



ADAPTATION FUND

AFB/B.29/4  
27 February 2017

---

Adaptation Fund Board  
Twenty-ninth meeting  
Bonn, Germany, 16-17 March 2017

Agenda item 7

## **REPORT OF THE TWENTY-FOURTH MEETING OF THE ACCREDITATION PANEL**

## WORK OF THE ACCREDITATION PANEL

1. The Accreditation Panel (the Panel) continued its work reviewing both new and existing applications. On 31 January and 1 February 2017 the Panel held its twenty-fourth meeting at the secretariat's offices in Washington, D.C. In the absence of the Chair of the Accreditation Panel Fatuma Mohamed Hussein (Kenya, Non-Annex I Parties), Vice-Chair Yuka Greiler (Switzerland; Western European and Others Group) presided over the meeting. The Panel and the secretariat expressed great appreciation to the outgoing Vice-Chair Philip Weech (Bahamas, Latin American and the Caribbean) and the former Panel member Godfrey Tumusiime who completed his term for their substantial contribution to the accreditation process of the Fund. In addition, a new Panel member, John Fitzsimon, was warmly welcomed.

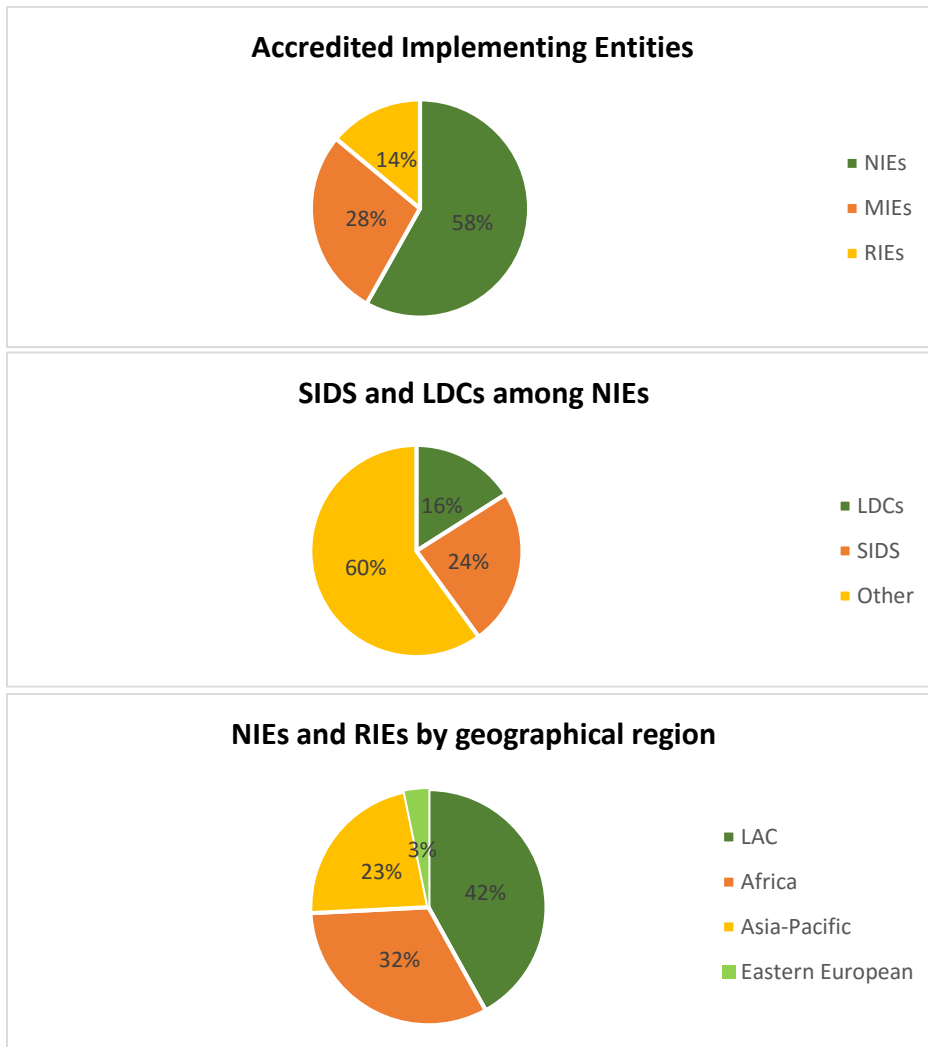
2. For the twenty-fourth Panel meeting, the secretariat has received four new completed re-accreditation applications while any new complete accreditation application has yet to be received. Since its twenty-third meeting, the Panel has continued reviewing five re-accreditation applications (five NIEs) and the applications of eleven potential NIEs and one potential RIE that were previously reviewed but required additional information for the Panel to make its recommendations. After considering the recommendation by the Panel, the Board intersessionally approved accreditation of the Environmental Project Implementing Unit (EPIU) of Armenia as NIE and re-accreditation of the Inter-American Development Bank (IDB) as MIE respectively by its decisions B.28-29/1 and B.28-29/3.

3. Twelve applications (eleven for potential NIEs and one for potential RIE) are currently under review by the Panel as per the list below. For purposes of confidentiality, only the assigned code is used to report on the status of each Implementing Entity's application.

- 1) National Implementing Entity NIE044
- 2) National Implementing Entity NIE046
- 3) National Implementing Entity NIE049
- 4) National Implementing Entity NIE057
- 5) National Implementing Entity NIE064
- 6) National Implementing Entity NIE066
- 7) National Implementing Entity NIE107
- 8) National Implementing Entity NIE112
- 9) National Implementing Entity NIE113
- 10) National Implementing Entity NIE134
- 11) National Implementing Entity NIE136
- 12) Regional Implementing Entity RIE008

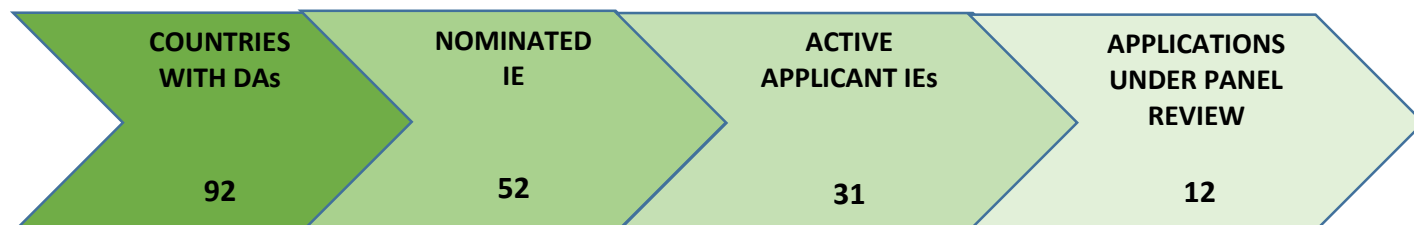
**GENERAL TRENDS**

5. As at the date of this report, the total number of accredited implementing entities amounts to 43: 25 NIEs, six RIEs and 12 MIEs. In particular, four NIEs of Least Developed Countries (LDCs) and six NIEs of Small Island Developing States (SIDS) were accredited. Out of 43 accredited implementing entities of the Fund, 11 have been re-accredited: two NIEs, one RIE and eight MIEs. With respect to the geographic coverage for the 25 NIEs, five NIEs are from Asia-Pacific region, eight NIEs are from Africa region, 11 NIEs are from Latin American and the Caribbean region, and one NIE is from Eastern Europe.



## ACCREDITATION PIPELINE

6. As at the date of the report, the Fund has received 117 letters of assigned Designated Authorities (DAs). The following chart provides an update on the current accreditation pipeline which does not count in re-accreditation application, with a detailed description of each figure:



- COUNTRIES WITH DESIGNATED AUTHORITIES (DAs):** Of 154 Non-Annex I parties to the Kyoto Protocol, 117 countries (76%) have appointed a Designated Authority to the Fund. As 25 countries have an accredited NIE, this number has been excluded in the figure for Accreditation Pipeline.
- NOMINATED IMPLEMENTING ENTITIES (IEs):** There are total of 83 nominated NIEs and RIEs, of which 25 NIEs and 6 RIEs have been accredited, and therefore, 31 has been deducted from the figure for Accreditation Pipeline.
- ACTIVE APPLICANT IMPLEMENTING ENTITIES:** The number of active applications of NIEs, RIEs, and MIEs on the Accreditation Workflow that are preparing or updating their application.
- APPLICATIONS UNDER PANEL REVIEW:** The number of applications under review by the Accreditation Panel.

## STATUS OF APPLICATIONS UNDER REVIEW

| <u>ENTITY</u>                | <u>APPLICATION CREATION/ SUBMISSION DATE</u> | <u>ADDITIONAL BACKGROUND INFORMATION</u> | <u>CURRENT STATUS</u>  |
|------------------------------|--|--|--|
| <b>EXISTING APPLICATIONS</b> |  |  |  |
| NIE044                       | Jan-13                                       | AFB/B.28/10                              | Since AP23 meeting, there has been no progress. The secretariat sent a letter to the DA on 9 March 2016 requesting to confirm the interest of the NIE in continuing to pursue the accreditation process. Although the applicant wrote to the secretariat on 29 |

|               |        |             |   |
|---------------|--------|-------------|---|
|               |        |             | July 2016 indicating its willingness to continue the process and submit the outstanding information, it has yet to make any progress.   |
| <b>NIE046</b> | Dec-12 | AFB/B.28/10 | Since the AP 23 meeting, the applicant attended one AF Readiness workshops and had a chance to discuss pending information with the secretariat and the Panel. On 29 December 2016 the entity submitted the requested documents/information to enable the Panel to resume the review process after a long dormant period. The Panel is currently assessing the documents provided and will provide feedbacks to the applicant in due course.  |
| <b>NIE049</b> | Apr-13 | AFB/B.28/10 | The Panel reviewed the additional documentation received from the application in October 2016 and produced an assessment report and a list of pending questions and information. This was the second round of questions and was communicated to the applicant on 16 December 2016. The Panel is waiting for the entity to submit the requested information.   |
| <b>NIE057</b> | Feb-14 | AFB/B.28/10 | The challenge that the applicant is facing is its lack of track record of non-credit (grant) project funding and implementation. Following the AP22 meeting, the secretariat communicated with the applicant to facilitate the applicant's understanding on the pending requirements for accreditation. The conference call was conducted in June 2016 between the applicant, the Panel and the secretariat. Despite a number of secretariat's follow-up communications with the entity from September 2016 to January 2017, there has been no progress yet.  |
| <b>NIE064</b> | May-16 | AFB/B.28/10 | The applicant submitted its application in May 2016. The secretariat completed its screening within the following week and requested the applicant to provide additional information and documentation to demonstrate pending gaps including its legal capacity required for accreditation. The representatives of the entity participated in one of the Fund's Readiness Workshops in June 2016, which presented an opportunity to exchange views on pending information among the entity, the Panel, and the secretariat. In January 2017, the applicant responded to the secretariat's follow-up email that it would be able to resume the accreditation process once necessary steps are taken to ensure that the entity is equipped with the required institutional capacities and rules and procedures. |
| <b>NIE066</b> | Apr-15 | AFB/B.28/10 | After updating pending information on application form, the entity resubmitted its application in August 2016. The entity is under the streamlined accreditation process and started receiving readiness support from an accredited NIE under the South-South Cooperation Grants programme. The Panel indicated that the applicant is a small entity with limited capacity. The entity has yet to update the requested financial information and had put some new policies and procedures in place. The entity needs to demonstrate its implementation of those policies and procedures.  |

|               |        |             |   |
|---------------|--------|-------------|---|
| <b>NIE107</b> | Jan-16 | AFB/B.28/10 | The Panel completed and produced the second assessment of the application and communicated pending information/documents to the Applicant on 22 December 2016. The applicant has communicated that it will provide the requested information in February 2017. The Panel indicated that several documents additionally submitted were insufficient to demonstrate the pending criteria. Considering the difficulties in communicating with the entity the Panel indicated that filed visit to the entity might help facilitate the process, but this option would be considered only after several gaps are closed.   |
| <b>NIE112</b> | Jan-16 | AFB/B.28/10 | The applicant has received readiness support from the Fund's accredited NIE under the Fund's South-to-South Cooperation Grants Programme. Since AP23 meeting, active communication has continued among the applicant, the Panel, and the secretariat. The secretariat held a bilateral meeting with the applicant at the COP22 in Marrakech, Morocco, in November 2016. The Panel completed the review in November 2016 and indicated still pending information/supporting documents. The applicant sent some of the requested information and documentation in January 2016, which are under review by the Panel. At the 24 <sup>th</sup> meeting, the Panel discussed the pending gaps including evidence of recapitalization, final audit report, capacity of running projects and project closure report, and implementation of anti-corruption procedures and policies as well as environmental and social policies. |
| <b>NIE113</b> | Jan-16 | AFB/B.28/10 | The applicant has been under streamlined accreditation process since November 2016 and has received readiness supported by the Fund's accredited NIE under the Fund's South-to-South Cooperation Grant Programme. Since the Panel completed initial review of application and communicated to the applicant the review results and pending information/documents list in April 2016, interactive communication has continued through the conference calls and bilateral meetings at the Fund's readiness workshop in May 2016 and the COP22 in Marrakech in November 2016. During the AP24 meeting, the Panel indicated that there are still several gaps of which the applicant is aware. The Panel will continue providing relevant guidance while waiting for applicant's remedial actions.  |
| <b>NIE134</b> | Nov-16 | N/A         | The Panel discussed the entity's application for the first time at its 24 <sup>th</sup> meeting. After the DA withdrew the previous NIE of the country and nominated a new entity, the applicant submitted its application in November 2016. After screening, the secretariat sent the application back to the applicant requesting to update the pending information/documents. The secretariat had a bilateral meeting with the applicant at the COP22 in Marrakech, Morocco, in November 2016. The applicant resubmitted its application on 23 November 2016, and after screening by the secretariat it was passed to the Panel for their review. The Panel is currently in the process of initial review.   |

|                          |        |             |   |
|--------------------------|--------|-------------|---|
| <b>NIE136</b>            | Jul-16 | AFB/B.28/10 | After updating pending information and supporting documents, the applicant resubmitted its application on 28 November 2016. The Panel completed their initial review in January 2017. The Panel was of view that although several documents have been submitted, the entity has yet to demonstrate a number of criteria with regard to fiduciary criteria.  |
| <b>RIE008</b>            | Jan-14 | AFB/B.28/10 | After some two years of dormant period, the applicant submitted the requested information/documentation in December 2016 and January 2017. The secretariat had a bilateral meeting with the applicant at the COP22 in Marrakech, Morocco in November 2016, which provided an opportunity to clarify the pending information and exchange views. The entity needs to submit remaining pending information to enable the Panel to continue their review. The ensuing conference call will be conducted after the entity submits pending requested information which will then be reviewed by the Panel. |
| <b>RE-ACCREDITATION:</b> |        |             |   |
| NIE003                   | Feb-15 | AFB/B.28/10 | The entity attended the Fund's Readiness Workshop in Honduras in June 2016. It has not yet made any progress in submitting the requested information/documentation and not re-submitted its application.  |
| NIE002                   | Aug-16 | AFB/B.28/10 | After screening by the secretariat, the Panel reviewed the application and found several gaps including anti-corruption policies and procedures. The secretariat had a bilateral meeting with the entity in November 2016, which provided an opportunity to clarify pending gaps and exchange views. As the entity submitted additional information, the Panel is currently reviewing it and will provide the entity with feedbacks once the review is complete.  |
| NIE031                   | Aug-16 | AFB/B.28/10 | In accordance with the AFB Decision b.28/38, the entity is eligible for fast-track re-accreditation process. As the entity resubmitted its application in late December 2016 after updating the pending information, the Panel is currently reviewing the application. The Panel found some gap areas including anti-corruption policies and procedures and complaint handling mechanism.   |
| NIE016                   | Aug-16 | AFB/B.28/10 | After screening, the secretariat sent back the application to the entity with a request to update information required for the Panel to continue to review, including key documents to be provided in English.  |
| NIE023                   | Jan-17 | N/A         | In accordance with the Board Decision B.28/38 the entity is eligible for fast-track reaccreditation process. After screening, the secretariat passed the application to the Panel. The Panel started reviewing the application.   |
| NIE014                   | Sep-16 | N/A         | After screening, the secretariat passed the application to the Panel for their review. The Panel completed their initial review and sent the entity a list of pending information in late October   |

|        |        |     |  |
|--------|--------|-----|--|
|        |        |     | 2016. The applicant has actively communicated with the secretariat and the Panel to prepare the requested information. The Panel is currently reviewing the additionally submitted documents.  |
| NIE030 | Dec-16 | N/A | The secretariat received application in late December 2016 and completed screening. The Panel is currently reviewing the application.  |
| MIE012 | Nov-16 | N/A | The Panel completed their initial review and indicated that the entity has enhanced internal audit function, work of audit committee as well as investigation and evaluation function. However, except for the external audit report on the financial statements, actual reports and additional documentation have not been submitted yet. The Panel found that the entity needs to demonstrate a number of gap areas. |

## OTHER MATTERS

7. *Date and venue for the twenty-fifth and twenty-sixth Meetings of the Accreditation Panel:* The twenty-fifth Panel meeting and the twenty-sixth Panel meeting are scheduled respectively on 2–3 May 2017 and 14–15 September 2017 in Washington D.C.

8. *Streamlined Accreditation Process:* The Panel confirmed that the eligibility of an entity to be considered under the Streamlined Accreditation process was clear as contained in document AFB/EFC.16/7/Rev.1. The Panel noted that recalling decision B.25/26 the secretariat would continue discussing accreditation, including the Fund's streamlined accreditation process, with the secretariat of the Green Climate Fund (GCF).

9. *Pipeline on accreditation and re-accreditation and Readiness Grants Support:* Panel discussed accreditation process of applicants under the readiness support. The Panel was of the view that a review would be beneficial to assess the results of the South-South Cooperation Grants. In addition, the Panel wished to receive feedback on accreditation from entities who receive readiness support from the accredited entity during their accreditation process.

10. *Guidance for the Designated Authorities in selecting an NIE:* The Panel reviewed the existing document of "Guidelines for the DA to select an NIE" which is available on the Fund's website.<sup>1</sup> The Panel was of the view that this guideline was useful but would need to be revised emphasizing the importance of promoting the use of the guidelines by the DAs as this would facilitate the accreditation process. The Panel wishes to report to the Board that (i) the Panel will start updating the "Guidelines for the DA's selection of NIE"; (ii) the secretariat will update this Guidelines in consultation with the Panel; (iii) the Panel will discuss the updated Guidelines as part of the substantive agenda of the twenty-fifth meeting.

11. *Lessons learned for Panel's consideration on grants process:* The Panel discussed the need to know what lessons might be learned on the accreditation process and outcomes themselves because such lessons could help refine the accreditation requirements and process.

<sup>1</sup> <https://www.adaptation-fund.org/wp-content/uploads/2014/12/Guidelines-for-Designated-Authorities-to-select-an-NIE.pdf>.



Five projects of implementing entities will be completed this year, and the Fund will have a chance to evaluate the projects results. It was noted that the ongoing second phase of evaluation of the Fund will be completed by the end of this year, and the evaluation results would provide lessons learned which could be reflected in the accreditation process going forward. It is expected that this information will be available at the twenty-seventh meeting (in January or February 2018) for the Panel's reflection and reaction.