



Adaptation Fund Board  
Forty-sixth meeting  
Bonn, Germany

## REPORT OF THE FORTY-FIFTH MEETING OF THE ACCREDITATION PANEL

### Strategic Issues

- a) Reporting on the work of the Accreditation Panel with respect to accreditation and re-accreditation application portfolio, covering 23 accreditation and 19 re-accreditation applications.
- b) The number of (re)accreditation applications in the pipeline is steadily increasing, with a total of 95 applications out of which 42 are under review, 14 are under screening, and 39 pending submissions by applicant entities.
- c) The secretariat received new accreditation application for one National Implementing Entity (NIE) between the last AP44 report and AP45 report to the Board.
- d) During the intersessional period between the forty-fifth and the forty-sixth meetings of the Board, the Panel recommended the re-accreditation of four NIEs and one multilateral implementing entity (MIE): the South African National Biodiversity Institute (SANBI); the National Bank for Agriculture and Rural Development (NABARD), India; the Planning Institute of Jamaica (PIOJ), Jamaica; the Ministry of Planning and International Cooperation (MOPIC) of Jordan, and the International Fund for Agricultural Development (IFAD).
- e) The secretariat presented the Key Performance Indicators (KPIs) for Panel's consideration, with the objective to better track and monitor the timeliness of the (re)accreditation processes.
- f) Per Board's decision to prepare detailed proposal for operationalizing Option 3 of the proposed re-accreditation process of the Fund in consultation with the Accreditation Panel, the Panel provided inputs to the proposal at its forty-fifth meeting.

### Purpose

1. This board paper presents as Annex 1 the report of the forty-fifth meeting of the Accreditation Panel, which provides updates on the (re)accreditation portfolio, the discussion on the incorporation of Key Performance Indicators (KPIs) in relation to the Panel's assessment of (re)accreditation applications, and the key discussions on the detailed proposal for continuous accreditation process that will be presented to the Board at its forty-sixth meeting.
2. As well, this paper presents as Annex 2 for the Board's consideration a detailed proposal to operationalize Option 3 of the Adaptation Fund's revised re-accreditation approach, as requested in decision B.45/4.

3. This paper further presents as Annex 3 for the Board's consideration the Note to the Board by the Accreditation Panel recommending the accreditation of the Royal Society for Protection of Nature (RSPN) of the Kingdom of Bhutan as the National Implementing Entity of the Fund.

### **Recommended Decisions**

4. The Adaptation Fund Board, having considered document AFB/B.46/13/Rev.1 and its annexes, and recalling its decision B.45/4, decides to:
  - a) Take note of the report of the Accreditation Panel as set out in Annex 1 of document AFB/B.46/13/Rev.1 and its confidential addendum;
  - b) Approve the continuous accreditation model, as set out in Annex 2 of document AFB/B.46/13/Rev.1;
  - c) Adopt periodic self-assessment and self-certification, supported by existing project-level oversight, as the baseline mechanisms for ongoing accreditation assurance, as well as the use of consolidated performance information to inform case-based institutional reviews.
  - d) Request the Secretariat to:
    - (i) Prepare any necessary amendments to existing policies and guidance to give effect to the continuous accreditation model, for consideration by the Board, as appropriate; and
    - (ii) Report back to the Board after an initial implementation period of [12 months] on operational experience, resource implications, and any recommended refinements.
5. The Adaptation Fund Board, having considered document AFB/B.46/13/Rev.1 and the recommendation of the Accreditation Panel as set out in Annex 3, decides to:
  - a) Accredite the Royal Society for Protection of Nature (RSPN) of the Kingdom of Bhutan, as a National Implementing Entity (NIE) of the Adaptation Fund under the streamlined accreditation process for a period of five years (the accreditation expiration date is 10 April 2031).
  - b) Entitle RSPN to submit project and programme proposals to the Adaptation Fund for up to US\$ 1 million.

## **Annex 1: Report of the Forty-Fifth Meeting of the Accreditation Panel**

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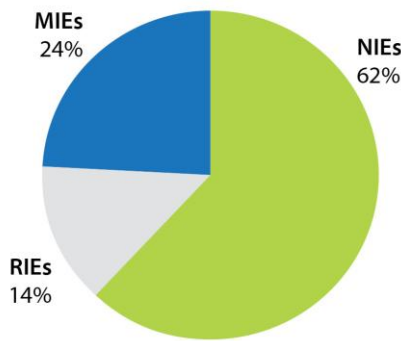
### **Background**

1. The Accreditation Panel (the Panel) continued its work reviewing existing applications. The Panel held its forty-fifth meeting (AP45) on 4-5 February 2026 in Washington, DC. The Chair of the Accreditation Panel, Mr. Naresh Sharma (Nepal, Least Developed Countries) and Vice-Chair, Mr. Antonio Navarra (Italy, Western Europe and Others Group), presided over the 2-day meeting.
2. For the forty-fifth Panel meeting, the Adaptation Fund Board Secretariat (the Secretariat) received new accreditation application for one potential national implementing entity (NIE). The Panel continued reviewing 23 existing accreditation applications (21 NIEs; two Regional Implementing Entities (RIEs)), 19 re-accreditation applications (8 NIEs; 5 RIEs; and six Multilateral Implementing Entities (MIEs)). The accreditation applications of five (5) of the NIE candidates have been dormant for at least a 6-month period. Therefore, in accordance with Decision B.31/26, the Secretariat sent the first and second notifications letters notifying the respective designated authorities (DAs) about the inactivity on 23 February 2026.
3. After considering the recommendation by the Panel, the Adaptation Fund Board had intersessionally approved during the period from 11 October 2025 to 5 February 2026 the re-accreditation of four NIEs and one MIE: the South African National Biodiversity Institute (SANBI), the National Bank for Agriculture and Rural Development (NABARD), India, the Planning Institute of Jamaica (PIOJ), Jamaica, and the Ministry of Planning and International Cooperation (MOPIC) of Jordan as NIEs of the Adaptation Fund, as well as the re-accreditation of the International Fund for Agricultural Development (IFAD) as an 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 (Decision B.45-46/9; Decision B.45-46/10; Decision B.45-46/11; Decision B.45-46/12; Decision B.45-46/13).
4. As of the forty-fifth meeting of the Panel, 23 accreditation applications, comprising of 21 potential NIEs and two potential RIEs were under review by the Panel as follows:
  1. National Implementing Entity NIE041
  2. National Implementing Entity NIE055
  3. National Implementing Entity NIE066
  4. National Implementing Entity NIE113
  5. National Implementing Entity NIE140
  6. National Implementing Entity NIE144
  7. National Implementing Entity NIE147
  8. National Implementing Entity NIE148
  9. National Implementing Entity NIE149
  10. National Implementing Entity NIE155
  11. National Implementing Entity NIE156
  12. National Implementing Entity NIE159
  13. National Implementing Entity NIE160
  14. National Implementing Entity NIE161
  15. National Implementing Entity NIE163

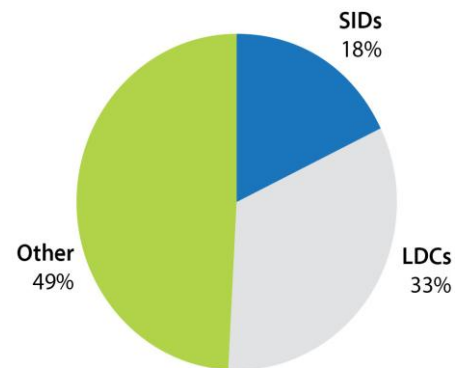
- 16. National Implementing Entity NIE164
- 17. National Implementing Entity NIE166
- 18. National Implementing Entity NIE171
- 19. National Implementing Entity NIE172
- 20. National Implementing Entity NIE175
- 21. National Implementing Entity NIE177
- 22. Regional Implementing Entity RIE016
- 23. Regional Implementing Entity RIE020

**GENERAL TRENDS**

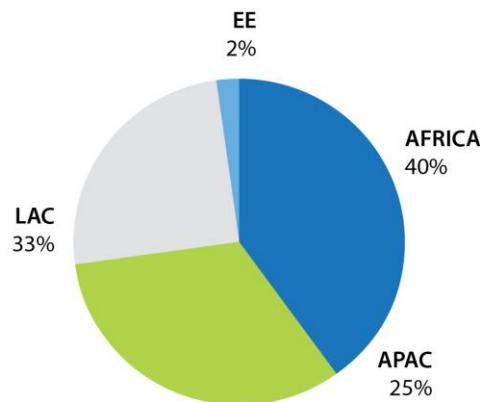
5. As of 27 January 2026, the total number of accredited implementing entities amounted to 63: 39 NIEs, nine RIEs, and 15 MIEs (Figure 1). Among the 39 NIEs, there were 13 accredited NIEs that were from Least Developed Countries (LDCs) and seven accredited NIEs that were from Small Islands Developing States (SIDS) (Figure 2). Out of the 63 accredited implementing entities of the Fund, 42 entities (65%) had been re-accredited: 24 NIEs, 6 RIEs and 12 MIEs. With respect to the geographic coverage of the 39 NIEs and 9 RIEs, 16 entities were from Latin America and the Caribbean (LAC), 19 were from Africa, 12 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 24 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

6. 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 27 January 2026



## STATUS OF APPLICATIONS UNDER REVIEW

| APPLICANT IE                                | SUBMISSION OF APPLICATION (MM-YYYY) | REFERENCE FOR BACKGROUND INFORMATION | CURRENT STATUS  |
|---|-------------------------------------|--------------------------------------|---|
| <b>NEW APPLICATIONS</b>                     |                                     |                                      |   |
| NIE175<br><b>(Fast-track Accreditation)</b> | Oct-2025                            | N/A                                  | The application is being reviewed under the fast-track route. The Secretariat first received this application on 21 October 2025, and then, after initial screening it was sent back to the focal point on 2 December 2025. The application was resubmitted on 12 December 2025 and 15 January 2026. Thereafter, it was progressed for initial panel review on 22 January 2026. At the AP45 meeting, the Panel noted that it has commenced its initial review of the application. |
| <b>EXISTING APPLICATIONS</b>                |                                     |                                      |   |

|                            |           |            |  |
|----------------------------|-----------|------------|--|
| NIE140<br><b>(Dormant)</b> | Sept-2019 | AFB.B45/.9 | The latest exchange with the applicant was on 16 January 2025 when the secretariat sought updates from the focal point regarding the status of the application. At AP45, the Panel noted that the applicant uploaded a few documents in February and one document in July 2025, which only partially responded to the Panel's questions. The Secretariat also notified the Panel that the entity received the Adaptation Fund's Readiness Grant support in 2017. At the time of the report, the secretariat has received no additional documents from the entity.                      |
| NIE147                     | Aug-2020  | AFB.B45/.9 | The application is currently under the Panel's review through the regular accreditation route. At AP45, the secretariat and the Panel agreed to conduct a visit to the entity in early April to further understand the entity gaps and how to facilitate the progression of the application. The secretariat will coordinate with the applicant on the proposed visit. On 10 February 2026, the applicant uploaded 2 additional documents on the workflow.   |
| NIE149                     | Aug-2023  | AFB.B45/.9 | The application is being reviewed by the Panel under the regular accreditation route and was progressed to the Panel on 4 January 2024 for its initial review. At AP45, the secretariat informed the Panel that it met with the applicant delegation at COP30, and the applicant informed that the entity is currently updating its policies which will be sent to the Panel once they are finalized. The Panel also requested the secretariat to facilitate a follow-up meeting. At the time of this report, no additional information has been provided by the applicant.            |
| NIE155                     | Aug-2024  | AFB.B45/.9 | The Secretariat assigned this application for review on 3 December 2024. The Panel completed its initial review of the application and produced a list of follow up questions which the Secretariat transmitted to the focal point on 29 April 2025. In response to a request for updates from the secretariat, the focal point uploaded three documents on 4 August 2025. At the AP45 meeting, the Panel noted that most of the submitted documents did not specifically address the issues raised. At the time of this report, no new documents have been uploaded by the applicant. |

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| NIE156                                       | Jul-2022 | AFB.B45/.9 | At the AP44 meeting, the Panel noted that it had held follow-up discussion with the applicant and is currently finalizing its report. The Secretariat met with the entity's representatives at COP30 in Belem. On the 26 November 2025, the Panel requested the secretariat to send follow-up questions and additional documents were uploaded by the entity on 5-7 December 2025. On 20 January, the focal points followed up with the Secretariat on the status of the application. At AP45, the panel noted that they received a response to their previous round of questions where the applicant addressed all the questions. The Panel noted that it is working on the draft report, which is expected to be finalized in the coming weeks.  |
| NIE159                                       | Mar-2024 | AFB.B45/.9 | In June 2025 virtual meeting, the Panel suggested the entity to consider accreditation under the streamline route, and advised the entity to coordinate with the DA of the country to send an official letter to the secretariat. The secretariat also put the applicant in touch with Readiness team to learn about grants to support accreditation. On 11 November 2025, the applicant uploaded 3 additional documents on the workflow. Following which the focal point reached out to the secretariat requesting a follow-up meeting. On 31 January the secretariat clarified via email the outstanding steps for the applicant in relation to the potential readiness support for the applicant. At AP45, the Panel noted that the applicant has not yet responded to outstanding questions, including matters related to the financial statements, AML/CFT compliance, and currency volatility. At the time of this report, no further documents have been uploaded to the workflow, and the secretariat awaits the DA letter requesting the secretariat to assess the applicant under streamlined route. |
| NIE163<br><b>(Streamlined accreditation)</b> | Jun-2024 | AFB.B45/.9 | The application is considered under streamline route. After the AP44 meeting, the secretariat sent the Panel's follow-up questions on 27 October 2025 and 12 January 2026 respectively. The entity responded to the last round of questions on 16 January following which the Panel and the secretariat undertook a field visit to the entity from 20 <sup>th</sup> to 24 <sup>th</sup> January 2026. Following the Panel's guidance, the entity uploaded 6 additional revised documents after the team's visit. At AP45, the Panel noted that the recent visit to the entity resolved all outstanding issues, and the Panel is now finalizing its report, which is expected to be completed in the coming weeks.  |

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| <p>NIE164<br/><b>(Fast-Track Accreditation)</b></p>  | <p>Nov-2023</p> | <p>AFB.B45/10/.9</p> | <p>The application is being reviewed under the Fast-Track Accreditation route. The secretariat reached out to the applicant for a bilateral meeting at COP30 but received no response. At the AP45 meeting, the Panel noted that the application has not progressed. The primary outstanding issue relates to AML/CFT compliance, despite the applicant having previously benefited from the GCF Readiness Programme. The Panel is, however, optimistic that accreditation is achievable, particularly in light of the recent re-accreditation of another entity in the country. At the time of this report, no new information has been uploaded to the workflow by the applicant.</p>  |
| <p>NIE166<br/><b>(Streamlined accreditation)</b></p> | <p>Nov-2023</p> | <p>AFB/B.45/.09</p>  | <p>At the AP44 meeting, the Panel noted that the applicant does not have many of the fiduciary systems in place, and recommended the applicant to consider readiness support. The applicant uploaded 13 documents on the workflow on 1 September 2025 and one more document on 20 January 2026. On 21 January 2026, the applicant held a conversation with IBRD to serve as an intermediary for the readiness support unfortunately the IBRD noted its inability to perform this role due to ongoing legal resolutions with the AF Board. At the AP45 meeting, the Panel noted that the applicant had provided extensive supporting information with the assistance of a consultant, which seems disproportionate for a streamlined process, and requested guidance on the next steps should the application remain unable to meet the requirements. The Secretariat will initiate discussions with the NDA and the entity, to consider options such as withdrawal or replacement of the entity. At the time of this report, the secretariat will coordinate a meeting with the entity and DA.</p> |
| <p>NIE171</p>  | <p>Nov-2024</p> | <p>AFB/B.45/.09</p>  | <p>After AP44 meeting, the applicant uploaded documents on 8-9 September 2025 and again on 8-15 December 2025. On 12 January 2026, the secretariat transmitted the Panel's fourth round of questions to the applicant. On 30 January 2026, the Panel held a meeting with the applicant to clarify the residual issues relating to environmental, social and gender risks as well as the entity's internal control framework. At the AP45 meeting, the Panel noted that it held a constructive meeting with the applicant and a few issues remain outstanding, including AML/CFT and ES &amp; G. The Panel also reported that the applicant demonstrated a clear understanding of these issues and is committed to submitting the additional required materials in February ahead of the Panel's visit to the entity scheduled for March 2026. At the time of this report, the panel is reviewing the additional documents.</p>   |

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| NIE172                                 | Oct-2024 | AFB/B.45/.09 | <p>The application is being considered for accreditation on a regular route. The application was assigned to the Panel for initial review on 4 December 2024. The Panel's first round of questions was conveyed by the secretariat to the applicant on 1 May 2025. The applicant uploaded several documents on 2 July 2025 and on 19 August for the Panel's further review. The secretariat sent the Panel's second round of questions to the applicant on 20 January 2026. At the AP45 meeting, the Panel informed that it is considering a meeting to clarify outstanding AML/CFT issues should the applicant's response be delayed. At the time of this report, no new additional documents have been received from the entity.</p>   |
| RIE016<br><b>(Dormant application)</b> | Jun-2017 | AFB/B.45/.09 | <p>This application is being reviewed on a regular accreditation route. On 27 August 2025, the secretariat sent a letter of notification of inactivity to the applicant. At the AP44 meeting, the Panel flagged this application as one of the oldest applications. The secretariat noted that it would make efforts to understand the issues that are leading to the slow progress of the application. On 17 September 2025, the Secretariat sent a letter of notification of inactivity to the applicant. On the sidelines of COP30 in Belem, the Secretariat met with EAC delegation to discuss alternative options to advance the application. The applicant noted that it is currently in the process of developing various policy and strategic frameworks to support the accreditation process. At AP45, the Panel noted that its last engagement with the applicant was in 2024 and that no further communication has been received since then. The Panel indicated that, should the applicant remain unresponsive, a full review may be required given the financial issues previously identified. On 9 February 2026, the secretariat held a virtual meeting with the applicant to discuss ways it could provide support to advance the application. At the time of this report, no action has been taken by the secretariat, and no information has been received from the applicant.</p> |

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| NIE177                                 | Mar-2025 | AFB/B.45/.09 | The application was forwarded for the Panel's initial review under regular accreditation track on 12 June 2025 after several rounds of screening by the Secretariat. At the AP44 meeting, the Panel had begun reviewing the application and noted that most of the required documents were submitted by the applicant. The Secretariat attempted to transmit the Panel's follow-up questions to the applicant on 6 November 2025. Unfortunately, the email bounced back. The secretariat met the representative from the entity at COP30 and re-established contact. At the AP45 meeting, the Panel informed that the last round of questions was sent by the secretariat to the applicant, including requests for legal clarifications, but has not yet received a response. The Secretariat reported that during a meeting with the applicant at COP30, the applicant indicated that it has been unable to upload its responses due to technical issues. On February 6, the applicant uploaded one additional document on to the workflow. At the time of this report, no additional documents have been received from the applicant. |
| NIE161                                 | Jul-2025 | AFB/B.45/.09 | The application was progressed for the initial panel review on 11 August 2025 under the regular route. The Panel requested the secretariat to share the first round of questions with the entity on 2 October 2025. The entity responded to initial questions by uploading 35 documents on 11-12 November 2025. At the time of this report, the Panel's further review is pending.  |
| RIE020                                 | Nov-2024 | AFB/B.45/.09 | This application is being reviewed under the regular accreditation route. The applicant focal point informed the secretariat that due to internal restructuring it froze all external submissions. The secretariat met the focal point at COP30 where they informed that all key positions are filled and they will upload responses. The entity responded to Panel's questions on 27 January 2026, in anticipation of in-person meeting with the Panel on 3 February 2026. At the AP45 meeting, the Panel noted the 4-hour meeting clarified several areas and the entity will upload documents as agreed with the Panel by mid-February. GRM and ethics function would take some time to get established as the entity underwent some structural changes. At the time of this report, the entity responses are pending.   |
| NIE113<br><b>(Dormant application)</b> | Jan-2016 | AFB/B.45/.09 | After AP44 meeting, the entity uploaded 10 documents on 21 November 2025, which partially responded to the Panel's questions. On 27-28 January 2026, the entity uploaded 4 documents. At the time of this report, the Panel is reviewing the documents to update the Panel's assessment report and will revert to secretariat should they ask additional questions.   |

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| NIE041                                 | Oct-2020 | AFB/B.45/.09 | The applicant submitted one document on 27 January 2025 in response to follow up questions shared on 16 January 2024. A dormant application notification letter was sent by the secretariat to the DA and the entity on 9 September 2025 in accordance with Decision B.31/26. On 1 October 2025, the entity uploaded 4 more documents as a partial response to Panel’s questions. At COP30, the secretariat met the DA and entity representatives where the secretariat clarified the current status of the application. At the time of this report, the application is not deemed dormant. The secretariat will reestablish contact with the entity to provide any further support.  |
| NIE055<br><b>(Dormant application)</b> | Mar-2021 | AFB/B.45/.09 | This application is being reviewed under the streamlined accreditation process. At the AP44 meeting, the Panel noted that their last communication with the applicant was in 2024. In accordance with Decision B.31/26, the secretariat issued a dormant application letter to the country’s DA on 8 September 2025. The secretariat met the DA and representative from the entity at COP30 and 10 December 2025, where the applicant informed that the entity has merged with other institutions to form a new separate and legally distinct entity. The secretariat informed the DA that the application of defunct entity should be withdrawn, and the newly formed entity should be nominated by the DA. At the time of this report, the secretariat has received no official letter requesting withdrawal of this application. |
| NIE066<br><b>(Dormant application)</b> | Aug-2026 | AFB/B.45/.09 | In accordance with Decision B.31/26, the Secretariat sent the first formal notification on the dormancy of the application on 3 February 2025. On 8 September 2025, the Secretariat issued the DA and the applicant the second formal notification on the dormancy of the application. At the time of this report, the secretariat has not received additional documents from the applicant in the Workflow and will be issuing third notification letter of dormancy to the DA and the entity in mid-February.   |
| NIE144<br><b>(Dormant application)</b> | Sep-2020 | AFB/B.45/.09 | This application is being assessed under the streamlined accreditation process. At the AP44 meeting, the Panel noted that the fifth round of questions were sent to the applicant in January 2025. The Secretariat also noted that the applicant was a project unit and has previously obtained readiness support from a regional development bank. In accordance with Decision B.31/26, the first and second notification letters were sent to the DA and the applicant on 3 February 2025 and 08 September 2025 respectively. At the time of this report, the applicant neither responded to the Secretariat nor uploaded new documents in the Workflow. The third notification letter of dormancy will be issued by the secretariat by mid-February.   |

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| NIE148<br><b>(Dormant application)</b> | Dec-2020  | AFB/B.45/.09 | The application is being assessed under the regular route. The secretariat sent a notification letter for inactivity to the DA and the applicant on 8 September 2025. At the time of this report, no additional documents have been uploaded by the applicant to the Workflow. The secretariat will be issuing the second notification letter of dormancy to the DA and the entity in mid-February.  |
| <b>RE-ACCREDITATION</b>                |           |              |  |
| NIE002                                 | Sep-2024  | AFB/B.45/.09 | This application was first submitted to the secretariat on 20 May 2024. The Panel requested the secretariat to share their residual questions on 13 October 2025, to which the applicant uploaded the Response Matrix and supporting documents on 24 December 2025. At AP45, the Panel informed that the responses were satisfactory and they were updating the Panel's report. At the time of this report, the Panel's review of the application is ongoing.  |
| NIE017                                 | June-2025 | AFB/B.45/.09 | After several back and forth with the secretariat during the screening stage, the application was progressed to the Panel for initial review on 20 June 2025. After AP44, the Panel's first round of questions was transmitted to the applicant. On 22 December 2025, the Panel met with the applicant to clarify its comments on specific requirements. The applicant uploaded additional supporting documents on the workflow dated 10-31 January 2026 and notified the secretariat it was finalizing the response matrix. At the time of this report, the applicant is actively finalizing the response matrix. |
| NIE020                                 | Jun-2024  | AFB/B.45/.09 | After the AP44 meeting, the secretariat met representative from the entity at the NIE seminar where the secretariat guided them on the next steps. Secretariat shared the second round of questions with the entity on 5 November 2025. The applicant uploaded additional documents 6-14 November 2025. The Panel requested secretariat to transmit third round of questions on 6 February 2025. At the time of this report, no further documents have been received from the applicant.   |
| NIE030                                 | Oct-2024  | AFB/B.45/.09 | This is a regular re-accreditation application. After AP45 meeting, secretariat transmitted the first round of questions to the applicant on 15 September 2025. On 28 January 2026, the applicant uploaded 115 documents on the workflow. At the time of this report, the Panel is awaiting the response matrix from the applicant to start further review.  |
| NIE032                                 | Oct-2023  | AFB/B.45/.09 | This application was assigned for initial review on 22 May 2024. After AP44 meeting, the Panel requested the secretariat to send its fifth round of questions to the applicant on 10 September 2025. The applicant followed up on 20 January 2026 requesting a bilateral meeting with the secretariat. At the time of this report, the secretariat is coordinating between the Panel and the entity to facilitate a meeting in early March.  |

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| NIE049                                      | Mar-2023 | AFB/B.45/.09 | After AP44 meeting, the secretariat transmitted Panel's fourth round of questions on 23 October 2025, to which the applicant responded proactively on 29 November 2025. The Panel finalized their report to the secretariat clearance on 19 January 2026. At the time of this report, the secretariat has circulated the draft decision and note to the Board for no-objection.   |
| NIE 107                                     | Aug-2024 | N/A          | This application is being reviewed under the regular route. The Secretariat first received this application on 12 August 2024, and it was assigned to the Panel on 16 December 2025. The Secretariat took the necessary steps to correct the initial application tagging from fast-track to regular, and requested the Panel at the AP45 meeting that the missing information on the questionnaire should be included in Panel initial review since the application is no longer under screening.   |
| NIE136                                      | Jan-2025 | AFB/B.45/.09 | This is a regular re-accreditation application. After a long screening process from March 2024 to January 2025, the application was passed for Panel review on 17 February 2025. At NIE seminar, the entity followed up with the secretariat on the progress of the application where secretariat informed them that the application is actively under review. At the AP45 meeting, the Panel noted that the application has a number of gaps and will be sharing the follow up list of questions by mid-February with the secretariat. At the time of this report, the Panel initial review is pending.  |
| RIE001<br><b>(Fast-Track Accreditation)</b> | Nov-2021 | AFB/B.45/.09 | This is a fast-track re-accreditation. After AP43, a delegation from the applicant entity visited the secretariat to understand the pending matters on 10 June 2025, which were duly clarified to the focal point. At the AP45 meeting, the secretariat informed that the entity submitted their 4 <sup>th</sup> PPR which was cleared. In addition, the Board approved an 18-month no-cost project extension request from the entity, which makes them eligible for re-accreditation grace period extension. At the time of this report, the Secretariat noted that it will contact the entity to encourage them to initial their request for re-accreditation grace period extension to match the new project completion. |

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| RIE002 | Dec-2023 | AFB/B.45/.09 | At the AP44 meeting, the Panel noted that the entity is currently developing changes in a number of its organizational areas which would require additional time to fully develop these systems. On 5 September 2025, the applicant sent a letter to the secretariat following up on the status of its application and also raised concerns about how delays might impact its ability to submit applications for the current rounds. The secretariat met with the entity representatives at COP30 to walk them through the process. The secretariat transmitted the Panel's fourth round of questions to the applicant on 10 December 2025, following which the Panel met virtually with the applicant on 17 December 2025 to discuss residual issues. On 18 December 2025, the applicant provided its follow-up responses to the Panel via email correspondence. At the time of the report, the panel review of the application is pending. |
| RIE004 | May-2025 | N/A          | This is a second regular re-accreditation application. After the secretariat transmitted the Panel's third round of questions to the applicant in October of 2025, followed by a meeting between the applicant and the Panel on 4 November 2025 to clarify outstanding residual issues, the entity uploaded additional documents on 19 November 2025. On 2 December 2025, the secretariat transmitted the Panel's fourth round of questions to the applicant of which the applicant responded with additional supporting documents on 14-16 January 2026. On 11 February 2026, the secretariat transmitted fifth round of questions to the entity. At the time of this report, no additional documents have been submitted by the applicant.   |
| RIE017 | Dec-2025 | N/A          | This application is being reviewed under the regular route. The Secretariat first received this application on 29 September 2025 and then resubmitted it on 27 November 2025. In all cases, the Secretariat provided screening comments and sent it back to the focal point. The final submission of the application was on 2 December 2025, and then after further screening, it was progressed for initial panel review on 4 December 2025. The focal point followed up with the secretariat on 12 January to inquire about the status of the application. At the time of this report, no further updates from the Panel have been received.   |

|        |          |              |  |
|--------|----------|--------------|--|
| RIE006 | Nov-2024 | N/A          | This application is being reviewed under the regular route. The Secretariat first received the full application was submission on 18 November 2025, and then after further screening, it was progressed for initial panel review on 19 November 2025. The Secretariat transmitted the Panel's first round of questions to the applicant on 12 January 2026. At AP45 meeting, the Panel noted that the application has a few gaps on environmental, social and gender issues. The secretariat informed they met the applicant at COP30 and the applicant showed commitment to progress the application. At the time of this report, no documents have been uploaded by the entity onto the workflow.  |
| MIE006 | Jul-2025 | N/A          | The secretariat first received this application on 10 July 2025, and the final submission of the application was on 12 November 2025. The application was progressed for initial panel review on 26 November 2025. At the AP45 meeting, the Panel noted that application has a few gaps in internal control framework, grievance mechanism, among others, and that they had begun preparing questions for the applicant. At the time of this report, the application is under the Panel's initial review.  |
| MIE008 | Dec-2024 | AFB/B.45/.09 | This application was first submitted to the secretariat on 9 November 2023 and resubmitted with comments addressed on 5 December 2024. At the AP44 meeting, the Panel noted that the entity's accreditation expired shortly after it had shared follow up comments. The Panel also noted that it strongly believes the entity has the capacity to address the questions posed but the entity was unable to respond due to time limitation. The Panel submitted the note to the Board to change the status of entity to not-accredited during re-accreditation on 31 October 2025. The secretariat processed the document and received all the internal clearances in January 2026. At the time of this report, the secretariat has circulated the draft decision and note to the Board for no-objection. |
| MIE012 | Apr-2022 | AFB/B.45/.09 | On 20 April 2025, the Board approved extension of grace period of achieving re-accreditation to 21 December 2026. On 22 October 2025, the applicant uploaded 38 documents including the response matrix in response to Panel's follow up question. At AP45 meeting, the Panel noted the key document requested has not yet been uploaded by the entity and requested the secretariat to facilitate a meeting with the entity. As of this report, the secretariat is touch with the entity to schedule a clarification meeting with the Panel.  |
| MIE014 | Jul-2025 | N/A          | The Secretariat first received this application on 4 July 2025 and progressed it for initial panel review on 26 November 2025. The focal point followed up with the Secretariat on 27 January 2026 for updates on the status of the application. At AP45 meeting, the Panel informed they plan to finalize the application by March. At the time of this report, no further updates from the Panel have been received.   |

|                                      |          |     |   |
|--------------------------------------|----------|-----|---|
| MIE015                               | Aug-2025 | N/A | The Secretariat first received this application on 1 August 2025, and then, after initial screening it was sent back to the focal point on 20 October 2025 and the final submission of the application was on 1 December 2025. It was progressed for initial panel review on 9 December 2025. At the Panel's request, the Secretariat transmitted the first round of questions to the applicant 8 January 2026. At the AP45 meeting, the Panel noted that it needed more clarity on AML/CFT as well as environmental, social and gender requirements. At the time of this report, no new information was received from the applicant. |
| MIE016<br>(Fast-Track Accreditation) | Jul-2025 | N/A | This application is in 'in re-accreditation process' since 25 June 2025 and is being assessed under the fast-track route. On 18 September 2025, the Secretariat transmitted the Panel's first round of questions to the applicant, and the applicant uploaded 3 documents including the response matrix on 26 November 2025. At the time of this report, the Panel's the assessment report and/or residual review are pending.  |

## OTHER MATTERS

7. **Detailed analysis of re-accreditation process revision:** Following the secretariat's presentation on the detailed analysis of Option 3 (the continuous accreditation model), prepared in line with the Board Decision B.45/4, the Panel discussed the overall approach and key design elements of the proposed model. The analysis was informed by internal consultation across teams in the secretariat as well as exchanges with the Adaptation Fund's Accreditation Panel and the Green Climate Fund's Accreditation Panel. The discussion focused on the effectiveness of continuous monitoring as a risk-based approach, the role and robustness of self-assessment and self-certification mechanisms, and the proposed use of triggers to identify emerging issues. The Panel also considered the scope of its involvement under the different trigger levels, the distinction between institutional and project-level issues, and the treatment of conditionality, consequences, and non-compliance.
8. The secretariat provided clarifications on these aspects, emphasizing the importance of clearly defined roles, maintaining an unconditional accreditation status, and preserving decision-making authority at the Board level. The Panel broadly supported the direction of the proposed model, while noting the need for further refinement in the operationalization of triggers, the handling of non-compliance, the structure of Panel review processes, and the overall focus of self-assessment requirements. The development of the Board document being presented to the Board at its forty-sixth meeting has been informed by the feedback received from the Panel.
9. **Review of Panel Key Performance Indicators (KPIs).** The secretariat presented an overview of the KPIs, noting their alignment with previously developed guidance. It emphasized that the KPIs are intended to clarify expected timelines among key accreditation stakeholders while supporting improvements to the secretariat's operational planning and workflow management. The secretariat also highlighted that, given the country-driven nature of the

process, applicants are not expected to follow fixed deadlines, and that strengthening readiness engagement remains central to addressing capacity-related delays.

10. The Panel welcomed the update and pointed to several recurring factors that affect timelines, including incomplete submissions and varying applicant capacities—particularly in areas such as AML/CFT. The Panel suggested that earlier legal review and clearer guidance for applicants could help streamline the process which the secretariat noted. The Panel also noted that KPIs may not fully reflect the complexities behind extended review periods and encouraged more proactive role of the secretariat to mitigate disconnects.
11. The Panel took note of the Secretariat's presentation on the application of Key Performance Indicators in the monitoring and tracking of the timeliness of (re)accreditation processes and the Panel's review work. The Panel understands that the KPIs will be implemented from now on in a learning-by-doing manner. The secretariat took note of the suggestions and ensured that these inputs would inform Secretariat's engagement with the Panel and applicants going forward.
12. **Update on World Bank Hiring Policy Changes and Implications for the Panel.** The secretariat briefed the Panel on the recent hiring policy changes within the World Bank changes, and how they affect the Panel, whose expert members work as Short-Term Consultants (STCs) with the Bank's announcement on a transition from STCs to Individual Contractors (ICs), firm contracts and limited-duration, full-time Extended-Term Consultants (ETCs). The Secretariat informed the Panel that it had submitted an exception request to cover both the Panel and the AF-TERG but the request was initially denied, although subsequent discussions indicate the possibility of reconsideration. The Panel sought clarity on the full implications of transitioning to ICs, particularly regarding visa requirements, travel arrangements for meetings in Washington, DC, and the broader operational impact. The secretariat noted that detailed guidance on IC onboarding was still forthcoming but indicated that provisions may be made for different categories of stakeholders. Regarding the potential transition to ETCs, the secretariat noted that it has not yet received information from HR on the scope or openness of the recruitment process. In response to these expected changes, the Panel expressed concerns about how these institutional changes may affect the Panel's operations.
13. **Next Accreditation Panel Meeting:** The forty-sixth meeting of the Accreditation Panel will be held in Washington, DC, on 1-2 September 2026.

## Annex 2: Operationalization of Continuous Accreditation Model

### Background

1. The Adaptation Fund's accreditation framework is a core element of the Fund's fiduciary and institutional oversight architecture, and the process underpins the Fund's direct access modality by enabling national and regional institutions to access resources directly and assume responsibility for project implementation.
2. Since the introduction of re-accreditation in 2013, and its subsequent revision in October 2019, accredited implementing entities (IEs) have been required to undergo a time-bound re-accreditation process every five years. Re-accreditation was designed to confirm continued compliance of the IE with the Fund's accreditation standards, including fiduciary management, environmental and social safeguards, transparency, and institutional governance, and to provide assurance that IEs remained fit to implement Adaptation Fund-financed activities.
3. At the time of its adoption, the five-year re-accreditation cycle sought to address gaps that exist in oversight between initial accreditation and project implementation by requiring periodic submission of institutional documentation and review by the Accreditation Panel. Over time, experience with the re-accreditation process has turned out to have several structural limitations. Reviews by the Secretariat, the Accreditation Panel, and the Technical Evaluation Reference Group (AF-TERG) have found that the re-accreditation process is administratively burdensome for both IEs and the Fund, and that it routinely duplicates the collection of many types of information already generated through other parts of the Fund's operational cycle. Analyses of completed re-accreditation cases indicate that many entities show no substantive institutional changes since their original accreditation, despite the extensive documentation required. At the same time, the uniform, time-bound nature of the process does not differentiate between entities based on performance, institutional stability, or risk profile.
4. In parallel, the Fund's project-based monitoring and oversight systems have matured. Quality-at-Entry (QAE) reviews at the project design stage, combined with Project Performance Reports (PPRs) during implementation and the operation of established accountability and complaints mechanisms, now generate a substantial body of information on how implementing entities apply their systems in practice. While this information is collected at the project level, it provides insight into budget management, safeguards implementation, and governance arrangements, in the context of AF-financed activities. This strengthens the basis for ongoing oversight and invites consideration of the proportionality and efficiency of maintaining a fixed re-accreditation cycle for all entities irrespective of their engagement with the Fund or their performance and engagement. It is important to note, though, that the information collected through the Fund's other processes does not represent all of the areas analysed in the re-accreditation process: in some areas information is not collected, or it is collected indirectly by looking at the application of systems at the project level rather than re-analysing the structure and functioning of the systems at the institutional level.

5. The increasing number of IEs has further amplified these challenges. As more entities reach the end of their accreditation terms, the volume of re-accreditation cases has grown significantly, placing additional pressure on Secretariat and Accreditation Panel capacity. This has resulted in extended processing times, the accumulation of pending cases, and, in some instances, risks to continuity of access where re-accreditation deadlines could not be met. These operational pressures have reinforced concerns that the current model may not be optimally aligned with the Fund’s evolving portfolio, risk profile, or resource constraints.
6. In recognition of these issues and informed by findings from the AF-TERG thematic evaluation of the accreditation process, the Adaptation Fund Board, at its forty-fourth meeting, requested the Secretariat to conduct an in-depth analysis of the re-accreditation approach, with a view to assessing its long-term operational and budgetary implications (decision B.44/5). The Board further requested that the outcomes of this analysis be presented to the Accreditation Panel.
7. Pursuant to this mandate, the Secretariat presented to the Board at its forty-fifth meeting an analysis of the current re-accreditation model and three options for its revision (document AFB/B.45/9). These options ranged from maintaining the existing fixed-term re-accreditation cycle, to introducing a more differentiated, risk-based approach, to transitioning to a continuous accreditation model with reviews triggered by institutional or performance-related risks. Following its consideration of these options, the Board selected Option 3 — continuous accreditation with trigger-based reviews — for further elaboration and requested the Secretariat, in consultation with the Accreditation Panel and taking into account guidance provided by the Board, to prepare a detailed proposal for its implementation, including operational and financial implications, transitional arrangements, and any necessary policy amendments, for consideration at the forty-sixth meeting (decision B.45/4).
8. In its deliberations, Board members emphasized the need to ease the administrative burden of re-accreditation—particularly for national implementing entities—while maintaining strong fiduciary oversight, transparency, and accountability. Questions were raised regarding the adequacy of existing monitoring and accountability systems, the operational and resource implications for the Secretariat, and the clarity of the circumstances under which institutional review or cancellation of accreditation could arise.
9. This paper responds to that request. It builds on the Board’s earlier deliberations, the Secretariat’s analysis, and consultations with the Accreditation Panel, and sets out the background for the detailed operational proposal to implement Option 3 in a manner that maintains the Fund’s fiduciary standards while improving efficiency, proportionality, and the use of existing oversight mechanisms.

### **Operationalization of a Continuous Accreditation Model**

10. This section sets out how a continuous accreditation approach could operate in practice under the Adaptation Fund. The model is presented as an operational framework, building on existing processes and roles, and is designed to maintain the Fund’s fiduciary oversight while improving proportionality, efficiency, and use of existing evidence.

#### *Core Design Principles*

11. The continuous accreditation model is based on the observation that a significant portion of the information relevant to assessing whether IEs remain in good standing is already generated. These include project design reviews, implementation monitoring, and results

reporting. A key consideration is how existing evidence may be consolidated and used in a more systematic, risk-informed manner, without introducing additional reporting burdens or fundamental changes to Secretariat operations. In adopting this model, the Board will largely rely on, and expects, accredited entities to provide self-assessments and self-certifications that truthfully and accurately reflect their institutional status, recognizing that such attestations form a core input to ongoing assurance. The self-assessments and self-certifications are complemented by ongoing monitoring and a more limited regular review of audited annual financial statements.

12. Compared with a fixed re-accreditation cycle, which reviews institutional compliance at discrete intervals, a continuous accreditation approach provides a framework through which accreditation-relevant issues may be considered as they arise. By drawing on information generated through project design reviews, implementation monitoring, and results reporting, the model may provide earlier visibility of emerging institutional concerns. This approach is intended to support more timely, proportionate responses while preserving the Board's fiduciary oversight role and it assumes that accredited entities' self-assessments and self-certifications are provided in good faith and reflect their actual circumstances, subject to verification through existing oversight and performance information.
13. Against this background, the continuous accreditation model is designed to:
  - Maintain accreditation status unless evidence indicates otherwise, with greater reliance on ongoing assurance mechanisms rather than periodic re-validation;
  - Draw on existing oversight tools, including Quality-at-Entry (QAE) reviews, project performance reporting, and accountability mechanisms, without introducing new reporting systems at this stage;
  - Apply proportionate, judgement-based considerations of institutional concerns as they arise;
  - Fit within existing operational processes and roles, with adjustments as needed to support coordination and oversight; and
  - Support transparency and accountability through limited public disclosure, reinforcing institutional responsibility over time.
  - Maintain responsibility for institutional-level judgement with the Accreditation Panel.

The sub-sections below describe how these principles are operationalized.

#### *Periodic Self-Assessment and Public Self-Certification*

14. Under the continuous accreditation model, periodic self-assessment and self-certification form the baseline mechanism for confirming continued institutional compliance with the Adaptation Fund's accreditation standards.

#### **Self-Assessment**

15. Accredited implementing entities would complete a **self-assessment every three years**, using the existing re-accreditation application template (see appendix 1) based on the

Accreditation criteria<sup>1</sup>. The template would be retained substantially as currently structured, ensuring continuity, comparability with prior reviews, and alignment with the Fund's accreditation criteria.

As part of the self-assessment, implementing entities would:

- Confirm, on a criterion-by-criterion basis, whether changes have occurred since the previous accreditation or assessment cycle (Yes/No);
- Where changes are indicated, provide updated documentation and supporting evidence;
- Submit **audited annual financial statements**, including the external audit opinion and management letter, as a mandatory requirement for all entities;
- Disclose any material institutional developments relevant to fiduciary standards, governance, safeguards, or integrity.

16. Where an entity indicates that no changes have occurred in a given area, no additional supporting documentation would be required beyond confirmation within the template. Self-assessments would be submitted to the Secretariat according to a standardized three-year cycle, with submission deadlines communicated in advance.

#### **Secretariat Procedural Check**

17. The Secretariat would conduct a procedural completeness check to verify that:

- All required sections of the template are completed;
- Mandatory audited financial statements are submitted;
- Any declared changes are supported by appropriate documentation; and
- The self-certification statement is duly signed.

This completeness review would not constitute a reassessment of accreditation but would ensure the integrity and consistency of submissions before further consideration.

#### **Accreditation Panel Review of Disclosed Changes and Audit Information**

18. Self-assessments, including the mandatory submission of audited annual financial statements and any disclosed institutional changes, would be made available to the Accreditation Panel as part of its oversight role.

19. The Accreditation Panel would review all submitted audit opinions and accompanying management letters to assess whether any matters raised may have implications for the Fund's fiduciary standards. This review would occur as part of the regular self-assessment cycle and would not be limited only to cases where concerns are immediately apparent.

Where:

- A qualified, adverse, or disclaimer audit opinion is identified,
- Significant findings are noted in the management letter,
- Material institutional changes are disclosed, or

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<sup>1</sup> [https://www.adaptation-fund.org/wp-content/uploads/2016/04/Accreditation-Application-Form\\_OPG-Annex-6\\_English\\_REVISED.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/04/Accreditation-Application-Form_OPG-Annex-6_English_REVISED.pdf)

- Information suggests potential implications for accreditation standards,

The Accreditation Panel shall undertake a focused review of the relevant elements of the self-assessment. Where appropriate, such review may be sequenced in connection with the submission of a new concept note or funding proposal, ensuring that identified issues are clarified prior to the commitment of additional Fund resources.

20. This review process constitutes targeted oversight within a continuous accreditation framework and does not amount to a full re-accreditation review unless trigger-based escalation under the accreditation risk framework is subsequently warranted.

### **Evidentiary Approach and Risk Mitigation**

21. Under this model, where an implementing entity indicates that no changes have occurred, the Secretariat and Accreditation Panel rely on that declaration unless contrary information emerges through other oversight channels. This approach represents a calibrated shift from automatic documentary re-validation to declaration-based assurance. The associated risk, resulting from the fact that specific evidence is not collected in some areas, or evidence is collected indirectly by looking at the application of systems at the project level rather than re-analysing the structure and functioning of the systems at the institutional level, is mitigated through:

- Mandatory submission of audited financial statements;
- Formal self-certification attesting to the accuracy and completeness of information provided;
- Public disclosure of self-certification statements;
- Integration of self-assessment information into the Accreditation Status and Risk Dashboard; and
- Trigger-based escalation where inconsistencies or concerns arise through project monitoring, QAE observations, PPR performance trends, or accountability mechanisms.

### **Integration with the Accreditation Risk Framework**

22. Information arising from self-assessments, including audit outcomes and disclosed changes, is integrated into the Accreditation Status and Risk Dashboard. Where institutional review is initiated under the trigger framework, the Accreditation Panel may examine relevant elements of the self-assessment alongside project-level evidence to inform its advice.

### **Self-Certification**

23. At the conclusion of the self-assessment, the implementing entity would submit a self-certification attesting to the accuracy, completeness, and truthfulness of the information provided, and confirming disclosure of any material institutional changes since the previous assessment (see appendix 2 that provides a sample form).

24. Self-certification does not constitute a reassessment or audit. Rather, it establishes a formal accountability statement by the implementing entity and reinforces institutional responsibility under continuous accreditation.

25. Self-certification statements would be published on the Adaptation Fund website under each implementing entity's profile, supporting transparency and accountability while avoiding additional reporting burdens.

### *Policy Update Acknowledgement and Quality-at-Entry Integration*

26. To prevent policy drift over time, the continuous accreditation model incorporates a light policy update acknowledgement mechanism. When the Adaptation Fund adopts or revises policies relevant to accreditation standards (e.g. fiduciary, environmental and social safeguards, gender), the Secretariat would notify all accredited IEs. In most cases, entities would submit a short acknowledgement confirming awareness of the updated policy and intent to apply it to new Fund-financed activities. This acknowledgement may be submitted as a standalone statement or integrated into the next self-assessment or self-certification cycle. In cases where the Board deems it necessary due to the risk management implications of a new or revised policy, it may require active review of compliance with such a new or revised policy and define any ramification of such compliance requirement on the IE's ability to access resources.
27. In parallel, application of updated policies would be verified through existing Quality-at-Entry reviews of concept notes and funding proposals submitted after the policy takes effect. This ensures that policy updates are reflected in project design and implementation arrangements, without reopening accreditation files or introducing new compliance checks.

### *Ongoing Monitoring and Identification of Institutional Concerns*

28. Under a continuous accreditation model, the Secretariat would maintain an ongoing, consolidated view of accreditation-related risk for all IEs, drawing on information already generated through existing processes.

Three core sources of information inform this ongoing assessment:

- Periodic self-assessment and self-certification by IEs;
  - Quality-at-Entry reviews of concept notes and funding proposals, which provide early evidence of how institutional systems are applied in practice; and
  - Project implementation oversight, including Project Performance Reports (PPRs), reporting on Environmental and Social Policy (ESP) compliance and Gender Policy compliance as reflected in the PPR template,, and the Fund's existing accountability and complaints mechanisms.
29. These sources are considered collectively as part of normal portfolio oversight. No new monitoring streams or reporting requirements are introduced. Under this model, the Secretariat considers whether patterns observed through these established processes indicate the need for closer attention at institutional level. The focus is not on isolated project issues, but on sustained or recurring concerns.

In practical terms, this involves observing trends across a limited set of risk dimensions, including:

1. Implementation and results performance over time;
  2. Financial management issues associated with Fund-financed activities;
  3. Application of Environmental and Social Policy (ESP) requirements; and
  4. Institutional responsiveness and disclosure through self-certification.
30. Where projects are designed in accordance with Fund policies, implemented effectively, and monitored through the PPR process and related oversight mechanisms, the relevant institutional risk signals are already visible within the existing framework. Continuous

accreditation therefore relies on the structured use of established information, rather than the introduction of new reporting requirements.

31. To support consistency and visibility, the Secretariat would maintain an **Accreditation Status and Risk Dashboard**, consolidating accreditation-relevant signals across all implementing entities. The dashboard would provide a standing, judgement-based summary of risk using a traffic-light approach (green / yellow / red), informed by trends over time rather than isolated events. The dashboard functions as a procedural tracking tool and does not itself constitute a determination of compliance.

#### *Institutional Review When Issues Are Flagged*

32. Where the Accreditation Status and Risk Dashboard indicate sustained or elevated risk (e.g. red status), the Secretariat may refer the case for institutional review. Referral is informed by overall risk trends and supporting narrative evidence, rather than a single trigger. Circumstances that may lead to referral include persistent adverse performance trends, recurrent Quality-at-Entry concerns, material inconsistencies between self-assessment and observed practice, failure to meet minimum ongoing obligations, or serious integrity-related concerns arising through existing accountability mechanisms.
33. These considerations relate to how existing information is interpreted at an oversight level, not to changes in project-level monitoring practice. Continuous accreditation does not introduce automatic thresholds or require the application of new criteria within project-level assessments. What changes is how information already generated through this process may be referenced across functions. For example, where PPR reviews indicate repeated implementation delays across more than one project, or recurring financial follow-up issues over successive reporting periods, these observations—already reflected in existing assessments—may be noted in the Accreditation Risk Dashboard as part of a broader trend view.
34. Under the current re-accreditation model, the Secretariat's prepares a consolidated performance assessment as part of a mandatory five-year review cycle. Under continuous accreditation:
  - There is no automatic periodic full institutional review.
  - The Secretariat monitoring function continues to review PPRs as currently required.
  - Consolidated institutional performance overviews, which are currently prepared as part of the fixed re-accreditation process, would under continuous accreditation be undertaken on a case-by-case basis, at the request of the Accreditation Panel in the context of institutional review.
35. Project delays or isolated performance issues would not in themselves trigger institutional review. The Secretariat would consider the nature, persistence, and context of the issues, including whether concerns appear to reflect broader institutional weaknesses rather than normal implementation.

Where referral is considered, the Secretariat prepares a concise issue note summarizing the evidence and its relevance to accreditation standards. The Accreditation Panel reviews the case and advises on appropriate next steps, which may range from no action to targeted institutional follow-up, to broader review where risks appear systemic. Any consideration of suspension or de-accreditation would be undertaken strictly in accordance with existing Board-approved policies and procedures set out in the Operational Policies and Guidelines.

#### *Treatment of Inactive Implementing Entities and Non-Compliance*

36. The continuous accreditation model distinguishes clearly between inactivity and non-compliance.

#### **Inactive Implementing Entities**

37. Inactivity, understood as prolonged absence of active or progressing submissions, does not in itself constitute non-compliance. Inactive entities remain subject to periodic self-assessment and self-certification and are included in the same accreditation risk tracking framework as active entities. Inactivity changes the type of evidence available (institutional rather than project-based), but not the level of accountability.

#### **Non-Compliance with Minimum Ongoing Obligations**

38. Failure to meet minimum ongoing obligations, such as submission of self-assessment or self-certification, compliance with project-level requirements, or disclosure of material institutional changes, constitutes non-compliance irrespective of activity status. A graduated response applies, ranging from reminders and follow-up to status annotation, to referral for institutional review where non-compliance persists.

#### *Governance and Roles*

39. The continuous accreditation model builds on existing Secretariat functions and clarifies how they interact, without introducing new structures.
- The **Accreditation function** maintains accreditation status, manages self-assessment and self-certification processes, consolidates inputs, maintains the dashboard, and coordinates referrals to the Accreditation Panel.
  - The **Project Review (Quality-at-Entry) function** continues to assess proposals and flags recurring or significant issues related to project preparation.
  - The **Results and Monitoring function** continues project-level oversight and flags implementation issues with potential institutional relevance.

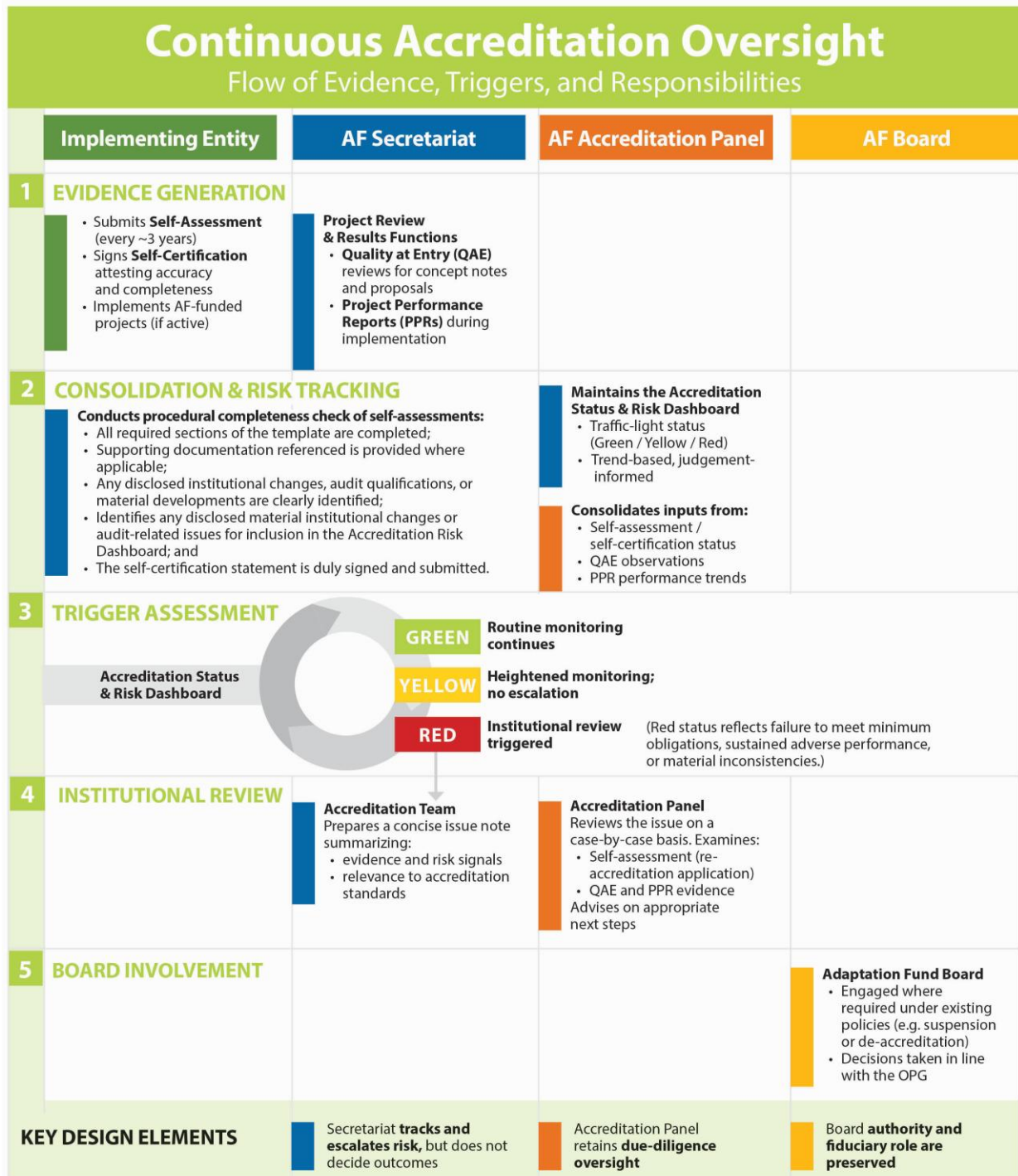
This division of responsibilities preserves functional clarity while strengthening coordination.

#### *Complaints, Grievance, and Accountability Mechanisms*

40. The continuous accreditation model builds on the Adaptation Fund's existing accountability and complaints architecture and does not introduce new whistleblower or grievance mechanisms. The Fund's established Ad Hoc Complaint Handling Mechanism (ACHM) provides a channel through which individuals or organizations may raise concerns related to Adaptation Fund-financed activities, including allegations related to integrity, governance, or misuse of funds. These mechanisms already operate independently of the accreditation process and are governed by Board-approved procedures.

Under continuous accreditation, information emerging through existing accountability and complaints mechanisms may, where relevant, inform the accreditation risk framework in the same manner as other oversight inputs. Such information would be considered alongside self-assessments, QAE reviews, and PPRs when assessing whether accreditation-related risks warrant closer monitoring or referral for institutional review.

**Figure 1. Flowchart -Triggers Roles and Responsibilities**



## Operational and Financial Implications

41. The operationalization of the continuous accreditation model would rely primarily on existing processes, information flows, and institutional roles, with incremental operational and financial implications expected to be manageable. The principal shift under the continuous accreditation model involves a reorientation of accreditation oversight from time-bound re-accreditation cycles to ongoing, risk-informed monitoring and targeted review.

### *Operational Implications*

42. Operationally, the continuous accreditation model introduces the following adjustments:

- a) Continuous accreditation oversight:

The Secretariat's accreditation function would maintain a standing view of accreditation status across all IEs, consolidating information from periodic self-assessments and self-certifications, QAE reviews, Project Performance Reports (PPRs), and other existing oversight mechanisms.

- b) Accreditation risk tracking:

A consolidated Accreditation Status and Risk Dashboard would be maintained by the Accreditation function to track accreditation-related risk signals over time. The dashboard would draw on information already generated through existing processes and would function as a procedural tracking and escalation tool and would not constitute a compliance scoring system.

- c) Adjustment of accreditation workflows:

The current re-accreditation application would be repurposed as a periodic self-assessment instrument, with minor adjustments to reflect its role under continuous accreditation (appendix 1). A standardized self-certification statement would be introduced to formalize institutional accountability (appendix 2). Accreditation Panel workload would progressively move from routine re-accreditation reviews toward more targeted, case-based institutional reviews when risk triggers are met.

- d) Coordination across Secretariat functions:

Existing roles of the Accreditation, Project Review (QAE), and Results and Monitoring functions would be retained. Any practical arrangements needed to support information flow and tracking under continuous accreditation would be established. Taken together, these adjustments build on existing workflows and do not introduce new standalone operational structures or reporting streams.

### *Financial Implications*

43. At this stage, the financial implications of the continuous accreditation model are not expected to require significant expansion of existing structures, reflecting the model's reliance on established tools and processes. Indicative cost considerations include:

- a) Development and maintenance of a modernized risk-informed accreditation oversight dashboard.
- b) Updates to accreditation documentation and templates, including adjustments to the re-accreditation application and development of a standardized self-certification format. As well as any updates needed on the Adaptation Fund website

- c) Potential incremental staffing capacity within the Accreditation function to manage continuous accreditation oversight, risk tracking, and coordination across Secretariat teams.
- d) Any additional staffing needs are expected to reflect, in part, a reallocation of effort from cyclical re-accreditation processing to ongoing monitoring and targeted review. Detailed cost estimates would be refined during implementation planning and monitored during the initial implementation period, with any resource implications reported back to the Board.

*Transitional Arrangements*

- 44. Transitional arrangements are required to ensure a smooth and orderly shift from the current time-bound re-accreditation model to continuous accreditation, without disrupting ongoing accreditation or project processes.

The transition to a continuous accreditation model builds on core elements of the existing re-accreditation framework rather than introducing an entirely new compliance system. In particular, the current re-accreditation application will be repurposed as the periodic self-assessment instrument, and the Accreditation Panel will continue to apply the same accreditation standards and clarification procedures when institutional concerns arise. Where questions about continued compliance are identified, the review, follow-up, and escalation process will follow the same approach currently used under the re-accreditation process, including the role of the Accreditation Panel in assessing evidence and advising the Board on any potential change in accreditation status.<sup>2</sup>

- 45. The Secretariat proposes the following phased approach to manage the transition in a practical and time-bound manner:

**Continuation of accreditation status:** All currently accredited IEs would remain accredited throughout the transition period (*immediate and ongoing*).

**Treatment of ongoing re-accreditation cases:** For entities currently undergoing re-accreditation, documentation already submitted would serve as the entity’s first self-assessment under the continuous accreditation model. Entities in this category would be requested to submit the new self-certification statement confirming the accuracy and completeness of the information already provided. These cases would also be used to pilot the operation of the Accreditation Status and Risk Dashboard and the trigger-based institutional review approach (0–6 months). Where issues arise during this process, the Secretariat and Accreditation Panel would follow the same clarification and review procedures currently applied during re-accreditation reviews, including requests for additional information and follow-up submissions (para 7, Re-accreditation Process, revised October 2019).

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<sup>2</sup> Under the current re-accreditation process, the Accreditation Panel may request additional information or clarification from the implementing entity where questions arise regarding continued compliance with the Fund’s accreditation standards. Entities are normally provided an opportunity to address identified issues through follow-up submissions or corrective measures. If concerns remain unresolved after these exchanges, the Accreditation Panel may advise the Board on appropriate next steps, including whether reaccreditation should be granted, deferred pending further clarification, or not approved. The Board retains the authority to determine the entity’s accreditation status ([https://www.adaptation-fund.org/wp-content/uploads/2016/05/Re-accreditation-process\\_revised-in-Oct-2019-1.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/05/Re-accreditation-process_revised-in-Oct-2019-1.pdf))

**Suspension of new re-accreditation deadlines:** During the transition period, new re-accreditation deadlines would be suspended, with institutional reviews initiated only where risk-based triggers are met (*immediate and ongoing*).

**Entities whose accreditation period has already lapsed:** For entities whose five-year accreditation period has already lapsed at the time of introduction of the continuous accreditation model, the Secretariat would provide a **six-month** period to submit the required self-assessment and self-certification. Failure to submit the required information within this period would constitute non-compliance with minimum ongoing obligations and may trigger institutional review under the accreditation risk framework. Any subsequent escalation would follow the same procedures currently applied in the re-accreditation process, including possible referral to the Board where accreditation status may need to be reconsidered.

**Entities still within their accreditation cycle:** For entities whose accreditation period has not yet reached the five-year re-accreditation deadline, the first self-assessment under the continuous accreditation model would be due at the original re-accreditation deadline, calculated from the date of their most recent accreditation decision. Following this initial submission, the entity would move to the new three-year self-assessment and self-certification cycle.

**Institutional review and escalation during transition:** During the transition period, the Secretariat would begin operating the Accreditation Status and Risk Dashboard using information already generated through self-assessments, Quality-at-Entry reviews, Project Performance Reports (PPRs), and accountability mechanisms.

46. Where the dashboard indicates sustained or elevated risk, the Secretariat may refer the case to the Accreditation Panel for institutional review. If concerns are identified, the Panel may request clarification, additional documentation, or corrective actions from the entity. Where an entity fails to adequately address such concerns within the timeframes provided, the Panel may advise the Board on possible next steps, including changes to accreditation status, in accordance with the existing procedures governing re-accreditation review and Board decision-making (para 7 Re-accreditation Process). To ensure timely resolution and avoid situations where implementing entities have an incentive to delay their response, a defined deadline for providing the required information to the Accreditation Panel will be established. It is proposed that entities be given a period of 2 months to respond to clarification requests and provide the necessary evidence or corrective measures. This timeline would have a clear basis for escalation to the Board if the deadline is not met.
47. Consistent with current practice: Entities under institutional review may continue implementing existing Adaptation Fund-financed projects, while the issues under review are being addressed. However, new concept notes or funding proposals would not be approved until the institutional concerns have been resolved (para 9, Re-accreditation Process).

**Phased operationalization:** During the transition period, the Secretariat would progressively introduce the operational components of the continuous accreditation model, including:

- introduction of the self-assessment and self-certification processes;
- establishment and population of the Accreditation Status and Risk Dashboard using existing information streams; and

- early application of trigger-based institutional review in consultation with the Accreditation Panel.
- The Secretariat would use this initial period to refine operational procedures and templates before the model is fully embedded. Indicative transition activities are expected to be completed within 12 months period following Board approval, subject to operational learning and refinement.

#### *Policy Amendments*

48. Implementation of the continuous accreditation model will require limited and targeted amendments to existing policies and guidance to reflect the transition from time-bound re-accreditation to continuous accreditation. Areas for update include:

- a) Operational Policies and Guidelines (OPG): Revision of relevant provisions to remove references to fixed accreditation cycles and reflect trigger-based institutional reviews under a continuous accreditation model.
- b) Accreditation framework and related guidance: Alignment of accreditation-related guidance to reflect the use of the re-accreditation application as a periodic self-assessment, the introduction of self-certification, and the role of ongoing monitoring and escalation.
- c) **Continuous accreditation guidance:** Adaptation of the current re-accreditation procedures into a continuous accreditation guideline outlining the operational procedures for self-assessment, self-certification, trigger-based institutional review, and escalation processes.
- d) Guidance on dormancy and inactivity: Revision of existing guidance to clarify the treatment of inactive accredited entities under continuous accreditation, distinguishing inactivity from non-compliance while maintaining accountability through alternative institutional evidence.
- e) Accreditation Panel procedures: Updates to Panel procedures to reflect the Panel's role in reviewing self-assessments and advising on triggered institutional reviews, rather than routine re-accreditation cycles.

Any proposed policy amendments would be narrowly scoped and would not alter the Fund's underlying fiduciary standards or governance framework. Where necessary, draft amendments would be presented to the Board for consideration in accordance with existing procedures.

**Appendix 1: Current Re-Accreditation Application**



**ADAPTATION FUND**

**ADAPTATION FUND  
RE-ACCREDITATION CHECKLIST  
(REGULAR RE-ACCREDITATION FORM)**

|                            |
|----------------------------|
| Nominated Entity (if NIE): |
| Invited Entity (if MIE):   |
| Address:                   |
| Country: Postal Code:      |
| Telephone:                 |
| Fax:                       |
| Web Address:               |
| Contact Person:            |
| Email:                     |

**Useful Background:** If there is other relevant information that provides recent background of the applicant please upload (e.g. recent donor reviews of the Entity):

| Required Competency                       | Specific Capabilities  | Have changes occurred since accreditation (Y/N) | Please describe the nature of any changes/modifications | Upload any revised or new policies | Sample of documents required by the AF<br>(or reference to website where documents are publically available)  |
|---|--|---|---|------------------------------------|---|
| <b>Financial Management and Integrity</b> |  |   |   |                                    |   |
| <b>Legal Status</b>                       | a) Demonstration of necessary legal personality  |   |   |                                    | Documentation of legal status and mandate (e.g., a copy of articles of incorporation, by-laws, Act, Regulation, and/or Law or any other relevant document, law establishing the government entity or ministry). |
|   | b) Demonstration of legal capacity/authority and the ability to directly receive funds |   |   |                                    | i. Highlight or provide reference to documents provided under 1 above which indicates point 1.b);<br>ii. List of foreign loan/donor funds handled over the last 2 years.  |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  | c) Demonstration of legal authority to enter into contracts or agreements with international organizations   |  |  |  | <ul style="list-style-type: none"> <li>i. Highlight or provide reference to documents provided under 1 above which indicates point 1.c);</li> <li>ii. A copy of agreements or contracts with international organizations signed by the head or the person of authority of the entity.</li> </ul>   |
|  | d) Demonstration of legal capacity to serve as a plaintiff or defendant in a Court of law  |  |  |  | Highlight or provide reference to documents provided under 1 above which indicates point 1.d).   |
| <b>Financial Statements including Project Account Statements and the provisions for Internal and External Audits</b> | a) Production of reliable audited financial statements that are prepared in accordance with internationally recognized accounting and auditing standards |  |  |  | <ul style="list-style-type: none"> <li>i. Audited Annual Financial Statements (AFS) including the external audit opinion thereon of the latest completed financial year;</li> <li>ii. Management Letter by the external auditors on matters of internal control together with response from Management- related to the AFS audits provided in (i) above and ii.</li> </ul> |
|  | b) Demonstration of existence of accounting procedures (including the use of accounting packages)  |  |  |  | i. Only the changes that occurred in the accounting system or software and in the accounting manual that were submitted during accreditation.  |

|  |   |  |  |  |   |
|--|---|--|--|--|---|
|  | c) Demonstration of functionally independent internal auditing in accordance with internationally recognized standards  |  |  |  | <p>i. Only the changes in the documents like the charter, TOR, but would be good if already in the Entity's website.</p> <p>ii. Latest internal audit reports to the oversight committee/Board</p> <p>iii. implementation of the latest risk based annual plan because with this one document we have more information.</p> |
|  | d) Demonstration of a functioning oversight body (e.g. Audit Committee) that properly oversees the assurance functions of the Entity (i.e. external and internal audit, and internal control) |  |  |  | <p>i. Only if there is change in their TOR that was submitted at the time of accreditation.</p> <p>ii. Latest audit committee minutes (at least 2) or the latest Committee report to the governing body.</p>  |
| <b>Internal Control Framework with particular reference to control over disbursements and payments</b> | a) Demonstration of use of a control framework that is documented with clearly defined roles for management, internal auditors, and the governing body  |  |  |  | <p>i. Only the changes since accreditation</p>  |
|  | b) Demonstration of proven payment/disbursement systems   |  |  |  | <p>i. – iv. Only if there are changes since accreditation;</p> <p>v. If there are actual cases of AML/CFT discovered, then an assessment on how this case or cases were addressed or copy of the external/internal audit report where the cases are reported.</p>   |

|  |  |  |  |  |   |
|--|--|--|--|--|---|
| <b>Preparation of Business Plans and Budgets and ability to monitor expenditure in line with budgets</b> | a) Produces long term business plans/ financial projections demonstrating financial solvency   |  |  |  | <ul style="list-style-type: none"> <li>i. The new business plan after 5 years;</li> <li>ii. Budget performance reports;</li> </ul>  |
|  | b) Evidence of preparation of corporate, departmental/ ministry budgets and demonstration of ability to spend against budgets  |  |  |  | <ul style="list-style-type: none"> <li>i. Annual budgets for the organization and entities within it;</li> <li>ii. Reports that indicate budget versus expenditure is being monitored</li> </ul>  |
| <b>Institutional Capacity</b>  |  |  |  |  |   |
| <b>Procurement</b>   | a) Evidence of transparent and fair procurement policies and procedures at the national level/organizational level; that are consistent with recognized international practice (including dispute resolution procedures) |  |  |  | <ul style="list-style-type: none"> <li>i. Procurement policy - only changes to the policies and procedures that were submitted at the time of accreditation;</li> <li>ii. and iii. Bodies overseeing procurement procedures – only if there are changes in the TOR of the committees involved (Technical evaluators, Financial Evaluators, Procurement Committee) but would need the last copies (2) of minutes of their meetings;</li> <li>iv. Procurement processes of executing agencies (if the accredited entity is not the one executing the project)</li> <li>v. no change except when result of such audit is already in the submitted audited financial</li> </ul> |

|   |   |  |  |  |  |
|---|---|--|--|--|--|
| <b>Project preparation and appraisal. This should include impact (environment, socio-economic, political, gender etc.) assessment study with risk assessment and mitigation plans</b> | a) Demonstration of capability and experience in identification and design of projects (preferably adaptation projects)   |  |  |  | Detailed project plan documents for 2 projects.  |
|   | b) Demonstration of availability of/ access to resources and track record of conducting appraisal activities  |  |  |  | i. Details of the project appraisal process/procedure;<br>ii. 2 samples of project appraisals undertaken.  |
|   | c) Demonstration of the ability to examine and incorporate the likely impact of technical, financial, economic, environmental, social and legal aspects into the project at the |  |  |  | Sample of project documents which demonstrate these capabilities.  |
|   | d) Evidence procedures/framework in place to undertake risk assessment and integrate mitigation strategies/plans into the project document                                      |  |  |  | i. Policy and/or other published document(s) that outline the risk assessment procedures/framework;<br>ii. 2 samples of completed project appraisals with identified risks and corresponding mitigation strategies/plans |
| <b>Project Implementation Planning and Quality at entry review.</b>   | a) Evidence of institutional System for planning implementation of projects with particular emphasis on quality-at-entry  |  |  |  | i. Operational manual or written procedures for project review system during the design phase;<br>ii. Sample reports that demonstrate that project implementation planning, and monitoring has been                      |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  | b) Evidence of preparation of project budgets for projects being handled by the entity or any sub-entity within it |  |  |  | i. Examples of project budgets;<br>ii. Analysis of project expenditure vs budget over time for these projects. |
|--|--|--|--|--|--|

**Project Monitoring and evaluation during implementation**

|   |  |  |  |   |
|---|--|--|--|---|
| <p>a) Demonstration of existing capacities for monitoring and evaluation that are consistent with the requirements of the Adaptation Fund</p>   |  |  |  | <ul style="list-style-type: none"> <li>i. Policies or other published document that outlines monitoring activities during implementation;</li> <li>ii. Detailed procedures and formats used for monitoring and evaluation during project implementation;</li> <li>iii. Sample of both project monitoring and evaluation reports.</li> </ul> |
| <p>b) Evidence of a process or system, such as a project-at-risk system, that is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond to redress the problems</p> |  |  |  | <ul style="list-style-type: none"> <li>i. Procedures for project-at-risk system or similar process/system to ensure speedy solutions to problems which may interfere with the achievement of the project objectives;</li> <li>ii. Examples of projects where risks were flagged and addressed in a timely way.</li> </ul>                   |

|   |  |  |  |  |   |
|---|--|--|--|--|---|
|   | c) Production of detailed project accounts which are externally audited  |  |  |  | <p>i. Sample of recent project accounts;</p> <p>ii. Sample of recent (related to</p>  |
| <b>Project closure and Final Evaluation</b> | a) Demonstration of an understanding of and capacity to assess impact/implications of the technical, financial, economic, social, environmental, gender and legal aspects of projects at closure |  |  |  | Samples of project completion/closure reports. containing assessment of the impact/implications of the technical, financial, economic, social, environmental, gender and legal aspects of projects. |
|   | b) Demonstration of competence to execute or oversee execution of projects/programmes  |  |  |  | Samples of project/programme closure reports.   |

|   |  |  |  |   |
|---|--|--|--|---|
| c) Demonstration of competence to conduct evaluations of completed projects |  |  |  | Samples of independent evaluations of projects containing assessment of the impact/implications of the technical, financial, economic, social, environmental, gender and legal aspects of projects. |
|---|--|--|--|---|

**Transparency, self-investigative powers, anti-corruption measures and mechanism to address complaints about environmental or social harms caused by projects**

|  |  |  |  |  |   |
|--|--|--|--|--|---|
| <b>Policies and Framework to deal with financial mismanagement and other forms of malpractices</b> | a) Evidence/tone/statement from the top emphasising a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by implementing entity staff or from any external sources associated directly or indirectly with the projects |  |  |  | Provide evidence of a statement communicating a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice. |
|--|--|--|--|--|---|

|  |  |  |  |
|--|--|--|--|
| <p>b) Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice</p> |  |  | <p>i. Provide copy of documented code of conduct/ethics applicable to the staff;<br/> ii. Documentation (including, if available, web link/s) establishing avenues for reporting non-compliance/violation/misconduct and business conduct concerns;<br/> iii. Details of policies and procedures relating to managing conflict of interest</p> |
|--|--|--|--|

|   |   |  |  |  |  |
|---|---|--|--|--|--|
|   | c) Evidence of an objective investigation function for allegations of fraud and corruption        |  |  |  | <ul style="list-style-type: none"> <li>i. Details of the structure and process/ procedures within the organization to handle cases of fraud and mismanagement, including breaches of anti-money laundering and anti-terrorism financing laws, and undertake necessary investigative activities;</li> <li>ii. Policies and procedures related to non compliance of AML/CFT policies and procedures;</li> <li>iii. Data on cases of violation of code of conduct/ethics, frauds and other financial malpractice reported over last 2 years be provided in terms of number of cases, types of violations and summary of status/action taken;</li> <li>iv. Periodical oversight reports of the ethics function/</li> </ul> |
| <b>Commitment by the entity to apply the Fund's environmental and social policy</b> | Evidence of entity's Commitment by the entity to apply the Fund's environmental and social policy |  |  |  | Statement from top management communicating entity's commitment to abide by the AF's environmental and social policy   |

|   |   |  |  |  |  |
|---|---|--|--|--|--|
| <b>Mechanism to deal with complaints on environmental and social harms caused by projects/ programmes</b> | Documentation of an accessible, transparent, fair and effective mechanism (either within the entity itself, local, national or project- specific) for receiving complaints about environmental and social harms caused by projects/programmes |  |  |  | <ul style="list-style-type: none"> <li>i. Details of process/avenues (including, if available, web link/s) for the public to submit complaints, including name and contact information of the specific person/office responsible for receiving complaints;</li> <li>ii. Evidence on the manner in which complaints are addressed and action is taken.</li> </ul> |
|---|---|--|--|--|--|

## Appendix 2: Sample Self-Certification Template

### Senior leadership statement letter

#### Letter heading

[Entity letterhead]

[Date]

To: The Chair, Adaptation Fund Board  
The Head of the Adaptation Fund

Copy: The Chair, Accreditation Panel

Subject: Triennial Management Statement on Continued Compliance with Adaptation Fund Fiduciary Standards

#### 1. Responsibility and scope

We, the undersigned members of the senior management of <Entity name>, acknowledge our responsibility for establishing, maintaining and overseeing systems of governance, risk management, internal control, and compliance designed to ensure adherence to the Adaptation Fund’s fiduciary standards, Environmental and Social Policy, and Gender Policy in relation to all activities financed by the Fund.

This statement covers the period from <start date> to <end date> (the “Reporting Period”) and relates to our status as an Accredited <National/Regional/Multilateral> Implementing Entity of the Adaptation Fund.

#### 2. Basis: self-assessment and evidence

We confirm that a comprehensive self-assessment of our compliance with the Adaptation Fund fiduciary standards and associated policies has been carried out for the Reporting Period, structured around each criterion and sub-criterion set out in the Fund’s accreditation standards and related guidance.

We have reviewed the accompanying “Triennial Self-Assessment of Compliance with Adaptation Fund Fiduciary Standards” and, to the best of our knowledge and belief, it fairly reflects the design and operating effectiveness of the relevant systems, policies and procedures during the Reporting Period.

#### 3. Confirmation of continued compliance and disclosure of deficiencies

Based on the work performed by management, internal assurance functions and external auditors, and on our knowledge of the entity’s operations, we are not aware of any material non-compliance with the Adaptation Fund fiduciary standards, during the Reporting Period that has not been disclosed in the self-assessment or in separate communications to the Adaptation Fund.

All significant deficiencies or material weaknesses identified in our systems of internal control, including in relation to financial management and integrity, institutional capacity, transparency, self-investigative powers, anti-corruption and AML/CFT controls, environmental and social safeguards, and gender-related processes, have been disclosed, together with management's remediation plans and timelines.

#### **4. Fraud, corruption, AML/CFT, ES/gender complaints**

We confirm that all known or suspected cases of fraud, corruption, financial mismanagement, money-laundering or terrorist financing, and other forms of misconduct, including in connection with Adaptation Fund-financed activities, that came to our attention during the Reporting Period have been reported through our internal mechanisms and, where required, to the relevant national authorities and to the Adaptation Fund in line with applicable policies.

We further confirm that all complaints and grievances related to environmental and social impacts or gender issues in Adaptation Fund-financed activities that were received during the Reporting Period have been handled through our established complaints mechanisms consistent with the Fund's Environmental and Social Policy and Gender Policy.

#### **5. Changes since last accreditation / statement**

We have disclosed to the Adaptation Fund all material changes that occurred during the Reporting Period which could reasonably be expected to affect our continued compliance with the Fund's fiduciary standards, Environmental and Social Policy and Gender Policy, including changes to our legal status, governance arrangements, internal control framework, key financial management and procurement policies, AML/CFT and integrity systems, and environmental and social or gender-related procedures.

To the best of our knowledge and belief, no other such material changes have occurred that have not been communicated to the Adaptation Fund through our change-notification process.

#### **6. Future undertakings**

We remain committed to maintaining and, where appropriate, strengthening our systems, policies and procedures to ensure ongoing adherence to the Adaptation Fund's standards and policies. We undertake to promptly notify the Adaptation Fund of any future material changes that may affect our compliance and to cooperate fully with any monitoring, review or re-accreditation processes undertaken by the Fund.

#### **7. Signature block**

Include at least the chief executive and the officer responsible for finance/compliance; optionally internal audit, ES/G lead:

- <Name>, <Title (e.g. Chief Executive Officer)>, Signature, Date
- <Name>, <Title (e.g. Chief Financial Officer / Director of Finance)>, Signature, Date
- <Name>, <Title (e.g. Director of Risk & Compliance / Internal Audit)>, Signature, Date

- <Name>, <Title (e.g. Head of Environmental and Social / Gender)>, Signature, Date

**8. Annex: Triennial self-assessment template**

## **Annex 3: Report of the Accreditation Panel on an assessment of the Royal Society for Protection of Nature (RSPN) of the Kingdom of Bhutan under the Streamline approach as the NIE of the Adaptation Fund**

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### **BACKGROUND**

The Kingdom of Bhutan, despite being the world's first carbon-negative country, faces significant climate change challenges due to its geographic and economic vulnerabilities. These include glacial lake outburst floods caused by accelerated glacial melt in the Eastern Himalayas; hydropower vulnerability due to climate-induced change in increasingly erratic rainfall and glacial melt; agricultural disruption due to unpredictable monsoon patterns, droughts, and pest outbreaks; increased natural disasters such as landslides, flashfloods, and forest fires; urban and ecosystem stress; and health risks due to an increase in prevalence of vector-borne diseases.

The Kingdom of Bhutan forcefully renewed its commitment to climate change adaptation in 2023 through the first National Adaptation Plan (NAP). The NAP was prepared in alignment with the requirements of Bhutan's Climate Change Policy 2020 to build resilience and reduce vulnerability in Bhutan. The NAP has four main objectives, namely (i) ensuring a continuous, progressive, and iterative process to assess the vulnerability and adaptation needs across all sectors and levels in Bhutan, recognizing the special needs of vulnerable groups through the NAP process. (ii) promoting the integration of climate change adaptation planning and implementation of adaptation actions into national and local level plans where possible. enhancing the climate information and knowledge system to support a long-term, iterative process of adaptation planning and implementation; and (iv) assessing progress in adaptation, including measurement of resilience, and to climate change. included nine top-priority adaptation projects.

The NAP fully mainstreams gender and prioritizes adaptation needs as programs and actions over seven thematic sectors, including water, agriculture and livestock; forests and biodiversity; human settlements and climate smart cities; health; energy; and climate service and disaster risk reduction.

### **THE APPLICANT**

The Royal Society for Protection of Nature (RSPN) was established in 1987 under the Royal Command of His Majesty as a citizen-based non-governmental organization (NGO) devoted to the conservation of the Kingdom's environment. It is the oldest environmental organization in the country and registered as a non-profit benefits organization with the Civil Society Organization Authority (CSOA). It has a 7-member Board of Directors and is led by an Executive Director who reports to the board and manages the day-to-day affairs of the NGO. The NGO's vision is to be a leader in conservation, ensuring an environmentally sustainable society. In doing so, RSPN promotes innovative technologies and methods, is proactive on environmental issues, and has seven organizational goals: strengthen conservation program to address current and emerging environmental issues; promote community stewardship in conservation through sustainable livelihoods, increase awareness, understanding and policy support of public for conservation; as well as 4 organizational goals.

RSPN has three field offices and a total of 32 full-time employees. Its Annual Report for 2024 reflects a cumulative portfolio of USD 6.74 million and 26 projects. The 2024 budget expenditure

amounted to about USD 1.7 million. Donors include UNDP (GEF Small Grants Programme), some endowment funds, and philanthropic funding from the German Ministry for Environment. Of note is that one of the donors is the Bhutan Trust Fund for Environmental Conservation (BT FEC), which is accredited with the AF. A BT FEC representative is also on RSPN's Board of Directors and on its Audit Committee.

## Interaction with the Adaptation Fund and the Green Climate Fund (GCF)

RSPN applied for a readiness package grant for US\$149,818.25 in July 2024 from the AF. ([Approved Readiness Grant](#).) This readiness grant was based on a gap analysis and thus resulted in the following readiness support: to develop an ESS policy; a gender policy and gender mainstreaming guidelines; a project operational and management manual covering the entire project cycle, including project identification, project appraisal quality at entry, social and environmental risks identification and mitigation measures, project M&E and how to mainstream cross-cutting themes, including gender into projects.

The readiness grant was implemented in parallel to the accreditation process and resulted in the issuance of nine new policies and guidance materials in late 2025. Upon the Panel's suggestion, the application was moved to a streamlined application in recognition of ongoing capacity-building efforts and concurrent policy developments. Following a visit to another AF NIE who had been approved under the streamlined approach, the Designated Authority requested to move the application under the streamlined approach in April 2025. RSPN was considered eligible for the streamlined approach taking into account the size of its staffing (32 full time employees) and the projects in its portfolio per the 2024 annual report (with the exception of one project, all projects were less than USD 1 million and most were below USD 100,000).

Regarding the GCF, RSPN underwent a Financial Management Capacity Assessment (FMCA) process and obtained the Delivery Partner status of the GCF. It is currently an implementing partner for a GCF Readiness Project amounting to USD 1 million in support of the GCF Readiness and Preparatory Support Programme (RPSP).

## SCOPE OF ASSESSMENT FOR ACCREDITATION

The assessment was based on the completed application form submitted through the online system and more than a hundred documents provided by RSPN, as well as their responses to follow-up questions. To ensure the Panel had a comprehensive view, this was complemented by an extensive review of other documents obtained from the applicant's website, third-party reviews and evaluations, in addition to those of other related international institutions.

The Assessment for streamlined accreditation was conducted on the criteria reflected in the Fund's Operational Policies and Guidelines and other relevant policies and background documents as shown in the table below. The Panel also took into account for its review Decision B.31/26 (use of external sources as complementary information) based on AFB/B.31/7/25 of

March 2018). The scope of the assessment, therefore, includes all 12 AF accreditation standards under the streamlined approach.

| Application Modality      | Decision basis   | Relevant Background Docs for AFB Decisions   |
|---------------------------|--|--|
| Streamlined Accreditation | <ul style="list-style-type: none"> <li>- Paragraphs 34-44 of the <a href="#">OPG</a></li> <li>- Decision B.25/17 (modified, available on page 11 of the <a href="#">report</a> of the 25<sup>th</sup> meeting of the Board</li> <li>- Decision B.32/36 (AML/CFT available on page 26 of the <a href="#">report</a> of the 32<sup>nd</sup> meeting of the Board)</li> </ul> | <ul style="list-style-type: none"> <li>- <a href="#">OPG</a> (amended, October 2021)</li> <li>- Document <a href="#">AFB/EFC.16/7/Rev.1</a> (streamlined process)</li> <li>- Document <a href="#">AFB/EFC.14/3</a> (Options for the accreditation of small entities)</li> <li>- Document <a href="#">AFB/EFC.23/4</a> (AML/CFT)</li> </ul> |

The review and the assessments by the Panel were based on the completed application form submitted through the online system and additional documents provided by RSPN, as well as on their responses to follow-up questions. To ensure that the Panel had comprehensive coverage, this was complemented by an extensive review of documents obtained from the RSPN website, which were downloaded and assessed as evidence of compliance with all the criteria required under the regular accreditation process. Relevant documents from the websites of other related international institutions were also reviewed, as necessary. A visit by a Panel member to Bhutan in January 2026 provided final clarification and evidence to conclude on all criteria.

## SUMMARY ASSESSMENT

### ***Assessment against the AF accreditation criteria***

In the Panel’s assessment, the requirements for streamlined accreditation were met as follows:

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

##### **Legal Status**

This criterion is met. The applicant, a citizen-based NGO, possesses the necessary legal personality and capacity as required by the AF. Its numerous agreements with international funders demonstrate the ability to attract and execute direct agreements.

##### **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 with policies and procedures, and laws.**

This criterion is met. The applicant has recently updated relevant internal policies to combat AML/CFT and has set up a detailed Know-your-Customer check, combined with the recent addition of sanctions screening. RSPN’s procurement policy adequately addresses AML/CFT

aspects and procedures. The applicant can resort to national structures for investigating breaches by partners and donors and has robust internal policies in place to sanction breaches of policies by its own staff.

### **Financial statements, including Project Accounts and Provisions for Internal and External Audits**

This criterion is substantially met. The applicant's current accounting system is based on the Bhutanese Generally Accepted Accounting Principles (GAAP), which reflect the IFRS as confirmed to the Panel by the Bhutanese Ministry of Finance. External audits confirm that financial statements have been prepared in accordance with the Government's 2016 financial rules and regulations and are in line with financial reporting requirements for NGOs in Bhutan. During the accreditation process, the applicant embarked on moving from a cash basis of accounting to an accrual basis, further solidifying the application of internationally recognized accounting standards. Annual external audits, conducted in line with the International Standards for Supreme Audit Institutions, are undertaken by national auditing firms under the supervision of the Royal Audit Authority. The applicant's accounting procedures are annually reviewed by its external auditor. An international business management accounting software is used for all operations and donor projects to record all financial transactions and to prepare the periodic financial statements. An auditing firm has been appointed to provide internal audit services and has produced a risk-based audit plan, which the audit committee approved; no reports have yet been issued, but there is a commitment to apply internationally recognized standards. New terms of reference provide for a professional audit committee to oversee internal controls, compliance, investigations, and fraud risks. The committee is yet to meet on a regular basis, but has recently stepped up to fulfil its expected role and has reviewed the assurance function of the entity and the preparation of relevant policies.

### **Internal Control Framework with Particular Reference to Controls over Disbursements and Payments**

This criterion is met. Internal policies articulate expected key elements. Policies and procedures' internal controls are reviewed on a regular basis by the external auditor and the Bhutan CSO authority; the latter's reviews have given high marks for the internal control system applied by the applicant. The recent appointment of an internal auditor is expected to further strengthen this. Payment systems are adequately defined and compliance is reviewed on a regular basis by the external auditor.

### **Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets**

This criterion is met. Its financial projections and recent performance show a strong growth orientation, and there are no elements questioning the medium-term financial solvency. The applicant is well-versed in the preparation of institutional budgets and monitoring and reporting on expenditures.

## ***Requisite Institutional Capacity***

### ***Procurement***

This criterion is met. The applicant has comprehensive procurement policies and procedures; they also apply to projects, and these are reviewed on an annual basis as part of its external audits.

### ***Project Preparation and Appraisal, including impact (including environment, socio-economic, political, and gender) assessment study with risk assessment and mitigation plans***

This criterion is met. The applicant has internal expertise and a solid track record in identifying and designing small/medium projects. Its portfolio of 26 small/medium-size projects funded by a multitude of donors reflects its ability to conduct robust appraisal activities leading to a healthy project pipeline and portfolio. The applicant demonstrated with several examples its ability to reflect the likely technical, financial, economic, environmental, and gender impacts at the project appraisal stage, and demonstrated this with appraisal documents. The applicant showed good experience in identifying and rating/mitigating project risks in several project documents provided.

### ***Project implementation planning, budgeting, and quality-at-entry review***

This criterion is met. The applicant's internal guidelines ensure quality-at-entry of projects and prescribe the setting up of project steering committees to provide strategic direction for larger projects. Inception meetings, annual work plans, and budgets complement the implementation planning system. The applicant demonstrated solid experience in the preparation and monitoring of project budgets.

### ***Project monitoring and evaluation (M&E) during implementation***

This criterion is met. RSPN has comprehensive M&E guidelines and procedures, overseen and executed by a small, dedicated M&E team headed by a qualified M&E specialist. Projects are typically monitored in addition by project steering committees. Regular management meetings and project steering committee meetings provide for tracking project implementation and addressing project risks. An example of a project-at-risk and a corresponding monitoring report and follow-up were provided. The applicant has good aptitude for preparing detailed project accounts and provided examples of unqualified project audits.

### ***Project closure and final evaluation***

This criterion is met. Project completion reports provided by the applicant reflected the ability to assess project results and the likely impact at project closure. Project execution and project closure reports confirm good performance and overall robust achievements in line with project objectives. Final evaluations reviewed by the Panel provided further evidence of capacity to ensure adequate project completion and independent evaluation.

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

This criterion is met. A strong zero-tolerance statement has been uploaded on the Organization's website. The commitment is bolstered by a recently issued anti-fraud, bribery, and corruption policy reflecting national laws.

### ***Policies and Framework for Dealing with Financial Mismanagement and Other Forms of Malpractice***

This criterion is met through several recent policies, such as the anti-fraud, bribery, and corruption policy, the code of conduct, and the whistleblower policy, which all prescribe robust procedures for dealing with financial mismanagement and other issues.

### ***Commitment by the entity to apply the Fund's Environmental and Social (E&S) Policy and Gender Policies***

This criterion is substantially met. The applicant shows a strong commitment to addressing environmental, social, and gender risks and has developed further in-house capacity and policies thanks to a readiness grant provided in parallel to the accreditation process. The new ESS framework and gender policies broadly meet AF policies. The applicant confirmed, during the Panel's visit, further enhancements aimed at addressing environmental, social, and gender risk. This commitment is also reflected in the new M&E policy.

### ***Mechanism to Deal with Complaints on Environmental and Social Harms and Gender Harms Caused by Projects/Programmes***

This criterion is met. The applicant has a grievance mechanism and policy, which has been recently updated as part of the readiness grant. Experience with project-level GRM exists. The revised policy shows a two-pronged grievance mechanism at the project and institutional levels and multiple avenues for reporting, including a web portal. To date, there have been no reported environmental or social grievances.

### **Assessment by Third Parties**

In addition to independent evaluations of RSPN projects, the Panel used a GCF assessment of RSPN's fiduciary and project management capacities for its review. The assessment confirmed that RSPN has demonstrated adequate capacity in financial and project management, procurement, finance, social and environmental safeguards, fiduciary, and anti-corruption measures of the GCF.

## **CONCLUSION AND RECOMMENDATION**

The Panel concludes that RSPN meets the standards and other requirements for streamlined accreditation and recommends the accreditation of RSPN as a national implementing entity by the Adaptation Fund Board, with an initial cap of USD 1 million per project.