



ADAPTATION FUND

AFB/B.29-30/2
21 June 2017

Adaptation Fund Board

**REPORT OF THE TWENTY-FIFTH 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 2 and 3 May 2017 the Panel held its twenty-fifth meeting at the secretariat's offices in Washington, D.C. Mr. Chebet Maikut (Uganda; Least Developed Countries), who was elected as a new Chair of Accreditation Panel (AP) at the twenty-ninth meeting of the Adaptation Fund Board (the Board) (Decision B.29/1), opened the meeting. The Panel and the secretariat warmly welcomed Mr. Maikut and congratulated him on his election.

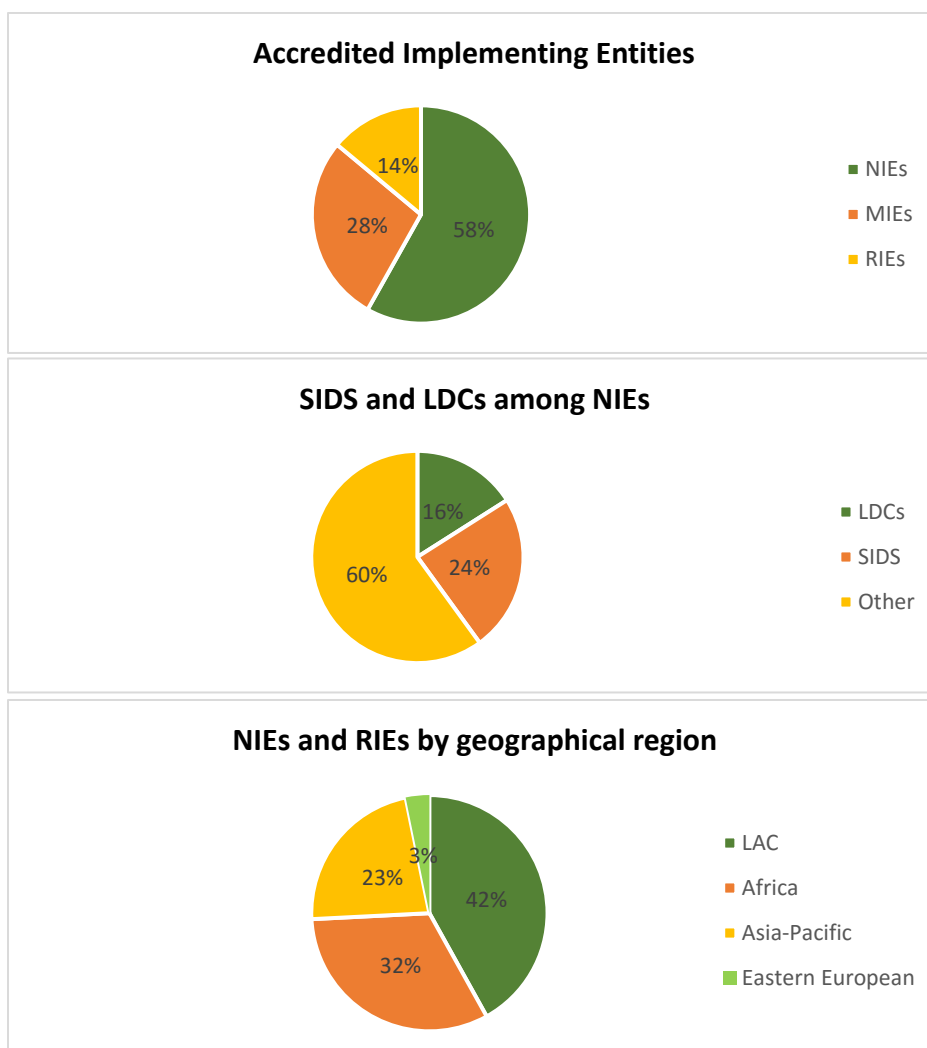
2. For the twenty-fifth Panel meeting, the secretariat has received two new completed accreditation applications (one National Implementing Entity (NIE) and one Regional Implementing Entity (RIE)). Since its twenty-fourth meeting, the Panel has continued reviewing eight re-accreditation applications (seven NIEs and one Multilateral Implementing Entity (MIE)) and the accreditation applications of eleven potential NIEs and one potential RIE that were previously reviewed but required additional information for the Panel to make its recommendations. After considering the recommendation by the Panel, the Board approved re-accreditation of the African Development Bank (AfDB) as an MIE at its twenty-ninth meeting (Decision B.29/30).

3. Twelve applications (eleven for potential NIEs and one for potential RIE) 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 NIE064
- 6) National Implementing Entity NIE066
- 7) National Implementing Entity NIE107
- 8) National Implementing Entity NIE112
- 9) National Implementing Entity NIE113
- 10) National Implementing Entity NIE134
- 11) National Implementing Entity NIE136
- 12) Regional Implementing Entity RIE008

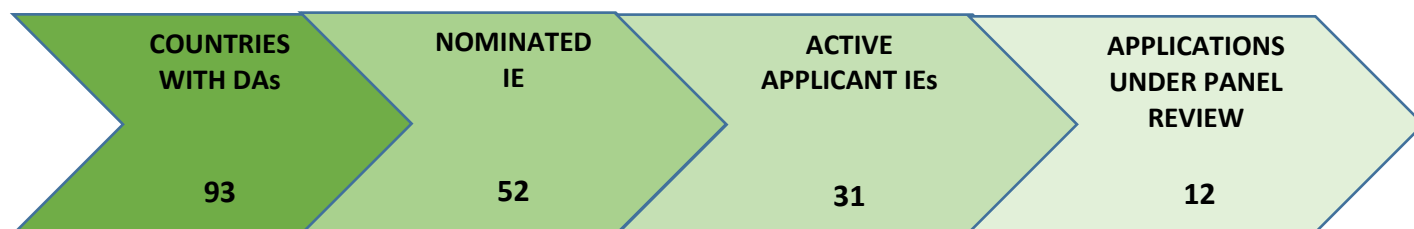
GENERAL TRENDS

5. As at 1 May 2017, the total number of accredited implementing entities amounts to 43: 25 NIEs, six RIEs and 12 MIEs. In particular, four NIEs of Least Developed Countries (LDCs) and six NIEs of Small Island Developing States (SIDS) were accredited. Out of 43 accredited implementing entities of the Fund, 12 have been re-accredited: two NIEs, one RIE and nine MIEs. With respect to the geographic coverage for the 25 NIEs, five NIEs are from Asia-Pacific region, eight NIEs are from Africa region, 11 NIEs are from Latin American and the Caribbean region, and one NIE is from Eastern Europe.



ACCREDITATION PIPELINE

6. As at the date of the report, the Fund has received 118 letters of assigned Designated Authorities (DAs). The following chart provides an update on the current accreditation pipeline which does not count in re-accreditation application. A detailed description of each figure is as follows:



- COUNTRIES WITH DESIGNATED AUTHORITIES (DAs):** Of 151 Non-Annex I parties to the Kyoto Protocol, 118 countries (78%) have appointed a Designated Authority for the Fund. As 25 countries have an accredited NIE, this number has been excluded in the figure for Accreditation Pipeline.
- NOMINATED IMPLEMENTING ENTITIES (IEs):** There are total of 83 nominated NIEs and RIEs, of which 25 NIEs and 6 RIEs have been accredited, and therefore, 31 has been deducted from the figure for Accreditation Pipeline.
- ACTIVE APPLICANT IMPLEMENTING ENTITIES:** The number of active applications of NIEs, RIEs, and MIEs on the Accreditation Workflow that are preparing or updating their application.
- APPLICATIONS UNDER PANEL REVIEW:** The number of applications under review by the Accreditation Panel.

STATUS OF APPLICATIONS UNDER REVIEW

<u>ENTITY</u>	<u>APPLICATION CREATION/ SUBMISSION DATE</u>	<u>ADDITIONAL BACKGROUND INFORMATION</u>	<u>CURRENT STATUS</u>
EXISTING APPLICATIONS			
NIE044	Jan-13	AFB/B.29/4	Since AP23 meeting in August 2016, there has been no progress. The secretariat sent a letter to the DA on 9 March 2016 informing the inactivity of its NIE and requesting to confirm whether the NIE still wants to pursue the accreditation process. Although the applicant wrote to the secretariat on 29 July 2016 indicating its willingness to continue the process and submit the outstanding information, it has yet to make any progress.
NIE046	Dec-12	AFB/B.29/4	After a long dormant period, the entity submitted the requested documents and information on 29 December 2016, which enabled the Panel to resume the review of the application. The Panel reviewed them and provided the entity with their assessment results as well as a list of pending gaps. Considering a long period of stalled-review process and accordingly outdated supporting documents, the Panel had to review the application with a fresh look and issued a new interim assessment report. To facilitate the process, a conference call among the entity, Panel and Secretariat is scheduled on 5 May 2017.
NIE049	Apr-13	AFB/B.29/4	The Panel reviewed the additional documentation submitted by the application in late October 2016 and produced an assessment report and a list of pending information and questions in December 2016. Since then active communication between the entity and the Panel has continued to bridge the pending gaps. The Panel was of the view that the entity has been very responsive to the Panel's request of pending information, and that the entity appeared to have sufficient capacity and good mechanism in place. Considering the maturity of review process, the Panel indicated a possibility of a field visit to the entity depending on how the entity responds to the Panel's recent request of additional information.
NIE057	April-14	AFB/B.29/4	The challenge that the applicant is facing is its lack of track record of non-credit (grant) project funding and implementation. After the AP22 meeting in May 2016, a conference call was conducted in June 2016 between the applicant, the Panel and the Secretariat to facilitate the applicant's understanding on the pending requirements for accreditation. Despite a number of Secretariat's follow-up communications with the entity from September 2016 to January 2017, there has been no progress on pending gaps. The Secretariat will follow up with the entity for an update.

NIE064	May-16	AFB/B.29/4	Upon the Secretariat's follow-up email, the applicant replied on 12 January 2017 indicating that the government was undergoing institutional reform so that the NIE candidate would have the required institutional capacities and rules and procedures. The entity communicated that it would be able to resume the accreditation process once necessary steps are taken.
NIE066	Apr-15	AFB/B.29/4	The entity is under the streamlined accreditation process and started receiving readiness support from an accredited NIE under the South-South Cooperation Grants programme. A conference call between the Panel and the entity was held on 3 April 2017, which helped the entity understand the pending gaps. The Panel indicated that the applicant is a small entity with limited capacity. The entity had put some new policies and procedures in place. Still pending gaps include financial statements, implementation of newly established policies and procedures.
NIE107	Jan-16	AFB/B.29/4	The Panel completed and produced the second assessment of the application and communicated pending information/documents to the Applicant on 22 December 2016. Upon the Secretariat's follow-up email in late January, February and April 2017, the entity communicated its difficulties in submitting the requested pending information due to the relevant staffs' transfer to different Ministries. The Panel indicated that several documents additionally submitted were insufficient to demonstrate the pending criteria. Considering the difficulties in communicating with the entity the Panel indicated that field visit to the entity might help facilitate the process, but this option would be considered only after several gaps are closed.
NIE112	Jan-16	AFB/B.29/4	The applicant had received readiness support from the Fund's accredited NIE under the Fund's South-to-South Cooperation Grants Programme. Since AP24 meeting in January 2017, active communication has continued among the applicant, the Panel, and the Secretariat. Pending gaps include internal audit report, audit committee, project management function including capacity of running projects and project closure report, and implementation of anti-fraud and corruption measures as well as effective implementation of ESP. The Panel indicated a possibility of field visit if necessary and appropriate after the applicant's submission of requested information. The applicant's submission of requested documentation is pending.
NIE113	Jan-16	AFB/B.29/4	The applicant is under streamlined accreditation process and had received readiness supported by the Fund's accredited NIE under the Fund's South-to-South Cooperation Grant Programme. During the AP25 meeting, the Panel indicated that there are still several gaps of which the applicant is aware. The Panel will continue providing relevant guidance while waiting for applicant's submission of requested information and documentation.

NIE134	Nov-16	AFB/B.29/4	After the DA withdrew the previous NIE of the country and nominated a new entity, the applicant submitted its application in November 2016. The Panel completed their initial review of application and communicated to the entity the result and a list of pending questions in March 2017. Upon the Secretariat's follow-up email in April 2017, the entity responded that it was collecting the requested information and planned to submit them in late April. Upon request, a meeting among the Panel, the Secretariat, and the entity was held in early May, which provided a chance to clarify the pending gaps.
NIE136	Jul-16	AFB/B.29/4	The entity is receiving readiness support from the Fund's accredited NIE under the Fund's South-to-South Cooperation Grants Programme. After updating pending information and supporting documents, the applicant resubmitted its application on 28 November 2016. The Panel completed their initial review in January 2017 and communicated to the entity the initial review result and a list of pending questions and information in early February 2017. The Secretariat sent a follow-up email on 18 April 2017 encouraging the entity to submit the requested information so that the Panel continue the review. The pending information includes audited agency financial statements relating to external funding, management letter, effective implementation of the Audit Committee, implementation of the government's procurement regulation which applies to the entity, an anti-corruption hotline on the entity's website.
RIE008	Jan-14	AFB/B.29/4	After some two years of dormant period, the applicant submitted the requested information/documentation in December 2016 and January 2017. A conference call was conducted in early March 2017, which provided a chance to identify and clarify required information on procurement, internal controls and risk management, the project management, and E&S and Gender policy implementation. The entity informed that it had an internal meeting among all the relevant and necessary staffs relating to accreditation process in late March and planned to submit the requested information. The entity's submission of the information is still pending. The Secretariat will follow up with the entity.
<u>RE-ACCREDITATION:</u>			
NIE002	June-16	AFB/B.29/4	After screening the Secretariat sent the application back to the entity requesting to submit the missing information and documentation. The entity resubmitted its application in August 2016. The Panel reviewed the application and found several gaps including anti-corruption policies and procedures. At 25th meeting in May 2017, the Panel noted a number of positive developments and an appointment of a new Director of the entity. The Panel member will soon provide and send a list of pending questions and information to the entity.

NIE003	Aug-16	AFB/B.29/4	After screening the Secretariat sent the application back to the entity with a request of completing the missing section. It has not yet re-submitted its application.
NIE014	Sep-16	AFB/B.29/4	After screening, the secretariat passed the application to the Panel for their review. The Panel completed their initial review and sent the entity a list of pending information in late October 2016. The applicant has actively communicated with the secretariat and the Panel to prepare the requested information. The Panel is currently reviewing the additionally submitted documents.
NIE016	Aug-16	AFB/B.29/4	After screening, the secretariat sent back the application to the entity with a request to update information required for the Panel to continue to review, including key documents to be provided in English. A conference call was conducted among the Secretariat, the Panel and the entity in March 2016 to facilitate the process. The entity has submitted some of the requested information in English in late April 2017, and the Panel is still waiting for the remaining documentation as of May 2, 2017.
NIE023	Jan-17	AFB/B.29/4	In accordance with the Board Decision B.28/38 the entity is under the fast-track reaccreditation process. The Panel provided the entity with an interim review result and a list of pending information on 10 April 2017. The pending gaps include legal capacity to initiate legal action, anti-corruption hotline on the website, top management's statement on zero tolerance on corruption and fraud, capacity and complaint handling mechanism on ESP and gender policy.
NIE030	Dec-16	AFB/B.29/4	After screening the Secretariat sent the application back to the entity with a request of completing missing information and resubmitting the application. The application was resubmitted in February 2017. At the AP25 meeting, the Panel discussed the entity's accounting & auditing system, anti-corruption and transparency system. The Panel is reviewing the application and will produce an interim report and a list of pending information.
NIE031	Aug-16	AFB/B.29/4	In accordance with the AFB Decision b.28/38, the entity is under fast-track re-accreditation process. The entity resubmitted its application in late December 2016 after updating the pending information, and the Panel completed initial review in January 2017. A list of pending questions was communicated to the entity in early March 2017. At the AP25 meeting the Panel discussed issues of legal capacity to sign agreements, framework for anti-corruption and fraud, implementation of gender policy, capacity and complaint handling mechanism of ESP and gender related harms.

MIE012	Nov-16	AFB/B.29/4	The Panel completed their initial review and issued a list of pending information in February 2017. A conference call was conducted between the Panel and the entity on 14 March 2017/ The entity submitted requested documentation (some 90 documents) on 19 and 20 April 2017. The Panel is currently reviewing them and will provide feedback in due course. At the AP25 meeting, the Panel indicated progress in financial statements, many policies and procedures in place, budget monitoring, strong commitment and robust ESP and gender policies. Still pending gaps include Minutes of Audit Committee and assurance of internal control. The Panel will provide feedbacks and a conference call will be scheduled to obtain more information and documentation.
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OTHER MATTERS

7. Date and venue for the *twenty-sixth Meetings of the Accreditation Panel*: 18-19 September 2017 in Washington D.C.

8. *Pipeline on accreditation and re-accreditation and Readiness Grants Support*: Panel discussed accreditation process of applicants under the readiness support. The Panel was of the view that a review would be beneficial to assess the results of the South-South Cooperation Grants. In addition, the Panel wished to receive feedback on accreditation from entities who receive readiness support from the accredited entity during their accreditation process.

9. *Guidance for the Designated Authorities in selecting an NIE candidate*: The Panel exchanged views and suggestions to update the guidance for the DA in selecting an NIE. The Secretariat will integrate all the comments of Panel into the guidance and circulate it among the Panel for further updates. The discussion on this matter will continue at the next AP meeting.

11. *Efficiency and Effectiveness of Accreditation Process*: As part of efforts to improve efficiency and effectiveness of accreditation process, the Panel discussed: (i) a way to effectively deal with a long-stalled application. The Panel decided to discuss an appropriate avenue for informing the DA of the accreditation process of its NIE candidate at the next AP meeting; (ii) an efficient review handover from an outgoing Panel member to a successor Panel member.