detailed Skype call was held in which the Panel's observations and requirements were discussed and explained. The applicant has provided a detailed response in April and May 2015. The Panel is in the process of completing its analysis of the response. Based on the assessment the Panel determined to request the applicant to submit further information. The applicant pledged to provide by the end of September 2015 additional information/documents requested. The response from the applicant has yet to be received by the date of finalization of the present report. The Panel is currently assessing whether the streamlined accreditation process could be a viable option for the entity.

National Implementing Entity NIE069

39. The application from a small island developing state was received by the secretariat on 5 December 2014 through the accreditation workflow. After screening the application for consistency and completeness, the secretariat forwarded the application to the Panel on 15 December 2014. The Panel has held several Skype discussions over the last few months aimed

at resolving the identified gaps. The applicant has provided the outstanding documents for examination from early July to early September 2015. The detailed Skype call was held on 13 September 2015 when the Panel's observations and requirements were discussed and explained. The Panel is currently conducting an analysis of them and awaiting couple of the outstanding documents from the applicant. Depending on the results of further information provided the Panel plans a visit to the applicant to get a complete overview of its project cycle capabilities including how it handles the environmental and social safeguards.

National Implementing Entity NIE066

40. The application was received by the secretariat on 1 April 2015 and after the initial screening returned to the applicant for additional information. The applicant re-submitted on 21 April 2015 and the application was forwarded to the Panel on 30 April 2015.

41. Upon initial screening, the Panel found that the applicant had major gaps and that in order to meet the Fund's fiduciary and environmental standards, the applicant would need to invest significant resources. The gaps have been communicated to the applicant via teleconference and the applicant is currently weighing its options for how to move forward. The application was returned to the applicant for resubmission on 17 August. 2015.

Regional Implementing Entity RIE008

42. The application was received by the secretariat on 8 January 2014 through the accreditation workflow. After screening the application for consistency and completeness, the secretariat forwarded the application to the Panel on 9 January 2014 for consideration at its 15th meeting.

43. Initial review of the application shows the applicant has established a good track record in the execution of climate change related projects funded by several multilateral and bilateral institutions. In doing so, however, the applicant has largely relied on operational procedures and guidelines of the financing institutions, such as the World Bank and the Inter-American Development Bank. In order to meet the Fund's fiduciary standards the applicant needs to develop its own operational procedures, address areas such as internal audit, internal control framework, and demonstrate the required capabilities in project management. The Panel's findings were communicated to the applicant in April 2014 along with requests for additional information and indications of areas where the applicant's capabilities need to be strengthened.

44. The applicant requested the Panel to undertake a field visit to resolve the issues raised. The Panel wrote to the applicant indicating that the procedures of the accreditation process required an applicant to respond to the questions posed and to first work toward closing some gaps prior to a field visit. Subsequently in December 2014, the applicant provided responses to the panel questions and requests for additional information. A reviews of the responses found several gaps in the information requested by the Panel. The gaps relate to 4 main areas: (i) internal and external audit, (ii) internal control framework, and (iii) project cycle management, including management of the procurement function and environmental and social risk assessment. Results of the review were communicated to the applicant with a request to address all the gaps before accreditation can be considered.

45. The Panel sent a list of outstanding questions on 26 April, 2015 and has yet to receive any relevant information and documents. During the 20th Panel Meeting, the gaps have been communicated to the applicant via teleconference and the applicant was requested to submit the responses by early September. The field visit to the entity was agreed to take place on 19–23 October on the condition that the applicant submits the required information/documents by 30 September 2015. Due to applicant's failure to provide response to the Panel questions, the applicant agreed to reschedule new due dates of submission of requested information/documents and the field visit to the applicant respectively.

Regional Implementing Entity RIE010

46. The application was received by the secretariat on 14 July 2014 through the accreditation workflow. After screening the application for consistency and completeness, the secretariat forwarded the application to the Panel on 16 July 2014 for consideration at its 17th meeting. During that meeting a telephone conference was held with the applicant and the Panel agreed to formulate the additional information needed to cover the gaps identified and this is being finalized. The application was discussed during the 17th Panel meeting and the request for additional information was issued at the end of September 2014. This was followed up by a number of telephone calls and some 75 additional documents were submitted. The Panel has provided the applicant with an updated listing of the areas where the fiduciary standards and requirements related to the Environmental and Social Policy are still not fully demonstrated. Major gap areas relate to implementing a complaints mechanism for allegations of fraud and mismanagement as well as for environmental and social harm resulting from projects and programmes.

47. At the 19th and 20th meetings, the Panel continued to discuss remaining issues including the public procurement, commitment to and capacity to implement environmental and social policy and its grievance mechanism. Subsequently the Panel sent applicant a list of additional information required on 3 September 2015. The remaining issues are related to the audit committee and internal audit. The applicant submitted additional documents/information on 27 September 2015. Currently the response is under review by the Panel.

Other Matters

Twenty-first Meeting of the Accreditation Panel

48. The 21st Panel meeting is scheduled on 26–27 January 2016. The deadline for submissions of applications for accreditation for consideration at the 21st meeting of the Panel is 20 December 2015.

Re-accreditation applications

49. The Panel reviewed re-accreditation applications of: (i) the International Fund for Agricultural Development (IFAD) MIE004; (ii) Planning Institute of Jamaica (PIOJ) NIE004; (iii) Agencia Nacional de Investigación e Innovación (ANII) NIE003.

Proposal to enhance efficiency and effectiveness of the accreditation process

50. With five years of experiences reviewing applications and interacting with applicants, the Accreditation Process has matured to the point that further enhancement of its efficiency and effectiveness can now be considered. At its 25th meeting, Adaptation Fund Board requested the secretariat, in collaboration with the Panel, to develop a proposal on enhancing the efficiency and effectiveness of the accreditation process for consideration by the Ethics and Finance Committee (EFC) at its 17th meeting (Decision AFB/B. 25/5).

51. The secretariat in collaboration with the Panel prepared document AFB/EFC. 17/4, which is part of the EFC agenda.

RECOMMENDATION

Accreditation of the Central American Bank for Economic Integration (CABEI)

52. After considering the conclusions and outcome of the review, the Panel recommends the accreditation of the Central American Bank for Economic Integration (CABEI) as a Regional Implementing Entity (RIE) of the Adaptation Fund.

ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI) AS A REGIONAL IMPLEMENTING ENTITY (RIE) OF THE ADAPTATION FUND

The applicant:

The CABEI founded in 1960 has 328 employees and is headquartered in Tegucigalpa, Honduras. Its role is to promote economic integration and the balanced economic and social development of the Central American Countries. It is a medium size regional bank with a strong credit rating. It approves and disburses approximately US\$ 1½ billion per year. Through partnerships it receives significant funding from over thirty multilateral and bilateral investment and development institutions such as: The European Investment Bank (EIB), the German Development Bank (KfW), the Japan bank for International Cooperation (JBIC), Australian Development Bank and the International Cooperation and Development fund (ICDF) of Taiwan. The application provided was extensive and detailed covering 69 pages.

CABEI operates in the Central American region which is a middle income region with significant income inequality and poverty particularly amongst the indigenous people. It has 50 million inhabitants approximately 33% of whom survive on less than two dollars a day, and with 44% or almost 22 million people living in poverty. It is a region that with tropical storms is very susceptible to the adverse impact of climate change.

Financial integrity:

Without giving a legal opinion the documentation provided demonstrates the **legal personality** and the capacity / authorization and the ability of CABEI to directly receive funds. There are **audited financial statements** produced by an appropriate **accounting system**. There is a Directors' **Auditing Committee** and the applicant has demonstrated its effectiveness. The Bank has an **internal audit function** for which an external peer review, using a well-known methodology, gave it the highest possible rating.

In relation to the **Internal Control Framework** the governance, policies, procedures, responsibilities and accountabilities are documented by CABEI. The internal control framework is elaborate and reviewed by the Auditing Committee. The external auditor annually reviews the effectiveness over the financial reporting, including the related control letter signed by the Executive President and the Chief Financial Officer, and expressed an unqualified opinion in each of the last few years. The **disbursement system** is operating as intended and this is demonstrated by an internal audit report of one of the regions. The documents in the application demonstrate the ability to prepare **strategic plans** and to prepare administrative **budgets** that are compared to actual outcomes. The Panel concluded that CABEI is **financially solvent**. This conclusion is based on several factors including a strong and rising credit rating.

Requisite Institutional Capacity:

Project management: The CABEL has adequate guidance for the **procurement** that must be implemented on projects financed by the Bank. It relates to procurement of goods, works, services and consultants. The guidance includes extensive feedback in terms of advice and no-objections from the Bank. There were concerns related to the transparency of the procurement and concept of economic procurement that were not sufficiently demonstrated but this was effectively addressed during the accreditation process.

CABEL has the capability, experience and track record for **project identification** and **appraisal** whereby they support the borrowers when needed. Appraisal documents include technical, financial, economic, legal aspects as well as the social, environmental considerations. There are assessments of risk with mitigating actions. All these are in line with adopted bank tools. The application demonstrates proper project budgeting and disbursement data for projects. There is adequate CABEL involvement in the project during its execution. This includes input from the regional offices, semi-annual **monitoring**, external project audits and highlighting projects at risk. The monitoring includes extensive environmental and social monitoring where required. Being a financial institution the first line of monitoring is done by the borrowers who implement or execute the projects. CABEL provides oversight of this and visits the projects annually.

Policies and established practices related to the inclusion of the **environmental and social safeguards** are in place throughout the project cycle are in place. The applicant has an environmental and social policy including the required mechanisms. An SIEMAS application is used to manage related risks during the project cycle. Examples related to projects demonstrate that these aspects are considered for all projects based on a risk assessment.

The explanations, documents and guidance provided demonstrate adequate practices for **project closure**. Projects are evaluated during the project and at the end and compared with ex-ante expectations. In addition there are many examples of thematic project **evaluations**.

Anti-corruption measures and mechanisms to address environmental and social complaints:

There is a **Code of Conduct** and a **Code of Ethics**. The rules for **receiving and processing complaints** are contained in a specific Board Resolution that includes **whistleblower** protection and annual reporting. The same resolution covers the receipt of fraud and corruption allegations and complaints related to environmental and social aspects. That resolution is new and CABEL continues to work on its implementation and as an interim measure has created a web based platform to receive complaints. This is sufficient for recommending accreditation and needs to be re-evaluated again if re-accreditation is requested in five years' time.

Environmental and Social Complaint mechanism: A mechanism for reporting ESP complaints has been approved. It is a general all-purpose complaint mechanism that applies to all types of complaints as described under the anti-fraud paragraph above. That mechanism is

new and CABEL continues to work on its implementation and as an interim measure has created a web based platform to receive complaints. This is sufficient for meeting the Environmental and Social Policy of the Adaptation Fund and for recommending accreditation. Nevertheless it needs to be re-evaluated again if re-accreditation is requested in five years' time.

Overall Conclusion: The Accreditation Panel concludes that the CABEL meets the requirements of the fiduciary standards and those of the Environmental and Social Policy of the Adaptation Fund.