



ADAPTATION FUND
Readiness Programme
for Climate Finance

2020 Virtual Workshop on Accessing Adaptation Finance

3 and 5 November 2020

Report



Introduction

The Adaptation Fund Board Secretariat (the secretariat) hosted a virtual workshop on accessing adaptation finance on November 3 and was repeated on November 5 to accommodate national implementing entities (NIEs) in different time zones. The global workshop aimed to support developing countries access the Fund's resources through its Direct Access modality and increase their resilience to climate change through concrete projects and programmes that are country-driven, based on country needs and that benefit the most vulnerable communities impacted by adverse climate impacts.

The objective of the workshop was to enhance understanding on the Adaptation Fund (AF) accreditation process among developing countries that are yet to have national implementing entities or that have just started the process (prior to submission) and aspire to seek accreditation with the Adaptation Fund, and to introduce and encourage them to take AF's e-learning course on accreditation'. The workshop also served to further address main mitigating factors to close the gaps on accreditation and used a peer-to-peer learning approach and open dialogue to include case studies from AF accredited NIEs on lessons learnt and interaction with the Fund's accreditation and climate finance readiness teams.

All presentations made by the speakers are available on the AF website: <https://www.adaptation-fund.org/readiness/news-seminars/>.

Welcome Remarks

The seminar began with welcome remarks from Mikko Ollikainen, Manager of the secretariat. Mikko highlighted the significant challenges faced by the Fund and the Designated Authorities (DAs) due to COVID-19 and the progress made in delivering capacity building activities remotely. He highlighted the importance of the training workshop in improving understanding of how to access climate finance particularly using the Fund's direct access modality which enables countries to access finance directly through their own national institutions, rather than going through a third-party intermediary. He highlighted that the secretariat had also adapted the way it operates due to the pandemic and mentioned the progress the Fund made in its medium-term strategy under implementation from 2018 – 2022, which has a strong focus on Action, Innovation, and Learning and Sharing. He noted the new grants on innovation, learning and project scale-up and the new Funding window on enhanced direct access available only to NIEs. He concluded by highlighting that the Fund currently had over \$160 million available for Funding new projects which changes every year as the Fund receives voluntary contributions. Mikko also acknowledged the voluntary contributions received from countries and governments and acknowledged the partnerships with other climate funds, direct access entities and governments.

Session 1: Overview of AF and access modalities

Mr. Farayi Madziwa, Team Lead of the Climate Finance Readiness Programme of the secretariat highlighted the goals and purpose of the AF, and that the Fund was officially serving the Paris agreement, including its activities that support locally led actions.

Discussion and Question and Answer (Q&A)

<p><u>Question:</u> To confirm, if a country has reached its \$10 million cap, can it still access further funds through these new modalities i.e. Action, Innovation and South-South learning? Is there a cap on how much additional funding can be accessed?</p>
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Response: Yes, the funding windows are outside of the country cap. For all funding windows under the Adaptation Fund, there are caps for each window. This is explained under access modalities and the criteria to access each window. So, this would depend on which window and what type of funding they are seeking.

Question: You explained the NIE cap is \$10 million, I would like to know whether we could access more through some mechanism, so is it okay for one country to get the cap of \$10 million and then have another one?

Response: The adaptation Fund currently has a cap of \$10 million per country for concrete projects and the windows mentioned under the Medium-Term Strategy are outside of that cap. So, in addition to the \$10 million cap, you can access those new funding windows.

Question: Can you talk about the relationship between government agencies and NIEs and can you give examples of some best practices from projects already implemented?

Response: Since a lot of our processes are country driven, it really differs on a country by country basis and different countries facilitate this engagement differently. One of the benefits of being an accredited NIE is that every year we hold an annual seminar which is closed only to accredited NIEs and these are some of the issues that are discussed, and experience shared, and knowledge exchanged on how the other NIEs are managing such relationships. We therefore encourage all entities that are accredited to participate in the workshops and the NIE seminars.

Question: Would it be possible for you to clarify a bit more the new funding modalities and criteria for each under the medium-term strategy?

Response: For all the grants under the MTS, the one standing eligibility criteria is to be an accredited NIE. For the two grants under the action pillar, we have project scale-up grants and the enhanced direct access window. The enhanced direct access window has just been approved by the AF Board and will be available in a couple of months from now and will be immediately available to NIEs as soon as the instructions on how to submit applications are available. These grants are not available to regional implementing entities and to multilateral implementing entities as they are to support direct access. For the project scale-up grant, you need to have a project under implementation that has reached at least the mid-term level or has reached completion.

The criteria for the innovation grants are also that you have to be accredited IE and have to submit the application through the regular proposal template of the Fund. You have to follow the existing proposal template but in that there needs to be a concrete justification and explanation of your innovation idea project and justification of the other elements like the adaptation challenge to be addressed, the objective(s), what the project will deliver when, how and by whom. Further information is available in the Instructions for Preparing a Request for Programme on Innovation available on the AF website¹.

For the learning grants, in addition to having an active accreditation status, all you need to have is an approved project that is nearing completion or is completed, because the learning grants are to generate and disseminate knowledge coming from the projects.

¹ See <https://www.adaptation-fund.org/apply-funding/innovation-grants/>

Session 2: Overview of the AF Accreditation process

Mr. Ishak Mohamed, Accreditation Consultant at the secretariat, gave an overview of the Fund's accreditation process, description of the five step process through which entities can become accredited by the Fund, the different stakeholders involved in the accreditation process, the accreditation modalities, the four main categories of the adaptation Fund's accreditation standards (legal, financial management and integrity, institutional capacity and transparency, anti-corruption measures, mechanisms to address environmental, social and gender complaints). He highlighted the accreditation process is intended to ensure that applicants follow the fiduciary and safeguard standards and that it is a transparent and systematic process through an Adaptation Fund Accreditation Panel (the Panel) supported by the Secretariat. He highlighted that a total of 51 implementing entities have been accredited as of 1 October 2020, which includes 32 NIEs, 6 RIEs and 13 MIEs.

Discussion and Question and Answer (Q&A)

Question: I would like to understand the relationship between the Adaptation Fund and the GCF, specifically in relation to fast-track accreditation modality?

Response: There is a very close relationship between the adaptation Fund and the GCF as we are in constant communication back and forth. For the benefit of the participants who have not yet obtained accreditation, there are a number of accredited NIEs by the AF who have got fast-track accreditation to the GCF because of the accreditation to the AF. The AF and GCF secretariats have been working together to establish operational linkages and one linkage that has been extremely beneficial to both AF and GCF has been the fast-track accreditation. The GCF will fast track an entity's accreditation if that entity is within 4 years of accreditation by the AF. The secretariat is also working in having continuation of the fast-track process at the time of re-accreditation.

Question: How long will it take to be accredited as an NIE starting from the day of the submission of application?

Response: It depends on the readiness of the entity that applies to the accreditation process, because it is a country driven process, so it is really up to the entity to respond to the questions put forward on the application during the review, both from the secretariat in the beginning and then from the accreditation panel. So, depending on the responses the entity is able to give, the process historically has gone anywhere from nine months to four years, where the delay in accreditation happened when an entity had to build capacity during the process.

Session 3: Overview of the main mitigating factors to close the gaps and accreditation and introduction to the AF E-learning course

Ms. Silvia Mancini, Operations Officer at the secretariat highlighted the main mitigating factors to close accreditation gaps. She highlighted the goal of sharing experiences of others in the process of both accreditation and re-accreditation aimed to reduce the time required for the completion of accreditation. She gave an overview of 11 case studies that identified opportunities to further enhance efficiency and effectiveness of the accreditation process.

Ms. Sophie Hans-Moevi, Senior Program Assistant at the secretariat continued the talk on gaps and lessons learned and presented the AF online learning course which is available in three languages. Its objective is to familiarize participants with the requirements for accreditation and

the Fund's environmental and social policy (ESP) and gender policy requirements for project formulation and implementation. The e-learning course is available on the Fund website².

Discussion and Question and Answer (Q&A)

Question: How long does it take if we get a fast-track scheme for accreditation by GCF?

Response: It depends on the responses that you provide to the accreditation panel. It is a country driven process and we don't set up deadlines, so it depends on your responses to the questions of the panel. Usually it can go from nine months to two years.

Question: I want to know what you mean by effective handover, are there specific requirements for the handover beyond just informing the AF that there have been changes?

Response: No, we do not have any specific requirement. This is a country driven process and what we facilitate is the process that happens at country level. What we suggest is that when a focal point is identified which is an extremely important figure, and if there is a change, we expect to be informed of that change so we can avoid delays. So, we encourage that if there has been a change, the previous focal point should update the new focal point about the elements and responsibilities with regards to the process.

Question: What has been the AF experience within a government institution that is going through accreditation?

Response: On our website, we have the list of all the entities that have been accredited and there are a number of ministries accredited as implementing entities. The experience is always extremely good because there has always been a facilitation in the beginning to really understand what is required to undertake an accreditation process and provide all the support in documentation to comply with the criteria. So, there has been always an understanding not only at the level of the designated authority but also at the level of the ministry when they have started the process.

Question: Do we have to take both modules to get a certificate or can we get it by taking just one?

Response: Yes, you must take the two modules in order to get a certificate.

Session 4: Readiness support for accreditation

Ms. Ishani Debnath, Readiness Support Consultant at the secretariat gave an overview of the AF readiness programme for climate finance, including its purpose, the direction it is taking and the grants and other accreditation as well as post accreditation support. She described the individual grants available under the readiness program to support capacity building along with their eligibility criteria and Funding cap, namely the South-South Cooperation Grant (SSC), the Technical Assistance Grant for the Environmental and Social Policy and Gender Policy (TA-ESGP), the Technical Assistance Grant for the Gender Policy (TA-GP); Project Formulation Assistance (PFA) Grants; the Readiness Support Package Grant and the Project Scale-up Grant. She highlighted the planned events for the remainder of the calendar year, namely the annual

² See <https://www.adaptation-fund.org/knowledge-learning/knowledge-products/af-produced-knowledge-products/?type=e-courses>

seminar for accredited NIEs; the readiness webinars; the South-South country exchange; regional workshops; and the Community of Practice for Direct Access Entities (CPDAE).

Question: Is KEMITRAAN, Indonesia eligible to access the technical assistance (TA) grants?

Response: Yes, since KEMITRAAN has been accredited, it is eligible. Once an entity has been accredited, they are eligible to receive all post-accreditation support grants. The deadline to apply for readiness grants in 2020 has passed, and the dates for 2021 will be posted on the AF website for the coming year.

Question: Could you please clarify the technical assistance grant for gender policy and how we can access the Fund.

Response: It is important to know it is only available once you have been accredited. The cap for the grant is \$10,000 per NIE and you are eligible as long as you have not accessed this grant or the TA-ESGP before.

Session 5: Lessons learned on accreditation (Experiences from AF accredited NIEs)

This session focused on NIE experiences from the Partnership for Governance Reform in Indonesia (KEMITRAAN) of Indonesia, the Centre de Suivi Ecologique (CSE) of Senegal and the Department of Environment (DoE) of Antigua and Barbuda who shared knowledge and discussed their lessons learnt from going through the accreditation process.

Experience sharing by KEMITRAAN, Indonesia

Mr. Laode M Syarif presented the KEMITRAAN lessons learnt and the impact of AF accreditation process and noted that the process took them 4 years. He highlighted that the accreditation process enhanced KEMITRAAN's Environmental and Social Safeguard Policy and Risk Management Mechanism by Adapting 15 AF principles which were not included in the past; enhanced accountability and oversight mechanism within KEMITRAAN by enhancing the role of Audit Committee at Board Level; and finally widened the scope of Anticorruption and Whistleblower Policy to include AML/CFT (Anti-Money Laundering and Countering the Financing of Terrorism). He shared lessons and gave an overview of the advice to entities seeking accreditation, including having a comprehensive understanding of climate change related development, strengthening internal capacity of the organization's program development and financial accountability, maintaining important records, and, working closely with governments and the private sector.

Experience sharing by CSE, Senegal

Ms. Aissata Sall highlighted CSE's experiences from 2010 when they had their first accreditation and again from 2015 when they had their first re-accreditation. She noted how they accessed the pioneering direct access modality and pointed out the advantage that the modality allowed the national institutions to implement projects to develop scales and capabilities in all areas. She highlighted how they had to adapt to certain standards and identified gaps that had to be corrected after the accreditation, namely focusing on fiduciary standards, including establishing a research function, functional independence and improving guidelines in terms of complains and grievances. She highlighted the support CSE received from the Fund to update the document on environmental policy and address the gaps in gender policy. She addressed how CSE

transformed itself from 2010 to 2020, especially in having better competency, formalizing the different procedures, in preparing governance documents and the designation of the focal points. Aissata also focused on how CSE implemented an organizational framework and capacity building to support the agents in carrying out their work successfully. Finally, she noted the importance of accreditation and how it made CSE eligible with the GCF as they benefitted from the fast-track accreditation process.

Experience sharing by DoE, Antigua and Barbuda

Ms. Rashauna Adams-Matthews gave an overview of DoE's impact of accreditation in terms of institutional capacity as well as its ability to access climate finance, general considerations when submitting for accreditation and DoE's experience on the South-South cooperation grants. She highlighted that DoE was accredited in 2015 and is currently going through re-accreditation, and that the accreditation process helped in raising the standard of operational and procurement procedures of the department from a regular government entity to the standard used by international entities, improved the department's ability to document, improved project management and implementation and strengthened environmental social safeguard and gender capacity. She further pointed out the general guidelines when submitting an application for accreditation, which included ensuring minimum capacity within an organization; having an active accreditation team to address questions by the secretariat; having access to Community of Best Practice; applying for technical assistance to improve areas of weakness after accreditation; and finally training for re-accreditation.

Comment by the South African National Biodiversity Institute (SANBI): SANBI was accredited in 2011 and then went through reaccreditation that took a long time, but I want to stress that the re-accreditation process strengthened our policy. It is a burdensome exercise but the re-accreditation process that took almost 2 years made us strengthen our policy that we can now apply to other projects. So, this should not be seen as a long-winded hurdle but as an opportunity for strengthening the operating environment of your organization and an added plus is that the accreditation with GCF becomes easier.

Comment by CSE: I would just like to add that the institutions that want to have accreditation should develop a project portfolio because it takes a lot of time to present the project so it would be good that in parallel they do this and take this into account.

Comment by AF Secretariat: When you are going through the accreditation process, that does not prevent you from already thinking about the kind of project or putting together a proposal that you will submit to the Fund following approval of your accreditation. So, it is important to take this into account.

Comment by AF Secretariat: South-South cooperation grants are meant for entities that have not yet gotten accredited. The model for the grants is that an accredited entity provides peer support to a non-accredited entity to go through the accreditation process. The non-accredited entity does not need to meet any eligibility requirements but has to identify an already accredited entity and discuss where you are in the accreditation process, and through that dialogue, develop a proposal for the South-South support together. However, the application/proposal must be submitted to the AF by the accredited entity on behalf of the non-accredited entity, because the AF cannot enter into legal agreements for the transfer of funds with non-accredited entities. After the accredited entity submits the proposal on behalf of the

non-accredited entity, the Funds that will be transferred to the account of the accredited entity, they must spend it based on the information in the submitted proposal.

Question: Did the DoE use the national gender policy, or the department had to craft another gender policy?

Response by DoE: We did use an existing gender policy for accreditation. It was considered weak and not addressing certain areas, it was more so gender neutral rather than actually being gender responsive. So, we did get accredited with an existing gender policy but once we got accredited, for the project to be approved, we had to improve our gender policy in line with the AF policy.

Question: When should one start the process for re-accreditation?

Response by DoE: We advise at least two years prior, to ensure the policies are in place and the accreditation team is in place.

Response by AF Secretariat: The Fund has guidance on this, and the revised re-accreditation process now includes categories with very specific status of the entity in terms of when they started re-accreditation. 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. It is important that the re-accreditation process starts according to the guidelines of the AF Board³ because depending on where you are, then the access to the Funding may be different.

Question: Can you clarify on the peer support in accreditation process, in the framework of South-South cooperation? Does this mean an NIE can help another country to get accredited and in this process the grants are transferred to the account of the accredited one?

Response by AF Secretariat: Yes, because the Adaptation Fund legally can enter into legal agreements involving the transfer of project funds with accredited entities only, therefore funds will be transferred into the account of the accredited entity. But the arrangement of how that support is provided in-country is the arrangement between the accredited and non-accredited entity. The list of accredited entities is available on the AF website. When you click on the entity, you can also see the accreditation status of the implementing entity at that particular point in time.

Session 6: Closing Remarks

The seminar closed with concluding remarks by Mikko Ollikainen in which he thanked everyone for their participation and their engagement in the workshop. He highlighted the practical challenges presented by COVID-19 coupled with the changing climate. He outlined the Fund's activeness in adapting to the pandemic and how the virtual workshop is a testament to that. He also highlighted the importance of building resilience to climate change through concrete adaptation measures for countries to protect vulnerable communities against adverse climate impacts and noted the success stories from AF projects in different countries in providing such resilience. As a last word, he urged everyone to continue to stay safe during these unprecedented times.

³ See reaccreditation process guideline document: https://www.adaptation-fund.org/wp-content/uploads/2016/05/Re-accreditation-process_revised-in-Oct-2019.pdf