



ADAPTATION FUND

AFB/B.41/4
28 September 2023

Adaptation Fund Board
Forty-first meeting
Bonn, Germany, 12-13 October 2023

Agenda item 6

REPORT OF THE FORTIETH 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 fortieth meeting on 5-6 September 2023 in Washington DC. The Chair of the Accreditation Panel, Ms. Patience Dampthey (Ghana, Africa), presided over the meeting.

2. For the fortieth Panel meeting, the Adaptation Fund Board Secretariat (the secretariat) received new accreditation applications for two potential National Implementing Entities (NIEs). The Panel continued reviewing 14 re-accreditation applications (nine NIEs, one Regional Implementing Entity (RIE), and four Multilateral Implementing Entities (MIEs)) and 15 accreditation applications of 13 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. Therefore, in accordance with Board Decision B.31/26, the secretariat, on 12 July 2023, transmitted the second letters of notification to the Designated Authorities (DAs) of all five dormant NIE applicants, informing them of the inactivity of the applicant entities.

3. After considering the recommendation by the Panel, the Adaptation Fund Board (the Board) had intersessionally approved during the period from 1 March 2023 to 25 September 2023, the fast-track re-accreditation of the International Bank for Reconstruction and Development (IBRD) and the Asian Development Bank (ADB) as MIEs of the Fund through Decision B.40-41/4 and Decision B.40-41/5 respectively.

4. During the period from the thirty-ninth 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 Ministry of Finance and Economic Management (MFEM) of Cook Islands and reached a consensus to recommend the re-accreditation of MFEM under the fast-track process as an NIE 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.

5. As of the fortieth meeting of the Panel, 15 accreditation applications, comprising of 13 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. National Implementing Entity NIE157
14. Regional Implementing Entity RIE016
15. Multilateral Implementing Entity MIE017

GENERAL TRENDS

6. As of 25 September 2023, the total number of accredited implementing entities amounted to 55: 32 NIEs, 9 RIEs, and 14 MIEs (Figure 1). Among the 32 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 55 accredited implementing entities of the Fund, 36 entities (65%) had been re-accredited: 19 NIEs, 6 RIEs and 11 MIEs. With respect to the geographic coverage of the 32 NIEs and 9 RIEs, 15 entities were from Latin America and the Caribbean (LAC), 14 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 nine countries for a second NIE to pursue accreditation with the Fund.

Figure 1. Accredited Implementing Entities by type

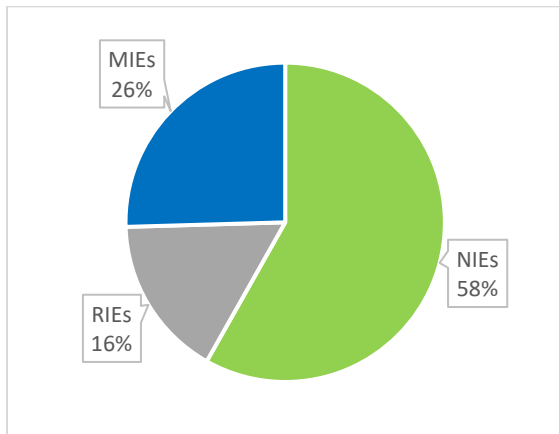


Figure 2. LDCs and SIDS among accredited NIEs

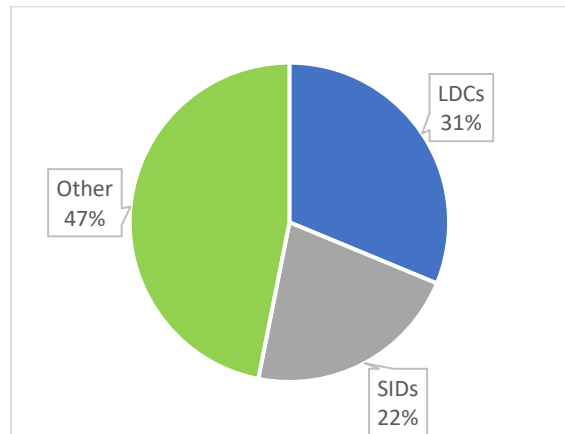
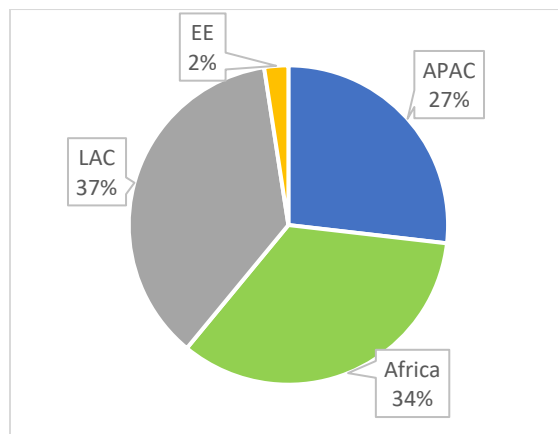


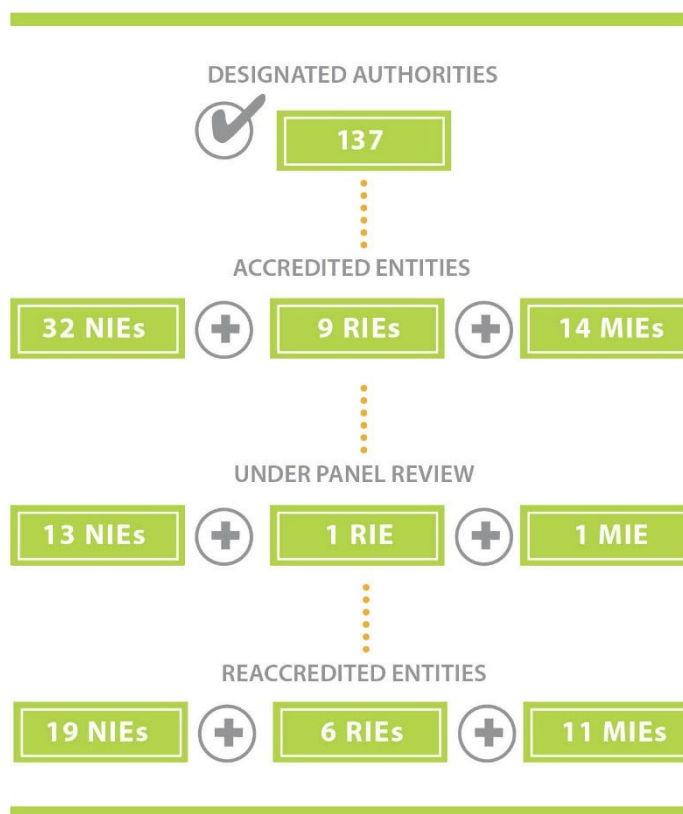
Figure 3. Accredited NIEs and RIEs by region



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 25 September 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.40/4	This application had stalled despite several efforts by both the secretariat and the Panel to provide guidance to the applicant. On 11 and 24 May 2022, the secretariat facilitated two calls between the Panel and the applicant organization to provide clarifications on the June 2021 list of pending issues. Subsequently, the applicant uploaded some documents in the Workflow on 2 June 2022, but the Panel is of the view that additional information is needed to permit a further review of the application. Since the AP39 meeting, the applicant has shared no further information or documents. In accordance with Decision B.31/26, the Secretariat sent the second letter notifying the DA about the inactivity of the entity on 12 July 2023. The first notification was sent on 3 January 2023. The last exchange with the applicant was on 16 August 2023 when the secretariat requested the focal point to share updates on the list of the pending issues raised by the Panel. The secretariat received a response from the focal point on 17 August 2023 suggesting the accreditation process is no longer a priority. As of the time of this report, the applicant has not shared additional documents in the Workflow.
NIE041	Oct-2020	AFB/B.40/4	Prior to the AP39 meeting, the secretariat facilitated a call between the applicant and the Panel on 10 January 2023, during which the Panel responded to questions and offered clarifications on the outstanding information required to make progress on the application. On 7 February 2023, the secretariat received some documents in the Workflow, which allowed the Panel to continue its review of the application. The Panel shared its follow-up list of questions, which the secretariat transmitted to the focal point on 9 May 2023. In response, the applicant uploaded several documents on 22 and 23 May 2023, permitting the Panel to conduct a further review of the application. Following the focal point's request for updates on 11 July 2023, the Panel advised that its review of the application was ongoing. The last exchange on this application between the secretariat and the applicant was at the Needs Based Finance (NBF) Workshop in Bonn in August 23, where a representative from the secretariat met with the country delegation to discuss the status of the application. At the time of this report, the Panel's further review of the application is still ongoing.

NIE055	Mar-2021	AFB/B.40/4	<p>After the AP39 meeting, the Panel continued to review the documents the applicant had shared in February and March 2022 and, more recently, on 9 February 2023. In preparation for the AP40 meeting, the secretariat sought updates from the Panel on 15 August 2023 regarding the status of the application. The Panel clarified that major gaps still exist in the application and that the latest documents provided by the applicant do not yet sufficiently respond to the pending issues identified in the December 2021 list of questions. The secretariat has agreed with the Panel to facilitate a conversation with the applicant to address the outstanding issues and offer clarifications to the latter as needed. At the time of this report, the secretariat is coordinating with both the applicant and the Panel on possible dates for the call.</p>
NIE057	Apr-2014	AFB/B.40/4	<p>Following the AP39 meeting, the secretariat reached out to the focal point on 13 March 2023 for updates on the third list of follow-up questions produced by the Panel in October 2022. The focal point responded on 14 March 2023, clarifying that there had been an internal deployment of staff and requested to have a conversation with the Panel to acquaint new colleagues with the accreditation process and discuss the status of the application. The secretariat facilitated a call between the Panel and the applicant on 23 June 2023, which subsequently allowed the applicant to upload additional documents in the Workflow in late July 2023. At the NBF Workshop in Bonn, the secretariat held a bilateral meeting with a delegation from the DA's office who had requested updates on the application status and clarifications on the option to nominate a second NIE candidate to pursue accreditation. At the time of this report, the Panel's further review of the latest responses from the applicant was ongoing.</p>
NIE066 (Dormant Application)	Aug-2016	AFB/B.40/4	<p>This application has not made progress despite several requests for updates. The last conversation the secretariat facilitated between the Panel and representatives from the organization was in March 2022. On 15 August 2022, the applicant informed the secretariat that it had requested a meeting with another organization in the country in relation to some of the issues raised by the Panel and plans to provide additional documents thereafter. After the AP39 meeting, the secretariat followed up with the focal point for updates on 22 November 2022 but received no response. In accordance with Decision B.31/26, the Secretariat sent the second letter notifying the DA about the inactivity of the entity on 12 July 2023. The first letter was sent on 30 November 2022. To date, neither the DA nor the focal point has reacted to the latest notification.</p>

NIE113 (Dormant Application)	Jan-2016	AFB/B.40/4	This is a long-standing application with no significant progress since the AP37 meeting. The secretariat met with the applicant at COP27 in November 2022, during which the secretariat provided guidance on the list of pending issues. The last set of documents uploaded in the Workflow was on 14 March 2022, and no further files have been shared by the applicant since then. 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. Even though the DA acknowledged receipt of the letter and requested the applicant organization to prioritize addressing the pending list of issues, no progress has been made to date. The second dormant notification letter to the DA was sent out on 12 July 2023. On 27 July 2023, the secretariat received a response from the DA confirming that further actions would be taken to revive the application.
NIE140 (Dormant Application)	Sept-2019	AFB/B.40/4	Despite several requests for updates, the application has not progressed substantially since the AP37 meeting. The secretariat's last request for an update from the focal point was on 30 May 2023, including an offer for a call with the Panel. In accordance with Decision B.31/26, the Secretariat sent the first and second letters to the DA informing of the inactivity of the entity on 30 November 2022 and 12 July 2023, respectively. The secretariat sent the last request for an update to the focal point on 4 August 2023. At the time of this report, no further responses have been received from the applicant.
NIE142	May-2019	AFB/B.40/4	This application is being reviewed under the streamlined process. Prior to the AP39 meeting, the secretariat facilitated a call between the applicant and the Panel on 23 January 2023 to offer clarifications on the residual list of pending issues, including the applicant entity's ESP policy, which was under development. Subsequently, the applicant uploaded some documents in the Workflow in February 2023, allowing the Panel to resume its review of the application. The secretariat continued to reach out to the focal point for updates on the development of the entity's ESP. On 1 July 2023, the focal point shared the document, and the secretariat accordingly alerted the Panel about the progress. At the time of this report, further review of the application by the Panel was ongoing.
NIE144	Sept-2020	AFB/B.40/4	After the AP39 meeting, the Panel reviewed the application and produced a set of follow-up questions, which the secretariat shared with the applicant on 14 March 2023. The focal point acknowledged receipt and indicated they would get back to the secretariat soon. In preparation for the AP40 meeting, the secretariat reached out to the applicant on 15 August 2023 to request updates on the list of pending issues. At the time of this report, the applicant had neither responded to the secretariat nor uploaded additional documents in the Workflow.

NIE147	Aug-2020	AFB/B.40/4	<p>The Panel continued its review of the documents the applicant had shared in November 2022 and produced a follow-up list of questions, which the secretariat transmitted to the applicant on 7 February 2023. On 3 May 2023, the applicant updated the secretariat that it had uploaded documents in the Workflow in response to the outstanding issues raised by the Panel. The Panel completed its further review of the application and produced a follow-up list of questions, which the secretariat transmitted to the applicant on 15 August 2023. Subsequently, the secretariat facilitated a conference call on 25 August 2023 between the applicant and the Panel to enable the former to seek clarifications on the issues the Panel had raised in the follow-up list of questions. During the call, the focal point indicated they would revert to the Panel with the requested information soon.</p>
NIE148 (Dormant Application)	Dec-2020	AFB/B.40/4	<p>The latest list of follow-up questions from the Panel is dated March 2021. In January and February 2022, the secretariat facilitated conversations between the applicant and the Panel to provide a step-by-step clarification to the former on what is required to address the gaps in the application. Despite several exchanges with the focal point, no new documents were uploaded in the Workflow to permit further review of the application by the Panel. 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. The last exchange with the applicant was on 12 July 2023, when the secretariat transmitted the second letter of notification to the DA regarding the inactivity of the application. In preparation for the AP40 meeting, the secretariat on 16 August 2023 reached out for updates from the focal point but received no responses. At the time of this report, the applicant has neither responded to the notification nor uploaded new documents in the Workflow.</p>
NIE156	Jul-2022	AFB/B.40/4	<p>At the time of the AP39 meeting, the applicant was resolving the issues raised by the Panel in the January 2023 list of follow-up questions. The secretariat reached out to the applicant on 30 May 2023 to request updates on the list of pending issues. In response, the applicant uploaded several documents in the Workflow in July and August 2023. This allowed the Panel to resume its review of the application. At the time of this report, no further updates have been received from the Panel.</p>

NIE157	Jan-2023	AFB/B.40/4	<p>This application was first submitted on 5 August 2022. After the first screening, the secretariat identified gaps in the application and sent it back to the applicant with comments. The application was resubmitted on 15 December 2022, and then after further screening, the secretariat sent it back to the applicant with a request for the applicant to address residual comments. The final submission was received on 13 January 2023, which the secretariat screened and progressed for initial review by the Panel. After the AP39 meeting, the Panel completed its review of the application and produced an initial list of follow-up questions, which the secretariat transmitted to the applicant on 3 April 2023. The focal point acknowledged receipt on 4 April 2023 and indicated they would get back to the secretariat soon. The last exchange on this application was on 29 August, when the secretariat requested the applicant to share updates on the list of pending issues.</p>
RIE016	Jun-2017	AFB/B.40/4	<p>After the AP39 meeting, the Panel continued its review of the documents the applicant had uploaded in the Workflow in December 2022. The Panel produced a list of follow-up questions, which the secretariat transmitted to the focal point on 18 April 2023. At the NBF Workshop in Arusha, a representative from the secretariat met with representatives from the applicant organization on 18 April 2023 to discuss the status of the application and the pending issues. During the bilateral meeting, the secretariat encouraged the focal point to seek as much clarification as possible on the April 2023 list of questions and suggested to the focal point to request calls with the Panel as needed. Despite efforts by the secretariat to facilitate such conversations, the applicant has not been proactive. The latest exchange on this application was on 18 August 2023, when the secretariat requested the focal point to provide updates on the progress of the pending list of issues. At the time of this report, the applicant had not provided any further information nor uploaded documents in the Workflow.</p>

MIE017	Jul-2020	AFB/B.40/4	<p>After the AP39 meeting, the applicant responded to the Panel's third round of follow-up questions by uploading several documents in the Workflow on 28 February 2023, allowing the Panel to resume its review of the application. The secretariat also coordinated a bilateral meeting between the applicant and the Panel on 4 April 2023 at the premises of the applicant organization to discuss the outstanding issues required to move the application forward. Subsequently, the applicant also uploaded some documents in the Workflow on 11 April and 12 June 2023. The Panel reviewed the documents and produced a list of follow-up questions, which the secretariat transmitted to the applicant on 22 June 2023. The last exchange with the focal point was on 18 August 2023, when the secretariat requested updates on the latest list of pending issues raised by the Panel. The applicant responded to the secretariat on 21 August 2023 with updates on its progress.</p>
RE-ACCREDITATION			
NIE004	May-2021	AFB/B.40/4	<p>This application is the second time the applicant is seeking re-accreditation with the Fund. After the AP39 meeting, the Panel continued its review of the documents the applicant had uploaded in the Workflow in October, November, and December 2022. On 31 March and 20 June 2023, the secretariat received requests from the applicant seeking updates on the status of the application. On both occasions, the secretariat clarified to the focal point that the review was ongoing. Subsequently, the secretariat shared with the applicant specific comments from the Panel on what the latter had identified as gaps in the application. The focal point responded to the secretariat by uploading some documents in the Workflow on 23 June 2023. At the time of this report, further review of the documents uploaded in the Workflow was ongoing.</p>

NIE016	May-2017	AFB/B.40/4	<p>Since the AP39 meeting, there has not been significant progress on this application. 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. Despite several efforts by the secretariat to facilitate conversations between the applicant and the Panel, the former has not been proactive. As reported at the AP38 and AP39 meetings, the Board extended the grace period for the applicant to achieve re-accreditation by 23 January 2023. However, following the extension of the project completion date for the AF-funded project under implementation by the applicant entity, the applicant further requested, on 4 June 2023, for the extension of the grace period to complete the re-accreditation process. This was interessionally approved by the Board on 8 July 2023, granting the applicant a deadline of up to 13 January 2024 to complete the re-accreditation process. In preparation for the AP40 meeting, the secretariat reached out to the focal point for updates and to explore the possibility of holding a call to discuss the Panel's list of pending issues. On 20 and 29 August 2023, the focal point responded to the secretariat, clarifying that the applicant organization is in the process of recruiting a consultant to follow up on the re-accreditation process and that they would need more time to revert to the Panel on the list of pending issues.</p>
NIE023	Sept-2022	N/A	<p>This is the second time the applicant is seeking re-accreditation with the Fund. The Panel's initial list of follow-up questions was transmitted to the applicant on 12 January 2023. On 13 March 2023, the secretariat reached out to the focal point for updates on the list of pending issues raised by the Panel. In response, the applicant uploaded several documents in the workflow on 3 April 2023, permitting the Panel to resume review of the application. After review, the Panel produced a list of follow-up questions, which the secretariat transmitted to the focal point on 27 April 2023. The applicant responded to the Panel by uploading some documents in the workflow on 25 May 2023. After further review, the Panel produced a follow-up list of questions, which the secretariat shared with the applicant on 15 June 2023. The latest documents uploaded in the Workflow were on 29 June 2023. After review, the Panel produced a list of follow-up questions, which the secretariat transmitted to the applicant on 21 July 2023. Upon request, the secretariat facilitated a conversation between the applicant and the Panel on 28 July 2023, during which the latter provided clarifications to the former on the pending issues. At the time of this report, the applicant has yet to upload additional documents in the Workflow.</p>

NIE029	Jun-2022	AFB/B.40/4	<p>This application is the second time the applicant is seeking re-accreditation with the Fund. On 13 February 2023, the applicant uploaded several documents in the Workflow in response to the list of follow-up questions the secretariat transmitted to the focal point on 9 December 2022. On 8 May 2023, the applicant requested updates from the secretariat on the status of the Panel review of the documents it had uploaded in the Workflow. The secretariat alerted the Panel about this request, and thereafter, the Panel produced a list of follow-up questions, which was shared with the focal point on 15 June 2023. On 14 July 2023, the secretariat reached out to the applicant for updates on the latest list of follow-up questions. In response, the focal point indicated that they were coordinating inputs internally and would soon revert to the secretariat. At the time of this report, the secretariat has received no further updates from the applicant.</p>
NIE049	Jun-2022	AFB/B.40/4	<p>The application was submitted on 7 February 2022. After the initial review, the Panel produced a list of follow-up questions, which the secretariat transmitted to the applicant on 2 February 2023. On 13 March and 30 May 2023, the secretariat followed up with the applicant to request updates on the application. In response, the focal point uploaded several documents in the Workflow in June and July 2023, permitting the Panel to resume its review of the application. At the time of this report, the review of the application is still ongoing, and the secretariat expects to receive further updates from the Panel soon.</p>
NIE061	Oct-2021	AFB/B.40/4	<p>After the AP39 meeting, the Panel resumed its review of the documents the applicant had shared with the secretariat on 30 January 2023. On 23 February 2023, the secretariat received a request for updates on the application process from the focal point and alerted the Panel accordingly. After review, the Panel updated its assessment report and produced a follow-up list of questions, which the secretariat shared with the applicant on 19 April 2023. In response, the focal point uploaded some documents in the workflow in June and July 2023, permitting the Panel to continue its review of the application. Upon request from the Panel, the secretariat also facilitated a conversation on 6 July 2023 between the Panel and the project team at the secretariat to discuss the applicant's performance on the project funded by the AF. The last requests for updates received from the applicant were on 17 and 31 July 2023. Upon the request from the Panel, the secretariat reached out to the applicant on 3 August 2023 to request that some documents related to "special audits" be uploaded in the Workflow. The focal point uploaded the requested documents on 7 August 2023, permitting the Panel to finalize its assessment report for internal circulation among the Panel members. At the time of this report, the secretariat has not received further updates from the Panel.</p>

NIE069	Mar-2021	AFB/B.40/4	<p>The Panel has, since the AP39 meeting, continued review of the documents the applicant had uploaded in the Workflow on 9 December 2022. On 24 February 2023, the Panel shared with the focal point its observations in terms of the gaps it had identified in the documents shared by the applicant, including the environmental and social policy and management system and issues related to the oversight/governance of the grievance mechanism for environmental and social and gender harms/complaints. In response, the applicant uploaded some documents on 1 March 2023, which the Panel reviewed. At the request of the Panel, the secretariat organized a follow-up call with the applicant on 26 July 2023 to provide clarifications on what the Panel considers to be the outstanding issues in the application. After the call, the focal point uploaded some documents to the Workflow on 15 August 2023. At the time of this report, the Panel's further review of the application is ongoing.</p>
NIE075	Sept-2021	AFB/B.40/4	<p>After the AP39 meeting, the applicant, on 5 May 2023, uploaded several documents in the workflow in response to the Panel's list of follow-up questions shared with the applicant on 4 October 2022. This allowed the Panel to resume review of the application, subsequently producing a follow-up list of questions, which the secretariat transmitted to the focal point on 15 May 2023. In response, the applicant uploaded some documents in the workflow on 10 July 2023. In parallel, the Panel requested input on the applicant's project performance, including quality-at-entry, from the Fund's project team. This was shared on 27 July 2023, allowing the Panel to continue its review. The Panel produced a set of residual questions, which were shared with the applicant on 2 August 2023. The last exchange with the applicant was on 29 August 2023, when the focal point informed the secretariat that they had uploaded responses to the Panel's latest query. After reviewing the information provided by the applicant, the Panel updated and finalized its assessment report and note to the Board which have since been shared with the secretariat for further quality checks and clearance.</p>

NIE134	Oct-2022	N/A	<p>This application was first submitted to the secretariat on 9 May 2022, and then after the screening, the secretariat sent it back to the applicant with comments. It was resubmitted on 27 October 2022. After further screening, the secretariat progressed the application for initial review by the Panel on 23 March 2023. The Panel completed its review of the application and produced an initial list of follow-up questions, which the secretariat transmitted to the applicant on 12 April 2023. In response, the applicant uploaded several documents in the workflow on 7 June 2023, and then, after further guidance from the secretariat, it reuploaded additional documents in the workflow on 16 August 2023. In parallel, the Panel requested inputs on the applicant's project performance from the Fund's project team and subsequently produced a follow-up list of questions, which the secretariat transmitted to the focal point on 21 August 2023. At the request of the applicant, the secretariat facilitated a conversation with the Panel on 29 August 2023 to provide clarifications on the latest list of follow-up questions.</p>
RIE001	Nov-2021	AFB/B.40/4	<p>Since the AP39, the secretariat has continued to facilitate exchanges between the Panel and the Fund's project team for the latter to provide inputs on the outstanding AF project performance reports (PPRs). The Panel produced a follow-up list of pending issues, which the secretariat transmitted to the focal point on 24 February 2023. At the request of the applicant, the secretariat facilitated a conversation with the Panel on 9 March 2023 to discuss the follow-up list of questions and provide clarifications on what the Panel considered to be pending. Subsequently, the applicant uploaded some documents in the workflow in March and April 2024, permitting the Panel to conduct a further review of the application. Satisfactory submission of PPRs for the AF-funded projects continues to be an issue impeding the progress of the application. On 12 July and 1 August 2023, the AF project team shared with the Panel the complete set of pending PPRs for the three AF projects the applicant entity is implementing. At the time of this report, further review of the PPRs by the Panel was ongoing, and no further updates have been shared with the secretariat.</p>

MIE001	Mar-2023	N/A	<p>This is the second time the applicant is pursuing re-accreditation with the Fund. The application was first submitted to the secretariat on 3 November 2021 and then after initial screening, the secretariat identified gaps in the application and sent it back to the applicant with comments. The application was resubmitted on 23 March 2023, and then upon further screening, it was progressed for initial review by the Panel. On 5 June 2023, the focal point requested for updates on the status of the application, to which the Panel clarified that the review was ongoing. On 6 July 2023, the secretariat had a call with representatives from the applicant organization, during which the secretariat provided updates on the status of the application. At the request of the Panel, the secretariat reached out to the applicant on 16 August 2023 to request the entity's gender policy and related documents as the applicant had not provided those in the Workflow. The Panel received the files on 16 August 2023, allowing it to continue reviewing the application. At the time of this report, the secretariat has not received further updates from the Panel.</p>
MIE007	Sept-2019	AFB/B.40/4	<p>The applicant has made no significant progress since the AP39 meeting. In preparation for the 40th meeting of the Board, the applicant shared a revised top-level management statement (TLMS) to abide by the Fund's ESP and GP on 13 March 2023, which was considered compliant with the requirement. Even though the Panel has resumed its review of the application, there remain issues, especially in relation to the applicant's compliance with the AF's fiduciary standards. The applicant has also not yet provided audited financial statements for most of the projects supported by the Fund. During the period between the AP39 and AP40 meetings, the Panel continued to exchange with the AF Project team for possible updates on the applicant's progress on project audited statements. The last of such exchanges was on 14 July 2023 when the AF Project team indicated that no further information had been received from the applicant on the pending list of issues.</p>

MIE011	Jun-2019	AFB/B.40/4	<p>At the time of the AP39 meeting, this applicant had not made significant progress due to the pending submission of the top-level management statement (TLMS), which requires applicants to abide by the Fund's ESP and GP. On 9 March 2023, the secretariat received a revised TLMS from the applicant organization, which was discussed by the Board at its 40th meeting and considered compliant. This made it possible for the Panel to resume its review of the application package, subsequently producing a follow-up list of questions, which the secretariat transmitted to the applicant on 25 April 2023. On 28 April 2023, the Panel further shared a supplementary list of questions with the applicant. The secretariat reached out to the focal point to request updates on 25 May 2025 and received a reply on 5 June 2025 from the focal point indicating that further internal consultations on the list of pending issues were ongoing. After a follow-up request for updates from the secretariat, the applicant, on 5 July 2023, uploaded some documents in the Workflow, allowing the Panel to continue its review of the application. The Panel produced a supplementary list of questions, which was shared with the applicant on 7 August 2023. The focal point provided the requested information to the Panel on 21 August 2023, allowing the Panel to proceed with its further assessment of the application. At the time of this report, no further updates have been shared by the Panel.</p>
MIE012	Apr-2022	AFB/B.40/4	<p>Prior to the AP39 meeting, the secretariat facilitated a conversation between the Panel and representatives from the applicant organization on 20 January 2023 to discuss the application and offer clarifications on a list of pending issues the Panel had raised in the October 2022 list of questions. In response, the applicant uploaded several documents in the Workflow on 23 January 2023, which allowed the Panel to resume its review of the application. On 16 March 2023, the focal point requested updates from the secretariat on the status of the application, to which the former clarified that the review was ongoing. The Panel, after further review of the application, produced a list of follow-up questions, which the secretariat transmitted to the focal point on 27 March 2023. On 17 April 2023 and 14 July 2023, the secretariat requested updates from the applicant on its progress with the March 2023 list of follow-up questions. The focal point responded on 24 July 2023, clarifying that internal consultations within the applicant organization on the pending issues were ongoing and that they would revert to the secretariat soon. At the time of this report, the secretariat is yet to receive further updates from the applicant.</p>

OTHER MATTERS

8. **Update on the intersessional meetings held between the thirty-ninth and the fortieth meetings of the Accreditation Panel Experts:** The secretariat provided a recap of the two intersessional meetings that were held on 13 April and 19 May 2023. The presentation included a summary of the issues discussed, including (re)accreditation decisions approved by the Board at its fortieth meeting held on 21–24 March 2023; the scope of review for second time fast-track re-accreditation applications; and the piloting of the score card for the Panel’s assessment of quality-at-entry (QAE) and project performance of relevant implementing entities going through the re-accreditation process. The latter is in line with paragraphs 18-20 of the [re-accreditation policy](#) of the Fund. During the meeting, Panel members shared perspectives on the usefulness of the intersessional technical meetings and commended the secretariat for its role in facilitating such sessions. Both the Panel and the secretariat further exchanged on other issues relevant to the efficiency and effectiveness of the review process, including the streamlining of the assessment reports and scope of third-party reviews.

9. **Lessons learned from national financial institutions and trust funds in providing climate adaptation:** In line with the Fund’s strategic pillar of learning and sharing, the Secretariat presented to the Panel a [study](#) it had commissioned on the lessons learned from the Fund’s (re)accreditation of national financial institutions and trust funds and the role of such entities in providing climate adaptation. The secretariat informed the Panel that the study is the fourth in a series of similar publications related to the (re)accreditation process of the Fund and that the overarching goal of the study was to help reduce the time required for the completion of (re)accreditation applications from prospective applicants with similar characteristics by sharing the experiences of others in the process. There were a total of five trust funds and two national development banks that had been accredited to date, which are a good sample for knowledge generation, learning, and sharing. The Panel found the study to be useful and timely and shared that the lessons are relevant for the ongoing review of similar applications in the pipeline. Given the wide range of stakeholders and parties the Fund works with, and in order to ensure easy access, the Panel suggested that the study be made available in other UN languages. They further suggested that the secretariat, as part of its ongoing readiness activities and outreach, explores ways to socialize with potential applicants about the findings and lessons from the study.

10. **Update on the review of AF Environmental and Social Policy (ESP):** The secretariat informed the Panel that, as per the request of the Board (Decision B.40/80) at the fortieth meeting held on 21-24 March 2023, it had commissioned an independent review of the Fund’s ESP with a view to updating the policy. During the AP40 meeting, the secretariat mentioned that the review was ongoing and provided a brief summary of the status of the independent technical review. The secretariat mentioned that a survey had been conducted which targeted different stakeholders of the Fund, including Board members, Designated Authorities, Civil Society Organizations, and implementing entities. During the meeting, the secretariat shared a summary of the preliminary results from the survey it had conducted among the different stakeholders, permitting further deliberations among the Panel about the implication of the exercise on the (re)accreditation processes.

11. Update on the re-accreditation process and matters related to Quality at Entry and Project Performance Review: The discussion was in line with paragraphs 18-20 of the re-accreditation policy of the Fund regarding the Panel's assessment of the QAE and project/programme implementation performance of applicant entities going through the re-accreditation process and that have ongoing projects supported by the Fund. The Panel explained that it had taken the initiative, with support from the secretariat, to develop a draft scorecard, which was test-piloted with two ongoing re-accreditation applications. During the intersessional period between the thirty-ninth and fortieth meetings, the Panel discussed the draft scorecard and consulted with the Fund's project/programming teams, whose comments helped fine-tune the latest version of the scorecard. At the AP40 meeting, the Panel suggested that the secretariat takes ownership of the scorecard, which will henceforth be the basis for the Panel's periodic requests for information on QAE and project/programme implementation performance as part of the re-accreditation process. It was clarified that, depending on the application, the Panel could request that the scorecard be supplemented by a narrative of the critical issues pertinent to each application as needed. The Panel underscored that the scorecard is a living document and that there is scope for further improvement through future technical intersessional meetings of the Panel.

12. Information session on readiness support for (re)accreditation under the Medium-Term Strategy (MTS)(2023-2027): This was an information session during which the secretariat shared with the Panel about the readiness support for (re)accreditation under the second Medium Term Strategy of the Fund (MTS II). The secretariat clarified the mandate of the readiness programme, which includes a specific objective to increase the preparedness of applicant NIEs seeking accreditation with the Fund. Further information was shared during the presentation related to the components of the programme, grants and non-grant support available to prospective NIE applicants and accredited NIEs, and the status of applicant entities that had previously accessed the readiness package grants. During the presentation, the Panel shared thoughts on the programme, including potential areas of improvement and the need for enhanced coordination between readiness and the accreditation programmes.

13. Lessons learned from the UNFCCC NBF-Workshops and ongoing engagement with UN4NAPS: This was an information session. The secretariat shared its experiences participating at the UNFCCC Needs-based Finance project regional workshops as well as engagement with the UN4NAPS at the 58th intersessional conference of the subsidiary bodies held in June 2023 in Bonn, Germany. In the case of the former, the secretariat explained that it had participated in five regional workshops this year targeting the ASEAN region (20-23 March 2023, Philippines), Organization of Eastern Caribbean States (OECS) (27-31 March 2023, Grenada), East African Community (EAC) (17-19 April 2023, Tanzania), Central Asia & South Caucasus countries (3-7 July 2023, Tajikistan) and the ECOWAS member states (22-25 August 2023, Germany). The workshops provided the secretariat the opportunity to engage with developing country parties on the Fund's accreditation process for direct access entities, project/programme ideation, and project approval process. The secretariat underscored that the workshops also helped to directly engage with Designated Authorities on the option to nominate up to two candidate NIEs per

country for the accreditation process as well as the funding windows available to developing country parties.

14. The forty-first meeting of the Accreditation Panel will be held in Washington, DC, on 7-8 February 2024.

Dormant Applications

15. As reported in paragraphs 2 and 7 above, the Panel discussed the status of the five NIE candidates whose accreditation applications have been dormant. The Panel recalled Decision B.31/26, sub-paragraph (a)(iii), related to dormant accreditation applications and noted that there is the need to conduct an analysis on the dormant applications. Subsequently, the Panel suggested to the secretariat to conduct an analysis of the current practices and procedures related to the handling of dormant accreditation applications in the pipeline with a view to identifying possible areas to promote proactive and substantial responses from applicant entities on the list of pending issues identified by the Panel, and present it to the Panel to facilitate the discussion on this matter at its next meeting in February 2024.

AP Recommendations:

Fast-track re-accreditation of the Ministry of Finance and Economic Management (MFEM) of Cook Islands as National Implementing Entity of the Adaptation Fund

16. Having reviewed the fast-track re-accreditation application of the Ministry of Finance and Economic Management (MFEM) of Cook Islands following the fast-track reaccreditation process approved by Decisions B.28/38 and B.34/3, the Accreditation Panel recommends that MFEM be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

17. Having considered the recommendation of the Accreditation Panel and following the fast-track reaccreditation process approved by Decisions B.28/38 and B.34/3, the Adaptation Fund Board may wish to consider and reaccredit Ministry of Finance and Economic Management (MFEM) of Cook Islands as a national implementing entity of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is [day month year].

(Recommendation AFB/AP.40/1)

Gap Analysis of the accreditation and re-accreditation process

18. Having considered Decision B.34/46, paragraph (d), and given the continuing evolution of the Green Climate Fund (GCF) and Adaptation Fund accreditation and reaccreditation processes and related policies, the Accreditation Panel recommends that the Adaptation Fund Board request the secretariat to assess, in collaboration with the Accreditation Panel, the accreditation

framework of the GCF, including a gap analysis, and present the results of its assessment to the Board at its forty-second meeting.

(Recommendation AFB/AP.40/2)

ANNEX I:

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT (MFEM) FOR FAST TRACK RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

BACKGROUND

The Ministry of Finance and Economic Management (MFEM) of Cook Islands was accredited in July 2016 (Board Decision B.27-28/18) for a period of five years with the accreditation expiration date of 13 July 2021 under the streamlined accreditation process as a National Implementing Entity (NIE) and was declared eligible to submit project and programme proposals to the Adaptation Fund for up to US\$ 3 million for a period of five years.

In conducting its review of MFEM—a fast-track reaccreditation (FTR) assessment based on Board decision B.28/38—the Accreditation Panel identified areas, based on the Panel’s cumulative experience and consistency applied by the Panel across other entities reviewed, where enhancements could possibly be made to the internal audit functions including a link to an internal audit oversight body as well as to the current ESSF that may merit updating to reflect policy developments including mainstreaming of gender concerns. These areas would need to be considered by MFEM but are not within the scope of this FTR. Accordingly, the Panel recognizes that there may be other compensating controls or factors that it has not yet reviewed in-depth. The Panel has nonetheless signalled this information bilaterally to MFEM in more detail, for consideration in the event of future (re-)accreditation.

The review and assessments by the Panel were based on the completed application form submitted through the on-line system and some 100 documents provided by MFEM. The Panel complemented its review with information available on MFEM’s website as well as relevant documents from the websites of the Green Climate Fund and other related international institutions as well as third-party assessments.

THE APPLICANT

The Ministry of Finance and Economic Management aims to be a competent and professional organization inspiring public trust in managing public finances in pursuit of national development aspirations. It sees its mission as advising the Cook Islands Government on options to improve the economic and financial well-being of all Cook Islanders, providing the community with key public services that enable effective governance of the country and remaining agile, so it can move into those gaps in public service that, if not addressed, present a major risk to Government. MFEM’s declared 8 core values include honesty; impartiality; service; transparency; accountability; respect; efficiency; and effectiveness.

MFEM is the preferred implementing agency and operational entry point for all Cook Islands development partners, implementing agencies, and stakeholders to engage in the management and delivery of development support activities.

Within MFEM the Development Coordination Division (DCD) manages this role. DCD ensures the management of total official support for development with the Government. This encompasses all financial flows aligned with initiatives the Government is a party to that contribute to

development, domestic resource mobilization, climate finance, South-South cooperation, and “traditional” Official Development Assistance, including grants, loans, and technical assistance provided by OECD countries.

Assessment against the fast-track re-accreditation criteria

This assessment was conducted pursuant to the Fund’s Board Decision B.28/38 due to MFEM having been accredited by the Green Climate Fund in 2018; The Assessment for fast-track re-accreditation was conducted using the criteria as set out in Board Decision B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund) based on AFB/EFC.19.7 of December 2016;; B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism) based on AFB/EFC.23/4; and Decision B.34/3 (Revised re-accreditation process) based on AFB/B.34/5 and its annexes.

For fast-track re-accreditation review, the above-mentioned AF Board decisions also required an assessment of the criteria related to conditions attached to the fast-track accreditation by the GCF (Decision B.34/3 of November 2019; and third-party assessments on project performance and the capacity of an implementing entity applicant as complementary information. (Decision B.31/26 of March 2018).

SUMMARY ASSESSMENT

The MFEM has demonstrated full compliance with the above-mentioned criteria and review process for fast-track re-accreditation (FTR) by the Adaptation Fund. Since its accreditation, MFEM has made significant improvements regarding major relevant policies, procedures, and frameworks. Third Party Assessments were positive and led to additional funding for the MFEM by two major United Nations agencies. The conditions set by the Green Climate Fund at the time of MFEM’s fast-track accreditation in October 2018 had been met in full by November 2019. MFEM has successfully completed its approved AF Project in June 2022.

The fiduciary standard related to the legal status: MFEM continues to meet this standard. There was no change in its 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.

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: MFEM continues to meet this capability. International reviews confirm a low risk for AML/CFT. MFEM nevertheless has strong policies and capacities in place to address AML/CFT, including a proven Know-your-Customer vetting procedure and robust procedures for non-compliance.

Policies, procedures, and capacity to deal with fraud, financial mismanagement and other forms of malpractice including a policy of zero tolerance and an objective investigation function for allegations of fraud and corruption: MFEM continues to meet this capability. MFEM has continued to strengthen its policies and capacity processes in dealing with financial mismanagement and other forms of malpractice by staff members, consultants, suppliers, and other external parties conducting business with the Organization; zero tolerance; its investigative needs are well covered by various independent bodies.

Commitment by top management to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy: The applicant is fully commitment to abiding by the environmental and social and gender policies of the Fund and has a comprehensive set of environmental and social and gender policies, guidelines, standards, and tools that have been developed since accreditation and are being implemented and used in managing risks that its programmes and projects may cause harm on the environment; grievance mechanism in dealing with complaints on programmes and projects. MFEM has trained staff to engage in capacity building aiming at improving on its performance at project level and to ensure earlier inclusion of relevant expertise in projects.

Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs: MFEM meets this capability. There are well-established grievance mechanisms permeating different levels starting with the project level. Project grievances are handled at the project level in line with the Environmental and Social Safeguards Framework (ESSF) of the MFEM and complaints can be also addressed at the ministry or ombudsperson level if no action is taken at the project level. The applicant provided two project examples that had set up complaints' mechanisms specific to environmental, social, and gender harms. The project-level grievance mechanism set up for the AF project explicitly also include gender harms, and prescribe that these are to be handled by the project gender advisor.

Assessment of GCF Fast-Track Accreditation Conditions: The accreditation by GCF was on a fast-track accreditation process at the 21st (GCF/B.21-34) Meeting on 20 October 2018 subject to the provision by the applicant of sample copies of two reports on KYC due diligence undertaken in line with the applicant's KYC procedures to combat money laundering and the financing of terrorism. GCF/B/24/07-REV. of 5 November 2019 reflected the GCF AP Panel's confirmation that sufficient and satisfactory information to address the condition was provided by the entity.

Third Party Assessments: In addition to relevant GCF assessments, the Panel reviewed two third-party o assessments, conducted for two UN agencies (UNDP and UNEP) mostly related to fiduciary risks. These assessments reflected a low risk for the UN to partner with the MFEM while noting that additional support will be needed to cover technical expertise not easily available in the Cook Islands. A mutual evaluation report on ALM/CFT by the Asia/Pacific Group on Money Laundering (APG) and a peer review by the Pacific Islands Forum Secretariat also informed the assessment.

CONCLUSION AND RECOMMENDATIONS

The Panel concludes that the MFEM continues to fully comply with the standards and other criteria for fast-track re-accreditation. The Panel recommends the fast-track re-accreditation of MFEM as a national implementing entity by the Adaptation Fund Board.