ADAPTATION FUND

AFB/B.43/4/Rev.1
10 October 2024

Adaptation Fund Board
Forty-third meeting
Bonn, Germany, 10-11 October 2024

Agenda item 5(a)

REPORT OF THE FORTY-SECOND MEETING OF THE ACCREDITATION PANEL

WORK OF THE ACCREDITATION PANEL

1. The Accreditation Panel (the Panel) continued its work reviewing existing applications. The Panel held its forty-second meeting (AP42) on 28-29 August 2024 in Washington DC. The Chair of the Accreditation Panel, Mr. Kevin Adams (United States of America, Western Europe and Others), presided over the meeting.

2. For the forty-second Panel meeting, the Adaptation Fund Board Secretariat (the secretariat) received new accreditation applications for five potential National Implementing Entities (NIEs) - NIE154, NIE159, NIE163, NIE167 and NIE168. The Panel continued reviewing 15 re-accreditation applications (10 NIEs, two Regional Implementing Entity (RIEs), and three Multilateral Implementing Entities (MIEs)) and 17 accreditation applications of 16 potential NIEs and one potential RIE that were previously reviewed but required additional information for the Panel's review. The accreditation application of one of the NIE candidate has been dormant for four consecutive 6-month period. Therefore, in accordance with Decision B.31/26, the Secretariat sent the first, second, third and final letters notifying the DA about the inactivity of the entity on 3 January 2023, 12 July 2023, 22 January 2024, and 7 August 2024 respectively. Accordingly, the application has been removed from the Workflow.

3. After considering the recommendation by the Panel, the Adaptation Fund Board (the Board) had intersessionally approved during the period from 8 February 2024 to 27 August 2024, the fast-track accreditation of the Corporacion Nacional para el Desarrollo (CND) of Uruguay as an NIE of the Fund (Decision B.42-43/16).

4. During the period from the forty second meeting of the Panel to the date of the finalization of this report, the Panel concluded the review of two applications for fast-track re-accreditation of the Inter-American Development Bank (IDB) and United Nations Development Programme (UNDP) and reached a consensus to recommend the re-accreditation of IDB and UNDP under the fast-track process as an MIE of the Fund. The Panel's assessment reports on the fast-track re-accreditation of the IDB and UNDP is contained in Annex I and Annex II of this document.

5. As of the forty-second meeting of the Panel,17 accreditation applications, comprising of 16 potential NIEs and one potential RIE were under review by the Panel as per the following list:

1. National Implementing Entity NIE041
2. National Implementing Entity NIE055
3. National Implementing Entity NIE057
4. National Implementing Entity NIE066
5. National Implementing Entity NIE113
6. National Implementing Entity NIE140
7. National Implementing Entity NIE142
8. National Implementing Entity NIE144
9. National Implementing Entity NIE147
10. National Implementing Entity NIE148

11. National Implementing Entity NIE149
12. National Implementing Entity NIE156
13. National Implementing Entity NIE157
14. National Implementing Entity NIE158
15. National Implementing Entity NIE164
16. National Implementing Entity NIE166
17. Regional Implementing Entity RIE016

GENERAL TRENDS

6. As of 29 August 2024, the total number of accredited implementing entities amounted to 57: 33 NIEs, nine RIEs, and 15 MIEs (Figure 1). Among the 33 NIEs, there were 10 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 57 accredited implementing entities of the Fund, 39 entities (68%) had been re-accredited: 21 NIEs, 6 RIEs and 12 MIEs. With respect to the geographic coverage of the 33 NIEs and 9 RIEs, 16 entities were from Latin America and the Caribbean (LAC), 14 were from Africa, 11 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 11 countries for a second NIE to pursue accreditation with the Fund.

Figure 1. Accredited Implementing Entities by type

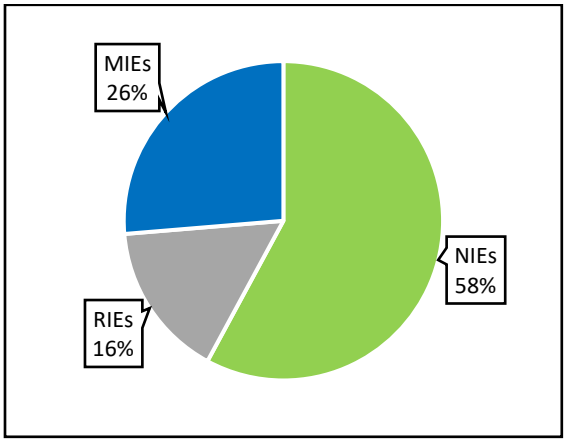


Figure 2. LDCs and SIDS among accredited NIEs

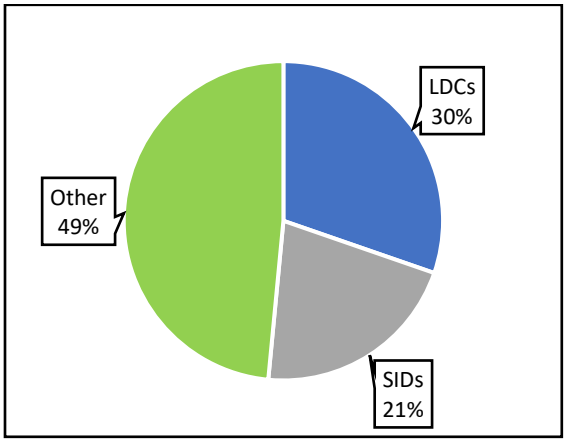
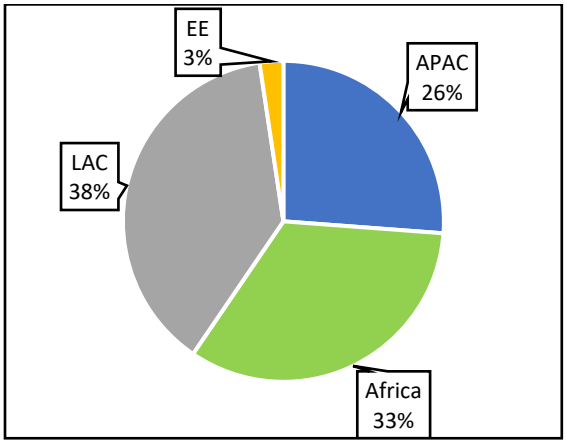


Figure 3. Accredited NIEs and RIEs by region



ACCREDITATION PIPELINE

7. 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 29 August 2024

STATUS OF APPLICATIONS UNDER REVIEW

APPLICANT IE	SUBMISSION OF APPLICATION (MM-YYYY)	REFERENCE FOR BACKGROUND INFORMATION	CURRENT STATUS
EXISTING APPLICATIONS			
NIE041	Oct-2020	AFB/B.42/4	Prior to the AP41 meeting, the secretariat facilitated a conversation between the applicant and the Panel on 2 February 2024 to discuss and provide clarifications on the pending issues raised in the Panel's 16 January 2024 list of follow up questions. On 13 July and 19 August 2024, the Secretariat followed up with the focal point to request updates on their progress with the application and encouraged the applicant to seek additional clarifying calls with the Panel as needed. At the time of this report, the applicant has neither responded nor uploaded new documents to the Workflow.
NIE055	Mar-2021	AFB/B.41/4	This application is being reviewed under the streamlined accreditation process. Since the AP41 meeting. there has been no substantive progress in the application. According to the Panel, there remain challenges in a number of areas including among others, the audited financial statements, AML/CFT procedures, and project implementation competencies. There is also insufficient evidence to suggest the applicant has the capacity to apply the AF ESP and GP requirements. On 19 August 2024, the Secretariat requested the applicant to share updates on its progress and encouraged the focal point to take advantage of the availability of the Panel to seek further guidance on the pending issues as needed. In response, the applicant uploaded some documents to the Workflow on 20 August 2024.
NIE057	Apr-2014	AFB/B.42/4	After the AP41 meeting, the Panel continued its review of the application and issued a set of follow-up questions, which the Secretariat transmitted to the focal point on 7 March 2024. In response, the applicant uploaded several documents to the Workflow in April 2024, enabling the Panel to resume its review. At the Panel's request, the Secretariat requested the applicant to provide additional documents on 26 March 2024. These documents were uploaded by the focal point on 28 March 2024. Following this, the Secretariat facilitated a call between the Panel and the applicant on 7 May 2024 to discuss the application further. This discussion led to the applicant uploading additional documents to the Workflow on 20 May 2024. Another call with the applicant's audit team was held on 5 June 2024, which prompted the upload of additional documents to the Workflow on 10 June 2024. As of this report, further update on the application is pending.

NIE066	Apr-2015	AFB/B.42/4	This application is being reviewed under the streamlined process. Following the AP41 meeting, the Secretariat facilitated a discussion between the applicant and the Panel on 16 February 2024, at the focal point's request. The purpose of the call was to discuss the status of the application and allow the Panel to clarify pending issues. During the call, the Panel indicated that additional readiness support would be beneficial for addressing some gaps in the application. Consequently, the focal point was put in touch with the AF readiness team for further guidance. On 8 July 2024, the Secretariat requested an update from the focal point on the pending issues. In response, the focal point indicated that additional technical and financial support was needed to address the Panel's concerns. The focal point also noted that the DA for the country was no longer at post, which makes further engagement with the AF on readiness support challenging. At the time of this report, the secretariat has not received additional documents from the applicant in the Workflow.
NIE113	Jan-2016	AFB/B.42/4	.This application is being assessed under the streamlined accreditation process. The most recent documents were uploaded to the Workflow on 6 February 2024. Following this, the Panel assessed the documents and determined that while the documents were useful, they do not substantially advance the accreditation process. On 10 July 2024, the Secretariat informed the applicant of the assessment outcome and requested additional documents. The most recent follow-up request for updates from the Secretariat was on 19 August 2024. In response, the applicant uploaded three documents to the Workflow on 22 and 26 August 2024. In their response email on 22 August 2024, the focal point requested for a call with the Panel, which the Secretariat facilitated on 22 August 2024. Subsequent to the call, and at the request of the applicant, the Secretariat put the focal point in touch with the Fund's readiness programme team for guidance on the readiness package grant. As of this report, no additional documents have been shared by the applicant. .
NIE140	Sept-2019	AFB/B.42/4	The last documents received from the focal point was on 25 November 2021. After the AP41 meeting, the secretariat facilitated a call with the focal points on 6 March 2024 to provide guidance on the pending information and how to navigate the Workflow platform. In response to the latest request for updates on 3 July 2024, the focal point uploaded some documents to the Workflow on 20 August 2024, suggesting that the application is no longer dormant. The last exchange with the entity was on 20 August 2024, when the Secretariat held a call with the focal points to discuss the progress of the application and to respond to some clarifying questions regarding the accreditation process and available readiness support.

NIE142	May-2019	AFB/B.42/4	This application is being assessed under the streamlined accreditation process. After the AP41 meeting, the applicant uploaded additional documents to the Workflow on 16 May 2024, permitting the Panel to update its assessment report. In consultation with the Panel, the Secretariat carried out an Accreditation Panel field mission on 7-13 June 2024, which included project site visits to assess the entity's adherence to and implementation of relevant policies, processes, and procedures related to environmental and social safeguards. The mission also allowed the Secretariat to engage with a representative from a major donor organization to discuss the status of its assessment of the applicant entity's performance on a micro-evaluation that it had recently conducted. As a result of the mission, the entity was able to finalize two documents that were pending and uploaded both to the Workflow on 20 June 2024. At the request of the Panel, the Secretariat facilitated a call between the Panel and the applicant on 21 August 2024, during which the Panel provided updates on its ongoing review. As of this report, the Panel is finalizing the follow-up list of questions to be sent to the applicant in August 2024.
NIE144	Sept-2020	AFB/B.42/4	This application is being assessed under the streamlined accreditation process. Prior to AP41 meeting, the secretariat facilitated a call with the applicant on 12 January 2024 to discuss the 4 January 2024 list of follow up questions that Panel had produced. On 8 July 2024, the Secretariat followed up with the focal point to request updates on the applicant's progress with the pending issues. In the absence of a response, the Secretariat sent reminders on 6 and 19 August 2024 to request updates. At the time of this report, the applicant has neither responded to the Secretariat nor uploaded new documents in the Workflow.
NIE147	Aug-2020	AFB/B.42/4	After the AP41 meeting, the Panel continued to review the documents the applicant had uploaded to the Workflow in October 2023 and January 2024. At the request of the Panel, the Secretariat, on 7 March and 7 May 2024 requested the applicant to provide some additional information that were missing from the Workflow. In response, the applicant uploaded some documents to the Workflow in June and July 2024, permitting the Panel to continue its review of the application. The latest request for updates from the applicant was on 20 August 2024, which the Secretariat conveyed to the Panel. At the time of this report, further update on the status of the application is pending.

NIE148	Dec-2020	AFB/B.42/4	In response to the latest dormant notification letter, the focal point uploaded some documents to the Workflow on 31 January 2024, which re-activated the application from dormant status. This permitted the Panel to resume review of the application, subsequently producing a follow up list of questions which the Secretariat transmitted to the focal point on 5 August 2024. The focal point acknowledged receipt on 7 August and indicated they will revert to the Secretariat soon. At the time of this report, no additional documents have been uploaded to the Workflow.
NIE149	Aug-2023	AFB/B.42/4	This application was first submitted to the secretariat on 14 July 2022. After initial screening by the secretariat, it was sent back to the focal point with comments. The application was then resubmitted on 23 August 2023, which was further screened by the secretariat and subsequently progressed for initial review by the Panel on 4 January 2024. After the AP42 meeting, the Panel continued review of the application. At the time of this report, no further updates have been shared by the Panel.
NIE156	Jul-2022	AFB/B.42/4	After the AP41 meeting, the Panel continued its review of the application and produced a follow up list of questions which the Secretariat transmitted to the applicant on 26 March 2024. In response, the applicant uploaded some documents to the Workflow in mid-May, allowing the Panel to resume review of the application. The Panel produced a follow up list of pending issues which the Secretariat shared with the focal point on 5 June 2024. The Secretariat and the Panel subsequently conducted an accreditation field mission to the applicant entity on 27-29 June 2024, during which the Panel provided guidance and agreed with the entity on the pending list of documents needed to address the gaps in the application. This allowed the entity to upload several documents in the Workflow in June, July, and August 2024. At the time of this report, further review of the latest documents by the Panel is ongoing.
NIE157	Jan-2023	AFB/B.42/4	After the AP41 meeting, the Panel continued its review of the documents the applicant had uploaded in the Workflow on 25 January 2024, subsequently producing a follow up list of questions, which was shared with the applicant on 20 May 2024. On 24-26 June 2024, the Secretariat conducted an accreditation field mission to the applicant entity, which allowed the Panel to provide further guidance on the application and clarify the pending issues raised in the latest list of follow up questions. Subsequently, the focal point uploaded some documents to the Workflow in July and August, permitting the Panel to resume its review of the application. At the time of this report, the Panel has shared no further updates.

NIE158	Sept-2023	N/A	This application is being reviewed under the fast-track process. The Panel produced the initial set of follow-up questions which the secretariat transmitted to the focal point on 23 October 2023. The Secretariat reached out to the focal point on 2 January 2024 to request updates on the follow-up list of questions. In response, the applicant uploaded several documents to the Workflow on 8 March 2024, allowing the Panel to resume its review of the application. The Panel subsequently produced a follow up list of questions which the Secretariat shared with the focal point on 27 March 2024. In response to the Secretariat's request for updates on 11 June 2024, the applicant uploaded additional documents to the Workflow on 13 August 2024. At the time of this report, further review of the application is ongoing.
NIE164	Nov-2023	N/A	This application is being reviewed under the fast-track process. The secretariat received the final application submission on 2 November 2023, and then after final screening, it was progressed for initial review by the Panel. The Panel completed the initial review and produced an initial list of follow up questions which the Secretariat shared with the applicant on 2 February 2024. Ahead of the AP42 meeting, the Secretariat, on 20 August 2024, reached out to the focal point to request updates on the initial list of follow up questions. At the time of this report, no further updates have been received from the entity.
NIE166	Nov-2023	N/A	This application is being reviewed under the streamlined accreditation process. After the AP41 meeting, the entity uploaded documents to the Workflow on 7 March 2024. Following the Panel's recommendation, the entity formally expressed its interest in being considered under the streamlined process on 8 March 2024, which the Secretariat conveyed to the Panel. The entity subsequently uploaded additional documents to the Workflow in April and May 2024, enabling the Panel to resume its review of the application. At the entity's request, the Secretariat facilitated a call between the Panel and representatives from the applicant organization on 3 June 2024. The call focused on discussing the progress of the application and providing guidance on the Panel's outstanding issues. The Panel reviewed the latest documents and produced a follow-up list of questions, which the Secretariat shared with the applicant on 13 June 2024.The entity has since uploaded one document to the Workflow on 21 June 2024. As of this report, the Secretariat is awaiting further progress from the focal point regarding the pending issues.

RIE016	Jun-2017	AFB/B.42/4	After the AP41 meeting, the Secretariat transmitted a dormant notification letter to the applicant on 21 March 2024. The Secretariat also organized a call with representatives from the applicant organization on 26 March 2024, during which the Secretariat provided guidance on the pending issues and how to navigate the Workflow portal. On 25 April 2024, the Secretariat requested updates from the focal point on the progress of the application. At the request of the entity, the Secretariat organized a call on 14 May 2024 between the Panel and the applicant, during which the Panel offered further clarifications on the pending issues. In response to a follow up request for updates from the Secretariat, the focal point uploaded some documents to the Workflow on 6 August 2024 and indicated that additional documents would be uploaded soon. At the time of this report, the Secretariat has received no further updates from the focal point.
RE-ACCREDITATION			
NIE004	May-2021	AFB/B.42/4	Prior to the AP41 meeting, the Secretariat requested updates on the Panel's September 2023 list of follow-up questions on 30 January 2024, but received no response. On 8 March 2024, the Secretariat sent another request, reminding the focal point that the 3-year deadline for the entity to achieve re-accreditation was approaching. In response, the applicant uploaded several documents to the Workflow in March and April 2024. The Secretariat notified the Panel of the entity's progress on 17 April 2024. On 28 August 2024, and considering that the deadline for the entity to achieve re-accreditation is fast approaching, the Secretariat conveyed to the applicant that it is eligible to request a grace period to align with its ongoing AF-supported project. The applicant acknowledged receipt of the email the next day and indicated it would get back to the Secretariat soon. As of this report, the Panel's review of the latest documents is ongoing. The Panel has also requested additional input from the Secretariat's project team regarding the entity's performance on AF-supported projects.

NIE014	Jan-2024	N/A	The application was submitted to the Secretariat on 10 May 2023. After an initial screening, it was sent back to the applicant with comments. The entity resubmitted the application on 17 October 2023, allowing further screening by the Secretariat. Residual gaps were identified, and the application was returned to the focal point with additional comments. The final submission was received on 31 January 2024, after which the Secretariat screened and advanced it for initial Panel review on 1 February 2024. The Panel completed its initial review and produced a follow-up list of questions, which the Secretariat sent to the focal point on 8 March 2024. On 1 May 2024, the Secretariat was notified that the focal point for the application had changed, allowing the Secretariat to update the contact information accordingly in the Workflow. On 12 and 13 August 2024, the new focal point uploaded several documents to the Workflow, permitting the Panel to resume its review. As of this report, no further updates from the Panel have been received.
NIE015	May-2024	N/A	The first submission of the application was on 27 February 2024, and then after initial screening, the Secretariat sent the application back to the applicant with comments. The application was resubmitted on 16 May 2024, and then after further screening by the Secretariat, it was progressed to the Panel for initial review on 7 June 2024. At the time of this report, no further updates from the Panel have been received.
NIE016	May-2017	AFB/B.42/4	Prior to the AP41 meeting, the applicant uploaded several documents to the Workflow on 11 January 2024. At the request of the applicant, the Board on 22 January 2024 also approved the grace period request for the extension of the re-accreditation deadline to coincide with the project extension deadline of 13 January 2025. On 14 April 2024, the entity requested updates, which the Secretariat relayed to the Panel. The Panel indicated that it was actively reviewing the application and had sought additional information from the Secretariat's project team regarding the entity's performance on its AF-funded project. Subsequently, the Panel produced a follow-up list of questions, which the Secretariat sent to the focal point on 28 May 2024. At the applicant's request, the Secretariat facilitated a call between the applicant and the Panel to clarify the follow-up questions. Following this, the entity uploaded additional documents to the Workflow on 12 June 2024. After reviewing these documents, the Panel produced another list of follow-up questions, which the Secretariat transmitted to the applicant on 8 August 2024. In response, the applicant uploaded further documents to the Workflow on 19 August 2024. The Secretariat has since notified the Panel of the entity's progress.

NIE020	Jun-2024	N/A	The application was first submitted to the Secretariat on 7 May 2024, and then after screening, it was sent back to the applicant with comments. The application was resubmitted on 18 June 2024, and then after screening, it was passed on to the Panel for initial review on 24 July 2024. At the time of this report, no further updates have been received from the Panel.
NIE023	Sept-2022	AFB/B.42/4	After the AP41 meeting, the Panel continued its review of the documents the applicant had uploaded to the Workflow on 23 and 24 January 2024. At the request of the applicant, the Secretariat on 9 February 2024, facilitated a call between the Panel and representatives from the applicant entity to seek clarification on some of the pending issues. After review of the latest documents the applicant had uploaded to the Workflow, the Secretariat, on 14 March 2024, conveyed the Panel's request for the applicant to address some residual comments. In response, the focal point uploaded some additional information to the Workflow on 9 July 2024, allowing the Panel to continue with updating of its assessment report. On 14 August 2024, the Panel shared the draft assessment reports with the Secretariat for internal quality checks and further processing.
NIE029	Jun-2022	AFB/B.42/4	After the AP41 meeting, the Panel continued its review of the documents that the applicant had uploaded to the Workflow on 30 November 2023. On 22 May and 8 July 2024, the Secretariat sought updates from the Panel regarding the status of the review. In response, the Panel completed its review of the latest documents the applicant had shared and produced a follow up list of questions which the Secretariat transmitted to the applicant on 12 August 2024. The focal point acknowledged receipt of the questions on 13 August 2024 and indicated they would get back to the Secretariat in due course.
NIE032	Oct-2023	N/A	The application was initially submitted to the Secretariat on 18 August 2023, and then after screening, the Secretariat provided feedback to the applicant, who then resubmitted the application on 16 October 2023. Following further screening, the Secretariat advanced the application for initial Panel review on 22 May 2024. The Panel produced an initial list of questions, which the Secretariat transmitted to the applicant on 24 June 2024. Simultaneously, the Panel requested input from the Secretariat's project team regarding the applicant's performance on the AF-supported project they are implementing. At the applicant's request, the Secretariat facilitated a call on 12 July 2024 between the Panel and representatives from the applicant's organization to clarify issues raised in the 24 June 2024 follow-up questions. On 25 July 2024, the Panel responded to a further clarification request from the applicant, enabling the applicant to upload its responses to the Workflow on 7 and 20 August 2024. As of this report, the application review is ongoing.

NIE049	Jun-2022	AFB/B.42/4	Following the AP41 meeting, the Panel continued its review of the documents that the applicant had uploaded to the Workflow on 6 and 7 February 2024. On 26 March 2024, the focal point requested an update on the status of the application. The Secretariat informed them that the Panel's review of the latest documents was still ongoing. The Panel completed its review and produced a follow-up list of questions, which the Secretariat forwarded to the focal point on 22 May 2024. At the focal point's request, the Secretariat facilitated a call with the Panel on 7 June 2024 to discuss the follow-up questions. This enabled the applicant to upload additional documents to the Workflow on 12 July 2024. The Secretariat has since informed the Panel about the applicant’s progress. As of this report, the Panel has provided no further updates.
NIE069	Mar-2021	AFB/B.42/4	On 2 and 4 December 2023, the Panel exchanged with the applicant and requested additional documentation, which the focal point subsequently uploaded on 14 December 2023. After reviewing the documents, the Panel identified some gaps and held a call on 22 March 2024 with the Secretariat’s project team to discuss the entity's ESG capacity, based on the AF-supported projects the entity was implementing. Following the call, and at the Panel's request, the Secretariat project team shared the PPR submitted by the entity on 26 June 2024, enabling the Panel to continue its assessment of the application. However, the Panel found that the information in the PPR was insufficient to fully address its queries. Consequently, on 29 July 2024, the Panel communicated its observations to the project team and requested additional information related to ESG safeguards at the project level to support further assessment of their effectiveness and implementation. On 12 August 2024, the applicant provided a file in response to the Panel's request. As of this report, the Panel’s further review of the information is ongoing.

RIE001	Nov-2021	AFB/B.42/4	Following the AP41 meeting, the Panel continued its review of the documents submitted by the applicant in January and May 2024. The Panel then prepared a follow-up list of questions, which the Secretariat forwarded to the focal point on 9 June 2024. Between 6 and 13 June 2024, the Secretariat conducted a joint portfolio and accreditation field mission to assess the entity's performance on ongoing AF projects and to provide guidance on the issues the Panel identified as pending. During a meeting with the organization's leadership, the Secretariat also discussed the possibility of the entity requesting an extension of the re-accreditation deadline to allow the entity a grace period to achieve re-accreditation. In response, the Secretariat received an official request from the entity on 12 June 2024, which was submitted to the Board for intersessional consideration. On 24 July 2024, the Board approved the request, extending the re-accreditation deadline to 17 November 2025, aligning with the project completion date for one of the projects the entity is implementing. As of this report, the Secretariat has not received any further updates from the applicant.
RIE002	Dec-2023	N/A	The application was initially submitted to the Secretariat on 1 December 2023. After screening, the Secretariat advanced the application for initial review on 19 February 2024. The Panel completed its initial review and prepared a follow-up list of questions, which the Secretariat shared with the focal point on 13 July 2024. In response, the applicant uploaded several documents to the Workflow on 12 August 2024. The Secretariat has since informed the Panel of the applicant’s progress.

MIE001	Mar-2023	AFB/B.42/4	During the AP41 meeting, the Secretariat facilitated an in-person meeting on 8 February 2024 between representatives from the applicant entity and the Panel to discuss the status of the application. Following the meeting, the Panel and Secretariat conducted a follow-up visit to the entity on 14 February 2024 to review additional documentation on-site. The Panel continued its review, updated its assessment report, and produced a follow-up list of questions, which the Secretariat transmitted to the focal point on 27 February 2024. A call was held on 28 February 2024 between the Panel and the applicant to clarify the pending issues. The focal point then uploaded additional documents to the Workflow on 12 March 2024, allowing the Panel to further review the application. On 15 March 2024, the Panel visited the applicant entity again for an on-site review of additional documents, which led to the finalization of another list of follow-up questions. These were transmitted to the applicant by the Secretariat on 16 May 2024. The focal point uploaded responses to the Panel's questions in the Workflow on 12 June 2024, enabling the Panel to resume its review. The latest follow-up questions from the Panel were shared with the applicant on 6 August 2024, followed by a clarification call on 8 August 2024 with representatives from the applicant entity. On 9 August 2024, the focal point uploaded more documents to the Workflow, allowing the Panel to continue its review of the application. On 10 October 2024, the Panel recommended fast track re-accreditation of the entity.
MIE007	Sept-2019	AFB/B.42/4	Since the AP41 meeting, this application has not progressed significantly. In line with the re-accreditation policy, the Secretariat received an official letter from the applicant on 16 June 2024, requesting an extension of the re-accreditation deadline. The Board approved this request intersessionally on 25 July 2024, granting an extension until 29 June 2026, which aligns with the project completion date for one of the entity's ongoing projects. On 10 October 2024, the Panel recommended fast track re-accreditation of the entity.

MIE012	Apr-2022	AFB/B.42/4	Following the AP41 meeting, the Secretariat continued to follow up with the focal point for updates on the list of pending issues. On 22 February 2024, in response to an earlier request on 2 February 2024, the applicant clarified that delays had occurred in preparing the entity's Environmental and Social Safeguards Framework (ESSF) and requested additional time to address the pending issues. On 15 April 2024, with no further updates received, the Secretariat reached out again to the focal point to request progress on the application. In response, the focal point uploaded two files to the Workflow on 21 May 2024, including the entity's draft ESSF, noting that the final documents would be shared once internal clearance processes were completed. The Secretariat sent its most recent requests for updates to the focal point on 14 July and 21 August 2024. As of this report, no further documents have been uploaded to the Workflow.

OTHER MATTERS

8. **Update on Workflow efficiency improvements:** The Secretariat provided updates on its ongoing efforts to enhance the efficiency of the Workflow system by introducing key technical improvements. The Secretariat mentioned that these enhancements aim to provide a smoother experience for all stakeholders involved in the accreditation process. One of the major improvements is the development of a mobile web app that allows IE focal points to monitor the progress of their (re-)accreditation applications in real time. The app feature is intended to offer immediate access to updates, thereby improving responsiveness and reducing delays. To further support this, the Workflow improvements would introduce visual progress graphs for each application to help IEs track their status throughout each stage of the application process. These graphs will provide a clear visual representation of an entity's progress, promoting better self-tracking and enabling IEs to plan and manage their application journey more effectively. In addition, an automated stage-based notification system will be implemented in the Workflow to send email alerts to focal points, the Secretariat, and the Panel at various stages of the application process. Complementing these features, the Workflow system will also include a built-in messaging platform to facilitate direct communication between IE focal points and the Secretariat, ensuring timely exchanges of information. Additionally, a dedicated section within the platform will be created for the Panel to record notes which would serve as a repository for future reference. The Workflow will also have a chatbot feature to provide quick answers to frequently asked questions, minimizing the need for prolonged email correspondence between applicants and the Secretariat. The Panel suggested additional areas of improvement which the Secretariat noted and indicated would be considered in subsequent phases of the project.

9. **Streamlining of Panel assessment reports:** This discussion relates to Board Decision B.42/4, paragraph (a), which mandated the Secretariat to initiate work to further streamline the Accreditation Panel's assessment report on (re-)accreditation applications and the associated Note to the Board with a view to improving their efficiency and effectiveness. During the intersessional period between the forty-second and forty-third Board meetings, the Secretariat indicated that it engaged a consultant— a former Panel member— to assess ways to improve the

efficiency and effectiveness of the Panel's review of (re-)accreditation applications and the resulting assessment reports. During the AP42 meeting, the consultant presented a proposal outlining key changes to streamline these reports, including revisions to the structure and content of the Panel report to the Board and an alternative format for the Note to the Board. To further support the streamlining process, the Secretariat proposed developing key performance indicators to monitor application durations in alignment with workflow timelines. Additionally, tools such as guidelines for Panel experts were suggested to ensure consistency in the review process and support the onboarding of new Panel member. The consultant also outlined three "spillover" guidance to bolster the streamlining efforts: (i) guidelines on how Panel members should provide comments during document reviews, emphasizing consistency and substance; (ii) clarification and enhancement of the roles of Panel reviewers to improve efficiency; and (iii) the introduction of periodic self-assessments of the Panel's work to evaluate its performance and responsibilities. A compendium of relevant Board decisions related to (re-)accreditation was prepared as part of the exercise and will be periodically updated with embedded links for easy access to relevant Board decisions and source/background documents. The Panel welcomed these initiatives but underscored the importance of maintaining an evidence-based approach and ensuring a thorough review of applications against all (re-)accreditation standards as approved by the Board. It was agreed that further discussions among Panel experts through intersessional technical Panel meetings would be necessary for an in-depth exploration of the issues discussed, including the spillover guidance. The session concluded with a recommendation for the consideration of the Board at its forty-third meeting in October 2024 to continue the ongoing work on the streamlining process, as presented in paragraph 12 of this document.

10. **Update on the AF-TERG thematic evaluation on the accreditation process:** This was an informational session to update the Panel on the status of the Adaptation Fund Technical Evaluation Reference Group (AF-TERG) thematic evaluation of the Fund's accreditation process, as initially presented at the AP41 meeting in February 2024. The Secretariat reminded the Panel that the evaluation covered a 15-year period from March 2008 to October 2023, and noted that AF-TERG had presented its report, through Document AFB/EFC.33/11, to the Ethics and Finance Committee (EFC) during its thirty-third meeting in April 2024. Subsequently, and based on the EFC's recommendation, the Board decided at its forty-second meeting, through Decision B.42/48, paragraph (b), to request the Secretariat to prepare a management response to the evaluation recommendations for consideration at the EFC's thirty-fourth meeting in October 2024.The Secretariat expressed its appreciation to AF-TERG for the substantial efforts invested in the evaluation process. In line with Decision B.42/48, the Secretariat mentioned that it is currently preparing a detailed management response to the recommendations outlined in Document AFB/EFC.33/11, which would highlight areas of agreement and disagreement. The Secretariat also indicated that the discussion of the recommendations with the EFC would provide additional guidance on the most effective path forward for enhancing the (re-)accreditation process.

11. **Readiness Programme Update:** The Secretariat provided updates on the structure of the Fund's readiness programme and related non-grant activities. It underscored that the readiness programme is structured around four main components: (i) support to countries seeking accreditation, (ii) support to accredited Implementing Entities (IEs), (iii) cooperation/partnership

with climate finance readiness providers, and (iv) knowledge management. It was further mentioned that one of the significant areas of focus under the programme is the support provided to countries through non-grant support, such as regional workshops, annual NIE seminars, and webinars. The Secretariat reminded the Panel that the previous South-South Cooperation grants have been replaced by the Readiness Package Grant (RPG), which offers funding of up to USD 150,000. The RPG is designed to help NIE applicants address gaps and challenges identified during the accreditation process by leveraging the expertise of already accredited NIEs, also known as intermediaries, to provide targeted support to new applicants. The presentation included information on the eligibility requirements for the RPG, key considerations for applicants, and a status update on the RPGs awarded to date, highlighting the beneficiary NIE applicants and the progress of implementation. The Secretariat underscored that the Readiness Programme is aligned with the Fund's Medium-Term Strategy (2023-2027), in that, it (i) promotes the long-term capacity of national and regional institutions to access finance and implement high quality and local-level adaptation and (ii) ensures access to financial resources through enhanced readiness support for developing country Parties. Additionally, the Secretariat noted that a thematic evaluation of the Readiness Programme by AF-TERG is currently ongoing, and that the outcome of the evaluation would provide valuable insights and opportunities for further development and refinement of the Fund's upcoming readiness strategy.

AP Recommendation:

Streamlining the Accreditation Panel's assessment report on (re-)accreditation applications

12. The Adaptation Fund Board decided to request the secretariat to develop, in consultation with the Accreditation Panel (the Panel), for the Panel's consideration at its forty-third meeting:

(a) Guidance on the preparation of the Panel's assessment report on accreditation and reaccreditation applications and the associated note to the Board, as referred to in decision B.42/4, with a view to promoting the consistency and efficiency of assessments;
(b) An approach to the roles and responsibilities of the Panel with respect to quality assurance, with a view to promoting the efficiency of the application review process.

(*Recommendation AP.42/1)*

13. Having considered the recommendation of the Accreditation Panel and following the fast-track re-accreditation process approved by Decisions B.28/38 and B.34/3, the Adaptation Fund Board decides to re-accredit the Inter-American Development Bank (IDB) as a Multilateral Implementing Entity (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. The accreditation expiration date is 11 October 2029.

(Recommendation AP.42/2)

14. Having considered the recommendation of the Accreditation Panel and following the fast-track re-accreditation process approved by Decisions B.28/38 and B.34/3, the Adaptation Fund Board decides to re-accredit the United Nations Development Programme (UNDP) as a

Multilateral Implementing Entity (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. The accreditation expiration date is 11 October 2029.

(Recommendation AP.42/3)

The forty-third meeting of the Accreditation Panel will be held in Washington, DC, on 4-5 February 2024.

ANNEX I
REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE INTER-AMERICAN DEVELOPMENT BANK FOR FAST TRACK RE-ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND

Background

The Inter-American Development Bank (IDB, or "the Bank") is the main source of multilateral financing for economic, social and institutional development in Latin America and the Caribbean. The IDB is one of two separate legal entities that make up the IDB Group. The other is IDB Invest (formerly known as the Inter-American Investment Corporation), the IDB Group's private-sector lending arm. In addition, the IDB Group includes IDB Lab (formerly known as the Multilateral Investment Fund), a trust fund administered by the IDB.

The IDB was established in 1959 with the mission to contribute to accelerating the economic and social development of developing member countries in the region and to improve lives. Its key functions include: (i) promoting the investment of public and private capital for development purposes; (ii) using its own capital, alongside funds raised in financial markets and other available resources, to finance the development of member countries; (iii) helping member countries orient their development policies towards better resource utilization; and (iv) providing them with technical assistance for development plans and projects. As a multilateral development bank (MDB), IDB's primary role in relation to the 2030 Agenda relates to the mobilization of additional resources required to fulfil the Sustainable Development Goals (SDGs), in addition to using its own resources for contributing to the SDGs.

The IDB has 48 member countries, of which 26 are borrowing member countries from the region and 22 are nonborrowing member countries. Member countries provide capital and benefit from proportional voting representation in the Bank's Board of Governors. The IDB has around 2 000 staff based in offices in Washington, DC (headquarters), in each of its 26 borrowing member countries (country offices), and in Japan and Spain (regional outreach/liaison offices).

The IDB was first accredited as a multilateral implementing entity of the Adaptation Fund (AF) in 2011 and re-accredited in 2016. It is not yet implementing any AF projects. The IDB submitted its application for re-accreditation to the AFB Secretariat via the online workflow system in December 2021. The IDB received Green Climate Fund (GCF) re-accreditation on 14 March 2023 without conditions. The GCF Board first accredited the IDB in 2015.

Assessment against the fast-track re-accreditation criteria

The assessment for fast-track re-accreditation has, in accordance with Board Decisions B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund),

B.34/3 (Updated Re-accreditation Process) and B.32/36 (Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism—AML/CFT), focused on the following criteria:

- **The Fiduciary Standard related to the legal status –** There have been no changes to IDB's legal status. It has been established with its own legal personality under international agreement, with the capacity to receive funds directly, authority to enter into contracts or agreement with international organizations, and capacity to represent itself as plaintiff or defendant in legal processes.
- **Standards related to AML/CFT** – The IBD has established sound practices in the relevant AML-CFT policies and procedures and management practices to ensure the implementation and compliance of these. The AML-CFT policies and procedures demonstrate commitment to the management of ML/FT risks through coordinated and consistent practices. These include screening systems before monies are transferred to individuals or entities, and the decision-making process followed when relevant risks are identified. The IDB policies and procedures and organizational set up and its functioning provide for sufficient capacity to control ML/TF risks.
- **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – The IDB has a zero tolerance to fraud and established practices in the relevant policies and procedures on how to deal with financial mismanagement and other forms of malpractice. The policies and procedures are made available on the IDB website and cover anti-fraud and anti-corruption policies and reporting, an investigation function, an ethics function, whistleblowing, and a sanctions system for violations to the relevant policies and norms. The IDB has sound practices in the relevant policies and procedures to effectively prevent, detect, investigate, and sanction cases of fraud, corruption, and other financial irregularities. The IDB has a mature, internally independent, investigation function, carried out by the Office of Institutional Integrity (OII). It has a broad mandate to investigate and prevent prohibited practices including violations of the Policy on Anti-Money Laundering and Countering the Financing of Terrorism. The IDB publishes annual integrity and anti-corruption reports showing it is committed to the implementation of the policies and procedures and promoting integrity, good corporate governance, and high ethical standards in all its business operations.
- **Commitment by the entity to apply the Fund's Environmental and Social Policy and Gender Policy** - The IDB has provided a satisfactory Top-Level Management Statement (TLMS) commitment letter confirming the applicant's intention to abide by the Fund's Environmental, Social, and Gender Policy for projects funded by the Adaptation Fund. While IDB has not yet implemented AF projects it is expected to be able to fulfill the Environmental, Social and Gender requirements of the AF, with respect to any future projects that it may implement for the AF.
- **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs -** The IDB has comprehensive grievance mechanisms

through which persons or institutions affected by IDB projects are provided accessible, transparent, fair, and effective grievance mechanisms.

Third-party Assessments of IDB

GCF Accreditation

The GCF Board first accredited the IDB in 2015 to help channel its resources for projects in the region. Since then, the GCF and the IDB have approved eight programs for $1.8 billion ($762 million in GCF financing and $964 million in expected co-financing). The GCF received re-accreditation on 14 March 2023 without conditions**.**

MOPAN review

A MOPAN review of IDB was issued in February 2023 - IDB Assessment Report 2021 – 2022. The assessment found that the IDB demonstrates an overall satisfactory organizational performance.

Recommendation

The Accreditation Panel recommends that the Inter-American Development Bank (IDB) be re-accredited under the fast-track approach as a Multilateral Implementing Entity (MIE) of the Adaptation Fund.

ANNEX II
REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE UNITED NATIONS DEVELOPMENT PROGRAMME FOR SECOND RE-ACCREDITATION AS A MULTILATERAL IMPLEMENTING ENTITY (MIE) OF THE ADAPTATION FUND

Background

The United Nations Development Programme (UNDP) was accredited by the Adaptation Fund on 25 March 2010 (Board Decision B.9/1) and re-accredited on 31 March 2015 (Board Decision B.24-25/14). The accreditation expired on 30 March 2020, but UNDP benefitted from an extension of the grace period, including due to the covid-19 pandemic and the AF Board's deliberations on the High-Level Management Statement (HLMS). The most recent grace period extension runs through 29 June 2026. This second time re-accreditation follows the fast track by virtue of UNDP being re-accredited by the Green Climate Fund (GCF) in October 2021 (GCF Decision B.30/05) as a Multilateral Implementing Entity.

UNDP is currently implementing nine AF projects with total AF financing of approximately USD 70.3 million. It is also managing an active and substantial portfolio of projects funded by the GCF and the Global Environment Facility (GEF). Internal and third-party reviews of UNDP identified significant fiduciary and governance issues related to UNDP's project portfolio. Following management actions undertaken by UNDP the GCF re-accredited UNDP in October 2021, while the GEF Council approved additional resources for UNDP projects from the GEF-8 Replenishment in June 2022. Following confidential discussions with UNDP the AF Board was satisfied that UNDP was addressing the issues. Therefore, during its 42nd meeting (16-19 April 2024) the AF Board decided to close the matter of the UNDP fiduciary issues (Decision B.42/51), thus allowing the second re-accreditation application review to proceed.

The review and assessments by the Panel were based on the completed application form submitted by UNDP through the on-line system and the Panel was able to rely mostly on the wealth of information available on UNDP's and other pertinent websites to complete its assessment.

The Applicant

The United Nations Development Programme is a subsidiary organ of the United Nations established by Resolution 2029 of the Twentieth Session of the United Nations General Assembly at its 1383rd plenary meeting of 22 November 1965. UNDP works in about 170 countries and territories, helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so countries can sustain progress.

As the UN's main development agency, UNDP has a critical role in helping countries achieve the Sustainable Development Goals (SDGs) and supports countries in achieving the SDGs through integrated solutions. According to UNDP, today's complex challenges—from stemming the spread of disease to preventing conflict—cannot be tackled neatly in isolation. For UNDP, this means focusing on systems, root causes and connections between challenges—not just thematic sectors—to build solutions that respond to people's daily realities. UNDP's track record of working across the Goals provides it with valuable experience and proven policy expertise to ensure that all reach the targets set out in the SDGs by 2030. Achieving the SDGs requires the partnership

of governments, private sector, civil society and citizens alike to make sure to leave a better planet for future generations.

Assessment against the fast-track re-accreditation criteria

This assessment was conducted pursuant to the Fund's Board Decision B.28/38 due to UNDP having been re-accredited by the Green Climate Fund in October 2021 (GCF Decision B.30/05). The Assessment for fast-track re-accreditation was conducted using the criteria as set out in Board Decisions: B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund) based on AFB/EFC.19.7 of December 2016; B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism) based on AFB/EFC.23/4; and B.34/3 (Revised re-accreditation process) based on AFB/B.34/5 and its annexes.

For fast-track re-accreditation review, the above-mentioned AF Board decisions also required an assessment of the criteria related to conditions attached to the fast-track accreditation by the GCF (Decision B.34/3 of November 2019); and third-party assessments on project performance and the capacity of an implementing entity applicant as complementary information (Decision B.31/26 of March 2018).

Summary Assessment

The UNDP has demonstrated full compliance with the above-mentioned criteria and review process for fast-track re-accreditation (FTR) by the Adaptation Fund. Since its re-accreditation, UNDP had made significant improvements regarding major relevant policies, procedures, and frameworks.

The fiduciary standard related to the legal status

UNDP continues to meet this standard. As an organ of the United Nations General Assembly there was no change in its legal personality, capacity, authority, and ability to enter into contracts or agreements and to directly receive funds from international, and national institutions and the private sector as well as the legal capacity to serve as a plaintiff or defendant in a court of law.

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 to policies and procedures, and laws.

UNDP meets this criterion. UNDP meets this criterion. Its standalone AML/CFT policy that became effective in September 2023. The policy defines its scope and applicability and sets out key guiding principles. UNDP takes a risk-based due diligence approach to implement its AML/CFT policy using the suite of control measures in UNDP's Programme and Operations Policies and Procedures (POPP) framework, including, but not limited to, procurement processes, partnerships, harmonized approach to cash transfers and vendor sanctions. Screening is performed by the receiving business units using various well established screening lists. UNDP's OAI has been given the mandate to investigate reports of violations of the policy in 2022.

UNDP has developed an operational guide for implementing the policy, and an independent review of the AML/CFT implementation plan is forthcoming in 2026.

Policies, procedures, and capacity to deal with fraud, financial mismanagement and other forms of malpractice including a policy of zero tolerance and an objective investigation function for allegations of fraud and corruption.

UNDP has a very comprehensive set of policies and procedures that meet the criterion. These policies and procedures are widely available, accessible, and disseminated on its public website, including its anti-fraud and transparency policy. This policy explicitly confirms a zero-tolerance approach, supported by disciplinary and sanctioning measures for violations. UNDP has multiple policies and procedures and dedicated functions and staff in place to respond to financial mismanagement and other malpractice. It makes ample use of its website to communicate information on making complaints. UNDP's Office of Audit and Investigations (OAI) conducts and coordinates investigations, internally or with outside experts, if necessary. OAI's activities and disciplinary measures taken are reported annually to the UNDP Executive Board and are monitored by the Audit and Evaluation Advisory Committee whose report is also submitted to the UNDP Executive Board.

Commitment by top management to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy

UNDP meets the standard, having issued a satisfactory letter of commitment dated 12 March 2023 to abide by the AF E&S and Gender policies. Its revised Social and Environmental Standards (SES) came into effect on 1st January 2021 and underpin UNDP's commitment to mainstream social and environmental sustainability into its programmes and projects to support sustainable development. Its public website presents a comprehensive set of policies, guidelines, and implementation tools to operationalize the SES.

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

UNDP meets the standard, having adopted a dual grievance mechanism system: a project-level Grievance Response Mechanism, published on its website, and a social and environmental compliance mechanism for filing complaints concerning non-compliance with safeguard policies and how the complaints will be handled. Information on ongoing cases for both mechanisms is provided in detail on the UNDP public website.

Assessment of GCF Re- Accreditation Conditions

The re-accreditation by GCF came with two conditions with a deadline of February 2026 (these were: the provision of two independent assessment reports that the UNDP Programme and Operational Policies and Procedures (UNDP POPP) are adequately implemented for GCF-supported projects and readiness projects, and that UNDP has completed implementation of its AML/CFT Policy Implementation Plan formally by UNDP approved on 2 September 2021.) Both conditions have implications for the AF re-accreditation criteria and have been assessed by the AF Panel accordingly.

Third Party Assessments

Findings and recommendations of internal and external reviews, first, by UNDP's Office of Audit and Investigation (2020), and by BDO LLP (2021) identified governance and fiduciary issues in

the UNDP project portfolio. Based on recommendations of the reviews, UNDP prepared and began to implement a series of management actions. In October 2021, GCF re-accredited UNDP (with conditions), and in June 2022 the GEF Council approved additional financing for UNDP implemented projects. from the GEF-8 Replenishment. GCF's report on the re-accreditation of UNDP indicated that there were no red flags in relation to UNDP's environmental and social standards, nor around gender.

Status of ongoing or completed AF Projects (Performance and Quality at Entry)

The Results Based Management unit of the Secretariat has confirmed that there are no significant issues related to the AF projects approved and implemented by UNDP. The projects team has also confirmed that for recently approved proposals, outstanding technical issues were adequately addressed after one or two rounds of reviews for the proposals to be technically recommended.

Recommendation

The Panel concludes that UNDP continues to fully comply with the assessed criteria for fast-track re-accreditation. The Panel, therefore, recommends the fast-track re-accreditation of UNDP as a multilateral implementing entity of the Adaptation Fund.