



ADAPTATION FUND

AFB/B.42/4  
15 March 2024

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Adaptation Fund Board  
Forty-second meeting  
Bonn, Germany, 18-19 April 2024

Agenda item 7(a)

## **REPORT OF THE FORTY-FIRST 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 forty-first meeting (AP41) on 7-8 February 2024 in Washington DC. The Chair of the Accreditation Panel, Ms. Patience Dampety (Ghana, Africa), presided over the meeting.

2. For the forty-first Panel meeting, the Adaptation Fund Board Secretariat (the secretariat) received new accreditation applications for three potential National Implementing Entities (NIEs). The Panel continued reviewing 11 re-accreditation applications (seven NIEs, one Regional Implementing Entity (RIE), and three Multilateral Implementing Entities (MIEs)) and 16 accreditation applications of 15 potential NIEs and one potential RIE that were previously reviewed but required additional information for the Panel's review. The accreditation applications of two NIE candidates have been dormant. Therefore, in accordance with Board Decision B.31/26, the secretariat, on 22 January 2024, transmitted the third letters of notification to the Designated Authorities (DAs) of both 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 25 September 2023 to 8 February 2024, the accreditation of the World Health Organization (WHO) as an MIE of the Fund (Decision B.41-42/4) and the fast-track re-accreditation of the Bhutan Trust Fund for Environment Conservation (BT FEC) (Decision B.41-42/10) and the European Bank for Reconstruction and Development (EBRD) (Decision B.41-42/11) as an NIE and MIE of the Fund respectively.

4. During the period from the fortieth meeting of the Panel to the date of the finalization of this report, the Panel concluded the review of the re-accreditation application from the Ministry of Finance (MoF) of Ethiopia and reached a consensus to recommend the re-accreditation of MoF as an NIE of the Fund. The Panel's note to the Board on the re-accreditation of the applicant is contained in Annex I of this document.

5. As of the forty-first meeting of the Panel, 16 accreditation applications, comprising of 15 potential NIEs and one potential RIE were under review by the Panel as per the following list:

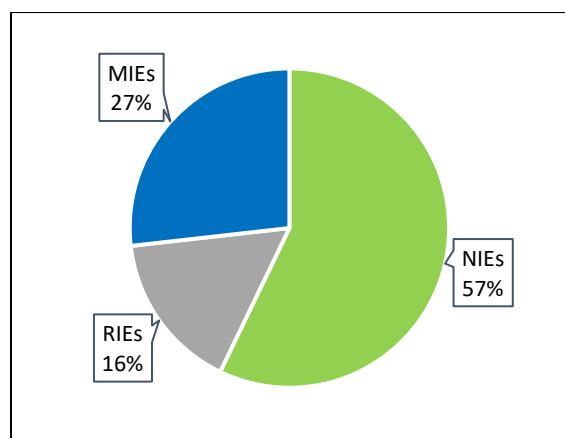
1. National Implementing Entity NIE018
2. National Implementing Entity NIE041
3. National Implementing Entity NIE055
4. National Implementing Entity NIE057
5. National Implementing Entity NIE066
6. National Implementing Entity NIE113
7. National Implementing Entity NIE140
8. National Implementing Entity NIE142
9. National Implementing Entity NIE144
10. National Implementing Entity NIE147
11. National Implementing Entity NIE148
12. National Implementing Entity NIE152

- 13. National Implementing Entity NIE156
- 14. National Implementing Entity NIE157
- 15. National Implementing Entity NIE166
- 16. Regional Implementing Entity RIE016

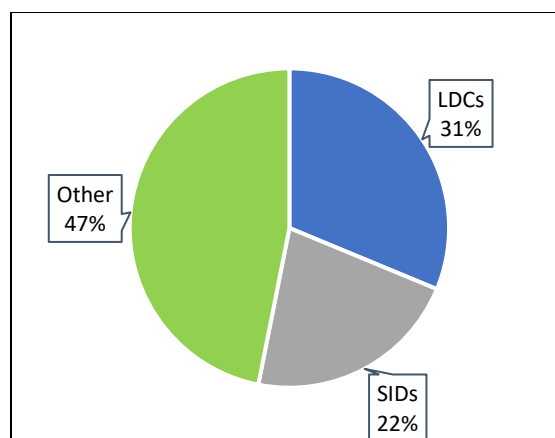
**GENERAL TRENDS**

6. As of 8 February 2024, the total number of accredited implementing entities amounted to 56: 32 NIEs, 9 RIEs, and 15 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 56 accredited implementing entities of the Fund, 39 entities (70%) had been re-accredited: 21 NIEs, 6 RIEs and 12 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 11 countries for a second NIE to pursue accreditation with the Fund.

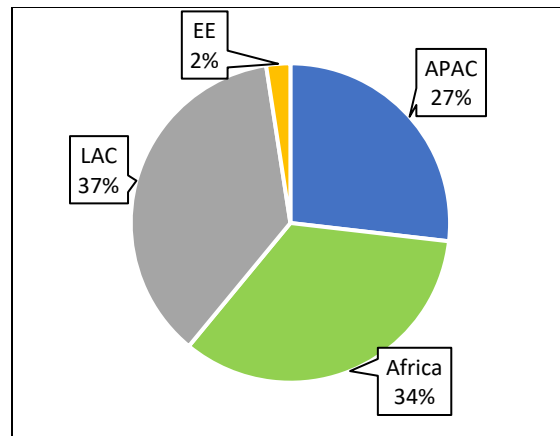
**Figure 1. Accredited Implementing Entities by type**



**Figure 2. LDCs and SIDS among accredited NIEs**



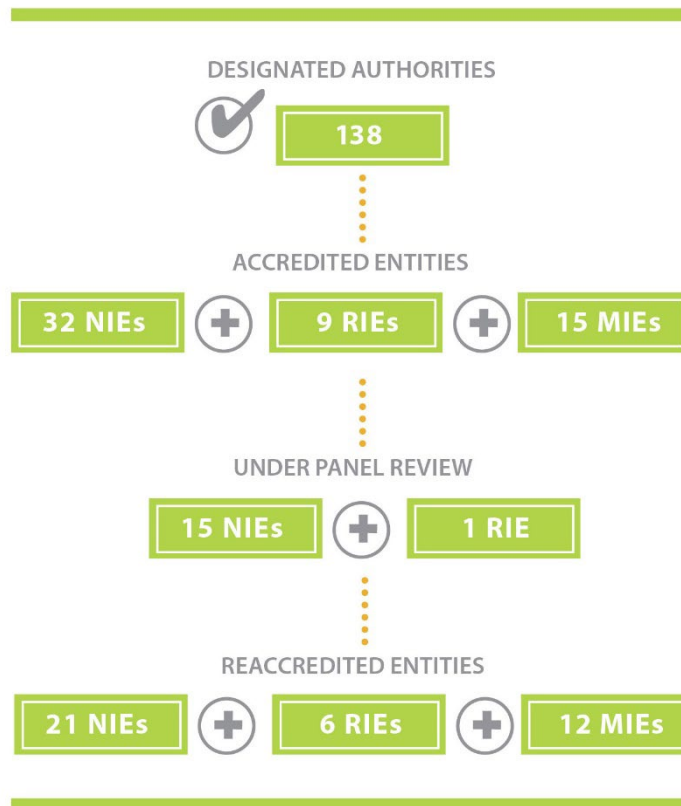
**Figure 3. Accredited NIEs and RIEs by region**



### 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 8 February 2024**



**STATUS OF APPLICATIONS UNDER REVIEW**

APPLICANT IE	SUBMISSION OF APPLICATION (MM-YYYY)	REFERENCE FOR BACKGROUND INFORMATION	CURRENT STATUS
<b>EXISTING APPLICATIONS</b>			
NIE018 (Dormant Application)	Nov-2018	AFB/B.41/4	This application remains stalled despite several efforts by both the secretariat and the Panel to guide the applicant. The last virtual interactions with the focal point were held on 11 and 24 May 2022, following which 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. In response to a request for updates from the secretariat, the focal point expressed that the accreditation process with the Fund is no longer a priority and has since not uploaded new documents in the Workflow. Following Decision B.31/26, the Secretariat sent the first, second, and third letters notifying the DA about the inactivity of the entity on 3 January 2023, 12 July 2023, and 22 January 2024 respectively. As of the time of this report, the status of the application remains unchanged.
NIE041	Oct-2020	AFB/B.41/4	After the AP40 meeting in September 2023, the Panel continued its review of the documents it had received from the applicant in May 2023 and produced a follow-up list of issues which the secretariat shared with the focal point on 3 October 2023. In response, the focal point uploaded some documents in the Workflow in late October and early November 2023, allowing the Panel to resume review of the application. At the COP28 in Dubai, the secretariat also met with representatives from the applicant organization to provide status updates on the application. The Panel, after the review of the latest documents from the applicant, produced a list of follow-up questions which were transmitted to the focal point on 16 January 2024. At the request of the Panel, the secretariat scheduled a conversation between the applicant entity and the Panel on 2 February 2024 to discuss and provide clarifications on the pending issues raised by the Panel.

NIE055	Mar-2021	AFB/B.41/4	<p>The Panel had expressed at the AP40 meeting that there were major gaps in the application and that the latest documents provided by the applicant do not yet sufficiently address the pending issues raised in the December 2021 list of questions. After the AP40 meeting, the secretariat facilitated a conversation between the applicant entity and the Panel on 28 September 2023, during which the Panel addressed questions from the focal point and clarified on the documentation needed to move the application forward. Subsequently, the secretariat received some documents in the Workflow in October and November 2023. At the request of both the applicant and the Panel, the secretariat connected the applicant with the Fund's readiness team for further guidance on the readiness package grant. The last exchange with the applicant entity was at the COP28 in Dubai, during which the secretariat provided status update on the application. At the time of this report, the applicant has not uploaded additional documents in the Workflow to allow the Panel to resume its review of the application.</p>
NIE057	Apr-2014	AFB/B.41/4	<p>The Panel produced a follow-up list of questions after it had reviewed the latest documents received from the applicant in July 2023. This was shared with the focal point on 7 September 2023. In response, the focal point uploaded additional documents in the Workflow in October and November 2023, permitting the Panel to resume its review of the application. At the COP28 in Dubai, the secretariat also met with a delegation from the applicant organization, during which the status of the application was discussed. Subsequently, the secretariat facilitated a conversation between the representatives of the applicant organization and the Panel to provide clarifications on the additional documents the Panel requires. The Panel completed its review of the latest documents uploaded by the applicant and produced a 5th round of follow-up questions, which the secretariat shared with the focal point on 18 December 2023. On 5 January 2024, the secretariat facilitated a conversation with the Panel to regarding the latest list of follow-up questions with representatives from the applicant organization. The last exchange with the entity was on 8 January 2024 when, at the request of the applicant, the secretariat shared the TLMS template with the focal point.</p>

NIE066	Apr-2015	AFB/B.41/4	<p>This application is being reviewed under the streamlined process. At the AP40 meeting, the secretariat reported that the application was dormant and that it had sent the second dormant notification letter to both the focal point and the Designated Authority (DA) of the country on 12 July 2023. After the AP40 meeting, the secretariat continued to send reminders to the applicant to request updates on their progress with the pending list of issues. At the COP28 in Dubai, the secretariat met with the focal point to discuss the status of the application. At the request of the applicant on 8 January 2024, the secretariat also referred the focal point to the Fund's readiness team for guidance on how to access the readiness package grants. The secretariat subsequently received some documents in the Workflow on 10 January 2024 from the applicant. As per Decision B.31/26, the application is no longer dormant, but the secretariat, on 24 January 2024, requested the focal point to clarify if they anticipate uploading additional documents in the Workflow before the Panel resumes review of the application. In response, the focal point requested for a call with the Panel, which the secretariat has scheduled for 16 February 2024.</p>
NIE113	Jan-2016	AFB/B.41/4	<p>This application is being reviewed under the streamlined process. At the time of the AP40 meeting, the application was in dormant status. Accordingly, the secretariat reported that it had sent the second dormant notification letter to the DA on 12 July 2023 and had received a response from the DA on 27 July 2023 assuring that some documents will be uploaded in the Workflow soon. On 25 November 2023, the focal point uploaded some documents in the Workflow, suggesting the application is no longer dormant as per Decision B.31/26. The secretariat, on 8 January 2024, requested the applicant to clarify if further documents will be uploaded in response to the pending issues raised by the Panel. In response, the focal point uploaded a response file in the Workflow on 31 January 2024. At the time of this report, further review of the application by the Panel is pending.</p>
NIE140 (Dormant Application)	Sept-2019	AFB/B.41/4	<p>Despite several requests for updates, the application has not progressed. On 30 May and 14 November 2023, the secretariat reached out to the focal point to respectively arrange meetings at the 2023 Bonn UN Climate Change Conference (SB 58) in Bonn, Germany, and at the COP28 in Dubai. In both cases, the secretariat received no responses. The last documents received from the focal point were uploaded in November 2021 and the focal point has not provided additional information since then. Following Decision B.31/26, the Secretariat sent the first, second and third letters to the DA informing of the inactivity of the entity on 30 November 2022, 12 July 2023, and 22 January 2024 respectively.</p>

NIE142	May-2019	AFB/B.41/4	<p>This application is being reviewed under the streamlined process. After the AP40 meeting, the Panel reviewed the environmental and social safeguard policy the applicant had uploaded in the Workflow on 1 July 2023. At the request of the Panel, the secretariat facilitated a call on 27 October 2023 between the focal point and the Panel to discuss the status of the application and provide guidance on what the Panel considers to be pending. On 19 January 2024, the secretariat requested for updates from the focal point on their progress. In response, the focal point indicated that they are still working with an intermediary AF IE to address the latest comments the Panel had raised. At the time of this report, no further information has been received from the applicant.</p>
NIE144	Sept-2020	AFB/B.41/4	<p>The applicant responded to the March 2023 list of follow-up questions from the Panel by uploading some documents in the Workflow on 5 and 6 September 2023. This allowed the Panel to resume its further review of the application and thereafter produced a revised list of follow-up questions which the secretariat shared with the focal point on 4 January 2024. At the request of the Panel, the secretariat facilitated a call with the applicant on 12 January 2024 to provide clarification on the pending issues the Panel had raised. At the time of this report, the applicant has not provided further documents in the Workflow.</p>
NIE147	Aug-2020	AFB/B.41/4	<p>At the time of the AP40 meeting, the applicant was addressing the Panel's latest list of follow-up questions shared with the focal point on 15 August 2023. In response to a follow-up request for updates from the secretariat on 18 September 2023, the applicant uploaded a document in the Workflow on 4 October 2023 and indicated it would share the remaining information once it becomes available. At the request of the applicant, the secretariat met with the focal point at the COP28 in Dubai to discuss the status of the application and the pending information. In response to the secretariat's request for updates on 9 January 2024, the focal point uploaded the remaining information on 12 January 2024. The secretariat has since alerted the Panel about the applicant's process and is awaiting further updates from the Panel.</p>



NIE148	Dec-2020	AFB/B.41/4	<p>The latest list of follow-up questions from the Panel is dated March 2021 and the last set of documents from the applicant entity was uploaded to the workflow on 26 January 2022. Despite the secretariat facilitating three conversations between the applicant and the Panel in January, February, and December 2022, the applicant has not made substantial progress and no new documents have been uploaded in the workflow to permit further review of the application by the Panel. The last exchange with the focal point was in November 2023 when the secretariat sent a request for a meeting with the entity at COP28 in Dubai, to which the focal point indicated they would not be present in Dubai. In accordance with Decision B.31/26, the Secretariat sent the first, second, and third letters to the DA informing of the inactivity of the entity on 30 November 2022, 12 July 2023 and 22 January 2024. In response to the latest dormant notification letter, the focal point uploaded some documents to the Workflow on 31 January 2024, suggesting the application is no longer dormant.</p>
NIE152		AFB/B.41/4	<p>This application is being reviewed under the fast-track route. The final submission was received in the Workflow on 19 July 2023 and then after a final screening by the secretariat, it was assigned to the Panel for initial review. The Panel completed the initial review and produced a follow-up list of questions which the secretariat transmitted to the applicant on 7 September 2023. In response to the secretariat's 2 November 2023 request for updates, the applicant uploaded its responses in the Workflow on 3 November 2023, allowing the Panel to conduct a further review of the application. After review of the documents, the Panel produced a second round of follow-up questions, which the secretariat shared with the focal point on 27 November 2023. The latest exchange with the applicant was on 26 January 2024, when the focal point uploaded some documents to the Workflow. The Panel has since been alerted about this progress and the secretariat is awaiting further updates.</p>
NIE156	Jul-2022	AFB/B.41/4	<p>The Panel continued its review of the documents the applicant had uploaded in the Workflow in July and August 2023. Subsequently, the Panel produced a list of follow-up questions which the secretariat shared with the applicant on 25 September 2023. At the request of the Panel, the secretariat also facilitated a call with representatives of the applicant organization on 6 October 2023 to provide clarifications on the Panel's latest list of questions. On 18 December 2023, the secretariat requested updates from the focal point on the latest list of follow-up questions from the Panel. In response, the focal point uploaded some documents in the Workflow on 27 December 2023. The secretariat has since alerted the Panel about the status of the application and is awaiting further updates from the Panel.</p>

NIE157	Jan-2023	AFB/B.41/4	<p>After the AP40 meeting, the secretariat on 18 September 2023 requested updates from the focal point on the Panel's April 2023 list of follow-up questions and thereafter facilitated a call between the representatives of the applicant organization and the Panel on 29 September 2023 to provide clarification on the pending issues. On 6 October 2023, the focal point uploaded some documents in the Workflow, permitting the Panel to resume review of the application. At the COP28 in Dubai, the secretariat met with the focal point to discuss the application. After review of the submitted documents, the Panel produced a follow-up list of questions which the secretariat transmitted to the applicant on 12 December 2023. Subsequently, the secretariat on 19 December 2023 facilitated a conversation between the representatives of the applicant organization and the Panel to provide clarifications on the pending issues. In preparation for the AP41 meeting, the secretariat, on 19 January 2024, requested updates from the focal point on their progress with the December 2023 list of follow-up questions. In response, the focal point uploaded some documents in the Workflow on 25 January 2024. The secretariat has since alerted the Panel about the applicant's progress.</p>
NIE166		AFB/B.41/4	<p>The final submission of this application was received on 15 August 2023. After further screening by the secretariat, it was progressed for initial review by the Panel. After the AP40 meeting, the Panel continued its review of the application and produced an initial list of follow-up questions which the secretariat shared with the applicant on 16 October 2023. In October and November 2023, the secretariat responded to the applicant's requests for support specifically on how to upload documents in response to the issues the Panel had raised. The applicant subsequently uploaded some documents in the Workflow in mid-November 2023, permitting a further review of the application by the Panel. The Panel produced the latest list of questions which the secretariat transmitted to the focal point on 14 December 2024. At the suggestion of the Panel and based on the review of the application, the secretariat also communicated to the applicant entity about the option for its application to be reviewed under the streamlined process. This was followed by a call among the secretariat, representatives of the applicant organization and the Panel on 5 January 2024 to discuss the details of the streamlined process and respond to queries on the latest list of questions from the Panel. At the time of this report, no further information has been uploaded to the Workflow.</p>

RIE016	Jun-2017	AFB/B.41/4	<p>This application has barely progressed since the AP40 meeting, notwithstanding efforts by the secretariat to facilitate conversations between the applicant and the Panel. In response to the secretariat's request for updates on 18 August 2023, the focal point mentioned that they had recruited a consultant to help with the accreditation process and that they were working on the pending list of issues raised by the Panel. The secretariat again requested updates from the applicant on 17 November 2023, to which the applicant indicated the focal point had moved to a different organization. In preparation for the AP41 meeting, the secretariat reached out to the applicant for updates on 19 January 2024. In response, the applicant, on 7 February 2024, shared the details of a new focal point and requested the secretariat to update the contact information on the Workflow. The secretariat advised the applicant to provide an official letter communicating a change in the focal point for the applicant entity. At the time of this report, the secretariat is yet to hear from the applicant.</p>
<b>RE-ACCREDITATION</b>			
NIE004	May-2021	AFB/B.41/4	<p>The accreditation expired on 13 April 2021, and this is the second time the applicant is seeking re-accreditation with the Fund. After the AP40 meeting, the Panel continued its review of the documents the applicant had uploaded in the Workflow in June 2023. The Panel subsequently produced a follow-up list of questions which the secretariat transmitted to the focal point on 26 September 2023. The last exchange with the applicant was on 30 January 2024, when the secretariat requested updates on the September 2023 list of follow-up questions from the Panel. At the time of this report, no further documents have been uploaded to the Workflow.</p>
NIE016	May-2017	AFB/B.41/4	<p>The accreditation expired on 13 December 2016. After the AP40 meeting, the secretariat continued to engage with the applicant to request updates on the pending list of issues. At the AP40 meeting, the secretariat reported that following the extension of the project completion date for the AF-funded project under implementation by the applicant entity, the Board had intersessionally approved a deadline extension of up to 13 January 2024 for the applicant to complete the re-accreditation process. Following several reminders, the applicant uploaded some documents in the Workflow on 11 January 2024, and the secretariat has alerted the Panel about the progress. Before this, the Board at its forty-first meeting held in October 2023, had approved an extension of the completion deadline for the ongoing project the applicant is currently implementing to 13 January 2025. Consequently, this triggered a request from the applicant for a new deadline extension for achieving re-accreditation. This was intersessionally approved by the Board on 22 January 2024 and coincides with the project extension deadline of 13 January 2025. At the time of this report, the Panel's review of the latest documents from the applicant was ongoing.</p>

NIE023	Sept-2022	AFB/B.41/4	<p>The accreditation expired on 26 September 2022, and this is the second time the applicant is seeking re-accreditation with the Fund. At the time of the AP40 meeting, the applicant was addressing the issues raised in the latest follow-up list of questions transmitted to the focal point on 21 July 2023. On 5 October 2023, the applicant uploaded some documents in the Workflow, permitting the Panel to conduct a further review of the application. At the request of the Panel, the secretariat, on 10 October 2023, shared a further list of questions with the focal point. In response to a 1 November 2023 request for updates from the secretariat, the focal point indicated that they were working on the requested information and would revert to the secretariat once the requested information became available. The secretariat also met with representatives from the applicant organization at the COP28 in Dubai to discuss the status of the application and the pending information. The last exchange with the applicant was on 24 January 2024 when the focal point notified the secretariat that it had uploaded documents in the Workflow. At the time of this report, the Panel was reviewing the latest information the applicant had shared.</p>
NIE029	Jun-2022	AFB/B.41/4	<p>The accreditation expired on 26 December 2022 and this application is the second time the applicant is seeking re-accreditation with the Fund. At the AP40 meeting, the secretariat indicated that it had on 14 July 2023 reached out to the applicant for updates on the latest list of follow-up questions to which the focal point replied that they were coordinating internally on the pending issues. On 2 October 2023, the secretariat again reached out to the applicant for updates. In response, the focal point uploaded some documents in the Workflow on 5 October 2023. At the request of the applicant, the secretariat also facilitated a call between the Panel and representatives from the applicant organization on 5 October 2023 to respond to queries from the applicant. Subsequently, the focal point uploaded additional documents in the Workflow on 30 November 2023. At the time of this report, the Panel was reviewing the latest documents shared by the applicant.</p>

NIE049	Jun-2022	AFB/B.41/4	<p>The accreditation expired on 11 October 2022. At the time of the AP40 meeting, the Panel was conducting a further review of the application following the receipt of additional documents from the applicant in June and July 2023. The Panel completed its review and produced a follow-up list of questions which the secretariat transmitted to the applicant on 6 December 2023. The secretariat also met with the focal point to discuss the status of the application at the COP28 in Dubai, during which the secretariat encouraged the focal point to seek opportunities for further conversations with the Panel on the pending issues. The last exchange with the applicant was on 19 January 2024 when the secretariat requested updates from the focal point on the latest list of questions from the Panel. In response, the focal point uploaded some documents to the Workflow on 6 and 7 February 2024. The secretariat has since informed the Panel about the progress of the applicant.</p>
NIE061	Oct-2021	AFB/B.41/4	<p>The accreditation expired on 25 February 2021. After the AP40 meeting, the Panel continued its review of the documents the applicant had uploaded in the Workflow on 7 August 2023. After review, the Panel updated its assessment report and circulated it for comments. At the request of the Panel, the secretariat facilitated a conversation on 14 December 2023 between the focal point and the Panel to provide clarification on some of the pending issues. In preparation for the AP41 meeting, the secretariat requested updates from the focal point on 19 January 2024. In response, the applicant uploaded some documents to the Workflow in January and March 2024. 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 clearance and further processing.</p>
NIE069	Mar-2021	AFB/B.41/4	<p>The accreditation expired on 17 March 2021. Prior to the AP40 meeting, the applicant had uploaded some documents in the Workflow on 15 August 2023, which allowed the Panel to resume its review of the application. The Panel noted that the applicant had made limited progress and thus requested the secretariat to facilitate a bilateral meeting with the entity to provide clarification on what is pending. This was organized on 11 October 2023 and followed by further guidance via email on 12 October 2023. The secretariat again facilitated another conversation with the applicant on 26 October 2023 to address further comments from the Panel and provide clarifications to the focal point. Thereafter, the secretariat received some documents from the applicant in the Workflow in October and November 2023. On 2 and 4 December 2023, the Panel exchanged with the applicant and requested additional documentation, which the focal point uploaded on 14 December 2023. At the time of this report, further updates from the Panel are pending.</p>

RIE001	Nov-2021	AFB/B.41/4	<p>The accreditation expired on 19 June 2021 and this is the second time the application is seeking re-accreditation from the Fund. Satisfactory submission of project performance reports (PPRs) for the AF-supported projects under implementation by the applicant entity continues to be an issue impeding the progress of the application. After the AP40 meeting, the Panel continued its further review of the PPRs the applicant had submitted to the secretariat. After review, the Panel produced a follow-up list of questions which the secretariat transmitted to the applicant on 10 October 2023. At the request of the Panel, the secretariat facilitated a call with the applicant on 31 October 2023 to provide clarifications on the pending issues required to move the application forward. In response to a request for updates on 19 January 2024, the applicant uploaded some documents on 23 and 25 January 2024, and the secretariat has since alerted the Panel about the progress.</p>
MIE001	Mar-2023	AFB/B.41/4	<p>The accreditation expired on 6 December 2021 and this is the second time the applicant is pursuing re-accreditation with the Fund. After the AP40 meeting, the Panel continued its review of the application and produced a list of follow-up questions which the secretariat transmitted to the focal point on 2 October 2023. On 7 November 2023, the secretariat requested updates from the focal point on the latest list of questions from the Panel. In response, the focal point uploaded some documents in the Workflow on 8 November 2023, allowing the Panel to resume its review of the application. At the COP28 in Dubai, the secretariat met with a representative from the applicant organization to discuss the status of the application. In response to a request for updates from the applicant, the secretariat on 29 January 2024, shared the status of the application with the focal point and facilitated an in-person conversation with the Panel during the AP41 meeting in Washington DC. At the time of this report, the Panel is actively reviewing the latest documents from the applicant. Further exchanges between the applicant and the Panel have been scheduled for 14 and 28 February 2024.</p>
MIE007	Sept-2019	AFB/B.41/4	<p>The accreditation expired on 30 March 2020. Since the AP40 meeting, the applicant has made no significant progress. The last exchange with the applicant was on 13 March 2023 when the focal point shared the top-level management statement (TLMS) to abide by the Fund's ESP and GP, which after review, was considered compliant with the requirement. There remain issues concerning the applicant's compliance with the Fund's fiduciary standards. The applicant has not yet provided audited financial statements for most of the projects supported by the Fund, which are required by the secretariat. At the time of this report, no further updates have been received from the applicant on the pending list of issues.</p>

MIE012	Apr-2022	AFB/B.41/4	The accreditation expired on 31 August 2022. At the AP40 meeting, the secretariat reported that the applicant, in response to a request for updates on 14 July 2023, clarified that internal consultations within the applicant organization on the pending issues were ongoing and that they would revert to the secretariat soon. On 14 November 2023, the secretariat again requested updates from the applicant and requested a possible meeting at the COP28 in Dubai but received no response. The last requests for updates were on 19 and 30 January 2024 ahead of the AP41 meeting. At the time of this report, the secretariat has neither gotten a response nor received additional documents in the Workflow.
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## OTHER MATTERS

8. **Update on the Gap analysis of the accreditation and re-accreditation process:** The Board at its forty-first meeting held in October 2023 in Bonn, had requested the secretariat through Decision B.41/2 to assess, in collaboration with the Panel, the accreditation framework of the Green Climate Fund (GCF), including a gap analysis, and present the results of its assessment to the Board at its forty-second meeting. During the intersessional period between the forty-first and forty-second meeting of the Board, the secretariat engaged the services of a consultant (a former Panel member) to work on the gap analysis. At the AP41 meeting, the consultant provided a status update on the assessment, which included a review of the AF and GCF accreditation procedures, an assessment of the GCF fiduciary standards, environmental and social and gender policies, as well as a comparison of the terms of reference for the Accreditation Panels of both funds. The consultant mentioned that several stakeholders were contacted for the assessment, including the secretariats of both funds, members of the accreditation panel, the Adaptation Fund Technical Evaluation Reference Group (AF-TERG), and some entities accredited with the two funds. The Panel provided their reflections, which will be reflected in the final assessment to be submitted to the Board at the upcoming forty-second meeting. The secretariat clarified that this gap analysis is the third in a series of such assessments and highlighted its significance in advancing complementarity and coherence between both the AF and GCF.

9. **AF-TERG Evaluation report on accreditation:** The Adaptation Fund Technical Evaluation Reference Group (AF-TERG) provided an update on the thematic evaluation of the Fund's accreditation process, which covers the period from March 2008 to October 2023. The main objectives of the thematic evaluation are to: (i) assess the relevance, effectiveness and efficiency of the accreditation and re-accreditation processes; and (ii) assess the coherence and complementarity between the Adaptation Fund and the GCF accreditation processes through the fast-track modality. AF-TERG shared the approach adopted for the evaluation, limitations, and preliminary findings, which led to further discussions among the Panel members. The Panel noted the usefulness of the evaluation and concurred with AF-TERG that a similar assessment of the Fund's readiness program would be beneficial. The secretariat clarified that it was reviewing the AF-TERG recommendations and will issue a management response in due course. The final

report of the thematic evaluation on accreditation will be submitted to the thirty-third meeting of the Fund's Ethics and Finance Committee in April 2024.

10. **Analysis of dormant applications:** At the fortieth meeting of the Panel held on 5-6 September 2023 in Washington DC, the Panel discussed the status of five applicant entities (NIE018, NIE066, NIE113, NIE140, and NIE148) whose accreditation applications had been dormant. It subsequently requested the secretariat to conduct an analysis of the current practices and procedures related to the handling of dormant accreditation applications in the pipeline and to present it to the Panel to facilitate the discussion on the matter at the forty-first meeting of the Panel. During the AP41 meeting, the secretariat presented its report on the five dormant applications, including as per Decision B.31/26, details on how it currently handles such applications. The secretariat shared that three (NIE066, NIE113, and NIE148) of the five dormant applicants had uploaded additional documents to the Workflow during the intersessional period between the AP40 and AP41 meetings, suggesting they were no longer dormant.

11. After further deliberation, the secretariat and the Panel agreed on the following practice for handling dormant applicants to implement Decision B.31/26 more effectively:

- i. When an IE re-activates its dormant application, the Panel to review and assess the substantiveness of the IE's responses and newly uploaded documents;
- ii. On the second instance where an application is re-activated from dormancy and the Panel assesses that the IE's responses and newly uploaded documents are not substantive, for the Secretariat to convene a meeting with the DA of the concerned applicant entity country to discuss the status of the application; and
- iii. The secretariat to continue to implement Decision B.31/26, following the steps referred to in paragraphs (i) and (ii) above.

12. **Streamlining of AP assessment reports:** The discussion was part of an ongoing effort by both the Panel and secretariat to ensure that the review of applications by the Panel is streamlined as much as possible. The discussion focused on three key areas: (i) the length of both the assessment report and note to the Board; (ii) the content of both of the reports; and (iii) the characteristics and modalities of the comments to be raised by Panel members on draft reports submitted for review. Panel experts shared their experiences, noting that the length of the reports should be flexible to accommodate the complexity of applications, and that imposing length restrictions could hinder comprehensive or nuanced assessment of applications. Some members added that the nature of the reports depends on a number of factors, including the modality or route of the application being reviewed and whether or not some reviews require extensive third-party assessments. The Panel concluded the discussion by providing a recommendation for the consideration of the Board at its upcoming forty-second meeting in April 2024. The recommendation is available in paragraph 14 of this report.

13. **Workflow Efficiency Improvements:** This was an information session about the Fund's Workflow – an online portal for managing accreditation and re-accreditation applications. The secretariat shared with the Panel its plans to further improve the efficiency of the portal to make it possible for specific tasks typically managed by the secretariat to be automated. The key improvements are planned for FY25, and would include among others features such as: (i)



automated notifications and alerts for the secretariat, the Panel, and applicant entities at various stages of the application process; (ii) a chatbot to address common inquiries from applicants navigating the platform; and (iii) a web application to simplify document uploads and track application progress. The secretariat also seeks through this improvement to reinvigorate the existing data messaging system and ensure that Workflow data export function is enhanced and that data is accessible and available in a user-friendly format. The Panel noted that the update was both useful and timely, and shared their perspectives on other potential areas of improvement for the secretariat to consider in the future.

### **AP Recommendation:**

#### Re-accreditation of the Ministry of Finance (MoF) of Ethiopia as a National Implementing Entity of the Adaptation Fund

14. Having reviewed the re-accreditation application of the Ministry of Finance (MoF) of Ethiopia and following the re-accreditation process approved by Decision B.34/3, the Accreditation Panel recommends that MoF be re-accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

15. Having considered the recommendation of the Accreditation Panel and following the re-accreditation process approved by Decision B.34/3, the Adaptation Fund Board may wish to consider and re-accredit Ministry of Finance (MoF) of Ethiopia as a National Implementing Entity 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 [Day Month Year].

**(Recommendation AFB/AP.41/1)**

#### Streamlining of Panel assessment reports

16. Following the discussion of the Panel on the streamlining of Panel assessment reports, the Panel recommended that the Board requests the secretariat to initiate work to further streamline the Accreditation Panel's Assessment Report on (re-)accreditation applications and the Note to the Board with a view to improving their efficiency, and present the outcome of the work to the next Accreditation Panel meeting.

**(Recommendation AFB/AP.41/2)**

17. The forty-second meeting of the Accreditation Panel will be held in Washington, DC, on 28-29 August 2024.

## ANNEX I

### REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE MINISTRY OF FINANCE, FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA, FOR REGULAR RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

#### BACKGROUND

Since the 1970s, Ethiopia has faced more frequent natural drought and flooding cycles due to rapid rise in temperatures. Combined with rapid population growth, environmental degradation, reliance on traditional farming techniques and rain-fed agriculture have exacerbated the country's vulnerability (including food insecurity) to climate change. Faced with this challenge, the country launched a green economy strategy to deal with climate issues and established *the Climate Resilient Green Economy (CRGE)* Facility in 2011 to implement the strategy. CRGE does this principally through "Fast Track Investments" which aim to reduce greenhouse gases, foster economic development and reduce carbon-based activities.

#### The Applicant

The Ministry of Finance (MoF) (formerly the Ministry of Finance and Economic Development) was established by law of the House of Peoples Representatives of the Democratic Republic of Ethiopia. The law granted MoF the powers and duties to mobilize, negotiate and sign foreign development assistance and loans, and follow up the implementation of same. While MOF is the selected NIE that applied for accreditation, the CRGE has the primary responsibility for implementation of projects/programmes financed with the proceeds of the grant funding provided by the Adaptation Fund. The Facility was established by the MoF and the Ministry of Environment, Forestry and Climate Change (MEFCC) as a national fund for mobilizing national and international financial resources for the implementation and realization of Ethiopia's climate resilience building and low carbon strategies into Ethiopia's Growth and Transformation Plan.

The CRGE Facility is governed by a Management Committee which is co-chaired by the two founding ministries at state minister level. All sector ministries involved in the CRGE strategy are represented, as well as senior level technical experts from their CRGE unit. An Advisory Board, which is comprised of representatives from the development partners, private sector, Multilateral development partners, civil society organizations, and academia is in place to enable stakeholders to share and review information relevant to the performance of the CRGE Facility and to influence, as appropriate, the resources available to the facility and the ways in which these are utilized.

A secretariat comprised of a finance team (based in MoF through which MoF provides oversight and financial management support) and a technical team within the Ministry of Environment, Forestry and Climate Change , provides technical support.

The AF Board approved MoF's initial accreditation as a NIE in February 2016. In March 2017, the AF approved the *Climate Smart Integrated Rural Development* project for approximately USD 10 million for a duration of four years. This project was successfully completed, and a terminal evaluation report was issued in January 2023. The Panel concludes that, overall, there were no significant implementation issues, in part due to the project's robust quality at entry.

MoF currently has one active project with the GCF in the amount of USD 165.2 million with an anticipated completion date of 2026.

## ASSESSMENT FOR REGULAR RE-ACCREDITATION

MoF's application to the AF is being assessed under the regular accreditation modality (as it has been more than 4 years since its GCF accreditation) in accordance with EB Decision B.34/3 (Updated Re-accreditation Process) and B.32/36 (Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism) based on AFB/EFC.23/4, and its annexes. As MoF has already satisfactorily completed the implementation an AF project, this assessment relied on the project's terminal independent evaluation report, which was issued in January 2023 and hence did not assess the criteria for institutional capacity related to projects during implementation (criteria 6, 7 and 8) as set out in AFB/B.34/5. Accordingly, the assessment for MoF's re-accreditation focused on the following criteria:

### ***Financial Management and Integrity***

**Legal Status** – MoF continues to meet the criterion. It has demonstrated the required legal status (as a federal Ministry MoF is treated as a legal person) with specific capabilities: capacity/authority and ability to directly receive funds; legal authority to enter into contracts or agreements with international organizations; and capacity to serve as a plaintiff or defendant in a court of law.

**Financial statements including Project Accounts and Provisions for Internal and External Audits** – MoF continues to meet the criterion. Its financial statements are audited by the Office of the Federal Auditor General (OFAG). OFAG performs its audits in accordance with the Proclamation and the accounting policies of public bodies and represents Ethiopia in the International Organization of State Audit Institutions. Third party reviews have confirmed OFAG's progress towards full alignment with international standards, and the Federal Government of Ethiopia, led by MoF, has embarked on a five-year reform strategy to bring the practice of public financial management to international standards.

MoF deploys the Oracle E- Business Suite R12 application to implement its Integrated Financial Management Information System which is essentially its Enterprise Resource Planning system, serving as the backbone for its financial and accounting information (and other business processes).

The internal audit function in MoF is discharged through the Internal Audit Directorate which is administratively located in the Minister's Office. The function is guided by the *Internal Audit Standards and Code of Ethics for Internal Auditors and Internal Audit Procedural Manual* issued and implemented by the Ministry of Finance which supervises the internal audit functions of all public bodies of the federal government. Third party reviews have confirmed MoF's progress towards full alignment with international standards, and the Federal Government of Ethiopia, led by MoF, has provided satisfactory evidence of a five-year reform strategy to bring the practice of public financial management to international standards.

Oversight of all assurance functions is vested in the parliament through the Public Expenditure Administration and Control Affairs Standing Committee of the House of Peoples Representatives. This body oversees the work of the Inspection Directorate General on internal audit and internal control, and the Office of the Federal Auditor General on external auditor of all federal public institutions of the Federal Government of Ethiopia. MoF provided satisfactory evidence of the Committee's ToR and its performance.

**Internal Control Framework and Payment System** – MoF continues to meet the criterion. Its internal control framework (ICF) is articulated through a hierarchy of Policies, Regulations and

Rules, and Manuals. As a federal government ministry, many elements of its ICF are pre-determined by law. As an entity that also provides oversight to other public bodies, MoF has recently restructured itself to better discharge those responsibilities. MoF's Treasury Directorate administers the CGRE account and oversees payments to implementing and executing agencies for CRGE projects using controls of the integrated financial management system.

**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 these policies and procedures, and laws** – MoF continues to meet the criterion. The national AML/CFT framework is in line with national regulations and is linked to the National Financial Intelligence Center, an autonomous legal entity established in 2009 as a dedicated public body to handle AML/CFT issues, including overseeing screening procedures by the central bank and designated commercial banks and handling violations of AML/CFT regulations. As MoF engages only with bilateral and multilateral agencies, and does not make direct money transfers, the Panel concluded that its AML/CFT risks are low.

**Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets** – MoF continues to meet the criterion. Since it was accredited, MoF has adopted a 5-year long-term planning horizon (currently 2021-2025) that is aligned with the national macroeconomic framework. The objectives of the plan are further translated into outputs covering a 3-year medium-term plan and are implemented and monitored through the annual budget. As a government entity, MoF does not face solvency problems in its budget.

### ***Requisite Institutional Capacity***

MoF continues to meet the criterion. Procurement activities in all public bodies are guided by the Procurement and Administration Proclamation, a law which defines the scope of application and articulates the key principles of best practice procurement. It provides detailed procurement procedures (including screening organizations against national and international watch lists) and establishes the role of key decision-making committees.

MoF has demonstrated its competency in project implementation, closure and final evaluation and has provided specific examples that included an AF project.

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

**Policies and Framework for Dealing with Financial Mismanagement and Other Forms of Malpractices** – MoF continues to meet the criterion. The Government of Ethiopia has strong laws and regulations for combatting corruption in public bodies, which provide the framework for its “zero tolerance” policy towards fraud, financial mismanagement, and other forms of malpractice. MoF has in place policies and procedures that supplement the framework of laws and regulations enacted by the Government of Ethiopia for combating corruption. The capacity to implement these laws and procedures rests primarily with the Ethics Directorate within the Ministry complemented by a national anti-corruption infrastructure comprised of laws and regulatory/enforcement bodies. The Ministry of Justice headed by the Attorney General since 2021 has the primary responsibility for investigating and prosecuting allegations of corruption.

**Commitment by the entity to apply the Fund's Environmental and Social (E&S) Policy and Gender Policy** – MoF continues to meet the criterion. It submitted its commitment letter dated 01 June 2021 and signed by the head of the Directorate housing the CRGE Facility to abide by the AF's environmental and social and gender policy. This commitment is supported by appropriate

policies and staffing resources within MoF and MEFCC as well as confirmed by evidence from independent reviews and evaluations. It is also backed by strong national commitments and policies of the Government of Ethiopia.

**Mechanism to Deal with complaints on Environmental and Social Harms and Gender Harms Caused by Projects/Programmes** – MoF continues to meet the criterion. The Panel is satisfied that MoF has maintained the commitment and the capability to receive complaints regarding environmental, social and gender harms caused by its programmes and projects and have them independently reviewed and remedial action taken, where appropriate.

## **CONCLUSION**

After taking into consideration the information provided by MoF during the re-accreditation assessment process, the applicant is considered to meet all the standards reviewed and the Panel, therefore, recommends that MoF be re-accredited as a National Implementing Entity of the Adaptation Fund.