

Adaptation Fund Board  
Ethics and Finance Committee  
Thirty-fifth Meeting  
Bonn, Germany

## **Update on the Implementation of an Action Plan for the Management Response to the Recommendations of the Thematic Evaluation of the Accreditation Process**

### **Strategic Issues**

- a) The thematic evaluation of the Adaptation Fund (the Fund) accreditation process conducted by the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) is one of three thematic evaluations, which are part of the AF-TERG's first multi-year work programme
- b) An evaluation of the Fund's accreditation process is crucial due to its strong thematic alignment with the Fund's strategic direction, that is, supporting country-driven adaptation projects/programmes that directly reach, engage, empower, and benefit the most vulnerable communities and social groups, reemphasizing the importance of direct access.
- c) The evaluation assessed the relevance, effectiveness, and efficiency of the accreditation and re-accreditation process as the number and responsibilities of NIEs are increasing after the 2021 AF Board decision to increase the number of NIEs per country and to raise the cap per country.
- d) The AF Secretariat Management response to the AF-TERG thematic evaluation presented the management perspective on the overall methodology and responses to the nine (9) evaluation recommendations, including areas of agreement and disagreement.
- e) The action plan prepared based on the agreed evaluation recommendation aims to ensure the guidance and insights from the TERG thematic evaluation are systematically integrated by the Secretariat to improve the overall accreditation process, as envisioned in MTS-II.

### **Purpose**

1. This board paper presents to the Ethics and Finance Committee an update on the implementation of the action plan in response to AF-TERG thematic evaluation of the accreditation process for the Board to take note of the progress on the agreed action plan by the Adaptation Fund Secretariat in response to the recommendations from the AF-TERG Thematic Evaluation on the accreditation process.

## **Recommended Decision**

2. The Ethics and Finance Committee, recalling its request for the Secretariat to update the Board on the implementation of the action plan in response to AF-TERG thematic evaluation of the accreditation process, takes note of progress to implement the action plan.

## **Background**

3. At the thirty-third meeting of the Ethics and Finance Committee (EFC) in April 2024, the Adaptation Fund Technical Evaluation Reference Group (AF-TERG) presented an update, through document AFB/EFC.33/11 on the thematic evaluation on the Adaptation Fund accreditation process. Members welcomed the findings of the evaluation but requested the Secretariat to prepare a management response for consideration at the thirty-fourth EFC meeting to permit further deliberation on the outcomes of the evaluation as per Decision B.42/48.
4. At the thirty-fourth meeting of the EFC in October 2024, the Secretariat, through document AFB/EFC.34/6, presented a management response to the recommendations of the thematic evaluation of the accreditation process. Members, after further discussion, took note of the AF-TERG recommendations as contained in document AFB/EFC.33/11 and the management response contained in document AFB/EFC.34/6.
5. Having considered the recommendation of the EFC, the Adaptation Fund Board took note of the recommendations of the thematic evaluation of the Fund's accreditation process conducted by the AF-TERG, as contained in document AFB/EFC.33/11, as well as the discussion during the 34th meeting of the EFC and the 43rd meeting of the Board, as well as the management response contained in document AFB/EFC.34/6, and decided to request the Secretariat:
  - (a) To prepare an action plan to implement agreed and partially agreed recommendations arising from the thematic evaluation mentioned above, for consideration by the Board during the intersessional period between its forty-third and forty-fourth meetings;
  - (b) To report to the EFC, at its thirty-fifth meeting, on the progress made in implementing the action plan.

Decision B.43/26

6. As per Decision B.43/26, the Secretariat prepared an action plan contained in Annex A, highlighting the agreed and partially agreed recommendations. The action plan was circulated intersessionally on March 17, 2025 to the Board for consideration.



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### Annex A - Action Plan to Implement Agreed and Partially Agreed Recommendations Arising from the Thematic Evaluation of the Accreditation Process

This document, as mandated by Decision B.43/26 paragraph (b) presents the progress made to date by the secretariat in implementing the agreed and partially agreed recommendations as contained in document AFB/EFC.34/6.

#### Action Plan for the implementation of the recommendations from the AF TERG accreditation evaluation

Recommendation	Action Plan	Progress
<b>R2a.</b> Updating OPG (re)accreditation supporting materials.	<ul style="list-style-type: none"><li>- For entities in re-accreditation status, the Secretariat (Result-based management team), in collaboration with the AF-TERG, will monitor the alignment of project performance assessments and align it with the project evaluation criteria outlined in the Fund's new Evaluation Policy so that the <b>input on IE project performance includes IE's management response and corrective actions to evaluation recommendations in cases where substantive concerns have been raised</b> in para 28(d) of the evaluation policy.</li><li>- As part of the ongoing work of the Accreditation Panel (the Panel) to streamline the assessment report, the Panel will discuss options to clarify the documentation required to comply with (re-)accreditation requirements.</li></ul>	<ul style="list-style-type: none"><li>- The RBM team continues to provide performance assessment reports based on requests from the AP. In cases where the IE has a project that has submitted a mid-term or end-term evaluation, the evaluation alongside its management response, if any, will also be submitted. The RBM team when assessing the mid-term and terminal evaluations submitted by IEs checks for the alignment with the AF's evaluation criteria outlined in the new evaluation policy. The Secretariat also has started collaborating internally on re-accreditation matters on case-to-case basis. For instance, the Accreditation Panel undertook a joint visit with the RBM team of the Secretariat to assess the re-accreditation of RIE001.</li><li>- During the intersessional period between the forty-third and forty-fourth meetings of the Board, the Panel held a series of discussions, including possible ways to help applicant entities better understand the supporting documents required for (re-)accreditation. The Accreditation Panel's Guidance Document</li></ul>



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		<p>endorsed during the forty-third meeting of the Panel also spells out the specific operational linkages between the RBM and Accreditation.</p> <ul style="list-style-type: none"> <li>- During the forty-third meeting of the Panel held on 3-4 February 2025, the Panel expressed interest in continuing to discuss the issue of updating (re-)accreditation supporting documents further in the current Fiscal year.</li> </ul>
<p><b>R2b.</b> The AFB Secretariat in collaboration with the AF-TERG should clarify how the assessment of past project performance is being integrated into the overall re-accreditation criteria, in alignment with the new Evaluation Policy.</p>	<ul style="list-style-type: none"> <li>- The Secretariat will work closely with the AF-TERG to clarify the scope of IE project performance assessment during re-accreditation.</li> </ul>	<ul style="list-style-type: none"> <li>- The Quality-at-Entry and Project Performance Assessment required during the re-accreditation process is now embedded in the Guidance Document and Approach Document prepared by the Secretariat (Accreditation team) in consultation with the Panel. These documents will be shared with RBM team, Projects and Programming team, and TERG for their review and comments to ensure the assessment aligns with the new Evaluation Policy.</li> </ul>
<p><b>R2c.</b> The AF Board may wish to consider establishing a standard procedure for updating the OPG's annexes every time Fund policies are approved or amended by the Board.</p>	<ul style="list-style-type: none"> <li>- The Secretariat is revising the OPG, integrating recent changes in the Fund's policies as requested by the Board</li> <li>- The Secretariat will develop a standard procedure for reviewing OPG annexes whenever new policies are approved or amended.</li> </ul>	<ul style="list-style-type: none"> <li>- The Secretariat intends to revise the OPGs following the Board's approval of the proposed amendments to the project legal agreement and update to the Environmental and Social Policy.</li> </ul>



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<b>R3.</b> Capacity assessment and tailored readiness support.	<ul style="list-style-type: none"><li>- The Secretariat will continue to identify opportunities to meet with DAs at international forums such as the COP and at joint workshops with UNFCCC, MDBs, and other climate funds.</li><li>- Early planning on engaging with DAs on capacity building related to candidate applicant IE nominations</li><li>- Transition of DA from officer to entity will contribute to strengthening their capacity – the Secretariat will further engage with DAs and share information (Decision B.42/52)</li><li>- AF TERG evaluation on readiness programme will provide guidance on how synergies between the Fund’s accreditation and readiness programmes could be strengthened.</li><li>- The Secretariat will consider updating the study on “Bridging the Gaps in Accreditation” including the lessons learned which remains relevant to the issue of capacity building</li></ul>	<ul style="list-style-type: none"><li>- At the COP29 in Baku Azerbaijan, the secretariat organized a direct access event on 18 November 2024 which targeted DAs, implementing entities focal points, representatives from applicant entities in the Workflow pipeline.</li><li>- The secretariat held several meetings with developing country governments and IEs in the margins of COP29 to provide guidance on how the Fund operates, including support available through the readiness programme for accreditation and project development.</li><li>- The secretariat also organized a targeted Readiness webinar for DA and UNFCCC focal points informing about the process and support available on the transition of DA from officer to an entity on 5 March 2025. More events will be planned to ensure smooth transition of all DA as entities.</li><li>- The readiness team held a webinar for capacity building of DAs on the transition of DA from officer to entity. Follow ups and continued support will be provided <i>via</i> regional and global workshops.</li><li>- Readiness and accreditation teams working together to establish partnerships with other climate funds and organizations that provide capacity building to developing countries on climate finance access, to further capacitate DAs on navigating the AF accreditation process as well as project identification and</li></ul>
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		<p>development that is aligned to national priorities</p> <ul style="list-style-type: none"><li>- The readiness and accreditation teams has been holding periodic meetings to plan joint capacity events targeting DAs and DAEs</li><li>- The secretariat will consider the update of this study as part of the potential comprehensive assessment and restructuring of the (re)accreditation process.</li></ul>
<b>R4.</b> Pipeline Management.	<ul style="list-style-type: none"><li>- The Board decided based on the recommendation of the Accreditation Panel, to apply a more effective approach to managing dormant applications as per paragraph 11 of Document <a href="#">AFB/B.42/4</a> (Report of the 41<sup>st</sup> meeting of the Accreditation Panel).</li></ul>	<ul style="list-style-type: none"><li>- The implementation of Decision B.42/52 is ongoing. Sufficient time needs to pass to evaluate the efficiency of the approach adopted by the Panel.</li></ul>
<b>R5.</b> The fast-track re-accreditation needs to become faster	<ul style="list-style-type: none"><li>- The Secretariat will continue to investment in enhancing the Workflow system through automation and other technical features</li></ul>	<ul style="list-style-type: none"><li>- Secretariat has implemented and deployed Phase-I of the enhancements to the Workflow aimed at improving the efficiency and effectiveness in the processing and tracking of applications through automation.</li><li>- Phase-II updates will be commissioned in FY25, after collating feedback from the Accreditation Panel and applicant IEs.</li><li>- During the AP43 meeting held in February 2025, the secretariat facilitated a brainstorming exercise on the re-accreditation process, resulting in a recommendation to be considered by the Board at the upcoming forty-fourth meeting.</li></ul>



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<b>R6. Regular Reviews of the process</b>	<ul style="list-style-type: none"><li>- The Secretariat will commit to conduct periodic analyses and review of the Fund's accreditation process, informed by developments in sister climate funds and potential impacts.</li><li>- The Secretariat will standardize steps or templates as necessary</li></ul>	<ul style="list-style-type: none"><li>- When need arises which is generally recommended by the Panel and/or based on AF secretariat engagement with the GCF. The secretariat continues to monitor the upcoming changes in the accreditation process of the GCF at 42<sup>nd</sup> meeting of the GCF Board. The AF secretariat has also reinvigorated discussions with the GEF secretariat on Fast-track accreditation of AF accredited entities under the upcoming GEF Phase 3 expansion of entities.</li><li>- The most recent gap analysis (Document AFB/B.42/5) was submitted to the forty-second meeting of the Board held on 16 – 19 April 2024</li></ul>
<b>R7. Differentiation of accreditation requirements</b>	<ul style="list-style-type: none"><li>- The Secretariat will work closely with DAs and other relevant climate funds to identify opportunities for new models</li><li>- The Secretariat will consider the suitability of new accreditation models with differentiated requirements for accreditation for different entities</li></ul>	<ul style="list-style-type: none"><li>- At the forty-third meeting of the Panel held on 3-4 February 2025, the Panel expressed interest in exploring a more efficient approach to the accreditation requirements, ensuring it is fit for purpose.</li><li>- The secretariat will consider a technical assessment of potential new accreditation models as part of the comprehensive AF accreditation review after the completion of DA Transition period to entity and GCF Board decision on the upcoming accreditation package.</li></ul>