



ADAPTATION FUND

30 September 2021

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast-Track Re-accreditation of the Partnership for Governance Reform in Indonesia (Kemitraan) as a National Implementing Entity (NIE) of the Adaptation Fund

Having reviewed the fast-track re-accreditation application of the Partnership for Governance Reform in Indonesia (Kemitraan), the Accreditation Panel recommended that Kemitraan be re-accredited as a National Implementing Entity of the Adaptation Fund.

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

Re-accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the fast-track process approved by Decisions B.28/38, the Adaptation Fund Board decided to re-accredit ***the Partnership for Governance Reform in Indonesia (Kemitraan)***, as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 29 September 2026.

Decision B.36-37/14

ANNEX I

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE PARTNERSHIP FOR GOVERNANCE REFORM (KEMITRAAN), INDONESIA FOR FAST TRACK RE-ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

Background

Kemitraan bagi Pembaruan Tata Pemerintahan (the Partnership for Governance Reform) (Kemitraan) was established in 2000 as a multi-donor trust fund and managed by the United Nations Development Programme (UNDP). In 2003, it became an independent legal entity, being registered under Indonesian Law as a non-for-profit civil law association and since the beginning of 2010, Kemitraan has assumed full fiduciary responsibility and accountability for its programs.

It works on advocacy and program/project implementation across sectors, guided by its 2017-2021 Strategic Plan, linking good governance (including rule of law, anti-corruption and inclusivity) with supporting sustainable development. In the period 2017-2020, it has managed a program and project portfolio of almost USD30m for a wide range of international and national resource partners.

Kemitraan is governed by a Partners' Meeting which is the highest decision-making body within the Partnership. Its membership consists of those individuals who are signatories to the Articles of Association of the Partnership. The Partners' Meeting determines the vision and mission of the partnership, sets strategic goals, and governance policies for the Partnership and appoints and oversees the performance of the Executive Board of its members, to which it delegates authority. The Executive Board comprises members selected from the Partners and has the authority to execute the strategy and policies mandated by the Partners' Meeting. The Executive Board appoints the Executive Director, who is responsible for the day-to-day operations through an Executive Office.

The Adaptation Fund (AF) Board approved Kemitraan's accreditation as a National Implementing Entity in 2016. Its first AF-supported project: "Community Adaptation for Forest-Food Based Management in Saddang Watershed Ecosystem" was approved in July 2019. It submitted its application for re-accreditation to the Secretariat via the online workflow system in November 2020. Two additional projects: "Safekeeping-Surviving-Sustaining towards Resilience: 3S Approach to Build Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province"; and "Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province" were approved in September 2020.

Kemitraan received Green Climate Fund (GCF) fast track accreditation without conditions in November 2020 based on the AF's accreditation.

Assessment against the fast-track re-accreditation criteria

The Assessment for fast-track re-accreditation of Kemitraan was conducted using the criteria set out in Board Decision B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund); Decision B.31/1 (Focus areas of review of a fast-track re-

accreditation); Decision B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism); and Decision B.34/3 (Revised re-accreditation process) and set out in Annex II to Document AFB/B.34/5. The assessment follows the revised form in Annex 2 of AFB/EFC.23/4 adopted under Decision B.32/36. The Panel's review therefore focused on the following re-accreditation criteria, and the Panel concludes that Kemitraan continues to meet these criteria:

- **The Fiduciary Standard related to the legal status** – Since its first accreditation, there have been no changes to Kemitraan's status as a non-profit, independent non-government organization in accordance with Indonesian laws. It is able to sign agreements with other legal entities including international organizations, receive funds directly and be represented in legal proceedings as plaintiff or defendant.
- **Policies and procedures related to anti-money-laundering/countering the financing of the terrorism (AML-CFT) on disbursements, procurement, breaches of financing laws, and necessary investigation activities** – Kemitraan has an AML-CFT policy in place which includes Know Your Customer processes connected with procurements, grant awards and disbursements. In the case of suspicious transactions Kemitraan advised that it would report these to its banker. There is a framework in place by which Kemitraan's banker reports to a national financial intelligence unit which has been subject to regular mutual evaluations against Financial Action Task Force standards in a process of continuous improvement. Kemitraan confirmed that there have been no cases of suspected AML-CFT violations.
- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – Kemitraan continues to meet the criteria. It confirms a zero tolerance for fraud, corruption, and other financial mismanagement in its Prohibited Practices Policy and Internal Control Framework. It advertises the zero tolerance approach on its public website in the easily-accessible complaint web page, and also in its standard operating procedure for project financial management which is incorporated in the grant agreements with executing entities.

Kemitraan has relevant Staff Rules and policies in place to address fraud and financial mismanagement within the organization and by suppliers and partners. It maintains reporting channels to receive complaints and concerns of fraud and financial mismanagement and a whistleblower protection policy.

The Internal Audit Unit coordinates and assists management in the investigation of fraudulent activities, identification of the risks of fraud and development of fraud prevention and monitoring strategies. Investigations are undertaken by an ad hoc investigation committee overseen by the Head of the Internal Audit Unit and may involve external experts and must follow Indonesian labor laws. Terms of reference of the committee are posted on Kemitraan's public website. Kemitraan confirmed that there have been no cases of violation of the code of ethics, fraud or corruption since last accreditation.

- **Commitment by the entity to apply the Fund's Environmental and Social Policy and Gender Policy** – It provided a letter of commitment from the Executive Director to abide by the AF's E&S and Gender Policies and has successfully met AF requirements for the assessment of E&S and gender risks in the planning of three projects currently under implementation.

- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** - Kemitraan maintains central and project level complaint channels and has put in place complaint handing procedures that apply to environmental, social and gender concerns as well as other concerns. It provided evidence of a track record in responding to safeguard concerns, including through follow up field visits.

Quality at entry and status of on-going AF Projects

Kemitraan has successfully presented, in 2019 and 2020, three projects for AF approval. The project “Community Adaptation for Forest-Food Based Management in Saddang Watershed Ecosystem” started its implementation on 20 October 2020, and the project “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province” started in April 2021, therefore the first performance reports are expected by October 2021 and April 2022 respectively. The other project to be implemented by Kemitraan, “Adapting to Climate Change through Sustainable Integrated Watershed Governance in Indigenous People of Ammatoa Kajang Customary Area in Bulukumba Regency, South Sulawesi Province” approved by the Board in September 2020, only started in April 2021.

Recommendation

The Accreditation Panel recommends that Kemitraan bagi Pembaruan Tata Pemerintahan (the Partnership for Governance Reform) be re-accredited under the fast-track approach as a National Implementing Entity (NIE) of the Adaptation Fund for Indonesia.