

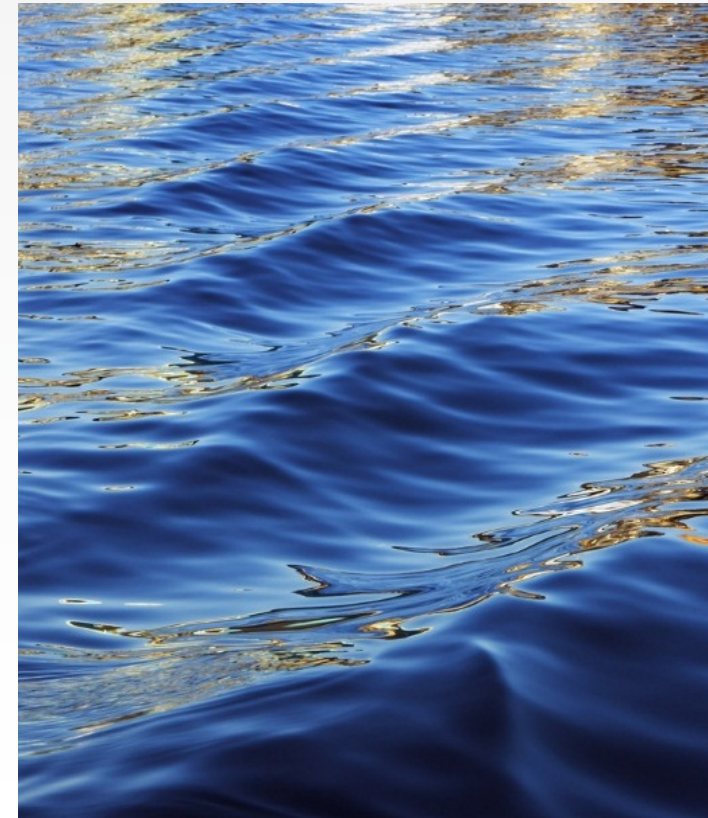


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Overview of AF Accreditation process and requirements & re-accreditation snapshot

AFB Secretariat

9 September 2021



Background to the AF Accreditation Process



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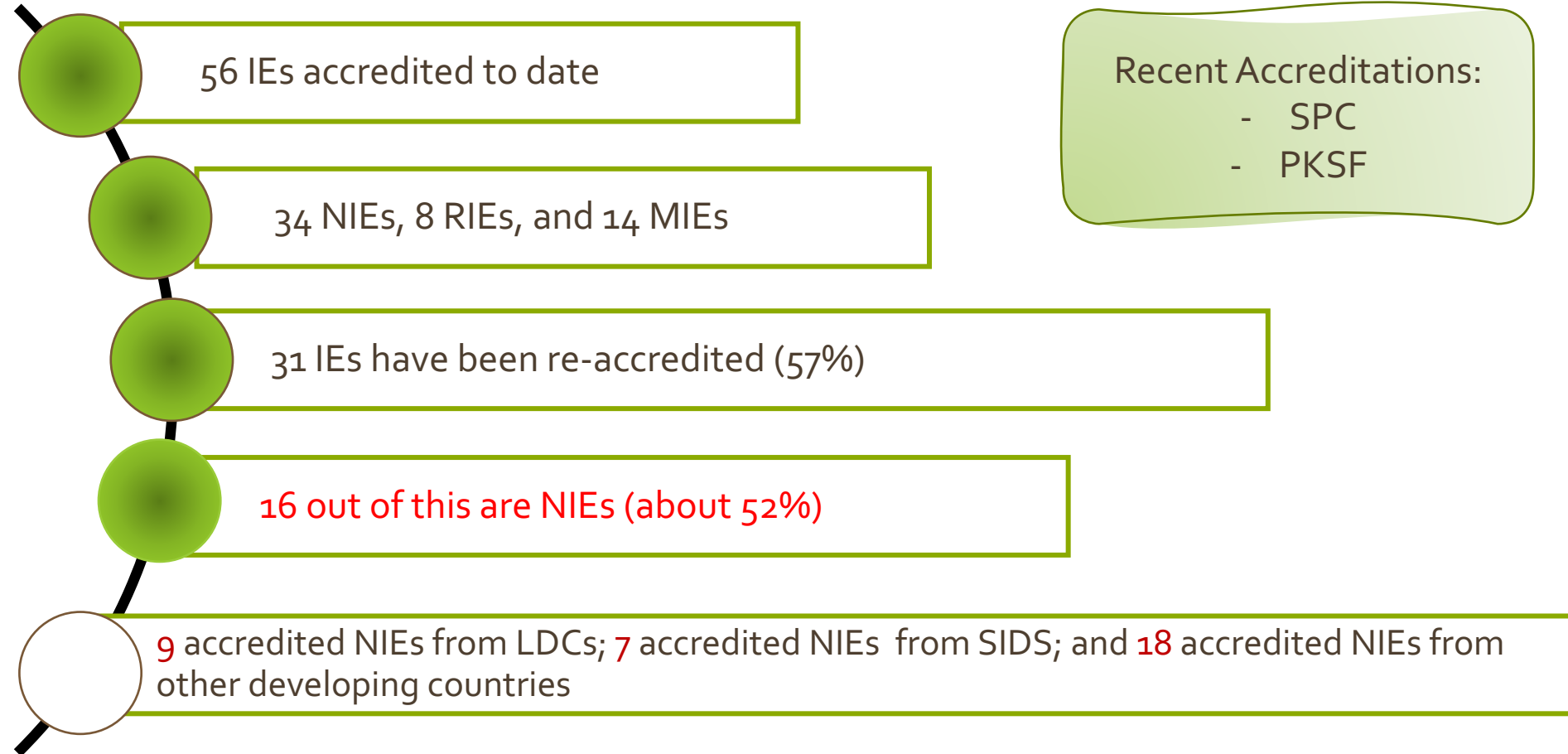
- ❑ Ensures that applicant entities follow fiduciary and safeguard standards while accessing financial resources of the Adaptation Fund.
- ❑ Applicants undergo an assessment for accreditation to make sure they adhere to sound accreditation standards and implement effective [social and environmental safeguards](#) to **identify any project risks in advance, prevent any harm and improve the effectiveness and sustainability of results.**
- ❑ Follows a transparent and systematic process through an Adaptation Fund Accreditation Panel (the Panel) supported by the Secretariat.



AF Accreditation portfolio to date



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Reinforces AF's commitment to Direct access and the importance of country ownership and building national capacity in adaptation

How an entity can become accredited with the AF

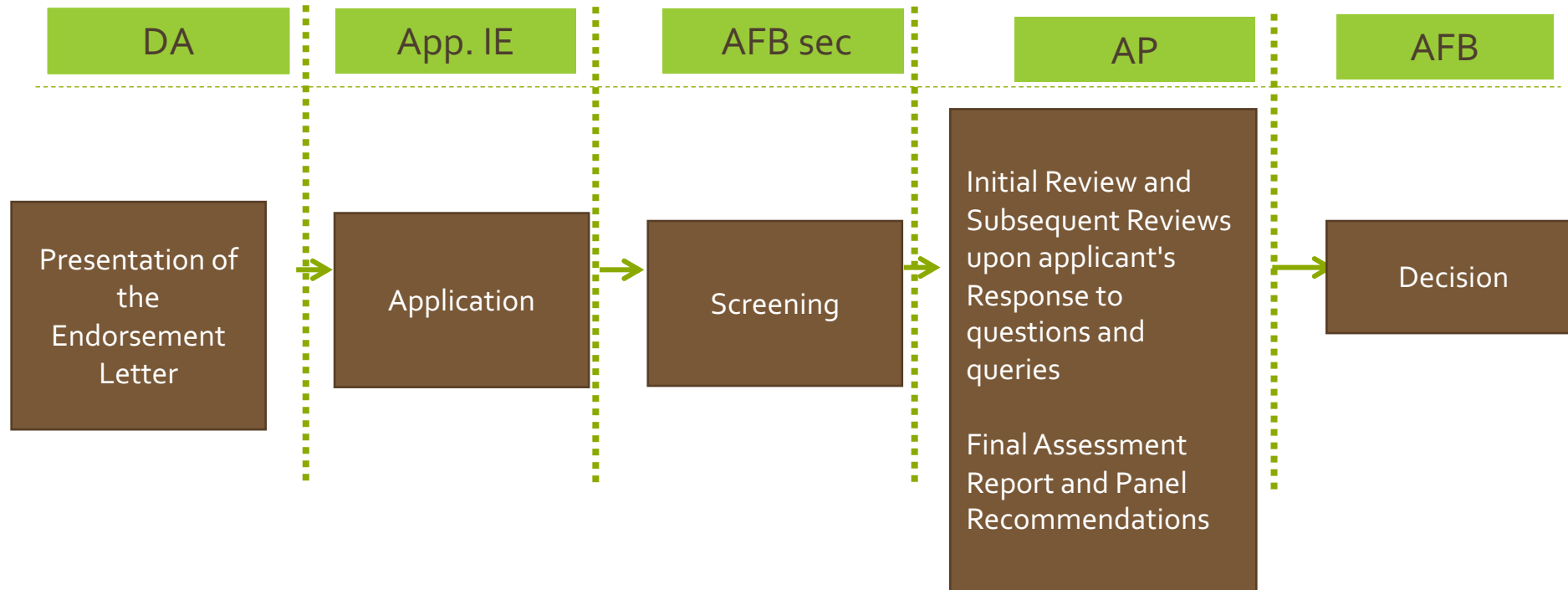


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- ☐ **Nomination:** An entity that meets the accreditation standards is identified and nominated as a potential implementing entity by a Designated Authority (DA)
- ☐ **Application:** Submission of accreditation application to the Secretariat together with the required supporting documentation to verify how an applicant meets the fiduciary standards and their commitment and ability to comply with the environmental and social policy and gender policy.
- ☐ **Screening by the AFS:** To ensure that all the necessary information is provided. AFS follows up with the potential implementing entities to ensure that the application package is complete.
- ☐ **Review by the AP:** The Panel reviews the application, identifies any questions and potential gaps and communicates directly with the applicant until it is ready to make a final assessment and recommendation.
- ☐ **AP Recommendation:** Based on the Panel's assessment and recommendation, the AFB approves recommendation for accreditation.

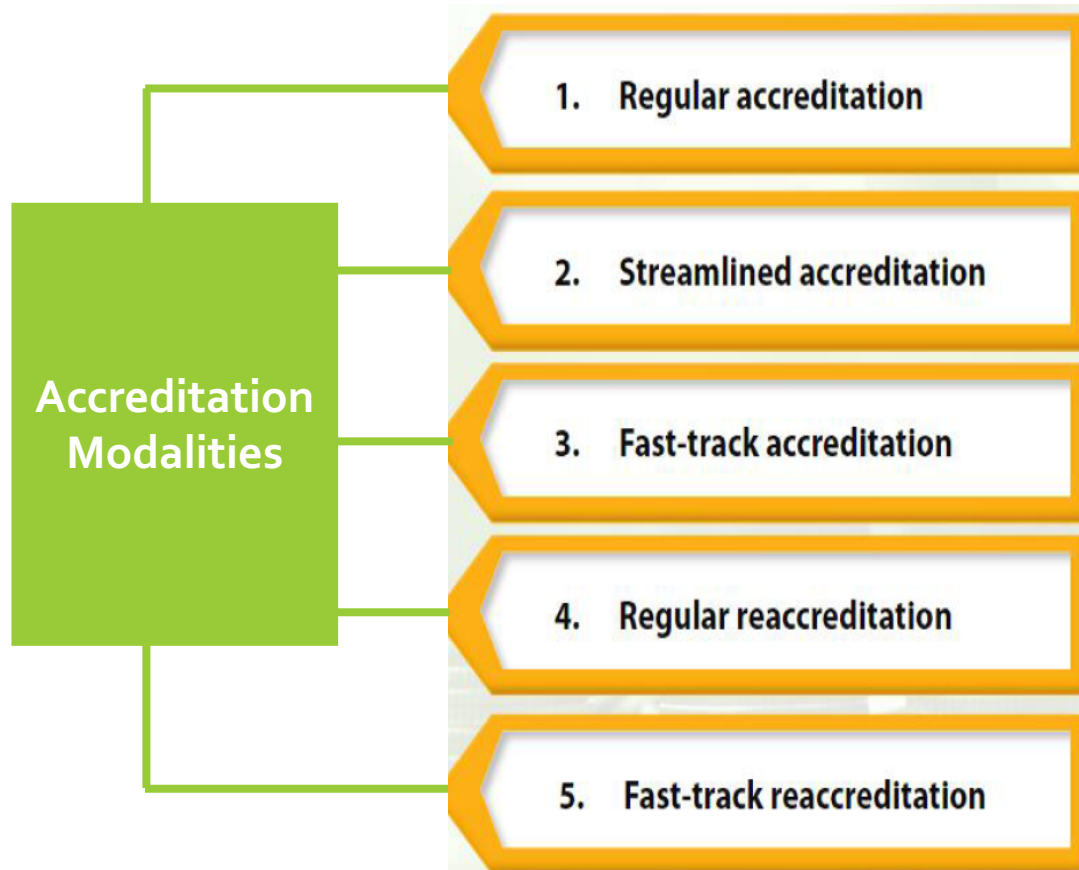
Parties of the Accreditation Process



Accreditation modalities



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❑ Accreditation is valid for a period of **5 years**

Re-accreditation Process

- 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.
- Applicants are requested to describe any changes that have occurred since its accreditation with AF and provide the most up-to-date supporting documentation in compliance with the re-accreditation criteria.
- **It is important to start the process early** - avoid a major gap between accreditation expiration and the granting of re-accreditation.

Accreditation modalities – cont'd



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- ❑ **Regular Accreditation:** Available to entities of all types, sizes, and risk profiles.
- ❑ **Streamlined Accreditation:** Designed to support **smaller entities** access AF resources; typically available for applicants that **execute or implement projects that cost up to USD 1 million**; that have a **staff of up to 25 members** engaged in projects, and that have **annual administrative expenses of up to USD 1 million**.
- ❑ **Fast-track Accreditation:** Available to all applicant entities that had been accredited by the GCF within a period of four years prior to the submission of the accreditation application to the Fund.
- ❑ **Regular re-accreditation & fast-track re-accreditation:** Allow an entity to renew its accreditation status, either through the Regular Reaccreditation or Fast-Track Reaccreditation modality.
 - Developed to provide the Panel with a systematic approach to review the sustainability of an applicant's competencies under the fiduciary standards as well as its potential to address the criteria of the ESP and GP.

AF Fiduciary Standards and required competencies



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☐ Consist of four broad categories:

- Legal status;
- Financial and management integrity;
- Institutional capacity; and
- Transparency, Self-investigative Powers, Anti-corruption measures and mechanism to address E&S and gender complaints.

☐ **For re-accreditation applications**, 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.**

☐ Areas of assessment for re-accreditation applications depend on many factors:

- Regular re-accreditation vs fast-track re-accreditation
- With or without AF Funded project

AF Accreditation standards – cont'd



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Legal status (criterion 1)

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

Financial and Management Integrity (Criteria 2-4)

- Financial Statements and External Audit requirement
- Internal Control Framework
- Internal Audit/Assurance and Oversight arrangements
- Preparation of Business plans and budget

AF Accreditation standards – cont'd



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Institutional Capacity

(Criteria 5-9)

- Procurement
- Project Preparation and Appraisal
- Project Implementation Planning
- Project Monitoring and Evaluation
- Project Closure and Final Evaluation

Transparency, Self-investigative Powers, Anti-corruption measures and mechanism to address E&S and gender complaints

(Criteria 10-12)

- Policies and Framework and capacity to deal with fraud, corruption and other forms of malpractice
- Mechanism to deal with complaints on environmental and social harms caused by projects
- **Commitment by the entity to apply the Fund's Environmental & Social and Gender policy**

AF Accreditation standards – cont'd



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- ☐ **Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT)**
:“examples of supporting documentation” related to the “internal control framework”,
“procurement” and “policies and framework to deal with financial mismanagement”
criteria in the accreditation application form (Criteria 3 (b); 5(a); 10 (c))

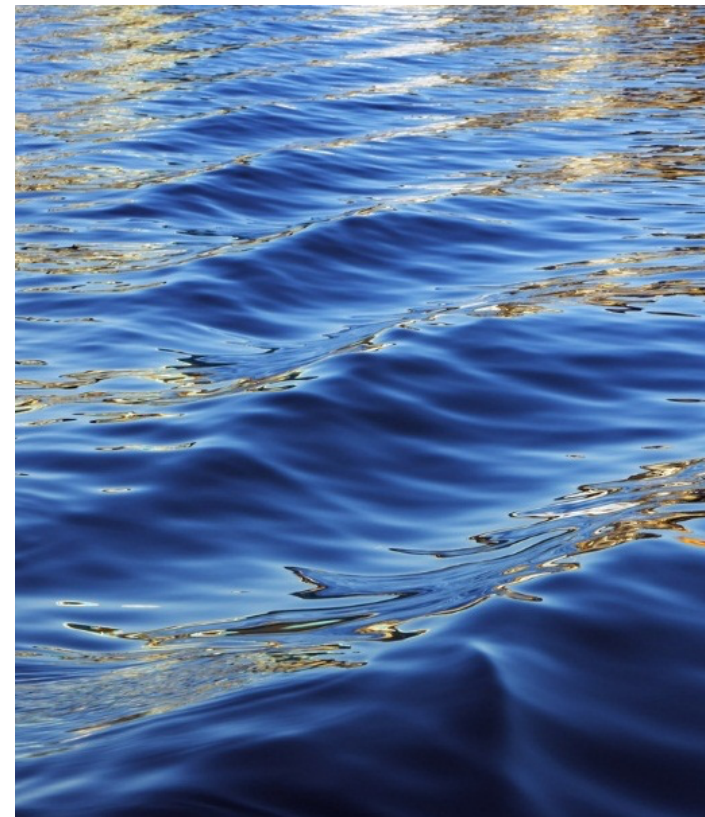
- ☐ The documentation needed to meet these requirements include:
 - ☐ (i) Policies and procedure related to anti-money-laundering/countering the financing of terrorism;
 - ☐ (ii) Screening system which documents all individuals and/or organizations before the entity transfers money to them; and
 - ☐ (iii) Decision-making process that the entity follows when it identifies risks related to any individuals and/or organizations.



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Best practice navigating accreditation gaps and challenges

9 September 2021



Background



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❑ In August 2019, the Fund commissioned a study “Bridging the Gaps in Accreditation”

<https://www.adaptation-fund.org/document/bridging-the-gaps-in-accreditation>

❑ Within the context of the Adaptation Fund (AF) Medium Term Strategy Implementation Plan: **Strategic Focus 3—Learning and Sharing**

❑ Goal: to help reduce the time required for the completion of accreditation and re-accreditation applications by national and regional implementing entities (IEs), and applicant IEs **by sharing the experience of others in the process.**

❑ Eleven case studies of ongoing or completed accreditations or re-accreditations were conducted to identify opportunities to further enhance efficiency and effectiveness of the accreditation process.

❑ The case studies set out the length of time experienced for each application, the factors affecting the time taken, and opportunities for improvement/lessons learned.

The case studies



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- ☐ The case studies represent different types of processes that have been available to applicants in recent years:
 - **Regular accreditations**
 - **Streamlined accreditations**
 - **Fast-track reaccreditations**

- ☐ The case studies cover different types of IEs at national and regional levels:
 - **Non-governmental organizations**
 - **Financial institutions**
 - **Autonomous government agencies**
 - **Government ministries**
 - **Regional multilateral institutions**

Common themes arising from these case studies



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- ❑ Common themes arising from these case studies around reducing time required for accreditation/re-accreditation include the importance of:
 - **Familiarization of the AF accreditation/re-accreditation criteria** and understanding of the documentation requirements of the evidence-based review by the Accreditation Panel;
 - **Regular communication** between the DA, IEs and applicant IEs, and the Panel expert reviewers/AFB Secretariat to ensure any uncertainties in requirements to meet criteria can be quickly addressed;
 - **Effective handover** when accreditation focal points of IEs and applicant IEs change;
 - **High commitment and close engagement by the senior management** of IEs and applicant IEs to prepare action plans to respond to any gaps identified;
 - **Disciplined tracking of outstanding issues** by both IEs and applicant IEs and the Panel, regularly updated to ensure focus is maintained on the residual requirements to complete the review.
 - **Visits to IEs and applicant IEs** and their project sites by Panel reviewers and AFB Secretariat staff. Particularly visits towards the end of the review process have been very helpful in clarifying residual requirements and completing the final evidence needed to meet all criteria.

Lessons learned



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- ❑ Following are a collection of lessons learned which may prove to be very useful for future applicants during their accreditation process:
 - The Panel requires evidence not only of commitment but also capacity and the existence of effective complaint mechanisms.
 - Policies and systems may take time to be developed and some track record of their implementation needs to be shown.

Lessons learned-cont'd



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- Maximizing the use of IEs and applicant IEs websites to post information about the entity, its project/program portfolio, its policies and procedures, financial and audit results, annual reports on its operations, and explaining complaint processes not only contributes to transparency but also helps speed up Panel reviews significantly and in addition, reduces the burden on uploading documents in the AF workflow system.
- In the case of fast-track re-accreditations, although the scope of the Panel's review only covers a small sub-set of the criteria, IEs and applicant IEs are encouraged to ensure they maintain alignment to all criteria.
- Changes in organization need to be carefully considered if they may result in changes in the legal status and other major changes of the IE as in such case the IE would have to address its implications on accreditation/re-accreditation before continuing the accreditation/reaccreditation process.