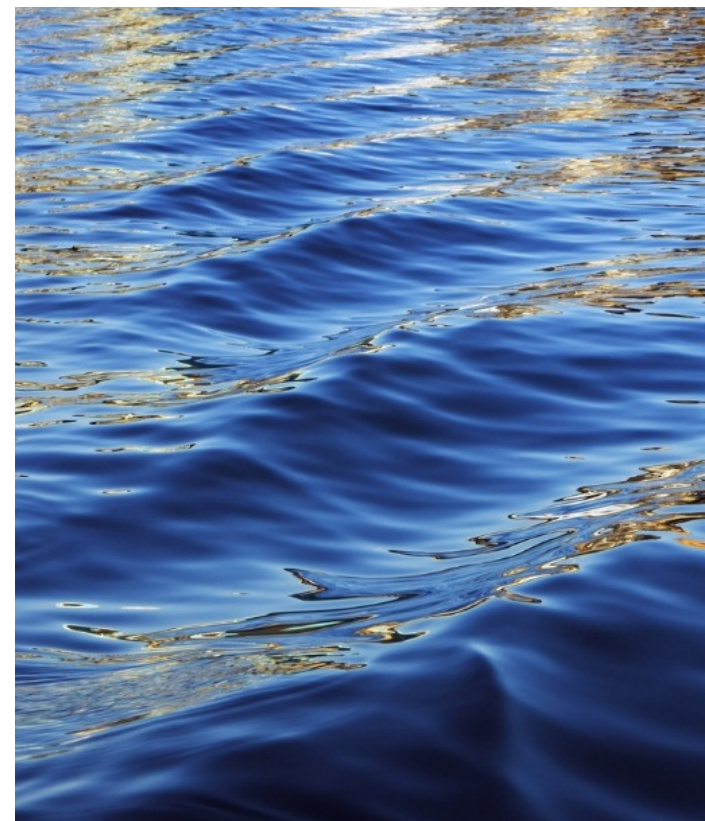




ADAPTATION FUND

Accreditation : Access to Adaptation Fund Resources

Young Hee LEE
Addis Ababa, May 2017



Accreditation: What is it?

A process which is designed *to ensure that the entity follows fiduciary and safeguard standards* while accessing financial resources of the Adaptation Fund.

During the accreditation process, *Accreditation Panel* of highly experienced experts undertakes a detailed and comprehensive assessment of an application and recommends accreditation to AFB once it that the applicant entity meets the Adaptation Fund's Fiduciary Standards

Accreditation Decision made by the Adaptation Fund Board considering Accreditation Panel's recommendation

What Applicant IEs Should Do To Be Accredited?

- ✓ Implementing entities must meet the requirements in four key areas:
 - ❑ Legal status
 - ❑ Financial Management and Integrity;
 - ❑ Institutional Capacity; and
 - ❑ Transparency, Self-investigative Powers and Anti-Corruption Measures and Policies and Mechanisms to monitor and address Complaints about **Environmental, Social and Gender** Harms Caused by Projects.

Direct Access Modality

- Objectives:

- ✓ **Direct Access**, whereby a country can access funds directly from the AF and other funds adopting similar modality to manage adaptation/mitigation projects, requires **an accredited National Implementing Entity** meeting the funds' fiduciary standards, environmental and social safeguards and gender policy

- Implementing Entities(IEs):

- ✓ **Bear full responsibility** for the **overall management** of the projects and programmes approved by the AFB; and
- ✓ Carry out **financial management, monitoring and reporting responsibilities** for the project.

Number of Accredited IEs : as at May 2017



- **4 NIEs from LDCs :**
Senegal, Rwanda, Benin & Ethiopia
- **6 NIEs from SIDS:**
Antigua & Barbuda, Belize, Dominican Republic, Jamaica, Micronesia, and Cook Island

Phases of the Accreditation Process

DA's Official Letter
of NIE Nomination



IE's Preparation &
Submission of
Application on
OAS



Secretariat's
Screening of
Application

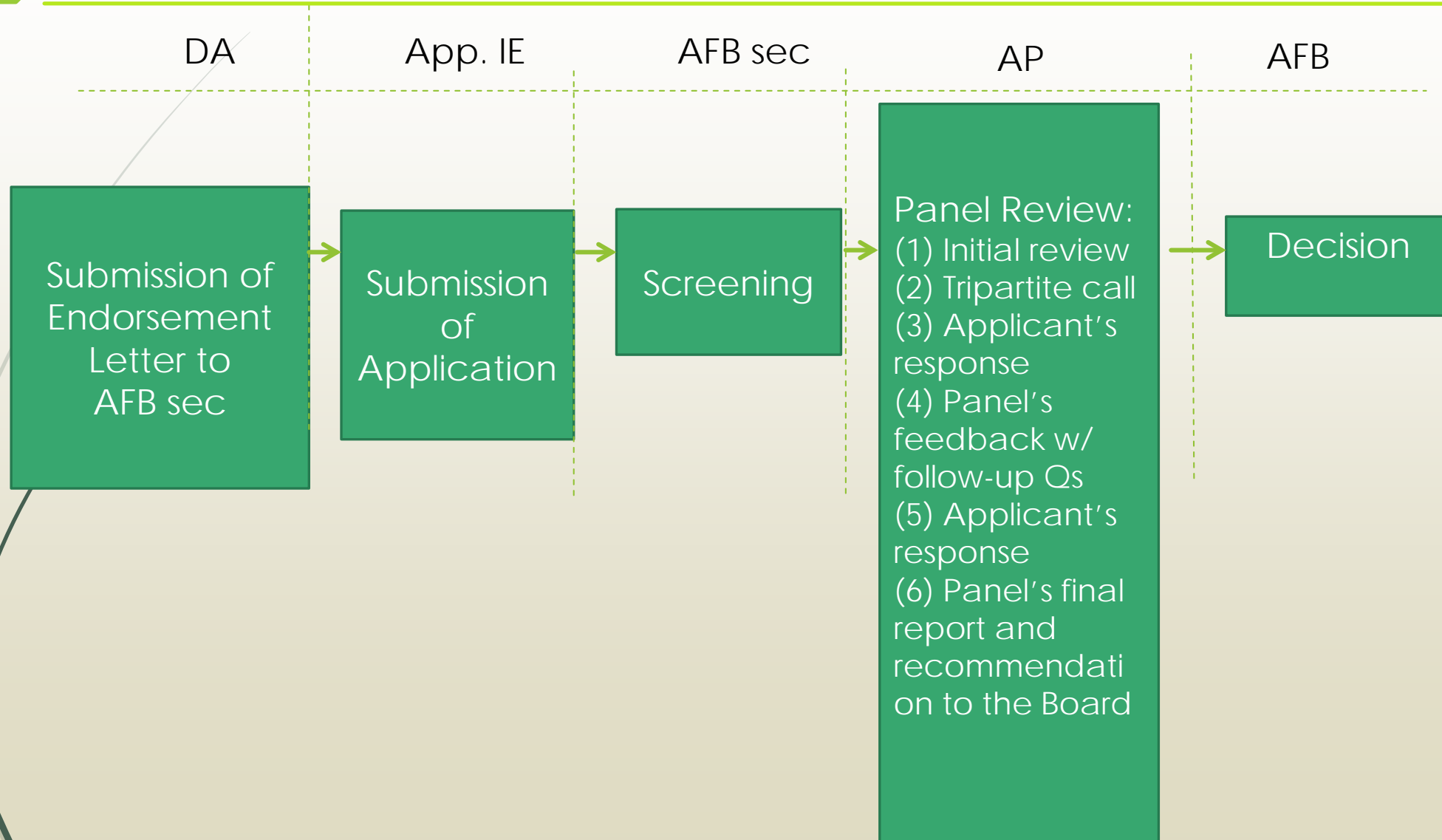


AFB Decision on
Accreditation



Accreditation
Panel's Review &
Recommendation
on accreditation

Parties Involved in Accreditation Process



Designated Authority (DA)

- Definition of DA : A government official who acts as a focal point for the Adaptation Fund
 - *DA designation process:* An official letter of DA designation written and signed by an Ambassador, Minister or an Authority at Cabinet level is required
 - On Behalf of national government, the DA
 - Endorse an NIE which is deemed eligible to meet AF fiduciary criteria
 - *NIE endorsement process:* An official letter of NIE endorsement written and signed by DA needs to be communicated to AFB Secretariat
 - *RIE endorsement :* DA endorses and send a letter of endorsement of RIE as its member country (at least 2 letters are required)
 - *Endorse Project proposal by NIE, RIE or MIE for adaptation projects/programmes in the DA's country*
-



Implementing Entity

- *Upon receipt of DA's letter of NIE endorsement, NIE is given access to Online Accreditation Workflow system*
 - *Complete (in English) and Submit application to Secretariat with required supporting documentation to demonstrate how they meet the Fiduciary, the Fund's ESP and Gender Policy on Online Accreditation Workflow*
 - *Respond to the Accreditation Panel's information requests and clarify any pending issues*
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AFB Secretariat

- Screens the application for completeness
 - Communicates with Adaptation Fund Board
 - Communicates with applicant and the Accreditation Panel
-



Accreditation Panel

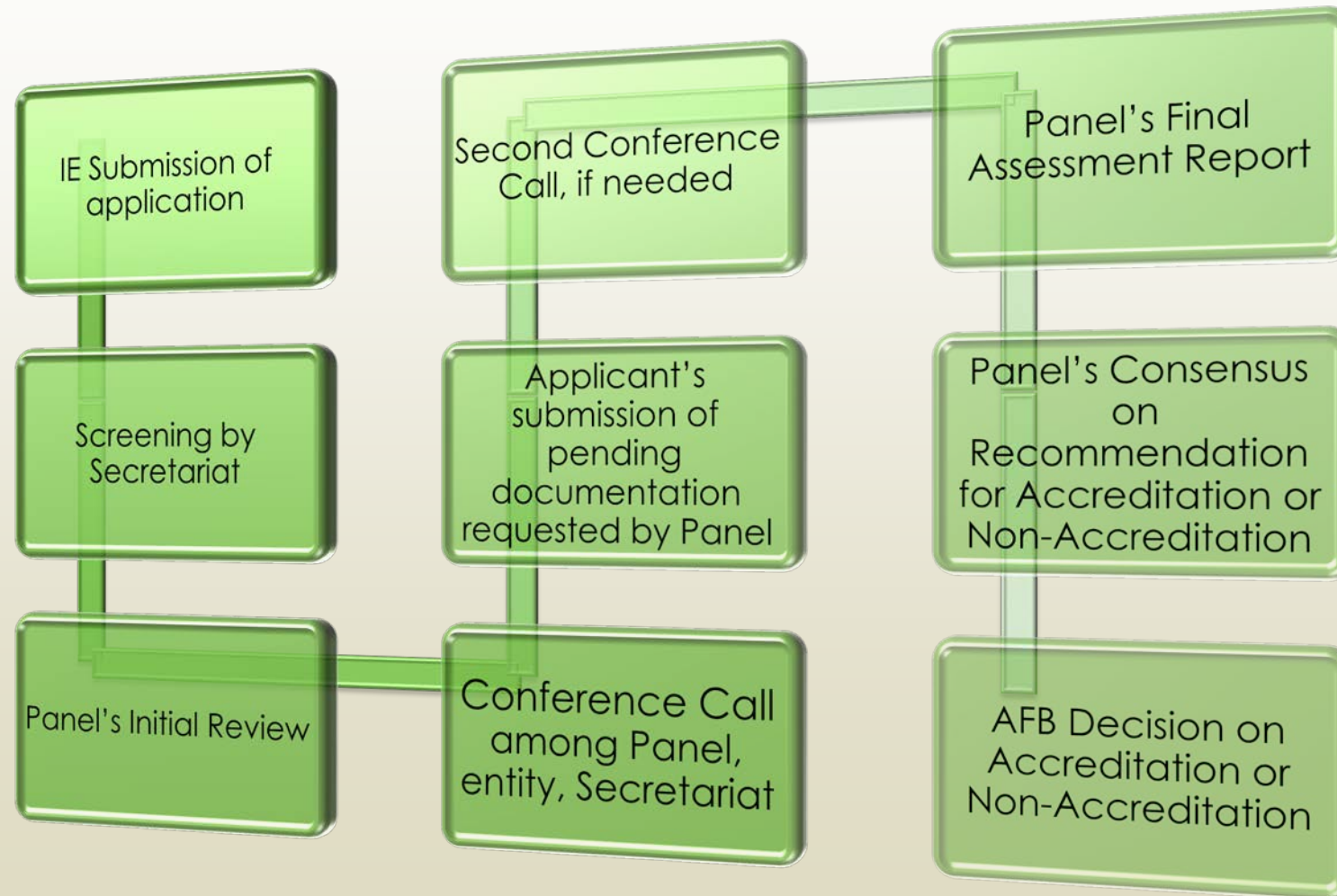
- Independent review of the application
 - Deliberate on the findings and conclusions and reach consensus
 - Provide feedback to the applicant
 - Make a recommendation on accreditation or non-accreditation to the AF Board
-

Accreditation cycle

Steps	Timeline	(start & end) Date	Mark	Finalized in (n.of days)
1. Submission of application (by applicant)				
2. Screening by secretariat (check completeness) and send complete application to Panel	3 weeks			
3. Initial Review by Panel (report with list of questions & additional required information are sent to applicant) * legal capacity review conducted by sec.	4 weeks			
4. First call with Applicant	1 week (after delivering initial review)			
5. Applicant's response to Panel's Qs	4 weeks (after receiving the initial review)			
6. Panel's subsequent follow-up Qs, if necessary	2 weeks (after receiving Applicant's response)			
7. Second call with applicant, if necessary	1 week (after delivering follow up Qs)			
8. Applicant's response to Panel's Qs	3 weeks (after receiving Panel's Qs)			
9. Panel's Final Report	3 weeks (after receiving all requested info)			
10. Panel's Recommendation on accreditation (at AP meeting or intersessionally)	2 weeks (after Panels' review on recommendation for 2 weeks)			
11. AFB decision on accreditation (at AFB meeting or intersessionally)	2 weeks, if intersessionally			



Accreditation Cycle



Average Period of Time for Accreditation



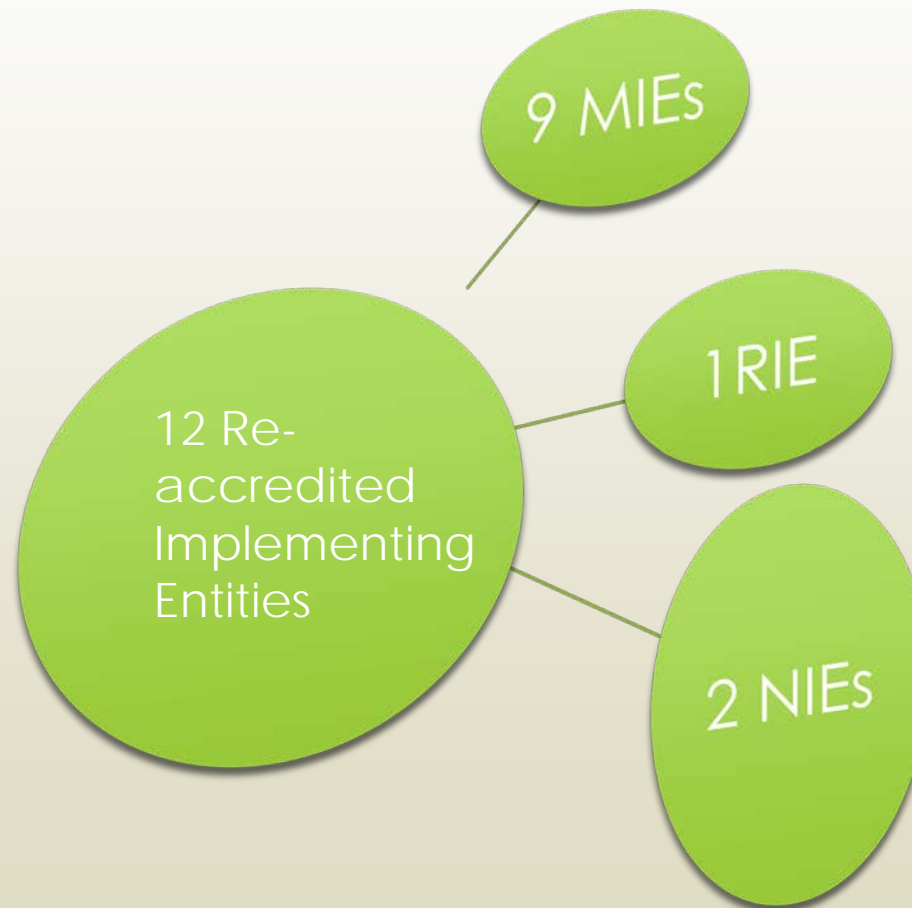
**The Accreditation
Process can take up
from Six to 24 Months**

- Lapsed time depends on how quickly applicant entity provides all the required information
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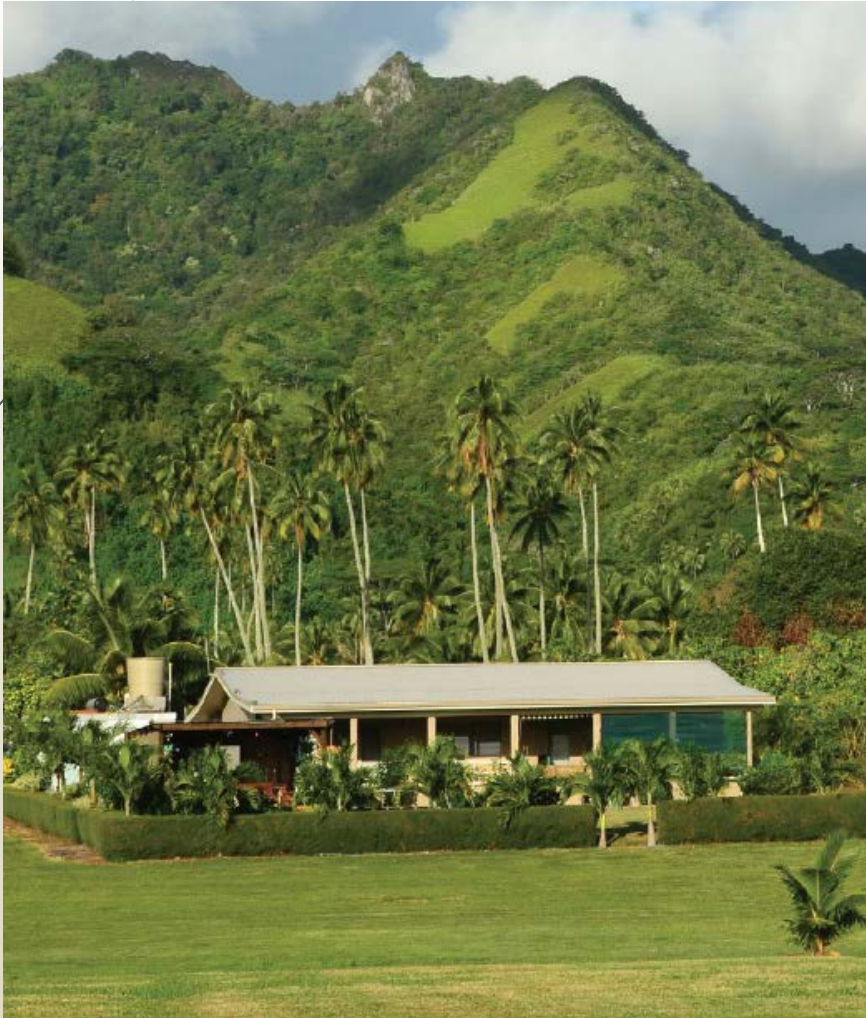
RE-ACCREDITATION PROCESS

- Rationale: Accreditation is valid for 5 years.
 - Continue to be eligible to submit project proposal and readiness grant proposal
 - Process
 - (Sec) Notification letter to accredited IEs (15 months)
 - (IE) A letter of an Expression of interest indicating its interest in re-accreditation and intention to submit the application 9 months prior to the accreditation expiration.
 - (IE) Submission of re-accreditation in the Workflow
-

Number of Re-accredited IEs : as at May 2017

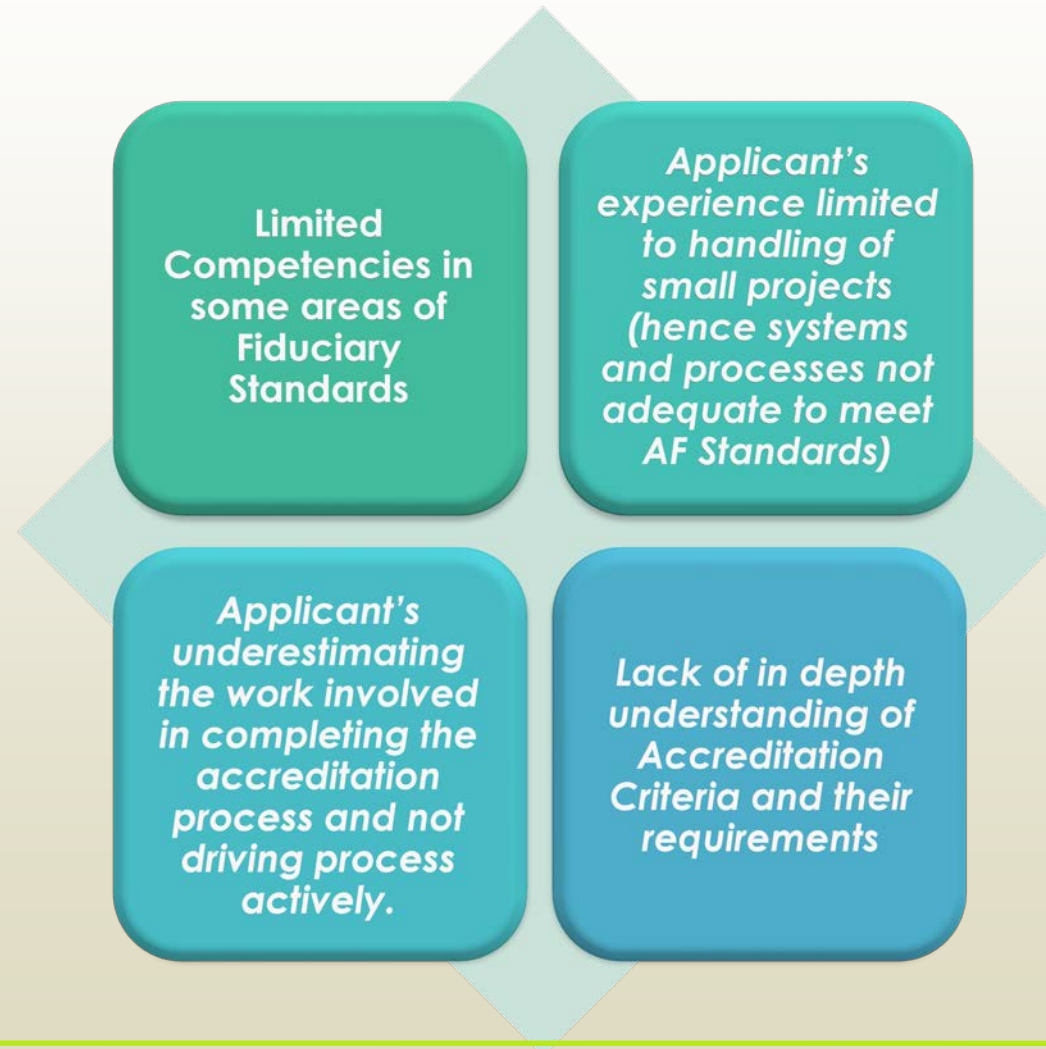


Streamlined accreditation process (smaller NIEs)



- Approved in April 2015
- Designed to open up possibilities for a smaller NIE to access the AF resources while considering the limited capacities of such an entity
- Streamlined process:
 - Same accreditation standards
 - Flexibility in means of verification
 - Reduced time, effort
 - Possible limit to funding request

Why Accreditation Process Sometimes Takes Longer for One Entity than Others?



Key Elements of Selecting a Suitable NIE

How to increase chances of accreditation and access to financing?

DA's Selection of an appropriate entity for accreditation is vital

Due diligence is required when reviewing existing institutional capacity of potential candidates for NIE

Entity's ability and willingness to devote time and resources to actively pursue and complete the accreditation process

Accreditation Standards

■ Legal status

- Demonstration of legal personality
- Ability to contract with AF and authority to directly receive funds

■ Financial Management and Integrity

- Effective financial management:
 - Use of Internal Control Framework
 - Preparation of business plans and budgets
 - Monitoring financial performance
- Financial accountability:
 - High quality Annual Financial Statements
 - Clean external audit opinion and commentary to management
 - Effective internal audit assurance
- Effective oversight arrangements in place:
 - Formal oversight/audit committee arrangements are in place
 - Proper use of internal and external audit work and assurances – including follow-up
 - Management held to account

Accreditation Standards

■ Institutional Capacity

■ Transparency, Self-investigative Powers, Anti-corruption measures and handling complaints about harmful Environmental or Social Impact of projects

■ Compliance with AF ESP and Gender Policy ('3Cs')

- Effective Procurement arrangements – including audits
- Project management:
 - Project Preparation and Appraisal
 - Project Implementation Planning
 - Project budgeting, financial performance monitoring and auditing
 - Project Monitoring and Evaluation
 - Project Closure
 - Post-closure Evaluation
- Policies, Framework and capacity to deal with fraud, corruption and other forms of malpractice
- Commitment to complying with the Fund's Environmental & Social and Gender policy
- Capacity
- Complaint Handling Mechanism to deal with complaints on environmental and social, and Gender harms caused by projects

Accreditation Related Documents

- Guidance on Accreditation Standards
 - Accreditation Application Form
 - NIE Accreditation Toolkit
 - Guidelines for Designated Authorities to Select an NIE (*to be updated*)
 - Available at <https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/>
-

To Prepare for Tomorrow Session - "Case Study: Understanding the technical specifications for accreditation"

- **3 materials to be distributed today:** (1) Case Study; (2) Accreditation Application Form; (3) DA guidance on NIE selection
 - ❖ *Highly recommended to skim these, esp. (1) Case Study before the session tomorrow to maximize your enhancement on understanding of accreditation criteria*
 - **Case Study consists of:**
 - **Part (A): How to select a suitable NIE?**
 - *Utilize 'DA's guidance on NIE selection'*
 - **Part (B): How to address the pending gaps during the accreditation process?**
 - *Utilize 'accreditation application form'*
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