



ADAPTATION FUND

AFB/B.40/4
14 March 2023

Adaptation Fund Board
Fortieth meeting
Bonn, Germany, 21–24 March 2023

Agenda item 7(a)

REPORT OF THE THIRTY-NINTH MEETING OF THE ACCREDITATION PANEL

WORK OF THE ACCREDITATION PANEL

1. The Accreditation Panel (the Panel) continued its work reviewing existing applications. The Panel held its thirty-ninth meeting on 8-9 February 2023 in Washington DC. The Chair of the Accreditation Panel, Ms. Patience Dampthey (Ghana, Africa), presided over the meeting.

2. For the thirty-ninth Panel meeting, the Adaptation Fund Board Secretariat (the secretariat) received a new accreditation application for one potential National Implementing Entities (NIEs). The Panel continued reviewing 16 re-accreditation applications (nine NIEs, two Regional Implementing Entities (RIEs) and five Multilateral Implementing Entities (MIEs)) and 14 accreditation applications of 12 potential NIEs, one potential RIE and one potential MIE that were previously reviewed but required additional information for the Panel's review. The accreditation applications of five NIE candidates have been dormant – four NIE candidates as of November 2022 and one NIE candidate as of January 2023. Therefore, in accordance with Board Decision B.31/26, the secretariat sent the first letters of notification to the Designated Authorities (DAs) of all five dormant NIE applicants informing them of the inactivity of the applicant entities on 30 November 2022 and 3 January 2023 respectively.

3. After considering the recommendation by the Panel, the Adaptation Fund Board (the Board) had intersessionally approved during the period from 9 September 2022 to 1 March 2023 the fast-track re-accreditation of the Environmental Project Implementation Unit (EPIU) of Armenia as an NIE of the Fund (Decision B.39-40/9).

4. During the period from the thirty-eighth meeting of the Panel to the date of the finalization of this report, the Panel concluded the review of an application for fast-track re-accreditation of the Caribbean Development Bank (CDB) and reached a consensus to recommend the re-accreditation of CDB under the fast-track process as an RIE of the Fund. The Panel's assessment report on the fast-track re-accreditation of the applicant is contained in Annex I of this document. During the same period, the Panel concluded the review of an application for re-accreditation of NIE034 and reached a consensus to recommend the de-accreditation of the applicant as NIE of the Fund. This is in line with paragraph 7(3) of the Fund's [re-accreditation policy](#) due to several open accreditation issues. The Panel's assessment report on the de-accreditation of the applicant will be presented to the Board at its fortieth meeting scheduled for 21–24 March 2023 as a confidential addendum.

5. As of the thirty-ninth meeting of the Panel, 14 accreditation applications, comprising of 12 potential NIEs, one potential RIE, and one potential MIE were under review by the Panel as per the following list:

1. National Implementing Entity NIE018
2. National Implementing Entity NIE041
3. National Implementing Entity NIE055
4. National Implementing Entity NIE057
5. National Implementing Entity NIE066

6. National Implementing Entity NIE113
7. National Implementing Entity NIE140
8. National Implementing Entity NIE142
9. National Implementing Entity NIE144
10. National Implementing Entity NIE147
11. National Implementing Entity NIE148
12. National Implementing Entity NIE156
13. Regional Implementing Entity RIE016
14. Multilateral Implementing Entity MIE017

GENERAL TRENDS

6. As of 1 March 2023, the total number of accredited implementing entities amounted to 57: 34 NIEs, 9 RIEs, and 14 MIEs (Figure 1). Among the 34 NIEs, there were 10 accredited NIEs that were from Least Developed Countries (LDCs) and seven accredited NIEs that were from Small Islands Developing States (SIDS) (Figure 2). Out of the 57 accredited implementing entities of the Fund, 35 entities (61%) had been re-accredited: 19 NIEs, 5 RIEs and 11 MIEs. With respect to the geographic coverage of the 34 NIEs and 9 RIEs, 16 entities were from Latin America and the Caribbean (LAC), 15 were from Africa, 11 were from Asia-Pacific and 1 was from Eastern Europe (EE) (Figure 3). As per Decision B.36/42, the Secretariat has, to date, received nominations from the Designated Authorities (DAs) of seven countries for a second NIE to pursue accreditation with the Fund.

Figure 1. Accredited Implementing Entities by type

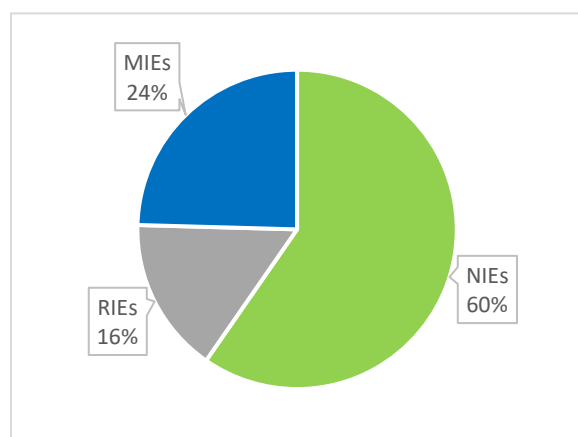


Figure 2. LDCs and SIDS among accredited NIEs

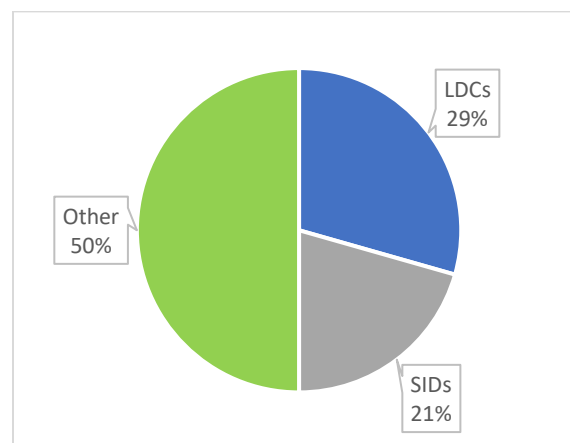
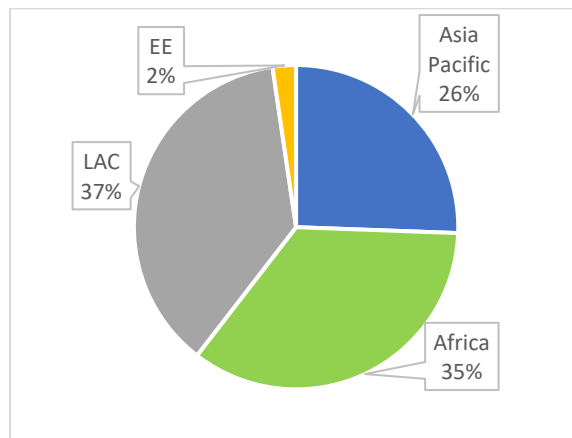


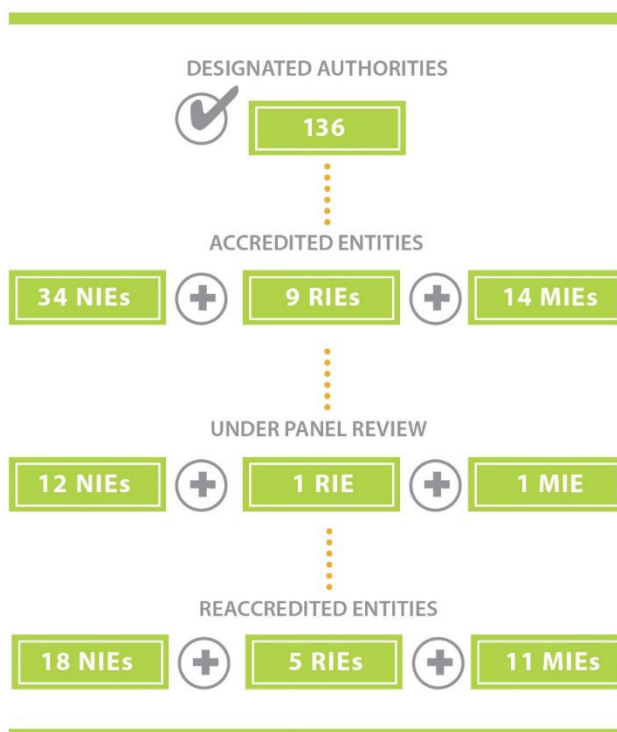
Figure 3. Accredited NIEs and RIEs by region



ACCREDITATION PIPELINE

7. The following infographic (figure 4) provides an update on the current accreditation pipeline which does not include re-accreditation applications.

Figure 4. The accreditation pipeline of the Adaptation Fund as of 1 March 2023



STATUS OF APPLICATIONS UNDER REVIEW

APPLICANT IE	SUBMISSION OF APPLICATION (MM-YYYY)	REFERENCE FOR BACKGROUND INFORMATION	CURRENT STATUS
EXISTING APPLICATIONS			
NIE018 (Dormant Application)	Nov-2018	AFB/B.39/4	This application is being reviewed under the streamlined process but has stalled despite several efforts by both the secretariat and the Panel to provide guidance to the applicant on the gaps in the application. Prior to the AP38 meeting, the secretariat on 11 and 24 May 2022, had facilitated two calls between the Panel and the focal point to provide clarifications on the June 2021 list of pending issues. Though the applicant uploaded some documents in the workflow on 2 June 2022, the Panel is of the view that additional information is needed to permit a further review of the application. Since the applicant had been dormant, the secretariat, in accordance with Decision B.31/26, sent the first letter notifying the DA about the inactivity of the entity on 3 January 2023. On 8 January 2022, the focal point replied to the secretariat indicating that the documents it had uploaded on 2 June 2022 were sufficient response to the Panel's questions. On 11 January 2023, the secretariat clarified to the focal point about the criteria for which the Panel is seeking further information. After further consultation with the Panel, a more clarifying list of pending issues was prepared and shared with the applicant on 18 January 2023. At the time of this report, the applicant had neither acknowledged receipt nor provided further information in the workflow.
NIE041	Oct-2020	AFB/B.39/4	The latest list of follow up questions produced by the Panel was shared with the applicant on 6 May 2022. The secretariat has since the AP38 meeting continued to maintain correspondence with the focal point. At the COP27 in November 2022, the secretariat met with representatives from the applicant organization on two occasions and provided guidance on the list of pending issues as per the May 2022 Panel list of follow up questions. On 10 January 2023, the secretariat also facilitated a call between the applicant and the Panel, during which the Panel responded to questions and offered clarifications on the outstanding information required to make progress on the application. The last exchange with the applicant was on 7 February 2023, when the focal point uploaded several documents in the workflow.

NIE055	Mar-2021	AFB/B.39/4	<p>This application is being reviewed under the streamlined process. The last list of follow up questions from the Panel is dated September 2021. The secretariat on 3 March 2022, requested the applicant to confirm if they anticipate uploading further documents to the workflow in addition to those already uploaded on 9 February and 1 March 2022. The applicant clarified on 4 March 2022 that they had uploaded all the requested information, allowing the Panel to resume review of the application. The last activity on this application was on 16 January 2023 when the Panel exchanged on the status of its review of the applicant's ESG and GP policies. At the time of this report, the secretariat is yet to receive further updates from the Panel.</p>
NIE057	Apr-2014	AFB/B.39/4	<p>After the AP38 meeting, the Panel continued its review of the documents uploaded by the applicant in September and October 2022, subsequently producing a third list of follow up questions. This was transmitted to the applicant on 26 October 2022. The applicant acknowledged receipt on 27 October 2022 and indicated they will get back to the secretariat in due course. The last exchange with the focal point was on 14 December 2022, when the secretariat sought updates on the progress of the applicant regarding the latest list of questions from the Panel. At the time of this report, the focal point has neither responded to the secretariat nor uploaded additional information in the workflow.</p>
NIE066 (Dormant Application)	Aug-2016	AFB/B.39/4	<p>In order to help the applicant make progress on the application, the secretariat facilitated a conversation between the Panel and representatives from the organization in March 2022. In response to a request for update from the secretariat, the applicant, on 15 August 2022, indicated it had requested a meeting with another organization within the country in relation to some of the issues raised by the Panel and hoped to provide additional documents thereafter. The last exchange with the focal point was on 22 November when the secretariat again followed up on the status of the application. At the time of this report, no further information has been received from the applicant. In accordance with Decision B.31/26, the Secretariat sent the first letter notifying the DA about the inactivity of the entity on 30 November 2022. To date, neither the DA nor the focal point has reacted to the dormant application notification.</p>

NIE113 (Dormant Application)	Jan-2016	AFB/B.39/4	This application is being reviewed under the streamlined process. It is a long-standing application which has made no significant progress since the AP37 and AP38 meetings. To get the application moving, the secretariat, on 3 March 2022, sought clarification from the applicant on whether they anticipate providing additional responses to the Panel's list of follow up questions to which no response was received. In accordance with Decision B.31/26, the Secretariat sent the first letter to the DA informing of the inactivity of the entity on 30 November 2022. On 20 December 2022, the DA acknowledged receipt of the letter and indicated the applicant organization had been requested to address the pending list of issues as a matter of priority. At the time of this report, the focal point has not shared new information in the workflow.
NIE140 (Dormant Application)	Sept-2019	AFB/B.39/4	Despite several requests for updates, the application has not progressed substantially since the AP37 meeting. The secretariat sent the focal point several requests for updates, including an offer for a call with the Panel. The focal point has consistently indicated that there are some internal processes that need to be completed before they could make progress on the list of pending issues. In accordance with Decision B.31/26, the Secretariat sent the first letter to the DA informing of the inactivity of the entity on 30 November 2022. At the time of this report, neither the DA nor the focal point has responded to the dormant letter notification.
NIE142	May-2019	AFB/B.39/4	This application is being reviewed under the streamlined process. The fifth list of follow up questions produced by the Panel was transmitted to the applicant on 17 August 2022. In response, the applicant uploaded several documents in the workflow on 25 October 2022 which permitted the Panel to resume its review of the application. The Panel exchanged on the progress of the application and subsequently produced a list of follow up questions which the secretariat shared with the applicant on 16 December 2022. Upon request from the Panel, the secretariat facilitated a conversation between the Panel and the applicant organization on 31 January 2023, to provide clarifications on the outstanding list of issues. On 8 February 2023, the focal point shared some documents in the workflow and the Panel was alerted about the progress of the applicant.
NIE144	Sept-2020	AFB/B.39/4	The latest list of follow up questions from the Panel was transmitted to the applicant in March 2022. After the AP38 meeting, the secretariat continued to send update request to the applicant regarding the list of pending issues. The last request for update was on 15 December 2022. The applicant reverted to the secretariat by uploading a response file in the workflow on 5 January 2023. The Panel has since confirmed receipt and resumed review of the application. At the time of this report, no further updates had been shared by the Panel.

NIE147	Aug-2020	AFB/B.39/4	<p>This application is being reviewed under the streamlined process. Prior to the AP38 meeting, the secretariat had facilitated conversations in July and August 2022 between the Panel and donor references provided by the applicant to gather more information on the applicant's institutional capacities. The calls allowed the Panel to validate the responses/ information the applicant had shared in June, July, and August 2022. After the AP38 meeting, the Panel updated the assessment report and produced a list of follow up questions which the secretariat shared with the focal point on 18 October 2022. On 16 November 2022, the secretariat met with representatives from the applicant organization at COP27 in Egypt to discuss the accreditation process and provide clarifications on the list of pending issues. Subsequently, the applicant uploaded several documents in the workflow on 22 and 23 November 2022. In January 2023, the Panel resumed review of the application and produced a list of follow up questions which was transmitted to the applicant on 7 February 2023.</p>
NIE148 (Dormant Application)	Dec-2020	AFB/B.39/4	<p>The latest list of follow up questions from the Panel is dated March 2021. In January and February 2022, the secretariat facilitated three calls between the representatives of the applicant organization and the Panel, during which the Panel responded to several questions from the applicant and provided a step-by-step clarification on what is required to address the gaps in the application. Despite several exchanges with the focal point, no new documents have been uploaded in the workflow. In accordance with Decision B.31/26, the Secretariat sent the first letter to the DA informing of the inactivity of the entity on 30 November 2022. In response, the focal point requested a call with the Secretariat on 19 December 2022, during which the applicant assured it would make efforts to submit additional documents. At the time of this report, no new information had been received in the workflow.</p>
NIE156	Jul-2022	AFB/B.39/4	<p>This application was submitted to the secretariat on 5 May 2022, and then after screening, it was sent back to the applicant on 21 June 2022 with comments. The application was resubmitted on 12 July 2022 and was subsequently further screened by the secretariat before passing it on to the Panel for initial review on 20 July 2022. After the AP38 meeting, the Panel continued reviewing the application and produced an initial list of follow up questions which the secretariat shared with the applicant on 6 January 2023. The focal point acknowledged receipt and requested a call on 24 January 2023 with the Panel to seek clarifications on the list of follow up questions. At the time of this report, no further updates had been received from the applicant.</p>

RIE016	Jun-2017	AFB/B.39/4	After the AP38 meeting, the secretariat alerted the Panel about the applicant's request for updates on 3 October 2022. The Panel clarified that the application had significant gaps and subsequently shared a list of follow up questions which was shared with the focal point on 15 November 2022 during a meeting at the COP27 in Egypt. At the request of the focal point, the secretariat organized two calls between the Panel and the focal point on 28 November 2022 and 12 January 2023 in hope to help the applicant better understand the outstanding information required. On both occasions, the focal point was unable to join the calls. In December 2022, the applicant uploaded several documents in the workflow which the Panel reviewed and produced a follow up list of questions for the applicant to address. This was transmitted to the focal point on 27 January 2023.
MIE017	Jul-2020	AFB/B.39/4	In response to the request for update from the secretariat on 18 August 2022, the applicant uploaded several documents to the workflow on 6 September 2022. The Panel completed its review of the additional information and produced a follow up list of questions which the secretariat shared with the focal point on 3 October 2022. The focal point confirmed receipt and requested to speak with the Panel to discuss the issues raised in the follow up list of questions. The secretariat facilitated a conversation with the Panel on 18 October 2022, during which the Panel provided clarifications on the pending information. At the time of this report, no further information had been received from the applicant.
RE- ACCREDITATION			
NIE004	May-2021	AFB/B.39/4	Accreditation expired on 13 April 2021. This application is the second time the applicant is seeking re-accreditation with the Fund. Prior to the AP38 meeting, the secretariat had requested updates from the applicant on 18 August 2022. Upon request from the applicant, the secretariat, on 19 September 2022 offered guidance to the focal point on how to navigate the workflow. Subsequently, the applicant uploaded several documents in the workflow in October, November, and December 2022. At the time of this report, further review of the recently uploaded documents by the applicant is ongoing.

NIE016	May-2017	AFB/B.39/4	<p>Accreditation expired on 13 December 2016. This application is a long standing one. The last set of documents received from the applicant in the workflow was in late November 2021 and the latest list of follow up questions shared with the applicant is dated December 2021. Since sharing the follow up questions with the applicant and despite several requests for updates from the secretariat, the application has not made substantial progress. In response to the secretariat's request for updates on 22 August 2022, the focal point indicated that there were no further updates to provide on the application. As reported at the AP38 meeting and following a request from the applicant, the Board extended the grace period for the applicant to achieve re-accreditation to 23 January 2023. This was further extended by the recent decision by the Board to temporarily approve a blanket extension of the deadline for achieving re-accreditation of up to six months, for all implementing entities with "in re-accreditation process" status between 1 March 2020 and 1 July 2022 owing to the COVID-19 pandemic. The last correspondence with the applicant was on 13 December 2022, when the secretariat requested a call with the focal point. The applicant responded that the secretariat's request had been relayed to the leadership of the organization for further guidance. At the time of this report, no further updates had been received.</p>
NIE023	Sept-2022	NA	<p>Accreditation expired on 26 September 2022. This is the second time the applicant is seeking re-accreditation with the Fund. The application was received on 2 July 2022, and then after initial screening, it was sent back to the applicant with comments. The application was resubmitted on 30 September 2022. After further screening, it was passed on to the Panel for initial review. The Panel produced the initial list of follow up questions which the secretariat transmitted to the applicant on 12 January 2023. At the time of the AP39 meeting, the applicant was resolving the list of issues raised by the Panel.</p>
NIE029	Jun-2022	AFB/B.39/4	<p>Accreditation expires on 26 December 2022. This application is the second time the applicant is seeking re-accreditation with the Fund. The secretariat received the application on 21 March 2022 and then after the initial screening, it was sent back to the applicant with comments. The application was resubmitted on 15 June 2022 and then after further screening, it was progressed for initial review. After the AP38 meeting, the Panel continued its review of the application and produced a follow up list of questions which the secretariat transmitted to the applicant on 9 December 2022. The focal point acknowledged receipt of the questions and indicated they will get back to the secretariat in due course.</p>

NIE034	May-2019	AFB/B.39/4	<p>Accreditation expired on 12 August 2019. This application is a long standing one. After the AP38 meeting, the Panel assessed the status of the application, including inputs from the Fund's project team related to the performance of the applicant's ongoing project with the Fund. Subsequently, the Panel produced a list of follow up questions which the secretariat transmitted to the applicant on 27 October 2022. The secretariat followed up with a request for update from the applicant on 13 December 2022 and encouraged the focal point to request conversations with the Panel as needed. Some documents were uploaded in the workflow by the applicant in December 2022 and January 2023 and the secretariat has accordingly alerted the Panel. The recent decision by the Board to temporarily approve a blanket extension of the deadline for achieving re-accreditation of up to six months due to the COVID-19 pandemic applies to this application. Given that the 3-year grace period for the applicant to achieve re-accreditation elapsed on 12 August 2022, the six-month temporary extension also expired on 12 February 2023. The Panel's assessment report for this application and the accompanying recommendation are presented in the addendum to this report.</p>
NIE049	Jun-2022	AFB/B.39/4	<p>The accreditation expires on 12 October 2022. The application was submitted on 07 February 2022. After screening, it was sent back to the applicant with comments. The application was resubmitted on 28 June 2022, and then after further screening, the secretariat shared it with the Panel for initial review on 2 August 2022. The last exchange with the applicant was on 16 January 2023, when the focal point sought updates from the secretariat about the status of the Panel review. The Panel completed its review of the application and produced a list of follow up questions which the secretariat shared with the applicant on 2 February 2023. The focal point has since acknowledged receipt.</p>

NIE061	Oct-2021	AFB/B.39/4	<p>The accreditation expired on 25 February 2021. After the AP38 meeting, the Panel continued its review of the 2 September 2022 set of documents the applicant had uploaded in the workflow. The secretariat also facilitated a clinic session between the focal point and the Panel to discuss the status of the application at the Fund's Annual NIE seminar held on 26-30 September in Washington, D.C. On 25 October 2022, the secretariat alerted the Panel about a request it had received from the focal point inquiring about the status of the review. The Panel clarified it had identified some gaps in the applications and that due to language barrier, it was making efforts to fill in those through public alternative sources. Subsequently, the panel produced a set of follow up questions which the secretariat transmitted to the applicant on 9 December 2022. The last exchange with the focal point was on 17 January 2023 when the focal point shared via email documents in response to the Panel's latest list of questions. Upon request from the secretariat, the focal point subsequently uploaded the documents in the workflow on 30 January 2023. The Panel has since been informed about the applicant's progress.</p>
NIE069	Mar-2021	AFB/B.39/4	<p>Accreditation expired on 17 March 2021. The last list of follow up questions produced by the Panel was shared with the applicant on 9 August 2022. On 23 August 2022, the applicant responded to the Panel by uploading some documents in the workflow, allowing the Panel to resume review of the application. At the Fund's Annual NIE seminar held on 26-30 September in Washington, D.C., the secretariat facilitated a clinic session between representatives from the applicant organization and the Panel to discuss the status of the application. The latest list of follow up questions produced by the Panel was transmitted to the applicant on 26 October 2022 and the applicant provided some documents in the workflow on 9 December 2022. At the request of the Panel, the secretariat organized a call on 24 January 2023 with the applicant during which the Panel further clarified the gaps in the latest response and documents received from the applicant.</p>

NIE075	Sept-2021	AFB/B.39/4	<p>Accreditation expired on 13 July 2021. Prior to the AP38 meeting, the applicant on 6 September 2022, sought updates from the secretariat on the status of the application. Subsequently, the Panel completed initial review of the application and produced a list of follow up questions which the secretariat shared with the applicant on 4 October 2022. On 22 November 2022, the secretariat reached out to the focal point to request updates on the progress with the Panel list of questions. At the time of this report, the applicant has neither responded nor uploaded new documents in the workflow. The last exchange on this application was on 25 January 2023, when the Panel received updates from the Fund's project team on the applicant's project performance.</p>
RIE001	Nov-2021	AFB/B.39/4	<p>Accreditation expired on 19 June 2021. Before the AP38 meeting, the applicant had uploaded several documents to the workflow on 28 and 30 August 2022 in response to the list of follow up questions shared with the focal point in early August 2022. This enabled the Panel to continue its review of the application, subsequently producing a follow up list of questions which was shared with the applicant on 24 October 2022. On 26 October 2022, the secretariat received a delegation from the applicant organization in Washington DC to discuss latest questions and offer clarifications on the pending issues. The applicant uploaded response documents in the workflow on 17 November 2022 and 6 December 2022, allowing the Panel to accordingly update its assessment report. The secretariat also facilitated engagements between the Panel and the Fund's project team for the latter to provide inputs on the performance of the applicant on AF projects. Upon the request of the Panel, the secretariat facilitated a call between the Panel and the project team on 8 December 2022 for the latter to further share updates on the project performance of the applicant. The last exchange with the applicant was on 17 January 2023, when the focal point sought updates on the status of the application. The secretariat has since alerted the Panel about this. At the time of this report, further exchanges among the Panel members on the application were ongoing.</p>

RIE010	Nov-2020	AFB/B.39/4	<p>Accreditation expired on 25 February 2021. After the AP38 meeting, the Panel resumed its review of the application and produced a list of follow up questions which the secretariat transmitted to the applicant on 7 October 2022. On 4 and 14 December 2022, the applicant uploaded its responses in the workflow, permitting the Panel to continue its review of the application. The Panel's latest list of follow up questions was shared with the focal point on 9 December 2022. The applicant sought further clarifications on some of the pending issues, which the Panel provided on 10 December 2022, allowing the focal point to share additional documents in the workflow on 14 December 2022. The Panel exchanged and received inputs from the project team in late December 2022 and January 2023 on the performance of the applicant on the project funded by the AF. At the time of the AP39 meeting, the Panel had requested a call with the applicant to seek further clarifications on some residual issues.</p>
MIE002	Mar-2020	AFB/B.39/4	<p>Accreditation expired on 30 March 2020. There has not been significant progress on this application since the AP38 meeting. The application has stalled due to the pending submission of the top-level management statement, which requires applicants to abide by the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP). After the thirty-ninth meeting of the Board held on 13–14 October 2022, the secretariat, on 27 October 2022, updated the applicant on the Board's latest decision on the TLMS matter. The secretariat subsequently followed up with the applicant on 30 November 2022 and 23 January 2023 to request updates on the progress of the applicant regarding the TLMS template but received no response. At the time of this report, further update from the applicant was still pending.</p>
MIE003	Apr-2020	AFB/B.39/4	<p>Accreditation expired on 30 July 2020. There has not been significant progress on this application since the AP38 meeting. The application has stalled due to the pending submission of the top-level management statement, which requires applicants to abide by the Fund's ESP and GP. After the thirty-ninth meeting of the Board held on 13–14 October 2022, the secretariat, on 27 October 2022, updated the applicant on the Board's latest decision on the TLMS matter. The secretariat reached out to the applicant for updates on 1 December 2022. In response, the focal point, on 13 December 2022, requested to revert to the secretariat soon once further internal consultations on the matter are completed. The last request for updates from the secretariat was on 23 January 2023. Upon the request of the applicant, a call was held between the secretariat and representatives from the applicant organization's legal department to offer clarification on the TLMS template.</p>

MIE007	Sept-2019	AFB/B.39/4	Accreditation expired on 30 March 2020. There has not been significant progress on this application since the AP38 meeting. The application has stalled due to the pending submission of the top-level management statement, which requires applicants to abide by the Fund's ESP and GP. After the thirty-ninth meeting of the Board held on 13–14 October 2022, the secretariat, on 27 October 2022, updated the applicant on the Board's latest decision on the TLMS matter. The applicant shared its response with the secretariat on 2 November 2022, permitting a follow up call between the secretariat and representatives from the applicant organization to discuss the issue further. During the call, the focal point indicated they will proceed with further internal consultations and revert to the secretariat in due course. The secretariat sent a reminder to the focal point on 23 January to which a response was received on 24 January 2023.
MIE011	Jun-2019	AFB/B.39/4	Accreditation expired on 20 March 2019. There has not been significant progress on this application since the AP38 meeting. The application has stalled due to the pending submission of the top-level management statement, which requires applicants to abide by the Fund's ESP and GP. After the thirty-ninth meeting of the Board held on 13–14 October 2022, the secretariat, on 27 October 2022, updated the applicant on the Board's latest decision on the TLMS matter. In response to the secretariat's follow up reminders on 30 November 2022 and 23 January 2023, the focal point replied on 30 January 2023 that further internal discussions on the TLMS template were ongoing and that they will revert to the secretariat in due course.
MIE012	Apr-2022	AFB/B.39/4	Accreditation expired on 31 August 2022. After the AP38 meeting, the Panel continued its review of the application and produced a list of follow up questions which the secretariat transmitted to the applicant on 18 October 2022. In response, the applicant uploaded several documents in the workflow on 20 and 23 January 2023. Upon request from the focal point, the secretariat facilitated a conversation between the Panel and representatives from the applicant organization on 20 January 2023 to discuss the progress the applicant had made and offer clarifications on some issues raised in the October 2022 list of questions. Subsequently, the focal point uploaded additional documents in the workflow on 23 January 2023.

OTHER MATTERS

8. **Status of an NIE whose accreditation expiration date had elapsed and has not submitted its re-accreditation application:** The secretariat presented to the Panel about an NIE whose five-year accreditation period had expired and the IE had not submitted its re-accreditation application within the three-year period from its accreditation expiry date as per the [Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund \(OPG\)](#) and the Fund's [re-accreditation policy](#). The secretariat shared background information about the status of the NIE, recent exchanges with the leadership of the entity and the Designated Authority of the country regarding re-accreditation of the NIE, and the implications in terms of the Fund's Re-accreditation Process. As per the re-accreditation process and based on the background information, the Panel discussed three recommendation options and requested the secretariat to prepare a note on the pros and cons of the two options that the Panel viewed as a feasible way forward, to be considered by the Board at the upcoming fortieth meeting scheduled for 21–24 March 2023. A summary report on the (re-)accreditation status of the IE and the options recommended by the Panel will be presented to the Board at its fortieth meeting in the addendum to this document.

9. **Update on the top-level management statement (TLMS):** The purpose for this discussion was for the secretariat to update the Panel on the progress it had made on Board Decision B.39/2 regarding the TLMS to be submitted by implementing entities for (re)accreditation. The secretariat provided a summary of the correspondence with relevant applicant entities since the thirty-ninth meeting of the Board and highlighted the entities that were yet to comply with the requirement. It was clarified that some applicants had already shared their responses on the draft TLMS endorsed by the Board at its thirty-ninth meeting and that further engagements with applicants that are yet to provide responses on the draft TLMS were ongoing. The secretariat informed the Panel that Board Decision B.39/1 applies to all the relevant applicants whose applications had stalled due to the lack of compliance with the TLMS. The decision temporarily grants a blanket extension of the deadline for achieving re-accreditation of up to six months, for all implementing entities with “in reaccreditation process” status between 1 March 2020 and 1 July 2022 owing to the COVID-19 pandemic. In line with Decision B.39/2, the secretariat informed the Panel that it will report on the status of the TLMS implementation to the Board at its fortieth meeting.

10. **Standardizing Panel Assessment Reports:** This issue was outstanding from the Panel technical intersessional meetings held in October and December 2022. During the thirty-ninth meeting of the Panel, members provided background information on relevant sections of the Panel assessment reports that could benefit from standardization. The Panel requested the secretariat to assist on this, especially in terms of developing a consolidated guidance note on relevant Board decisions and review criteria depending on the type of application and/or modality. The Panel found the discussion useful and agreed that further progress could be made on this issue during future technical intersessional meetings.

11. **Developing a more effective list of follow up questions to applicants:** This issue was outstanding from the Panel technical intersessional meetings held in October and December 2022. The purpose of the discussion was to ensure members had common understanding about the way to frame follow up questions and that applicant entities can easily understand the Panel's requests for information and documents during the (re)accreditation process. The Panel underscored the usefulness of the discussion, especially for new members who had recently joined the Panel.

12. The panel reflected on the Accreditation Panel retreat that was held on 7 February 2023, during which team leads from different units of the secretariat shared with the Panel their respective areas of work. Overall, the Panel found the retreat useful as it allowed them to meet with the larger Adaptation Fund secretariat team, seek clarifications on what each team does and how the work of each team feeds into the (re)-accreditation process.

13. The thirty-ninth meeting of the Accreditation Panel will be held in Washington DC on 5-6 September 2023.

AP Recommendations:

Fast-track re-accreditation of the Caribbean Development Bank (CDB) as Regional Implementing Entity of the Adaptation Fund

14. Having reviewed the fast-track re-accreditation application of the Caribbean Development Bank (CDB), the Accreditation Panel recommends that CDB be re-accredited as a Regional Implementing Entity (RIE) of the Adaptation Fund.

(Recommendation AFB/AP.39/1)

De-accreditation of NIE034 as a National Implementing Entity (NIE) of the Adaptation Fund

15. Having reviewed the re-accreditation application of NIE034, the Accreditation Panel recommends that the applicant be de-accredited as a National Implementing Entity of the Adaptation Fund.

(Recommendation AFB/AP.39/2)

ANNEX I:

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE CARIBBEAN DEVELOPMENT BANK (CDB) FOR FAST-TRACK RE-ACCREDITATION AS A REGIONAL IMPLEMENTING ENTITY (RIE) OF THE ADAPTATION FUND

BACKGROUND

The Adaptation Fund Board accredited the **Caribbean Development Bank (CBD)** as a Regional Implementing Entity at their 26th/27th Intersessional Meeting on 26 February 2016 (AF Board Decision B.26-27-23) for the duration of five years.

A project entitled “Building resilience for adaptation to climate change and climate vulnerabilities in agriculture in Saint Lucia” was approved by the AF Board on 8 July 2019 and is currently under implementation.

This is a fast-track re-accreditation due to the CDB’s accreditation by the Board of the Green Climate Fund (GCF) in September 2016. The Master Accreditation Agreement with the GCF was signed in November 2018. The accreditation of CDB by the GCF was with conditions of which one was fulfilled and the second is in progress and anticipated to be fulfilled with the approval of the first project.

The CDB submitted its application for re-accreditation starting 13 October 2020 and the application was released to the Panel in the workflow on 4 November 2020.

The Applicant

The CBD is a regional financial institution established on October 18, 1969, in Kingston, Jamaica, for the purpose of contributing to the harmonious economic growth and development of member countries in the Caribbean (hereinafter called the "Region"), and promoting economic cooperation and integration among them, having special and urgent regard to the needs of the less developed members of the Region.

The CDB provides loans, grants, equity investments, and guarantees to Members to help them achieve their development goals. This is done through investments in economic and social infrastructure; education and training; agriculture and rural development; banking and financial services; disaster prevention and preparedness; emergency response; reconstruction relief and rehabilitation; disaster risk management; private sector development; general environmental management and protection; climate resilience; energy generation, distribution, and efficiency; renewable energy; water and sanitation; gender; government and civil society; and tourism, trade, and transportation. The Bank has committed to helping borrowing member countries reduce inequality and halve the incidence of extreme poverty by the end of 2025, by supporting inclusive and sustainable growth and promoting good.

The Board of Governors is the highest policy-making body of the CDB and meets once a year in one of the member countries. The CDB has a total of 28 member countries, consisting of 19 regional borrowing members, 4 regional non-borrowing members as shareholders, and 5 non-regional, non-borrowing members as shareholders.

The 14-member representative Board of Directors is responsible for the general policy and direction of the operations of the CDB. The Board takes decisions concerning loans, guarantees, and other investments by the CDB, borrowing programmes, technical assistance, and other operations of the Bank. It also approves the administrative budget of the Bank and submits accounts for each financial year for approval by the Board of Governors. It appoints the Oversight and Assurance Committee, consisting of five of its members, for a term of two years, renewable for a further two years. The President, who besides serving as Chairman of the Board, is the Chief Executive Officer of the Bank and conducts the business of the Bank, under the direction of the Board of Directors.

The main office of the CDB is in Wildey, St. Michael, Barbados. It has only one sub-office, the Haiti Country Office, established in Port-au-Prince in 2018 which is headed by a Country Representative and has 3 staff.

Assessment for Fast-Track Re-accreditation

The Assessment for fast-track re-accreditation was conducted using the criteria set out in Board Decision B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund) that approved AFB/EFC.19.7 of December 2016; Decision B.31/1 (Focus areas of review of a fast-track re-accreditation) that approved AFB/B.31/7 of March 2018; Decision B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism) that approved AFB/EFC.23/4 of September 2018; and Decision B.34/3 (Revised re-accreditation process) that approved AFB/B.34/5 of October 2019 and its annexes:

- The fiduciary standard related to the legal status;
- Policies and procedures, screening and decision-making related to anti-money laundering/countering the financing of terrorism (AML/CFT) on disbursements, procurement, and handling instances of non-compliance to policies and procedures, and laws;
- Policies and Framework to deal with fraud, financial mismanagement, and other forms of malpractice:
 - Evidence/tone/statement from the top management emphasizing a policy for 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.
 - Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice.
 - Evidence of an objective investigation function for allegations of fraud and corruption including policies and procedures, screening and decision-making related to anti-money laundering/countering the financing of terrorism.
- Commitment by the entity to apply the Fund's Environmental and Social Policy (ESP and Gender Policy);
- Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs.

For fast-track re-accreditation review, the above-mentioned AF Board decisions also required an assessment of the following criteria, the results of which are presented in the detailed analysis below:

- Criteria related to conditions attached to the fast-track accreditation by the GCF (Decision B.34/3 of November 2019);

- The quality at entry of projects and performance of projects that are financed by the AF (Decision B.31/1 of March 2018);
- Third-party assessments on project performance and the capacity of an implementing entity applicant as complementary information. (Decision B.31/26 of March 2018).

The review and assessments by the Panel were based on the completed application form submitted through the online system and about 70 documents provided by the CDB as well as on their responses to the Panel's follow-up questions. To ensure that the Panel had comprehensive coverage, this was complemented by an extensive review of documents obtained from the website of the CDB which were downloaded and assessed as evidence of compliance with all the criteria required under the fast-track re-accreditation process. Relevant documents from the websites of the Green Climate Fund and other related international institutions were also reviewed, as necessary.

SUMMARY ASSESSMENT

The CDB demonstrated full compliance with the above-mentioned criteria and the review process for fast-track re-accreditation (FTR). There was no change in its legal personality, authority, and ability to enter into contracts or agreements and to directly receive funds from international, and national institutions and the private sector as well as the capacity to serve as a plaintiff or defendant in a Court of law. Since its accreditation, it has introduced new policies and frameworks for dealing with anti-money laundering and countering the financing of terrorism. Significant improvements were made regarding policies, procedures, and frameworks dealing with the code of conduct, whistleblower protection, fraud, financial mismanagement, and other forms of malpractices; relevant internal functions and capacities have been strengthened. Top management provided a satisfactory written commitment to apply the Fund's environmental, social, and gender policies and integrate these into its relevant policies. There is now a clearly elaborated project-level grievance mechanism managed by a newly established internal department with adequate independence. Third-Party Assessments consulted by the Panel were positive and relevant GCF conditions have been addressed.

The fiduciary standard related to the legal status

There was no change in the Bank's legal personality, capacity, authority, and ability to enter into contracts or agreements and to directly receive funds from international, and national institutions and the private sector as well as the legal capacity to serve as a plaintiff or defendant in a Court of law. Documents that demonstrate these abilities and capacities were submitted to the Panel.

Policies and procedures, screening, and decision-making related to anti-money laundering/countering the financing of terrorism (AML/CFT) on disbursements, procurement, and handling instances of non-compliance to policies and procedures, and laws

The CDB has set appropriate standards for preventing, detecting, and reporting AML/CFT as well as the relevant financial sanctions in a new policy on compliance. This policy adheres to all the relevant Security Council and General Assembly resolutions as well as UN policies and procedures in dealing with AML/CFT.

Policies and Framework to deal with financial mismanagement and other forms of malpractice

The CDB continued to strengthen its policies capacity, and processes for dealing with financial mismanagement and other forms of malpractice by staff members, consultants, suppliers, and other external parties conducting business with the Organization. The CDB also introduced a new and comprehensive strategic framework for institutional integrity (fraud and corruption), ethics, whistleblowing, anti-money laundering, countering the financing of terrorism, monitoring of financial sanctions, and accountability for environmental and social harm caused or likely to be caused by projects financed by the Bank. The CDB's zero tolerance is well articulated in the framework and the relevant policies. An upcoming revised Code of Conduct aims at strengthening accountability.

Status of quality-at-entry and AF-funded project implementation

The AF Board approved on 8 July 2019 a project entitled, *"Building Resilience for Adaptation to Climate Change and Climate Vulnerabilities in Agriculture in Saint Lucia"* for USD 9,858,570 for a 4-year duration. The executing entities are the Ministry of Agriculture, Fisheries, Physical Planning, Natural Resources, and Cooperatives of St Lucia and the Fund has transferred USD 4,271,552 to date. The Panel was informed of a late start-up of the project due to factors outside of the control of the CDB. The first PPR was consequently only submitted in late December 2022, over a year after the inception report was received. The Panel was able to confirm that project delays and risks are being appropriately addressed.

Commitment by top management to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy

The CDB's commitment to the environmental and social and gender policies of the Fund was conveyed in writing by top management and the review confirmed that it is in full compliance with these policies. The Bank updated and developed a comprehensive set of environmental, social, and gender policies, guidelines, standards, and tools that are being implemented and used in managing risks and addressing harms that its programs/projects may cause to the environment. The grievance mechanism in dealing with complaints on programmes and projects is also in place and is currently under revision and updating.

Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs

The letter to the Secretariat from top management indicating the Bank's commitment to the relevant policies of the Fund, clearly specifies that since accreditation, CDB's Project Complaints Mechanism Policy (PCMP) has been elaborated and operationalized, to provide environmental and social safeguards accountability through an independent projects complaint for alleged environmental and social harm arising or likely to arise from projects financed by the Bank. It is operationalized through the institutional framework provided by the Bank's Office of Integrity, Compliance, and Accountability (ICA), following a different track of investigation, dispute resolution, compliance reviews, and collaboration with the Operations Department. A review of the annual reports of ICA demonstrated how such complaints were addressed, investigated, and resolved.

Third-Party assessments

Several third-party assessments were reviewed by the Panel and found satisfactory.

CONCLUSION AND RECOMMENDATION

The Panel concludes that the Caribbean Development Bank continues to fully comply with the standards and other criteria for fast-track re-accreditation and therefore recommends the Bank be re-accredited as a regional implementing entity (RIE) of the Adaptation Fund.