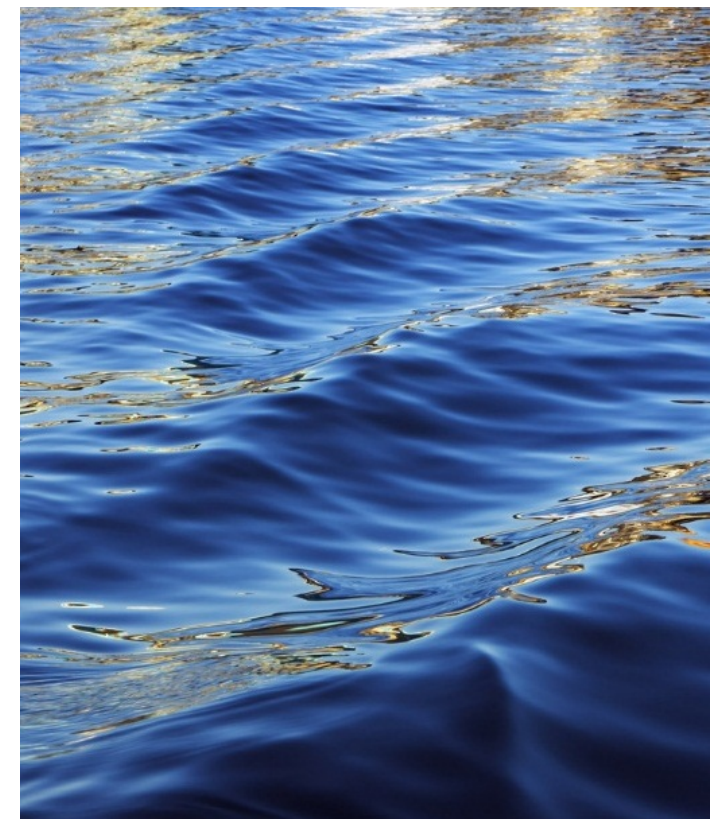




ADAPTATION FUND

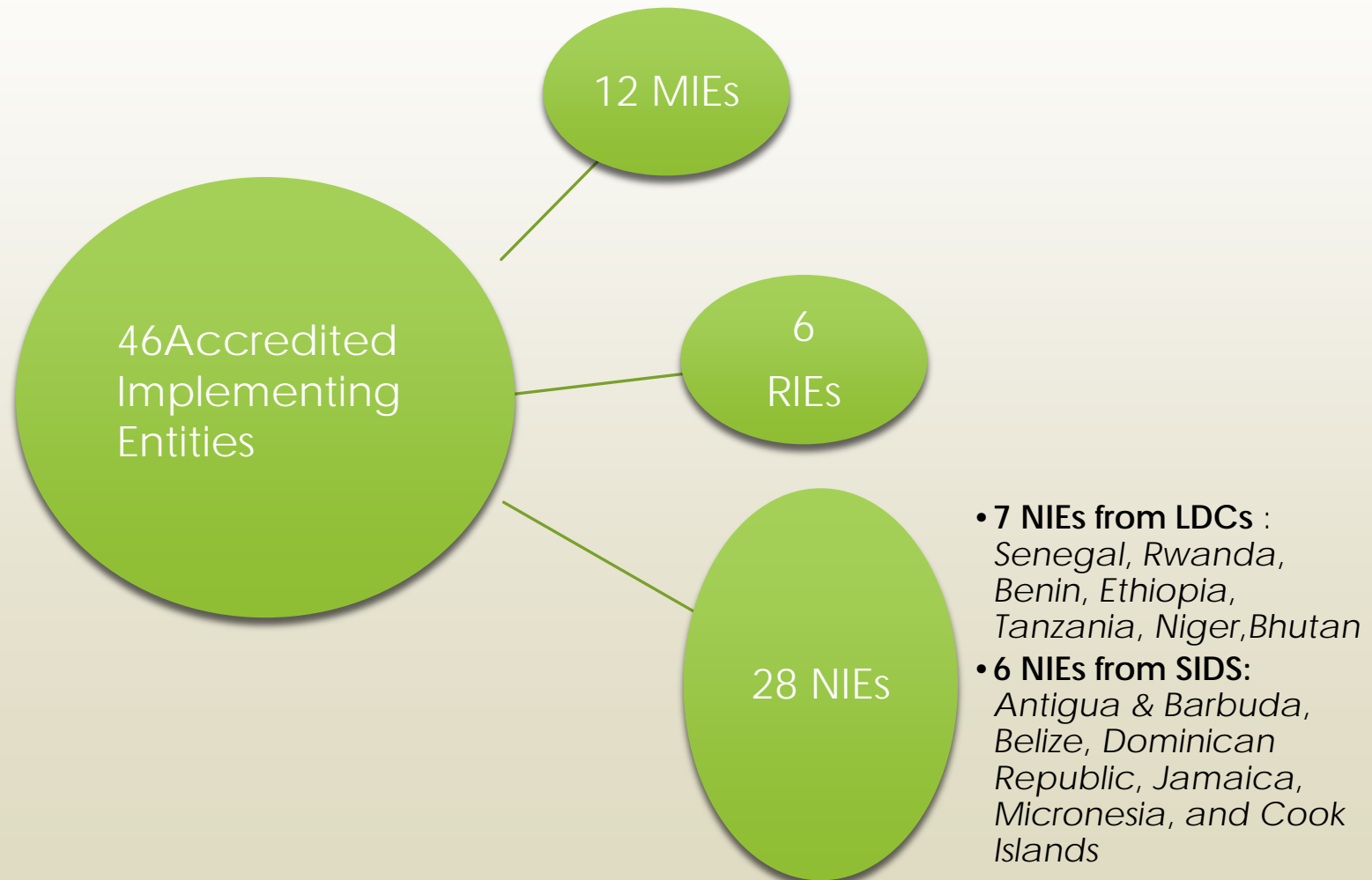
Accreditation Process Overview

AF Readiness Workshop, Nairobi, Kenya
4 April 2018

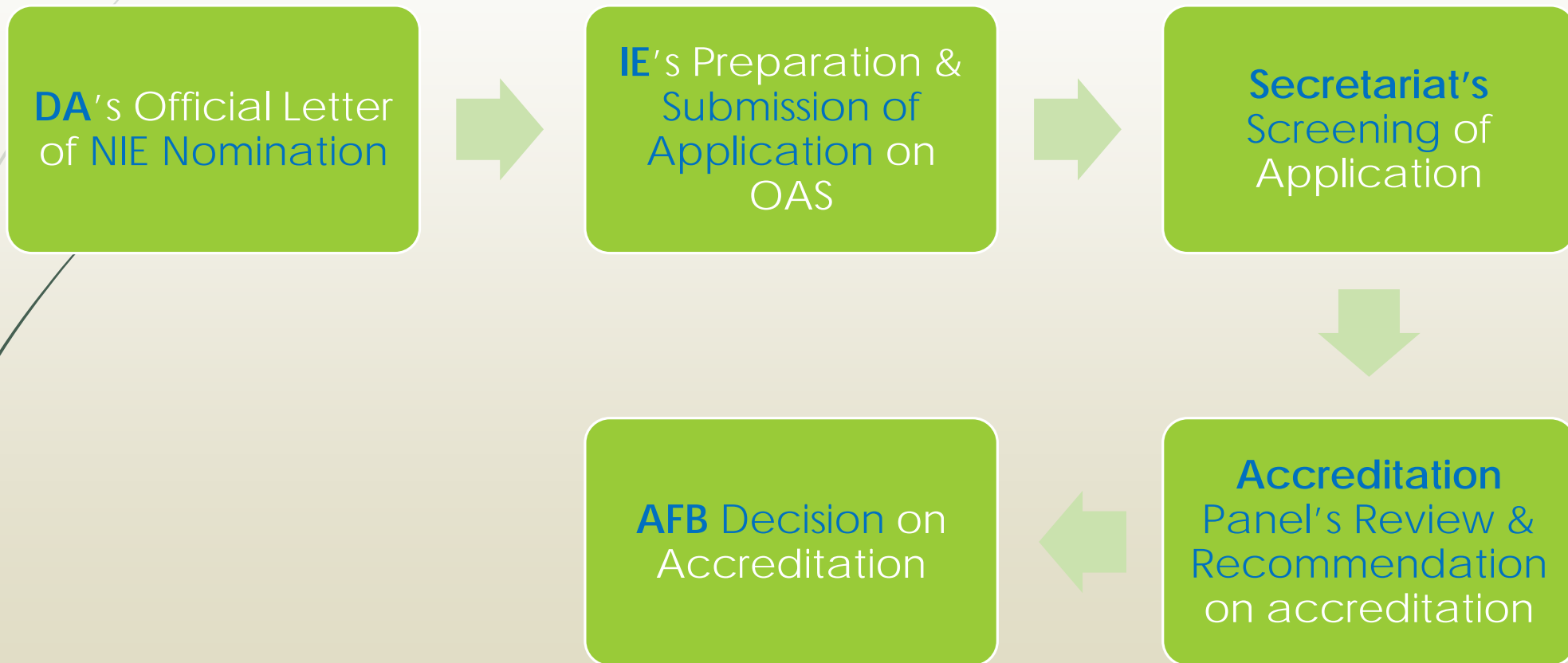


- Objectives:
 - ✓ **Direct Access**, whereby a country can access funds directly from the AF and other funds adopting similar modality to manage adaptation/mitigation projects, requires an accredited National Implementing Entity meeting the funds' fiduciary standards, environmental and social safeguards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

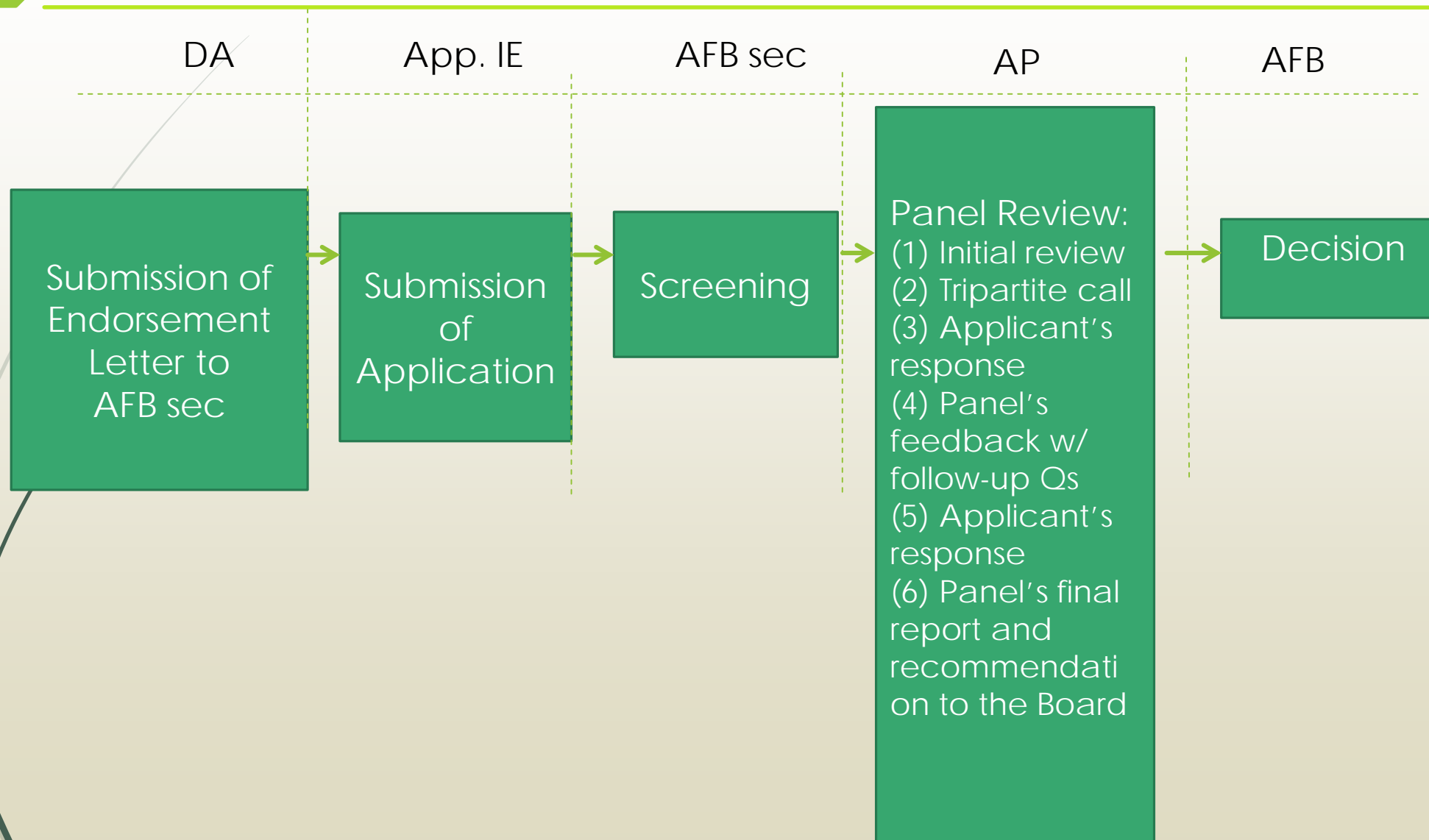
Number of Accredited IEs: as at 31 March 2018



Phases of the Accreditation Process



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**
 - **Endorses an NIE candidate 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)
 - **Endorses 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(username & password) to Online Accreditation Workflow system
 - Complete (in English) and Submit application online 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
-

AFB Secretariat

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

Accreditation Panel

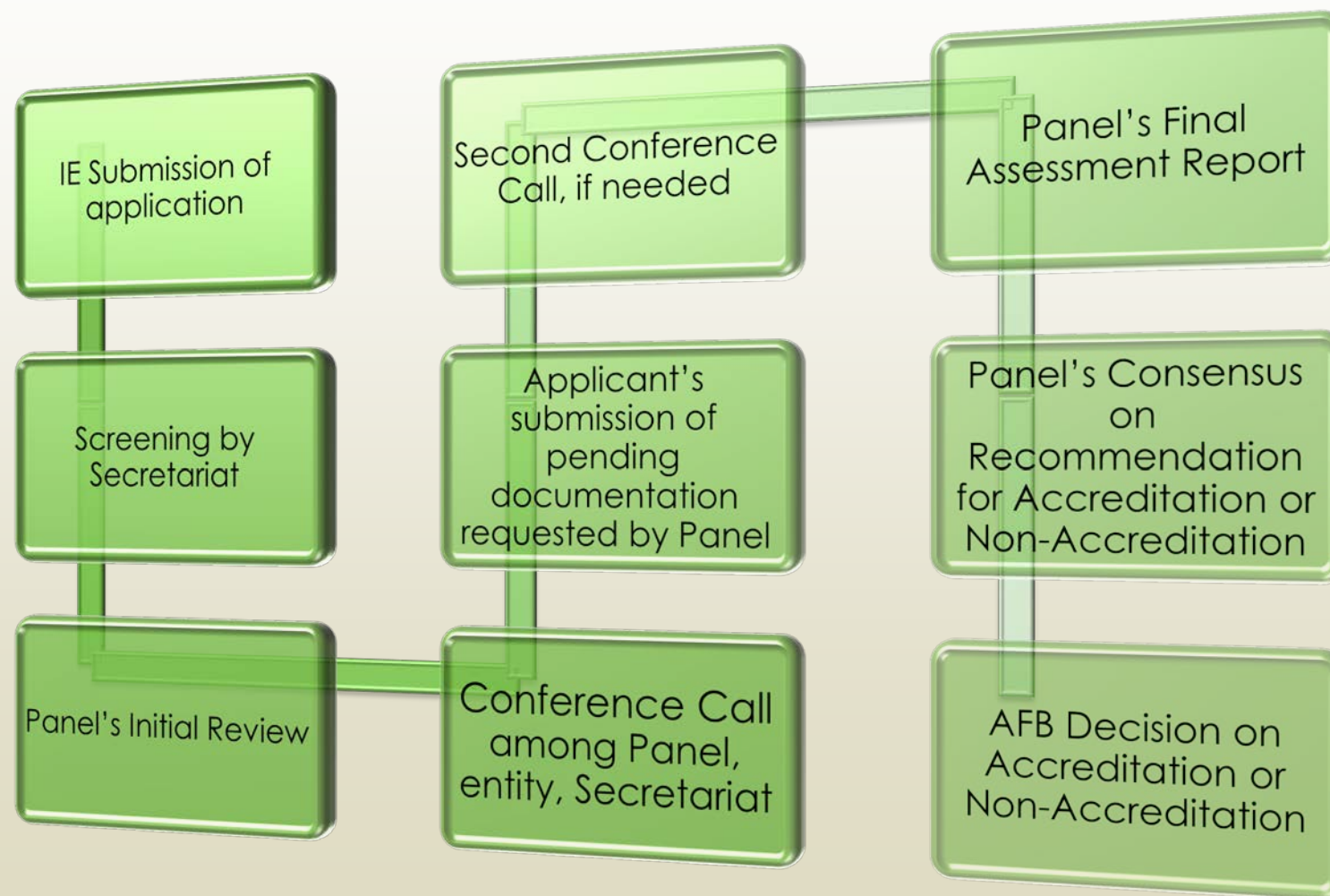
- Independent review of the application
 - Deliberate on the findings and conclusions and reach a consensus
 - Identify gap areas of application and Provide feedback to the applicant
 - Make a recommendation on accreditation or non-accreditation to the AF Board
-

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

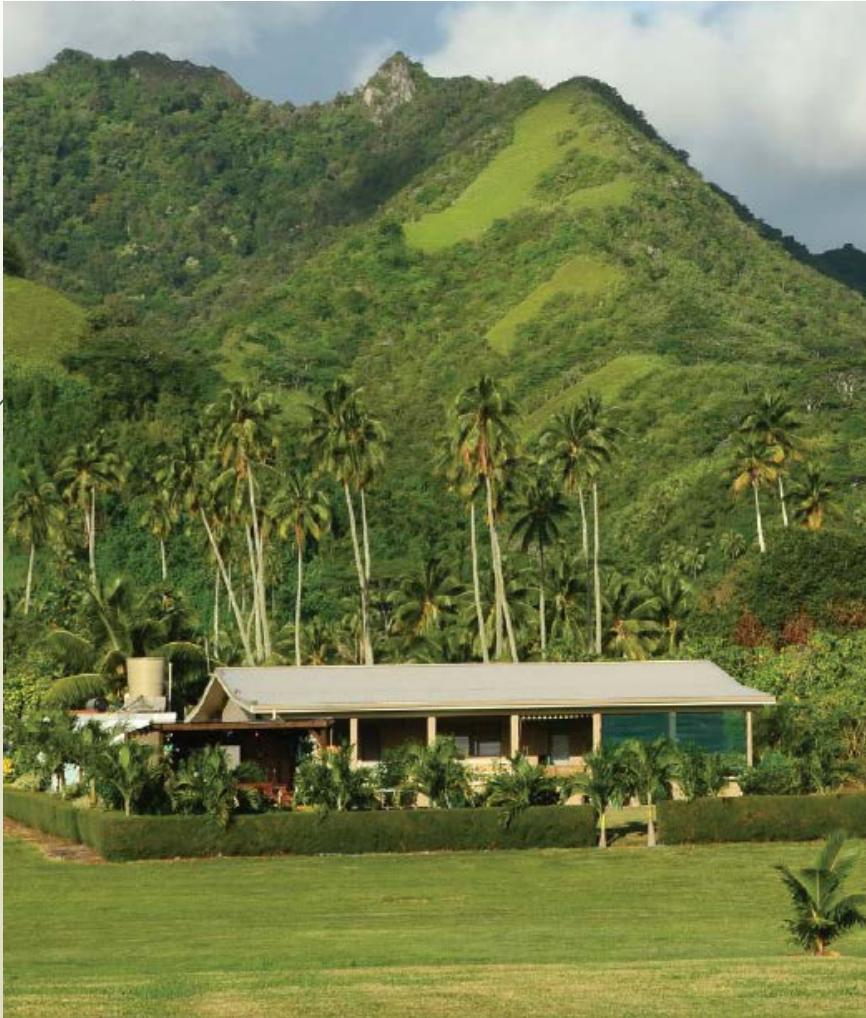


Average Period of Time for Accreditation

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

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

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
- The Accreditation Panel will make an early determination on whether an NIE applicant is eligible for this process (AFB Decision B.31/26)

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

Limited capacity in some areas of Fiduciary Standards

Applicant's experience limited to handling of small projects (hence systems and processes not adequate to meet AF Standards)

Applicant's underestimating the work involved in completing the accreditation process and not driving process actively.

Lack of in depth understanding of Accreditation Criteria and their requirements

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

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
 - 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
- 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')

Recent Board Decision on efficiency and effectiveness of accreditation process (Decision B.31/26)

- “Dormant” applications (applications inactive for 6 months)
 - The Sec will *inform the Designated Authority* of the applicant *entity’s inactivity* in pursuing the accreditation process; and
 - *After 4 consecutive 6-month periods of inactivity, the application will be removed from the accreditation pipeline;*
- **NIE applicants are encouraged to develop their capacities** by working jointly on projects implemented by an MIE or RIE;
- The Sec will prepare a document on a **‘fast-track’ accreditation process for entities accredited with the GCF** and to present the document to the Board at its 32nd meeting (October 2018).

RE-ACCREDITATION PROCESS

- Rationale: Accreditation is valid for 5 years.
 - Continue to be eligible to submit a new project proposal and readiness grant proposal
- Process
 - (Sec) Notification letter to accredited IEs (18 months)
 - (IE)
 - Is Strongly recommended to submit the application 12 months prior to the accreditation expiration.
 - Is Strongly recommended to achieve re-accreditation within 3 years after its accreditation expiry date

Fast-track Reaccreditation (AFB Decision B.29/38)

- The AFB decided to fast-track re-accreditation of implementing entities accredited with the GCF within a period of 4 years prior to the submission of the re-accreditation application to the Adaptation Fund.
- As at today, 3 implementing entities have been re-accredited through fast-track reaccreditation process.

Accreditation Case Study *Part A* - *Selecting an NIE*

- The entity needs to show that:
 - Capable to take on **responsibility** for the oversight role for projects funded by the AF
 - Capable to take **full legal responsibility** for all funds received from the **AF** for projects
 - Has the **capacity** to take full responsibility for the overall management of the **AF-financed projects**
 - Has the **system in place** to be fully responsible for all financing, **monitoring and reporting**.
- Case Study Part A focuses on **what country should think about when deciding how to select an NIE for AF accreditation purpose**
 - PLEASE NOTE: both could become the NIE – but each has distinctive advantages and disadvantages when compared against each other. And both would have to do some work to meet AF Standard requirements. So, there is no clear ‘winner’.

Accreditation Case Study *Part A* - *Selecting an NIE (Continued)*

- Your task is to
 - Discuss in your group both potential NIEs (considering key advantages and disadvantages of each);
 - Select one potential NIE over the other- and give reasons for your selection (And if time allows, list your reasons for not choosing the other potential NIE);
 - Be prepared to share your decision in the Workshop

Accreditation Case Study *Part B* – Assessing readiness to submit an accreditation application

- Case Study Part B focuses on **selected AF criteria- the ones that most often hold up accreditation.**
- **The objective** is to help you (1) become familiar with key AF criteria and (2) think about what areas/actions are needed to ensure that the accreditation process goes as smoothly as possible.
- **Your Task is to:**
 - Compare the AF Accreditation Requirements with the information you have on the potential NIE (chosen in Part A above)
 - Identify what areas/actions are still needed to satisfy AF accreditation criteria
 - List these action steps; and
 - Be prepared to share your views in the Workshop

Accreditation Related Documents

- Guidance on Accreditation Standards
 - Accreditation Application Form
 - NIE Accreditation Toolkit
 - Information Note for Designated Authorities to Select an NIE
 - Available at <https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/>
-



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