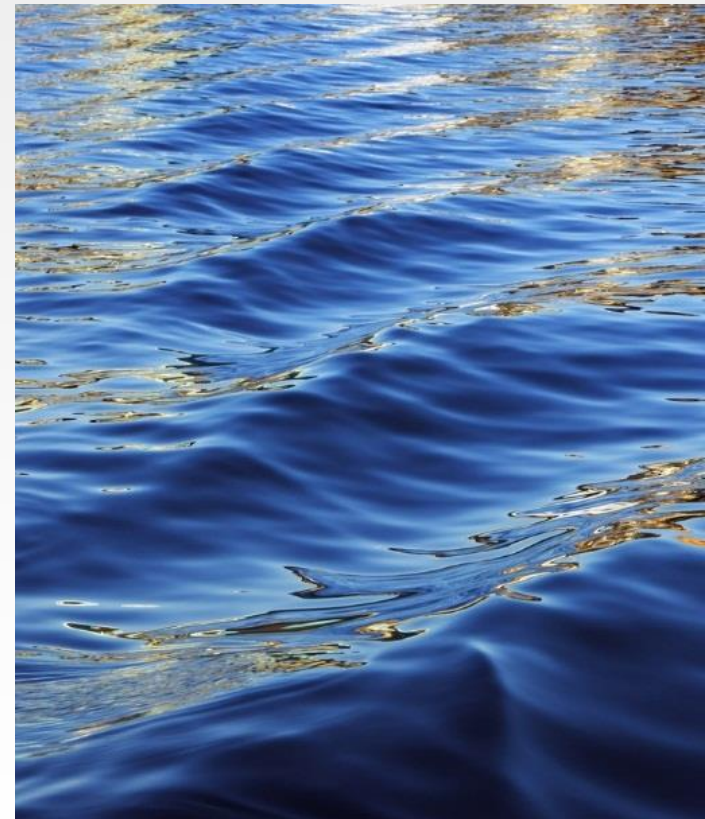




ADAPTATION FUND

UNDERSTANDING AF FIDUCIARY
STANDARDS Transparency, Self-
Investigative Powers, Anti-Corruption
Measures,

Bangkok, September 2019



Transparency, Self-Investigative Powers, Anti-Corruption Measures, and Mechanism to Address E&S and Gender Complaints

Required
Competency

Specific
Criteria

Policies and Framework
to Deal with Financial
Mismanagement

Application of E&S Policy
and Gender Policy

Mechanism to deal with
Complaints on E&S and Gender
Harms Caused by Project

Anti-Fraud Policy
and Procedures

Capacity and
Commitment

Transparency, Self-Investigative Powers, Anti-Corruption Measures, and Mechanism to Address E&S and Gender Complaints

Policies and Framework
to Deal with Financial
Mismanagement

Anti-Fraud Policy
and Procedures

- ✓ Public statement from senior management
- ✓ Code of conduct and ethics
- ✓ Confidential avenue for lodging allegations
- ✓ Whistle blower protection
- ✓ Policies and procedures for non-compliance of AML/CFT

Transparency, Self-Investigative Powers, Anti-Corruption Measures, and Mechanism to Address E&S and Gender Complaints

- ✓ Public statement from senior management
- ✓ Institutional framework for identification and management of E&S risks
- ✓ System to undertake E&S impact assessments
- ✓ Procedures to avoid, minimize, and mitigate adverse E&S risks and establish ESMP
- ✓ Procedures to monitor risks and mitigation strategies

Application of E&S Policy
and Gender Policy

Mechanism to deal with
Complaints on E&S and Gender
Harms Caused by Project

Capacity and
Commitment

Financial Mismanagement and Malpractices...

Required competency	Specific capability required	Example of supporting documentation to be provided (please highlight the relevant section/s)
Policies and Framework to deal with financial mismanagement and other forms of malpractices	a) Evidence/tone/statement from the top emphasising a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by implementing entity staff or from any external sources associated directly or indirectly with the projects	Provide evidence of a statement communicating a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice.
	b) Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice	i. Provide copy of documented code of conduct/ethics applicable to the staff; ii. Documentation (including, if available, web link/s) establishing avenues for reporting non-compliance/violation/misconduct and business conduct concerns; iii. Details of policies and procedures relating to managing conflict of interest and whistle blower protection.

...Financial Mismanagement and Malpractices

Required competency	Specific capability required	Example of supporting documentation to be provided (please highlight the relevant section/s)
	c) Evidence of an objective investigation function for allegations of fraud and corruption	<ul style="list-style-type: none">I. Details of the structure and process/ procedures within the organization to handle cases of fraud and mismanagement, including breaches of anti-money laundering and anti-terrorism financing laws, and undertake necessary investigative activities;I. Policies and procedures related to non compliance of AML/CFT policies and procedures;II. Data on cases of violation of code of conduct/ethics, frauds and other financial malpractice reported over last 2 years be provided in terms of number of cases, types of violations and summary of status/action taken;III. Periodical oversight reports of the ethics function/ committee be attached for the last 2 years.

Complaints on E&S and Gender

Required competency	Specific capability required	Example of supporting documentation to be provided (please highlight the relevant section/s)
<p>Commitment by the entity to apply the Fund's environmental and social and gender policy</p>	<p>Evidence of entity's commitment to addressing environmental and social and gender risks</p>	<p>Statement from top management communicating entity's commitment to abide by the AF's environmental and social and gender policy.</p>
<p>Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs</p>	<p>Documentation of an accessible, transparent, fair and effective mechanism (either within the entity itself, local, national or project-specific) for receiving complaints about environmental and social harms caused by projects/programmes</p>	<p>i. Details of process/avenues (including, if available, web link/s) for the public to submit complaints, including name and contact information of the specific person/office responsible for receiving complaints.</p> <p>ii. Evidence on the manner in which complaints are addressed and action is taken.</p>

Example of Robust Anti-Fraud Practices

- Investigation function as part of internal audit
- Anti-fraud policy neatly summarized on entity's website
 - Includes annex that lays out processes to ensure AML/CFT
- Clear that mismanagement and other forms of malpractice also being addressed
- Annual report on investigation posted to website
 - Evidence that complaints received are addressed.



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