



ADAPTATION FUND

19 November 2024

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast-Track Accreditation of the National Trust for Nature Conservation (NTNC) of Nepal as a National Implementing Entity (NIE) of the Adaptation Fund

Having reviewed the fast-track accreditation application of the ***National Trust for Nature Conservation (NTNC)*** of Nepal, the Accreditation Panel recommended that NTNC 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, and following the fast-track accreditation process approved by Decision B.32/1, the Adaptation Fund Board decided to accredit the ***National Trust for Nature Conservation (NTNC) 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 18 November 2029.

Decision B.43-44/7

ANNEX I

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE NATIONAL TRUST FOR NATURE CONSERVATION IN NEPAL FOR FAST TRACK ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

Background

The National Trust for Nature Conservation (NTNC), established in 1982 by a Legislative Act, is an autonomous and not-for-profit organization mandated to work in the field of nature conservation in Nepal. Over the past decades, NTNC has successfully undertaken more than three hundred small and large projects on nature and biodiversity conservation, clean energy and climate change, as well as cultural heritage protection, ecotourism, and sustainable development through active engagement of local communities. NTNC works closely with the Government of Nepal in the management of protected areas by directly managing three mountain protected areas and assisting the government in all the low land parks. NTNC's research outcomes have been especially instrumental in evidence-based decision making at the policy level. The Trust's experience over the years has shown that conservation efforts in low-income economies, such as Nepal, cannot be successful, much less sustainable, unless the needs and welfare of the local people are addressed. Holistic and integrated conservation and development program with active people's participation aimed at promoting local guardianship have been the focus of NTNC's activities.

Review and assessments by the Panel were based on the completed application form submitted through the online system provided by the NTNC as well as on their responses to follow-up questions. To ensure that the Panel had a comprehensive coverage, this was complemented by an extensive review of documents obtained from the website of NTNC which were downloaded and assessed as evidence of compliance with all the criteria required under the fast-track re-accreditation process. The Panel also undertook a mission to NTNC premises in Nepal during June 2024 to have in-depth reviews and discussions on outstanding issues. Relevant documents from the websites of the Green Climate Fund and other related international institutions were also reviewed, as necessary.

Assessment against the fast-track accreditation criteria

The Assessment for fast-track accreditation was conducted on the criteria that is set out in Board Decisions:

- B.32/1 on fast-track accreditation.
- B.32/36 on anti-money-laundering/countering the financing of terrorism
- B.31/26 on the use of third-party assessments as complementary information.

These decisions require an assessment for fast-track accreditation to be conducted against the following criteria:

- The fiduciary standard related to the legal status.
- 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.
- Policies and Framework to deal with fraud, financial mismanagement, and other forms of malpractice:

- Evidence/tone/statement from the top management emphasizing a policy for zero tolerance for fraud, financial mismanagement, and other forms of malpractice by implementing entity staff or from any external sources associated directly or indirectly with the projects.
 - Demonstration of capacity and procedures to deal with financial mismanagement and other forms of malpractice.
 - Presence of an objective investigation function for allegations of fraud and corruption.
- Commitment by the entity to apply the Fund’s Environmental and Social Policy (ESP) and Gender Policy and to address environmental and social and gender risks.
 - Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs.

SUMMARY ASSESSMENT

NTNC has demonstrated full compliance with the above-mentioned criteria and review process for fast-track accreditation (FTR) by the Adaptation Fund.

Legal Status

NTNC meets this criterion and has demonstrated that it possesses the requisite legal personality, authority to receive funds and enter into contracts 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)

NTNC meets this criterion. NTNC has 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. NTNC also has new AML/CFT procedural guidelines that were approved by its Board in July 2024.

Policies and Framework to deal with fraud, financial mismanagement, and other forms of malpractice

NTNC substantively meets this criterion and has a 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. NTNC has also demonstrated that it has the capacity and procedures for dealing with financial mismanagement and other forms of malpractice. NTNC does not have a dedicated in-house investigative capacity. Investigations within the entity are conducted by staff appointed by the Member Secretary. NTNC has not had any cases related to allegations of fraud and financial mismanagement over the past three years. NTNC has committed to engaging the firm that provides its internal audit services to provide ad hoc investigative services as required.

Commitment by the entity to apply the Fund’s Environmental and Social Policy (ESP) and Gender Policy

The NTNC meets this criterion and provided a satisfactory letter of commitment expressing the organization’s commitment to abide by the Environment and Social and Gender policies of the Adaptation Fund in all the programs and projects funded by AF.

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

NTNC meets this criterion and has a well-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. The website includes name and contact information of the specific person/office responsible for receiving complaints.

Assessment of GCF Fast-Track Accreditation Conditions

NTNC was accredited by the GCF on 11 November 2020 (GCF/B.27/22) subject to four conditions that were in the assessment of the GCF Accreditation Panel. Three conditions are still outstanding. Two of these conditions relate to the provision of evidence regarding NTNC's application of E&S monitoring provisions, financial management and control manual, organizational and project risk management guidelines, project preparation and appraisal guidelines and the M&E framework. The third condition relates to the provision of minutes of meetings of the Oversight Committee that demonstrate how it is operating. One of the conditions has not been addressed because it is tied to the submission of the NTNC's first funding proposal. The other two conditions relate to activities that will be completed during 2024 and 2025 and have also thus not been fully addressed. A mid-term review that the GCF finalized on September 9, 2024 (NIE157-86) concluded that the NTNC continued to meet the relevant GCF accreditation standards in the context of its accreditation scope (NIE157-87).

Recommendation

The Panel concludes that NTNC meets the criteria for fast-track accreditation by the Adaptation Fund and recommends that it be accredited as a national implementing entity of the Adaptation Fund.