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## Adaptation Fund Study Shows Continuous Improvement and Periodic Re-Accreditations Strengthen Institutional Capacity of Implementing Entities

Washington D.C. ( March 24, 2022) – The Adaptation Fund (AF)'s process of vetting its [Implementing Entities \(IEs\) periodically through re-accreditation, and the work the IEs do to meet this requirement](#), benefits them through strengthened institutional capacities, such as improved competence in project design and performance that ensures the organizations are able to effectively implement adaptation actions on the ground, according to a [new AF study](#).

The study examined the experience of the Fund's re-accreditation process, which includes a re-accreditation review that each of its implementing entities must go through every five years as well as continuous development between reviews, provides insight on how re-accreditation supports capacity building and institutional strengthening. It shows, through cases studies, that the re-accreditation process gives an opportunity for organizations to test new policies and procedures for project management, documentation and reporting, and to ensure systems are functioning properly. These activities help IEs to continuously upgrade systems and introduce new procedures that help them maintain alignment with recommended international practices.

During the reaccreditation review, the AF verifies whether IEs comply with evolving procedures such as the Fund's [environmental, social and gender policies](#), while making sure their organizational systems are properly maintained and improved to implement adaptation projects effectively within the organizational systems. Each entity undergoes a detailed assessment, and the AF and the IEs work together to strengthen various aspects of the re-accreditation standards based on the experts' advice and suggestions.

*“The study highlights the high value of the Adaptation Fund’s re-accreditation process that ensures accredited organizations continue to evolve, improve, and advance, thereby achieving effective adaptation actions,”* said Mikko **Ollikainen**, Head of the AF. *“Improving capacity is a continual process of the Fund’s operations from an entities’ initial accreditation through its engagement with the AF and is supported by different tools such as the [Readiness programme](#) and [Small Grants programme](#). Re-accreditation serves as a complementary tool in this process. Re-accredited organizations have the benefit of being able to build confidence in their systems and better engage with stakeholders, which often results in high performance.”*

For the study, 22 of 28 re-accredited IEs of the Fund (9 National, 3 Regional and 10 Multilateral implementing entities) provided responses to a survey and interviews. On the question of how the organizations have benefited from the re-accreditation process, 68% (15) of the respondents perceived some or high benefit from the process. Regarding the details of the benefits, 68%



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(15) said that the re-accreditation process especially contributed to an increase in institutional capacity while 18 respondents found their organization acquired or improved certain competencies during the initial AF accreditation process with an Environmental and Social mechanism or framework.

Developing and implementing projects is another valuable factor that enhances IEs' experience.

*"The implementation of an AF project has strongly strengthened [our] internal capacities, project management, due diligence approaches, reporting templates and methods, field control and audit procedures, supervision and follow up tasks, and financial and procurement practices. [AF project implementation] has also brought additional experience [to the organization] in project formulation,"* said one of the Regional IEs in the interviews.

Other key findings from the study include:

- The re-accreditation process provides an opportunity for IEs to engage in a continuous improvement model by ensuring that their organization is documenting all of its management and operating procedures; conforming to internationally recognized standards; operating effectively; and establishing permanent capacity building of national staff.
- Document compliance is critical with policies, strategies, and guidance and to demonstrate that internal processes work properly, which will facilitate the overall re-accreditation process.
- The AF's re-accreditation written guidance and directions provided to IEs are clear and easy to follow. Direct communication with the AF is also helpful for the re-accreditation process.

There were still some challenges in the re-accreditation process highlighted by the IEs due to lack of institutional capacity or internal constraint. 73% (17) of the IEs rated the re-accreditation effort as requiring a neutral to somewhat high level of effort, and 36% (8) of respondents rated the overall difficulty of the re-accreditation process as somewhat difficult. This was particularly true for national Direct Access IEs and smaller entities that do not have experience or enough staff to manage the workload for the re-accreditation application. For multilateral IEs, the most challenging part was demonstration of compliance with the AF's policies, especially the Environmental and Social Protection policy. An understanding of how best to approach the requirements could be a common challenge as well.

*"It is essential to make sure accessible communications and inquiry channels and effective information sharing systems are integrated into all the steps for re-accreditation,"* said **Cristina Dengel**, Knowledge Management Officer of the AF. *"AF is committed to engage with organizations to share our expertise and experience, which will help to lead to successful re-accreditation and further effective project implementation."*

A total of 28 of the AF's 54 accredited entities have been re-accredited since the AF became the first climate fund to develop and launch a re-accreditation process in 2013. In addition to the



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regular re-accreditation process, there is a fast-track process that can be taken by organizations that have already been accredited with the Green Climate Fund within the previous four years, which saves time and effort to get re-accredited.

*“The Fund’s re-accreditation process confirms the partnership between the AF and its IEs for transformative climate adaptation and resilience projects and programmes in developing countries. At the level of the entities, the process further strengthens institutional capacities and organizational systems and ensures that project funding continues to be effectively and efficiently managed by IEs,”* said **Silvia Mancini**, AF’s Operations Officer who coordinates accreditation and re-accreditation processes. [See related [blog](#)]

The study is available in [English](#), [Spanish](#) and [French](#).

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### ABOUT THE ADAPTATION FUND

Since 2010, the Adaptation Fund has committed nearly US\$ 878 million for climate change adaptation and resilience projects and programmes, including 129 concrete, localized projects in the most vulnerable communities of developing countries around the world with 33 million total beneficiaries. It also pioneered Direct Access and Enhanced Direct Access, empowering countries to access funding and develop local projects directly through accredited national implementing entities.

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