



ADAPTATION FUND

24 November 2023

Adaptation Fund Board

Accreditation Panel Recommendation on the Accreditation of the World Health Organization (WHO) as a Multilateral Implementing Entity (MIE) of the Adaptation Fund

Having reviewed the accreditation application of the World Health Organization (WHO), the Accreditation Panel recommended that WHO be accredited as a Multilateral Implementing Entity (MIE) of the Adaptation Fund.

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

Accreditation Decision:

Having considered the recommendation of the Accreditation Panel, the Adaptation Fund Board decided to accredit the ***World Health Organization (WHO)*** 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 24 November 2028.

Decision B.41-42/4

ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE WORLD HEALTH ORGANIZATION (WHO) FOR ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND

Background

The World Health Organization (WHO) is an international organization and a specialized agency of the United Nations currently spread over six regional offices and 150 country offices. It was established with the adoption of its Constitution by the International Health Conference held in New York from 19 June to 22 July 1946 by the representatives of 61 States, entering into force on 7 April 1948.

WHO governance is four-tiered, involving the WHO Health Assembly, the Executive Board, the Secretariat, and the regional health organizations. The Director General of WHO is appointed by the World Health Assembly while the directors of the six regional offices are appointed and accountable to the regional health assemblies.

The **World Health Assembly** (WHA) is the supreme decision-making body of WHO and is comprised of delegates representing 194 Member States.

The **Executive Board** (EB) acts as the executive organ of the Assembly consisting of 34 technically qualified members elected by the WHA, considering an equitable geographical distribution, for three-year terms.

The **WHO Secretariat** comprises the Director-General (DG), and technical and administrative staff (Article 30). The DG is the chief technical and administrative officer of WHO elected by a vote of Member States at the WHA for a five-year term renewable once. The DG oversees the policy for the Organization's international health work and is accountable for the proper functioning of the Secretariat. The DG is the ex-officio Secretary of the Health Assembly, of the Executive Board, of all commissions and committees of the WHO, and of conferences convened by it. More than 8,000 staff are employed by WHO working in 152 country offices, in 6 regional offices, and at the headquarters in Geneva. Its approved budget for 2024-2025 amounts to \$6.83 billion.

Regional organizations are integral parts of WHO in accordance with its Constitution and are established by the Assembly, with the consent of a majority of the Members situated within each region, to meet the special needs of the region. Each regional organization consists of a regional committee and a regional office. Regional committees are composed of representatives of the Member States and Associate Members in the region concerned. Subject to the general authority of the DG of the WHO, **the regional office** is the administrative organ of the regional committee. There are **6 WHO regional offices and regional directors** supporting the work of the regional organizations.

WHO has articulated three grounding principles as its mission: **to promote health, keep the world safe, and serve the vulnerable**. These principles were translated into strategic priorities and goals as set out on the Thirteenth General Programme of Work (GPW13) for 2019-2023 aiming at ensuring healthy lives and promoting well-being for all at all ages by achieving the three billion targets for the five-year period which are aligned with SDG goals targets.

WHO has been working on the nexus between climate change and health for over 25 years and has increasingly enlarged its focus, portfolio, and international technical leadership in this area. Various policies, guidelines, and activities underpin WHO's commitment.

Scope of Assessment for Accreditation

The assessment was based on the completed application form submitted and some 200 documents provided as well as on the responses provided by WHO to the inquiries of the Panel, several online meetings, and a visit to WHO headquarters by the lead panel expert and the ESG expert in April 2023. To ensure the Panel had a comprehensive view, this was complemented by an extensive review of other

documents obtained from the website of WHO, third-party reviews as well as that of other related international institutions.

The Assessment for regular accreditation was conducted on the criteria reflected in the Fund's Operational Policies and Guidelines and as adopted in Board Decision B.32/36 (Revised application form at Annex 2 of AFB/EFC.23/4 (Anti-money laundering and countering the financing of terrorism); and Decision B.31/26 (use of external sources as complementary information) based on AFB/B.31/7/25 of March 2018.

SUMMARY ASSESSMENT

WHO is a well-established specialized United Nations Agency with a longstanding track record of project implementation and execution. In the view of the Panel, WHO has demonstrated: the required legal status with specific capabilities as well as the requisite fiduciary policies and frameworks; it has put in place operational safeguards for dealing with fraud, financial mismanagement, and other forms of malpractice, as well as for environmental and social, and gender risks, leveraging its own accountability and grievance mechanism with national and local systems to increase effectiveness and efficiency of the grievance process and strengthen accountability to affected populations. Its E&S and Gender policies meet the requirements of the Adaptation Fund, and while its ESS policy is recent, WHO is committed to ensuring consistent application throughout the organization.

Financial Management and Fiduciary Standards

- **Legal Status** – WHO meets this criterion. WHO has a full legal personality based on its Constitution adopted by the International Health Conference in July 1946. WHO has the legal authority and ability to directly receive funds, particularly from international organizations and national governments based on the Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations. Evidence of agreements for direct receipt of funds from international organizations was provided. Based on the Convention on the Privileges and Immunities of the Specialized Agencies of the UN and on its Constitution, WHO possesses a juridical personality having the capacity to institute legal proceedings, as well as legal capacity and abilities to appear before the Court of Justice, respectively.
- **Policies and procedures related to anti-money laundering and countering the financing of Terrorism (AML/CFT)** – WHO meets this criterion. In recognition of the need to manage risks related to anti-money laundering and countering the financing of terrorism, WHO applies strict procedures for verifying compliance with United Nations Security Council Sanctions in certain Member States. Its July 2022 new *Policy on Prevention, Detection, and Response to Fraud and Corruption* explicitly includes AML/CFT as a form of fraud. There is an automated vendor screening system in place resulting in a screening of all vendors against the relevant sanctions list published by the UN Security Council; a (voluntary) automated screening of WHO's suppliers and payees against selected sanctions lists is also conducted, using the best available sanction screening technology specialized software. Vendors are screened when being entered into the system and there are periodic updated screenings undertaken. The screening systems appear robust and have been audited by WHO's Internal Oversight Service.

The procurement manual requires a due-diligence self-declaration by contractors that they do not engage in any form of AML/CFT stipulating that a violation is a reason for immediate termination of the contract and reporting. Identified breaches are reviewed and subsequently reported to a sanctions group. Breaches, in line with the Fraud Policy, are reported and investigated by the Internal Oversight Service (IOS). IOS maintains a hotline and email address to receive complaints. Recent annual reports submitted to the WHA do not reveal any reported or investigated cases.

- **Financial statements, including Project Accounts and Provisions for Internal and External Audits** – WHO meets this criterion. The financial statements of WHO are prepared based on the International Public Sector Accounting Standards (IPSAS), WHO financial regulations and rules, and financial policies and procedures. The accounts of WHO are audited externally by the head of the

supreme audit institution of a member state in accordance with international audit standards issued by INTOSAI. The audited financial statements for recent years had unqualified audit opinions. WHO uses an enterprise resource planning (ERP) system known as Oracle e-Business Suite which is not only an accounting package but integrates all of its business processes.

WHO has a fully independent internal audit function, the Internal Oversight Service (IOS), whose director reports and is accountable to the DG. The IOS annual reports are comprehensive, robust, and comply with all the elements set out in its Charter and are submitted to the World Health Assembly. An external quality assessment was last undertaken in 2019 with the conclusion that the Office “generally conforms” with the mandatory elements of the IPPF.

The independent advisory committee established by the Executive Board and reporting to the Board’s Programme, Budget and Administration Committee (PBAC), the Independent Expert Oversight Advisory Committee (IEOAC), provides overall assurance, internal control systems, and risk management, as well as oversees the internal audit, evaluation, investigation, and external audit functions in WHO.

- **Internal Control Framework with Particular Reference to Controls over Disbursements and Payments** – WHO meets this criterion. WHO demonstrated that it has a clear, robust, and adequate control framework articulated through an Accountability Framework that defines the overall architecture for accountability; an Internal Control Framework that clearly defines the roles and responsibilities of the Executive Board, the PBAC, the Director-General, all senior and key officers and staff; and a Corporate Risk Management Policy that is being implemented by the Office of Compliance, Risk Management, and Ethics. Implementation of these frameworks and policies was demonstrated to the Panel with sample documents. WHO has a well-designed ERP system, based on which it has established the Global Management System (GSM), used for executing all payment and disbursement processes and for the accounting, recording, and tracking of all financial processes including electronic approvals and authorizations.
- **Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets** – WHO meets this criterion. WHO’s current long-term business plan, also referred to as the Thirteenth Global Programme of Work for 2019-2023 (GPW13), sets out its strategic direction, outlines how the Organization will proceed with its implementation, and provides a framework to measure progress. It also integrated the initiatives set out in the ongoing Transformation Reform of the Organization that started in 2017. WHO has a web-based Programme Budget Portal that is fully transparent and used throughout the Organization. It supports prioritization, estimation of resource requirements, including human resources (including staff and non-staff), and activity planning and costing.

Requisite Institutional Capacity

- **Procurement** – WHO meets this criterion. WHO has a stringent procurement policy and procedures ensuring transparency and competition. The Procurement Manual sets out detailed procedures for all phases of the procurement cycle. Services for global goods and services procurement, processing, and global shipping are provided by the Global Procurement and Logistics Services based at the Global Service Centre in Malaysia. WHO uses the United Nations Global Marketplace (UNGM), a common procurement portal of the UN system.
- **Project Preparation and Appraisal including impact (including environment, socio-economic, political, and gender, etc.) assessment study with risk assessment and mitigation plans** – WHO meets this criterion. WHO has a well-defined project identification and design process in place, following a multi-step approach. The result is a detailed understanding of the effort (project management needed, objectives and scope, deliverables, assumptions and constraints, costs,

schedule and resources, and initial risk assessments known at this stage). Projects submitted to the Panel demonstrated robust capability in project design in areas relevant to the Adaptation Fund.

The Organization has been using a risk-based approach to take into account environmental and occupational health considerations and impacts in the design and delivery of its technical programmes since 2010. The project appraisal guidelines developed by the Climate Change and Health Department for climate and health projects incorporate potential social and environmental risks and address gender equality and women's social empowerment. A sample of project documents was shared with the Panel that demonstrated risk identification and mitigation measures.

- **Project implementation planning, budgeting, and quality-at-entry review** – WHO meets this criterion. There is an established process in place for planning the implementation of projects with particular emphasis on quality-at-entry (QAE) which involves optimizing the project plan by providing for detailed review to ensure that the established plan will provide for the accomplishment of project requirements and the achievement of project objectives, as specified by the project definition. It also involves an examination of project readiness to execute through a thorough review resulting in the establishment of a project baseline against which subsequent project progress and change can be managed. A sample project QAE was provided to the Panel reflecting the existing policies.
- **Project Monitoring and evaluation (M&E) during implementation** – WHO meets this criterion. The Organization uses well-prescribed procedures for project monitoring and evaluation during implementation, involving tracking and controlling the project by providing oversight by the project lead regarding monitoring and managing project progress and performance by focusing on tracking and managing the accomplishment of planned activities; monitoring key performance indicators; identifying any significant departure, deviation, or variation from plans; and on implementing controls and corrective actions to bring project variations back into their acceptable range.

Well-established risk management of projects processes are also in place, starting at the project definition process with an initial risk assessment; then at the planning stage, a detailed project risk assessment based on the final project plan; and a risk management plan is prepared to identify, analyze (quantify), and prioritize project risks, minimize or eliminate threats to project and leverage opportunities that may enhance project success and develop risk response plans for the high priority risks.

- **Project execution, closure, and final evaluation** – WHO meets this criterion. All projects are assessed for all technical, financial, economic, gender, and legal aspects of projects at closure, involving preparation of capturing specific information as “lessons learned” encountered through the various process groups of project initiation, planning, execution, and closure. WHO submitted an independent evaluation it had commissioned for a climate change/adaptation project funded by the GEF. Furthermore, its independent evaluation office is expected to provide quality assurance and backstopping for all decentralized evaluations that are managed, commissioned, or conducted outside the Independent Evaluation Office which is currently being strengthened. The Norms and Standards of the UN Evaluation Group are fully reflected in WHO's evaluation policy with special attention given to human rights and gender equality.

Transparency, self-investigative powers, and anti-corruption measures

- **Policies and Framework for Dealing with Financial Mismanagement and Other Forms of Malpractice** – WHO meets this criterion. The zero-tolerance policy for fraud, financial mismanagement, and other forms of malpractice by staff and third parties associated directly or indirectly with projects and other activities of WHO is clearly and well-articulated in its Accountability Framework. WHO has a plethora of policies, guidelines, and codes of conduct for staff, experts who participate in meetings or provide technical advice to the Organizations as well as for researchers whether they are staff or third parties. There are furthermore the Policy on the Prevention, Detection, and Response to Fraud and Corruption; the Code of Ethics and Professional Conduct; the Code of Conduct for Responsible Research; Declaration of Interest and Guidelines for Staff and Experts; the

Policy on Preventing and Addressing Abusive Conduct; the Policy on Sexual Exploitation and Abuse Prevention and Response; the Policy on Whistleblowing and Protection Against Retaliation; and the Role of the Ombudsman. Capacity to deal with financial mismanagement and other forms of malpractice has recently been considerably enhanced in recognition of the need to step up and is mainly vested with the following departments: The Office of Internal Oversight Services (IOS), the Office of Compliance, Risk Management and Ethics (CRE), and the Department of Prevention of and Response to Sexual Misconduct (PRS).

- **Commitment by the entity to apply the Fund’s Environmental and Social (E&S) Policy and Gender Policies** – WHO meets this criterion. The Deputy Director-General of WHO confirmed in a top-level management statement that “by following its own rules, regulations, policies, and procedures, WHO will be in a position to meet the requirements of the ESP and GPAP of the Fund and confirms that it is in a position to abide by these policies in the implementation of projects/programmes supported by the Fund. WHO is equipped with a robust set of policies, frameworks, programming modalities, guidelines, and reporting mechanisms to operationalize its commitment to integrating environmental, social, and gender objectives in its strategic plans, budgets, programmes, and administration. WHO was able to demonstrate a relevant track record in implementing ESS policies in several projects it executed for UNDP and a donor. Its recently approved a comprehensive institutional environmental and social safeguarding framework (ESSF) that meets AF standards and reflects a resolute commitment to ensuring safeguarding principles. The roll-out of the policy will take time, however, the Panel is confident that given the high commitment and capacity available on staff this will be a matter of time. It also noted that many elements are already being implemented under joint programmes with UNDP and GEF.
- **Mechanism to Deal with Complaints on Environmental and Social Harms and Gender Harms Caused by Projects/Programs** – WHO meets this criterion. WHO’s ESS policy reflects the commitment to establish project-specific mechanisms and foresees a link beyond the project/country level to WHO’s integrity hotline and IOS. A grievance mechanism set up for a project in Yemen, jointly implemented with UNICEF and UNOPS was provided as evidence for its capability in this regard. WHO, in recent years, has strengthened its complaints and grievance mechanism for the Prevention of Sexual Exploitation and Abuse (PSEA) and has shown capacity to deal with such complaints. Notably, PSEA is reflected as an overarching issue in the ESS policy but the complaints process is handled separately. Outside of these two mechanisms, no relevant complaints have been received as confirmed by IOS or the predecessor owner of the hotline, the CRE. While more time will be needed to systematically set up GRMs across WHO projects, the Panel is satisfied that WHO has demonstrated that it is able to meet this criterion.

Assessment by Third Parties

The Panel reviewed the report issued in 2018 by the Multi-lateral Performance Network (MOPAN) and noted that a new MOPAN exercise is underway. The 2018 report provides an overall positive assessment of WHO and recognizes progress over the prior report issued in 2014. Relevant parts of this assessment have been used for this report.

CONCLUSION AND RECOMMENDATION

The World Health Organization is considered to fully meet the standards evaluated under the regular accreditation approach and is recommended for accreditation as a multilateral implementing entity by the Adaptation Fund Board.