



ADAPTATION FUND

2 July 2026

Adaptation Fund Board

Accreditation Panel Recommendation on the Accreditation of the Local Initiatives for Biodiversity, Research and Development (LI-BIRD), Nepal as a National Implementing Entity (NIE) of the Adaptation Fund

Having reviewed the accreditation application of the ***Local Initiatives for Biodiversity, Research and Development (LI-BIRD), Nepal***, the Accreditation Panel recommended that Li-BIRD be accredited as a National Implementing Entity (NIE) of the Adaptation Fund.

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

Accreditation Decision:

Having considered the recommendation of the Accreditation Panel, the Adaptation Fund Board decided to accredit the **Local Initiatives for Biodiversity, Research and Development (LI-BIRD)** of Nepal as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 2 July 2031.

Decision B.46-47/15

ANNEX I

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE APPLICATION FROM THE LOCAL INITIATIVES FOR BIODIVERSITY, RESEARCH AND DEVELOPMENT (LI-BIRD), NEPAL FOR REGULAR ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

Background

Nepal is a landlocked country in South Asia, located between China and India. It is characterized by remarkable geographic diversity, ranging from the low-lying Terai plains to the Himalayan mountain range, which includes Mount Everest. Nepal's population is approximately 30 million people, with the majority living in rural areas and relying on natural resources for their livelihoods. The country is ethnically and culturally diverse, with many languages and religious traditions coexisting.

Nepal is highly exposed to natural disasters and climate shocks – it is the second most vulnerable country globally to mortality risk from multiple hazards, including earthquakes, natural disasters (including those exacerbated by a changing climate), and disease outbreaks. Growth and development in Nepal cannot happen without sustained efforts to reduce risks, prepare for crises, and build resilience across the economy to these threats. Global warming and climate change are already affecting Nepal's gross domestic product. Increased flooding, heat stress on labor productivity and health, and heat stress on crops and livestock are expected to be a continual drag on growth.

The Applicant

Local Initiatives for Biodiversity, Research and Development (LI-BIRD) is a non-profit making, nongovernmental organization that was established in 1995 in Pokhara, Nepal and registered with the District Administrative Office of Kaski and affiliated with the Social Welfare Council of the Government of Nepal.

LI-BIRD is committed to capitalizing on local initiatives for sustainable management of natural resources for improving the livelihoods of rural poor and marginalized farmers, especially women. LI-BIRD has been a pioneer organization in strengthening participatory methodologies for research and development in agriculture, climate change adaptation, biodiversity conservation and sustainable natural resource management with a focus on environmental, gender and social safeguards.

LI-BIRD uses a multi-pronged approach to project implementation: (i) directly by LI-BIRD; (ii) through local NGO partners/sub-grantees; (iii) through community-based organizations (e.g., community forestry user groups, water user groups, and agriculture cooperatives); and (iv) LI-BIRD providing technical assistance, advisory and capacity building support to government, national and international agencies.

Scope of Assessment against the AF accreditation criteria

The Assessment for regular accreditation was conducted based on the criteria reflected in:

- Paragraphs 34-44 of the Adaptation Fund's Operational Policies and Guidelines

- Board decision B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism) based on AFB/EFC.23/4 of September 2018
- Board decision B.31/26 (Use of external sources as complementary information) based on AFB/B.31/7 of March 2018)

The assessment was based on the completed application form, LI-BIRD's responses to follow-up questions, the results of a June 2024 Panel visit to LI-BIRD premises in Nepal, and online meetings. To ensure that the Panel had comprehensive coverage, this was complemented by an extensive review of documents obtained from the website of LI-BIRD, third party reviews and websites of other relevant international institutions.

SUMMARY ASSESSMENT

In the Panel's assessment, the requirements for regular accreditation were met as follows:

Financial Management and Integrity Standards

Legal Status

LI-BIRD meets this criterion. It provided evidence that demonstrated it has the necessary legal personality; legal capacity/authority and the ability to directly receive funds; legal authority to enter into contracts or agreements with international organizations; and legal capacity to serve as a plaintiff or defendant in a court of law.

Policies regarding Anti-money Laundering and Counter-Terrorism Financing (AML/CFT)

LI-BIRD meets this criterion. It provided evidence that it has appropriate policies and procedures related to AML/CFT matters in disbursements, procurement and handling of instances of non-compliance of AML/CFT policies and procedures; a screening system for individuals and entities; and a decision-making process for handling risks related to any individuals and/or entities. This evidence included a revised Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) policy and procedures that were adopted in May 2025.

Financial statements including Project Accounts and Provisions for Internal and External Audits

LI-BIRD meets this criterion. It produces reliable financial statements that are prepared in accordance with internationally recognized accounting standards and audited in accordance with international recognized auditing standards; has received clean external audit opinions; has adequate accounting procedures that underpin its functioning and the production of financial statements; uses a financial and management accounting software; has a functionally independent outsourced internal audit function that operates in accordance with internationally recognized internal audit standards; and has a functioning Audit Committee that properly oversees the assurance functions of the entity. LI-BIRD's internal audit function was established during the accreditation process.

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

LI-BIRD meets this criterion. It demonstrated that it is using a high-level control framework that is supported by a set of policies and procedures that define the roles for management, internal auditors, and the governing body; and has proven payment/disbursement systems.

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

LI-BIRD substantially meets this criterion. It provided a summary of financial projections for future years, up to 2029, which is a list of projects expected to be financed and executed in the period. Although the documentation does not reflect a proper long-term business plan, the organization works with this approach of focusing more on the detailed funding at project level. Considering the information provided, it can be concluded that the LI-BIRD formulates long-term plans. This way of operating provides reasonable assurance on its solvency with a horizon of 5 years. The organization prepares annual budgets and has the ability to commit and spend against budgets.

Requisite Institutional Capacity

Procurement

LI-BIRD substantially meets this criterion. It provided evidence of transparent and fair procurement policies and procedures that are mostly consistent with recognized international practices. Its bidder protest and contract dispute mechanisms are covered by its complaints handling policy and procedures rather than its procurement manual.

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

LI-BIRD meets this criterion. It provided evidence that demonstrated that it has: the required capabilities and experience for the identification and design of projects; resources and a track record of conducting appraisal activities; the ability to examine and incorporate the likely impact of technical, financial, economic, social, environmental, gender and legal aspects into the project at the appraisal stage; and procedures/framework in place to undertake risk assessments and integrate mitigation strategies/plans into concerned project documents.

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

LI-BIRD meets this criterion. It demonstrated that it: has an institutional system for planning implementation of projects with particular emphasis for quality-at-entry; and prepares budgets for its projects.

Project monitoring and evaluation (M&E) during implementation

LI-BIRD meets this criterion. It provided evidence that indicates that it: has the required capacities for the monitoring and evaluation of projects; has an established system for flagging and addressing problems that may interfere with the achievement of project objectives; and produces project accounts that are externally audited.

Project closure and final evaluation

LI-BIRD substantially meets this criterion. It demonstrated that it has the required: understanding and capacity for assessing the impact/ implications of projects at closure; competence for executing and/or overseeing the execution of projects/programmes; and competence for conducting evaluations of completed projects. It demonstrated this through one evaluation that it directly commissioned as well as through the organization's involvement in other evaluations that were commissioned by other parties.

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

Policies and Framework to Deal with Fraud, Financial Mismanagement, and Other Forms of Malpractice

LI-BIRD substantially meets the criterion. It has demonstrated that it has: a clear statement from the top emphasizing a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by implementing entity staff and other parties associated directly or indirectly with the projects; the capacity and procedures to deal with financial mismanagement and other forms of malpractice; a 2018 whistleblower protection policy that would benefit from an update to reflect the measures implemented de facto by the organization and an internal investigation function that is not fully independent for allegations of fraud and corruption. LI-BIRD also has arrangements for accessing specialized external investigative support/services, on an as needed basis, for handling any complex cases of fraud, mismanagement or breaches of AML/CFT financing laws.

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

LI-BIRD meets this criterion. It provided a satisfactory statement from top management communicating the entity's commitment to abide by the AF's environmental and social and gender policies. It follows an Environmental and social safeguard (ESS) policy and procedure that was revised in July 2024, and a Gender Equality and Social Inclusion (GESI) Policy that was amended in September 2021. These policies are largely aligned with, and inspired by, the principles of the AF ESP. LI-BIRD also provided evidence of an operational Environmental and Social Management System (ESMS) that had the capacity to identify and manage environmental and social risks and substantially provide the basis for the development and implementation of AF-projects in compliance with the AF's ESP and GP.

Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs

LI-BIRD meets this criterion. LI-BIRD has a documented and established grievance mechanism for receiving complaints about environmental and social harms and gender harms caused by projects/ programmes. The mechanism has a number of avenues, including the organization's website, for the public to submit complaints. LI-BIRD informed the Panel that it has so far not received any public complaints about environmental and social harms caused by projects/programmes implemented by LI-BIRD.

ASSESSMENT BY THIRD PARTIES

The only third-party assessments that were identified during the assessment were three independent project evaluations that were commissioned by the Social Welfare Council of the Government of Nepal and UNEP. The Panel reviewed these independent project evaluations and used their contents to confirm project execution capacity and good performance.

CONCLUSION AND RECOMMENDATION

The Panel concludes that LI-BIRD meets the standards and other requirements for regular accreditation and recommends the accreditation of the organization as a national implementing entity by the Adaptation Fund Board.