AF accreditation criteria, including compliance with AF ESP and GP and internal control framework

Mr. Ishak Mohammed, Accreditation Consultant, AFB Secretariat

9 June 2022
AF accreditation criteria and required competencies

- Consist of four broad categories:
  - Legal status;
  - Financial and management integrity;
  - Institutional capacity; and
  - Transparency, Self-investigative Powers, Anti-corruption measures and mechanism to address E&S and gender complaints.

- Full assessment – regular accreditation and second-time re-accreditation
- Areas of assessment for re-accreditation applications depend on many factors:
  - Regular re-accreditation vs fast-track accreditation/fast-track re-accreditation
  - With or without AF Funded project
  - For re-accreditation applications, the description of how an entity meets the fiduciary standards should focus on any changes that have occurred within the organization since the original accreditation.
  - The most recent supporting documentation must be submitted.
Legal status (criterion 1)

A. Demonstration of legal personality
   • A copy of constitution or articles of incorporation document, by-laws and other evidence of the applicant’s lawful incorporation and legal personality
   • Applicable legal authority which may affect the entity, i.e. Laws, Decrees, Act or Regulation
   • A description of structure if applicant is a unit, a division or department within the government

B. Demonstration of legal capacity/authority
   • Evidence to enter into contracts with international organizations
   • Evidence to take action and defend itself in a Court of Law
   • Evidence to enforce obligations by contracting parties

C. Demonstration of ability to directly receive funds
   • Evidence of authority to directly receive, administer, disburse funds, grants, donations, gifts or endowments
   • Evidence of authority to open and maintain bank accounts, including who authorizes that
   • List or websites reference of significant foreign loans or donor funds handled over the last 3 years to execute projects.
Financial and Management Integrity

(Criteria 2-4)

- Financial Statements and External Audit requirement
- Internal Control Framework
- Internal Audit/Assurance and Oversight arrangements
- Preparation of Business plans and budget
Internal Control Framework

- **Payment and Disbursements**: The application and supporting documents should include a demonstration of the organization’s capability to ensure that all payments and disbursements, with a particular reference to projects, are properly checked and made only for bona-fide/approved purposes.

  - Required basic documents and information are as follows:
    - A description of the disbursement system and procedures, including the most important steps in processing payments for both projects and other expenditures;
    - A description of authorized signatories in the payment and disbursement system; and
    - Evidence of a recent audit, or similar review, related to the disbursements and payments function of projects.

- **Accountability**: evidence/confirmation that the internal control framework is operating satisfactorily

  - Supported by periodic review of the effectiveness of the internal control elements, i.e., internal control reviews carried out by management or by the internal and external auditors.
Institutional Capacity

- Procurement
- Project Preparation and Appraisal
- Project Implementation Planning
- Project Monitoring and Evaluation
- Project Closure and Final Evaluation

(Criteria 5-9)
Transparency, Self-investigative Powers, Anti-corruption measures and mechanism to address E&S and gender complaints

(Criteria 10-12)

- Policies and Framework and capacity to deal with fraud, corruption and other forms of malpractice
- Mechanism to deal with complaints on environmental and social harms caused by projects
- Commitment by the entity to apply the Fund’s Environmental & Social and Gender policy
Commitment to abide by Fund’s ESP and GP

- The ESP and GP is operationalized at the Fund level at two key stages:
  - During the process of accrediting Implementing Entities (IEs); and
  - During the process of project and programme review

- During the accreditation process, the Accreditation Panel will assess whether the IE has the capacity and commitment to address environmental and social risks, and whether a grievance mechanism is available in order to either be accredited or to maintain accreditation.

- The IEs are responsible for the environmental and social risk management of projects/programmes under their supervision.

- The IE applicant demonstrates, in a written/official statement issued at the highest managerial level, its commitment to abide by the ESP and GP in all projects/programmes funded by the Fund.
AML/CFT requirements

- Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT): “examples of supporting documentation” related to the “internal control framework”, “procurement” and “policies and framework to deal with financial mismanagement” criteria in the accreditation application form (Criteria 3 (b); 5(a); 10 (c))

- The documentation needed to meet these requirements include:
  - Policies and procedure related to anti-money-laundering/countering the financing of terrorism;
  - Screening system which documents all individuals and/or organizations before the entity transfers money to them; and
  - Decision-making process that the entity follows when it identifies risks related to any individuals and/or organizations.
Relevant Resources

- Regular Accreditation Application Guidance document (English, French and Spanish)
- Fast-track Accreditation Application Guidance document (English, French and Spanish)
- Regular Reaccreditation Application Guidance document (English, French and Spanish)
- Fast-track Re-accreditation Application Guidance document (English, French and Spanish)
- Guidance on Accreditation Standards (English, French and Spanish)
- The Re-accreditation Process (English, French & Spanish)
- AF e-Learning course on Direct Access (English, French and Spanish)
- AF Environmental and Social Policy (English & Spanish; French under translation)
- AF Gender Policy (updated in March 2021) (English & Spanish; French under translation)
- NIE Accreditation Toolkit (English & French)
- Information Note for Designated Authorities for IE nomination
Thank you!

www.adaptation-fund.org
@adaptationfund