



**ADAPTATION FUND**

# The AF accreditation and fiduciary standards and requirements

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# Background

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- ❑ At the 7th meeting the Adaptation Fund Board, the Board adopted fiduciary standards **to govern the use, disbursement and reporting on funds issued by the AF.**
- ❑ The accreditation process ensures that applicant entities demonstrate abilities and capacities to meet these standards through the provision of evidence documents.
- ❑ Going through the accreditation process is important for many reasons:
  - ❑ Allows the Fund, through the Accreditation Panel, to verify that applicant entities can effectively manage the Fund's resources and implement concrete adaptation projects on the ground.
  - ❑ Capacity building impacts in terms of the development and strengthening of relevant policies, processes and procedures.
  - ❑ Accreditation to the AF increases IEs' visibility and allows for more opportunities to engage with the global climate finance community.
  - ❑ Getting accredited to the AF helps IEs to be fast-tracked with the GCF through the AF-GCF operational linkages.

# AF accreditation criteria and required competencies

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❑ 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.

❑ Areas of assessment may vary depending on the type of accreditation application or modality

# Legal status (criterion 1)



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- A. Demonstration of legal personality
- B. Demonstration of legal capacity/authority
- C. Demonstration of ability to directly receive funds

A

- 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

- 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

- 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



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(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



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❑ Elements that require IE applicant elaboration:

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

- Supported by periodic review of the effectiveness of the internal control elements carried out by management or by the internal and external auditors.

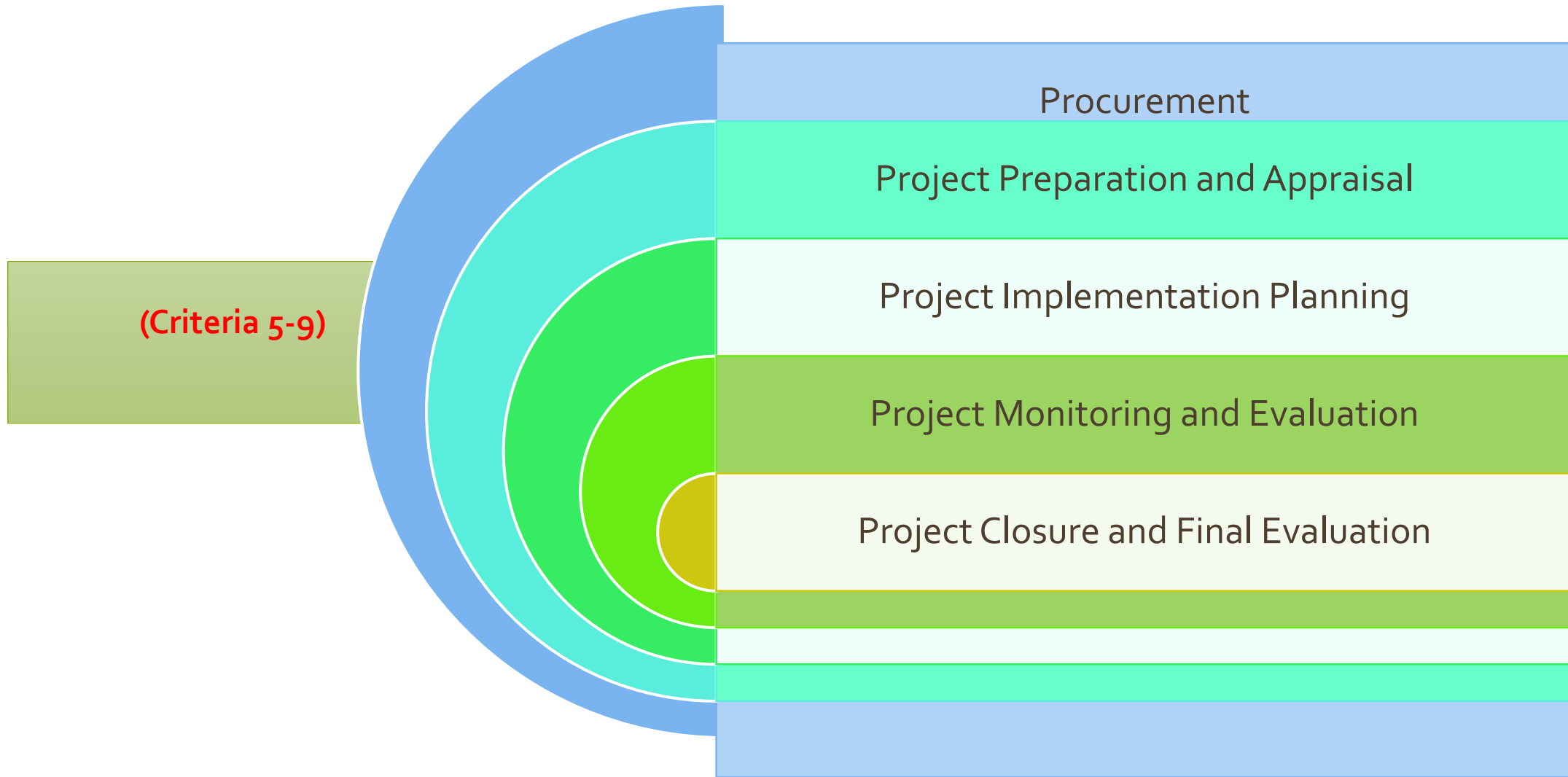
❑ **Payment and Disbursements:** The application and supporting documents should include a demonstration of the organization's capability to ensure that all payments and disbursements, **with a particular reference to projects, are properly checked and made only for bona-fide/ approved purposes.**

- 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.

# Institutional Capacity



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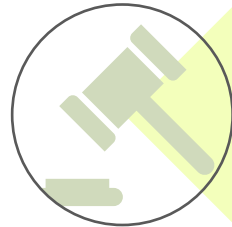


# Transparency, Self-investigative Powers, Anti-corruption measures and mechanism to address E&S and gender complaints

**(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

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- ❑ The ESP and GP is operationalized at the Fund level at two key stages:
  - **During the process of accrediting Implementing Entities;** 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 be accredited.
  
- ❑ 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.

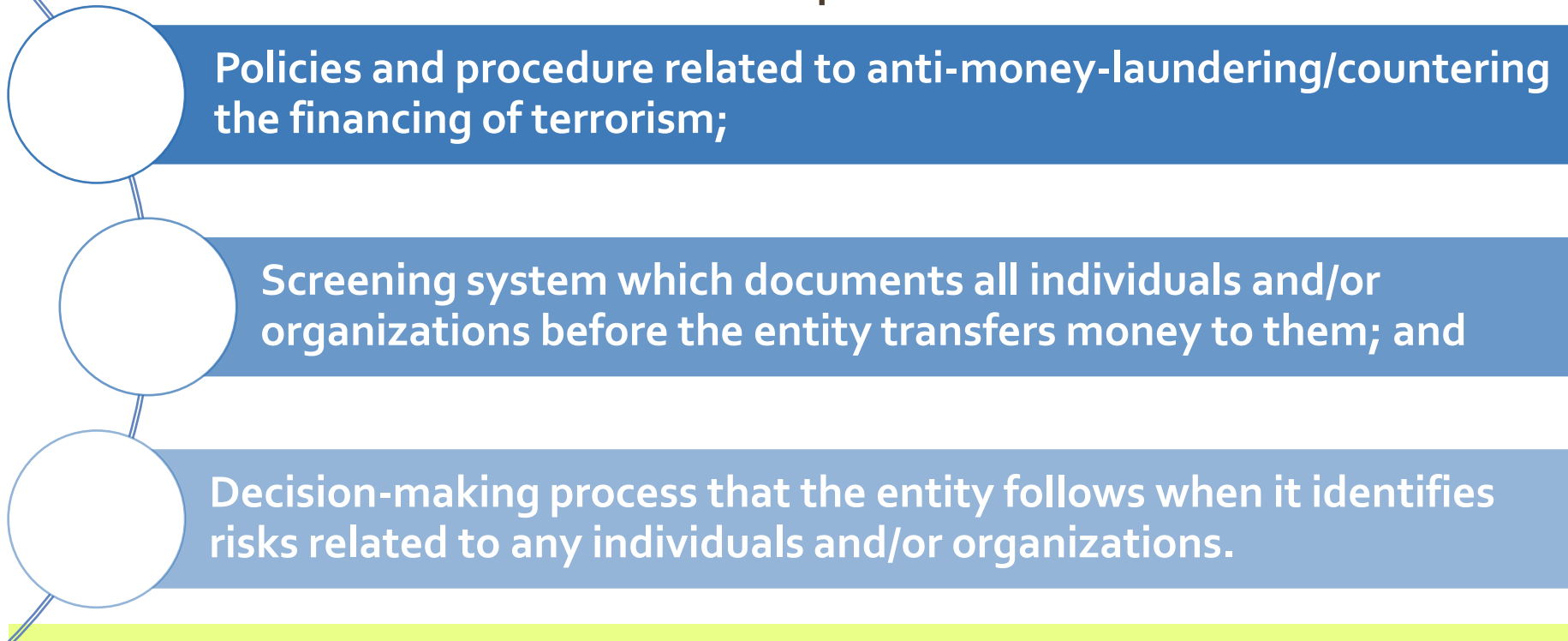
# AML/CFT requirements



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- ❑ **Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT)**
  - Examples of supporting documentation relate 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:



# Relevant Resources

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- ❑ [AF e-Learning course on Direct Access](#) (English, French and Spanish)
- ❑ [Regular Accreditation Application Guidance document](#) (English, French and Spanish)
- ❑ [Fast-track Accreditation Application Guidance document](#) (English, French and Spanish)
- ❑ [Guidance on Accreditation Standards](#) (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*)
- ❑ [Information Note for Designated Authorities for IE nomination](#)



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Thank you!

[www.adaptation-fund.org](http://www.adaptation-fund.org)

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