



## ADAPTATION FUND

6 June 2023

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Adaptation Fund Board

***Accreditation Panel Recommendation on the Fast-Track Re-accreditation of the International Bank for Reconstruction and Development (IBRD) as a Multilateral Implementing Entity (MIE) of the Adaptation Fund***

Having reviewed the fast-track re-accreditation application of the ***International Bank for Reconstruction and Development (IBRD)***, the Accreditation Panel recommended that IBRD be re-accredited as a Multilateral Implementing Entity (MIE) of the Adaptation Fund.

A summary of the review is presented in Annex I below.

***Re-accreditation Decision:***

Having considered the recommendation of the Accreditation Panel and following the re-accreditation process approved by Decisions B.28/38 and B.34/3, the Adaptation Fund Board decided to re-accredit the ***International Bank for Reconstruction and Development (IBRD)*** as a Multilateral Implementing Entity (MIE) of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 6 June 2028.

***Decision B.40-41/4***

## ANNEX I

### REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD) FOR FAST-TRACK RE-ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND

#### Background

The International Bank for Reconstruction and Development (IBRD) is a primary international financial institution which seeks to foster and promote global economic development while fighting poverty, supporting economic growth, and ensuring sustainable gains in the quality of people's lives in developing countries. It was formally established as the International Bank for Reconstruction and Development (IBRD) under the 1944 Bretton Woods Agreement. On critical issues like climate change, pandemics, and forced migration, the IBRD (commonly referred to as the World Bank together with the International Development Association (IDA) plays a leading role because it is able to convene discussion among its country members and a wide array of partners.

The IBRD was accredited as a multilateral implementing entity of the Adaptation Fund (AF) in March 2015. The IBRD submitted its application for re-accreditation to the Secretariat via the online workflow system on 24 March 2020. The IBRD received Green Climate Fund (GCF) fast track accreditation without conditions in July 2015 based on prior AF accreditation and is currently implementing twelve GCF projects—its GCF accreditation is effective until January 2024.

#### Assessment against the fast-track re-accreditation criteria

The assessment for fast-track re-accreditation has, in accordance with Board Decisions B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund), B.34/3 (Updated Re-accreditation Process) and B.32/36 (Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism—AML/CFT), focused on the following criteria:

- **The Fiduciary Standard related to the legal status** – The Panel notes that there has been no change to the legal personality of the IBRD and that it continues to have the authority and capacity to receive funds, to enter into contracts or agreements with international organizations, and serve as a plaintiff or defendant in a court of law. ***The Panel concludes that the IBRD continues to meet this criterion.***
- **Standards related to AML/CFT** – The Panel has reviewed the IBRD policies and procedures related to AML/CFT and ***concludes that these meet the AF accreditation standards in this regard.***
- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – The IBRD has published its zero tolerance towards fraud, financial mismanagement, and other forms of malpractice on its website. It has a policy on sanctions for fraud and corruption and a directive on preventing and combating fraud on World Bank-financed projects. The Staff Rules and the Code of Conduct explicitly reinforce and support these policies.

The IBRD is at the forefront in internationally recognized practices in the relevant policies and procedures on how to deal with financial mismanagement and other forms of malpractice and invests significant resources to do this. These policies and procedures cover anti-fraud and

anti-corruption policies and reporting, whistleblowing, a sanctions system for violations of these policies, a strong internal control system, and the oversight of the Audit Committee.

The IBRD has relevant investigation functions (Executive Board—as applicable to the President and to Board members; the Integrity Vice Presidency; and the Office of Ethics and Business Conduct) in place.

The Panel was satisfied that the IBRD has the internal structures and track record of implementation to confirm its capacity to apply the above policies and procedures in relation to its leadership, staff, and third parties contractually engaged by the World Bank.

On the basis of the above evidence, the **Panel concludes that the IBRD continues to meet the related criteria.**

- **Commitment by the entity to apply the Fund’s Environmental and Social Policy and Gender Policy** – The IBRD has provided a commitment letter (Top Level Management Statement—TLMS) to the AF. The IBRD’s own policies are at the vanguard of best practices in these areas and there is a well-established track record in their implementation. IBRD’s policies are substantially equivalent to those of the AF and are supported by an implementation track record, the IBRD is compliant in this regard. The **Panel concludes on this basis that the IBRD meets this criterion.**
- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** - The World Bank’s Inspection Panel and Grievance Redress Service provide accessible, transparent, fair, and effective grievance mechanisms relating to environmental, social and gender related concerns. The Inspection Panel provides an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by an IBRD-funded project. The Grievance Redress Service is an alternative avenue for people and communities to submit complaints directly to the IBRD if they believe an IBRD-funded project has or is likely to adversely affect them. The Panel noted that both channels have a well-established track record of implementation. The **Panel concludes that the IBRD continues to meet this criterion.**

### **Assessment of the implementing entity’s performance regarding quality at entry and project/programme implementation**

The IBRD implemented two AF projects, and both were completed (one in 2019, the other in 2020) with satisfactory assessments. IBRD has a track record of project implementation, as amply described in its website.

As background, the IBRD was satisfactorily assessed for its financial fiduciary aspects through the European Community’s Pillar approach. MOPAN also assessed the IBRD in 2016, with positive results.

### **Recommendation**

The Accreditation Panel recommends that the International Bank for Reconstruction and Development (IBRD) be re-accredited under the fast-track approach as a Multilateral Implementing Entity (MIE) of the Adaptation Fund.