



ADAPTATION FUND

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## **RE-ACCREDITATION PROCESS**

**(Approved on 26 October 2013; Revised on 11  
October 2019)**

## Re-accreditation Process

### Background

1. As part of the Fund's Operational Policies and Guidelines (OPG), Accreditation is "valid for a period of five years with the possibility of renewal. The Board will develop guidelines for renewal of an implementing entity's accreditation based on simplified procedures that will be established at a later date (para. 38)." The five-year time frame for accreditation is consistent with other accreditation processes where accreditation is granted for three to five years (i.e. International Accreditation Forum (IAF), Accreditation process of Clean Development Mechanism (CDM)).
2. At its twentieth meeting, the Board requested the Accreditation Panel to develop procedures for re-accreditation. The Panel discussed developing a proposal for the Board at its twelfth and thirteenth meeting with a goal of including a full proposal to the Board at its twenty-second meeting (October 2013). At its twenty-second meeting, after considering the conclusions and recommendation of the Accreditation Panel, by decision B.22/3, the Board decided to adopt the re-accreditation process outlines in Annex III of the report of the fourteenth meeting of the Accreditation Panel (Document AFB/B.22/4).
3. Considering the gap analysis, as contained in document AFB/EFC/19/7/Rev.1, at its twenty-eight meeting the Adaptation Fund Board decided to fast-track the re-accreditation of implementing entities accredited with the Green Climate Fund (GCF) within a period of four years prior to the submission of the re-accreditation application to the Adaptation Fund as described in document AFB/EFC/19/7 (Decision B.28/38).
4. At its thirtieth meeting the Board requested the secretariat to prepare a document containing elements on potential need for updates of the re-accreditation policy. In this regard the Board decided to request the secretariat, in collaboration with the Accreditation Panel: (a) To reflect on the re-accreditation process in order to identify any need for updates or clarifications at the twenty-seventh meeting of the Accreditation Panel; and (b) To present to the Board at its thirty-first meeting, the conclusions of the Accreditation Panel's discussions on paragraph (a) and, if necessary, an update of the re-accreditation process adopted by decision B.22/3. The updated re-accreditation process was approved, as contained in Annex I to document AFB/B.31/4, by the Board at its thirty-second meeting (Decision B.31/1). At its thirty-third meeting the Board requested the secretariat to prepare and submit to the thirty-fourth meeting of the Board, a possible revision of re-accreditation policy, in collaboration with the Accreditation Panel, that would take into account its implication on the implementing entities' ongoing project implementation (Decision B.33/9).
5. The Panel concluded at its thirteenth meeting in 2013 that the re-accreditation process should require a new application for every applicant. Applicants will be requested to describe any changes that have occurred since the entity was accredited and provide the most up-to-date

supporting documentation and any other document requested by the Accreditation Panel in compliance with the re-accreditation criteria. All substantial changes within the organization in the last five years in the areas of i) Its constitution, ii) Major policies and processes/procedures, and iii) Key management positions should be highlighted by the applicant at the time of submitting an application for re-accreditation. In this way the Panel would bring the same rigor, uniformity and consistency in the way work is done. The Panel also noted that an organization can change significantly in five-years and therefore the process of accreditation renewal must be commensurate with any potential changes to the organization.

## Overview of Updated Re-accreditation Process

6. The process and time lines are set out to try to the extent possible to avoid a major gap between accreditation expiration and the granting of re-accreditation.

### *Deadlines*

7. The implementing entities are strongly recommended to meet the suggested deadlines to facilitate the re-accreditation process and avoid a major gap between accreditation expiration and achievement of re-accreditation.

(1) Notification by the secretariat: The secretariat will continue to send out notification letters to accredited entities **18 months** prior to the expiration of the entity's accreditation. In addition, the online accreditation system generates an automatic notification to the implementing entities.

(2) Submission of re-accreditation application: The implementing entity is strongly recommended to submit its re-accreditation application and supporting documentation through the online accreditation system maintained by the secretariat, **12 months** prior to its accreditation expiry date. If the entity does not submit the application by its accreditation expiry date, the Panel will make a recommendation to the Board to change the status of the entity from "Accredited" to "Not-Accredited" at the accreditation expiry date, considering the following:

(i) If the IE is an NIE, the secretariat will send an official letter to the Designated Authority (DA) of the NIE's country requesting the DA to officially communicate to the Board regarding the NIE pursuing re-accreditation, so that any response from the DA related to the IE's intention of not pursuing re-accreditation process would be attached to the Accreditation Panel's recommendation to change the IE's status from "Accredited" to "Not-Accredited" to the Board. If the IE is an RIE, the secretariat would send such official letters to the DAs of its member countries that originally endorsed the application of accreditation of the RIE to the Fund. If the

RIE has accessed the Fund's financial resources, additional official letters would also be sent to the DAs of the countries where the Fund's financed project is being implemented; and

- (ii) If the IE is implementing the project financed by the Fund and has not submitted the re-accreditation application by the date of accreditation expiration, in order to obtain a grace period for achieving re-accreditation before the completion of the project or within three years from its accreditation expiry date, it shall submit to the Board, through its secretariat, an official request for a grace period with an official letter from IE to confirm its commitment to achieve re-accreditation during the grace period. Official letter(s) from the DA(s) related to re-accreditation of the IE and the Fund's ongoing project implemented by the IE would be considered by the Board: if the IE is an NIE, such letter from the DA of the NIE's country to be considered; and if the IE is an RIE, such official letters from the DAs of the RIE member countries that originally endorsed the application of accreditation of the RIE to the Fund and, if the RIE has accessed the Fund's financial resources, additional official letters from the DAs of the countries where the Fund's project is implemented would also be considered.
- (3) Acquisition of re-accreditation: The implementing entity is strongly recommended to achieve re-accreditation within **three years** from its accreditation expiry date. If the entity does not achieve re-accreditation within three years from its accreditation expiry date, the Panel will make a recommendation to the Board to change the status of the entity to "Not-Accredited." Paragraph 7 (2) (i) and (ii) apply *mutatis mutandis* to this section.

#### *Status of an Implementing Entity*

8. Considering the re-accreditation policy, the statuses of an implementing entity can be categorized into three: "Accredited," "In Re-accreditation Process," and "Not-Accredited."
- (1) "Accredited": When an implementing entity achieves accreditation following a Board decision, its accreditation is valid for five years
  - (2) "In Re-accreditation Process": When an implementing entity submits its re-accreditation application before the accreditation expiry date, it acquires a status of "In Re-accreditation Process" at its accreditation expiry date, until it achieves re-accreditation within three years from the accreditation expiry date.
  - (3) "Not-Accredited": If an implementing entity does not submit re-accreditation application by its accreditation expiry date, or the entity does not achieve re-accreditation within three years from the accreditation expiry date, it acquires the status of "Not-Accredited" following a Board decision. Paragraph 7 (2) (i) and (ii) apply *mutatis mutandis* to this section.

*Implications of a status of an Implementing Entity*

9. As summarized in the table below, the status of an implementing entity will determine the entity's eligibility to submit a new funding proposal, to participate in the Adaptation Fund activities as an implementing entity, and to be included in the Adaptation Fund communications. Regarding the eligibility to submit a new funding proposal, only the IE whose accreditation is valid and has not expired is eligible to access financial resources of the Fund.

	<b><i>Eligible to submit a new funding proposal</i></b>	<b><i>Eligible to participate in AF activities as IE</i></b>	<b><i>Eligible to be included in AF communications</i></b>
<b><i>(1) "Accredited"</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>
<b><i>(2) "In Re-accreditation Process"</i></b>	<b><i>No</i></b>	<b><i>Yes</i></b>	<b><i>Yes</i></b>
<b><i>(3) "Not Accredited"</i></b>	<b><i>No</i></b>	<b><i>No</i></b>	<b><i>No</i></b>

*Options for an Implementing Entity which acquired "Not-Accredited"*

10. After addressing gaps identified by the Accreditation Panel, the implementing entity may apply for 'accreditation.' For a national implementing entity (NIE) which acquires the status of "Not-Accredited," the Designated Authority may nominate a new NIE to submit an accreditation application. These are in accordance with paragraph 27 of the Fund's operational policies and guidelines (OPG).

**Effective date of an updated re-accreditation process**

11. The updated re-accreditation process takes effect as of the date of the decision by the Adaptation Fund Board to approve it. A 'grandfather policy' will apply to Implementing entities which have submitted a complete re-accreditation application before 23 March 2018 when the Board approved the updated re-accreditation policy. Accordingly, these implementing entities need to achieve re-accreditation within two years from such date of the Board decision to approve a revised re-accreditation process. Otherwise, it will acquire the status of "Not-Accredited" following a Board decision.

## Focus areas of review of a ‘regular’ re-accreditation

12. Following the decision B.28/38, re-accreditation can be categorized into two: (i) ‘regular’ re-accreditation; (ii) ‘fast-track’ re-accreditation.

13. Review of a ‘regular’ re-accreditation will focus on three aspects (i) continued compliance with the Fund’s fiduciary standards, (ii) compliance with the Fund’s environmental and social policy<sup>1</sup> and the Gender Policy<sup>2</sup> and (iii) the results of the assessment of the implementing entity’s performance regarding quality at entry (QAE) and project/programme implementation. In addition, policies and procedure related to anti-money-laundering/countering the financing of the terrorism will be reviewed by the Panel in lined with Decision B.32/36.

### *Fiduciary Standards*

14. The implementing entity (IE) seeking renewal of accreditation will be required to submit an application via the online accreditation system.<sup>3</sup> The application includes the information that applicants are currently required to provide as well as any approved changes to the application pertaining to compliance with the environmental and social policy and the gender policy of the Fund.

15. The description of how an entity meets the fiduciary standards should focus on any changes that have occurred within the organization since the original accreditation. The most recent supporting documentation must be submitted. For example, the latest internal and external audit reports, new policies adopted, key personnel changes (in particular, changes at the management level), including any changes to the organizational structure, that have occurred over the past five years. For each competency area where no changes have occurred, the applicant should explicitly state that the policies in place have not changed and are being complied with since its original date of accreditation and state which documents from the original application continue to be applicable or alternatively resubmit the necessary documents. Examples of documents demonstrating capacity such as those related to the project management cycle should reflect recent experiences. In addition, in line with Decision B.32/36, the Panel will review: (i) policies and procedure related to anti-money-laundering/ countering the financing of the terrorism; (ii) screening system which documents all individuals and/or organizations before the entity transfers money to them; and (iii) decision-making process that the entity follows when it identifies risks related to any individuals and/or organizations.

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<sup>1</sup> Approved in November 2014 and amended in March 2016. Available at <https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf>.

<sup>2</sup> Approved in March 2016. Available at <https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-ANNEX4-Gender-Policies-and-Action-Plan-approved-in-March-2016-1.pdf>.

<sup>3</sup> <http://accredit.adaptation-fund.org/>.

*Environmental and Social Policy (ESP) and Gender Policy (GP)*

16. The Board approved an environmental and social policy for the Fund at its twenty-second meeting and the Gender Policy and Action Plan of the Fund at its twenty-seventh meeting. The associated changes were reflected in the accreditation application template. Subsequent accreditation and re-accreditation of IEs will need to reflect the capacity and commitment of entities to assess and manage environmental and social risks and mechanism to deal with complaints on environmental and social harms and gender harms caused by projects and programmes.

17. In order to strengthen the capacity of currently accredited implementing entities to comply with the Fund's new environmental and social policy, technical assistance grants are available under the Fund's readiness programme.<sup>4</sup>

*Quality at Entry and Project/Programme Implementation Performance*

18. For the renewal of accreditation, the evidence documents to be submitted by the IE are differentiated as the table below, depending on (i) whether the IE has projects funded by the Adaptation Fund; and (ii) which stage such project(s) implementation stands at the time of submission of re-accreditation application:

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<sup>4</sup> <https://www.adaptation-fund.org/readiness/readiness-grants/technical-assistance-grants/>.

<Section III (Requisite Institutional Capacity), 6-9 of the Application Form>

	<b>6. Project preparation and appraisal. This should include impact (env't, socio-economic, political, gender etc) assessment study with risk assessment and mitigation plans</b>	<b>7. Project implementation Planning and Quality-at-Entry (QAE) Review</b>	<b>8. Project Monitoring &amp; Evaluation during implementation</b>	<b>9. Project closure &amp; final evaluation</b>
No AF project approved	A	A	A	A
With approved AF project but no planning and QAE	N/A	A	A	A
With approved AF project, completed planning and QAE, but implementation not yet started	N/A	N/A	A	A
With approved AF project under implementation	N/A	N/A	N/A	A
With approved AF project, final project completion report was submitted	N/A	N/A	N/A	N/A

19. For the review of re-accreditation of the implementing entity which has project(s) financed by the Fund, the secretariat's project/programme team will provide the following: (i) an assessment of quality at entry (QAE) of projects and (ii) an assessment of project performance.

20. The secretariat will develop a scorecard for assessing QAE and for performance that will be provided to the Panel as part of an IE's re-accreditation application.



### **Focus areas of review of a ‘fast-track’ re-accreditation**

21. Under the fast-track re-accreditation process approved by the Board (Decision B.28/38) the review will focus on (i) the fiduciary standard related to the legal personality; (ii) commitment by the implementing entity to apply the Fund’s Environmental and Social Policy (ESP) and Gender Policy (GP); and (iii) Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programmes. In addition, policies and procedure related to anti-money-laundering/countering the financing of the terrorism will be reviewed by the Panel in lined with Decision B.32/36.

22. Along with these three criteria, some additional criteria can be applied to fast track re-accreditation. First, criteria related to conditions attached to fast-track accreditation with the GCF will be assessed. Second, from the second-time fast-track reaccreditation with the Fund, financial mismanagement and integrity criteria of the fiduciary standards<sup>5</sup> will be assessed along with the aforementioned three criteria.

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<sup>5</sup> For easy reference, Section II. 2-4 of the accreditation application form available at [https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-Annex-6\\_Accreditation-Application-Form\\_amended-in-Oct-2016.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-Annex-6_Accreditation-Application-Form_amended-in-Oct-2016.pdf).