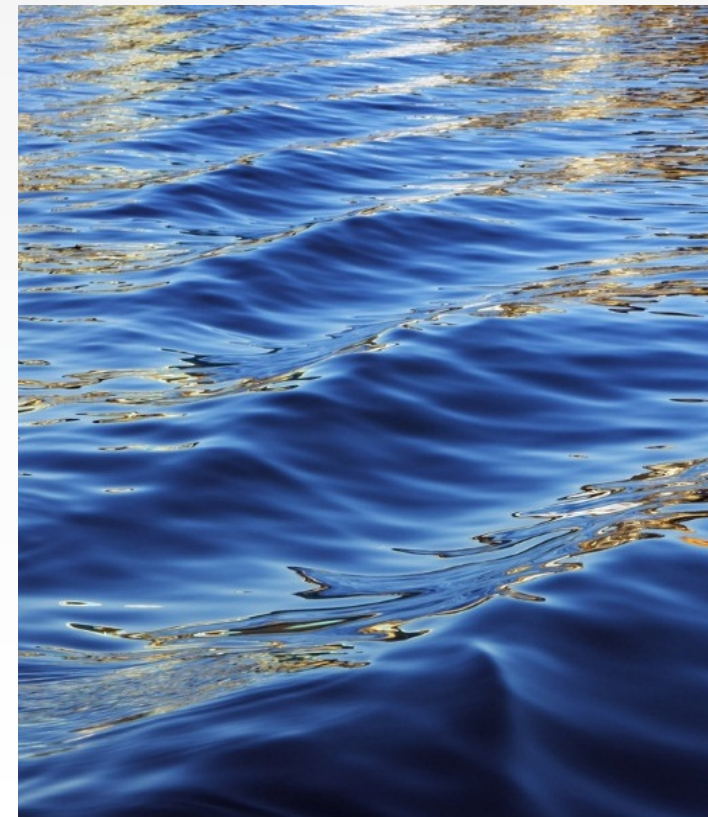




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Overview of AF Accreditation process and requirements for a second NIE

Enhanced Direct Access, Costa Rica, 21 to 23
June, 2022



Background to the AF Accreditation Process



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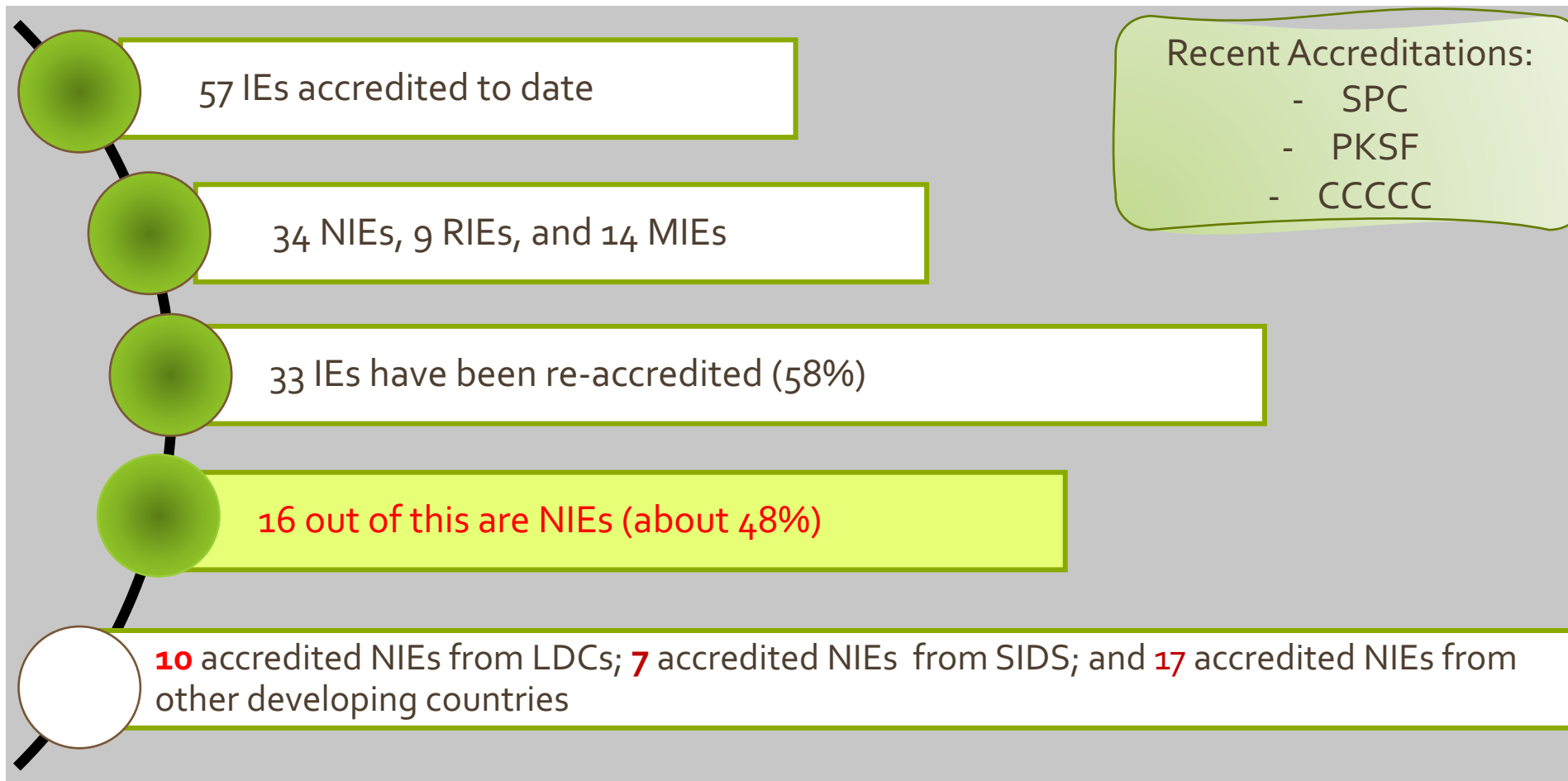
- ❑ Ensures that applicant entities follow fiduciary and safeguard standards while accessing financial resources of the Adaptation Fund.
- ❑ Applicants undergo an assessment for accreditation to make sure they adhere to sound accreditation standards and implement effective [social and environmental safeguards](#) 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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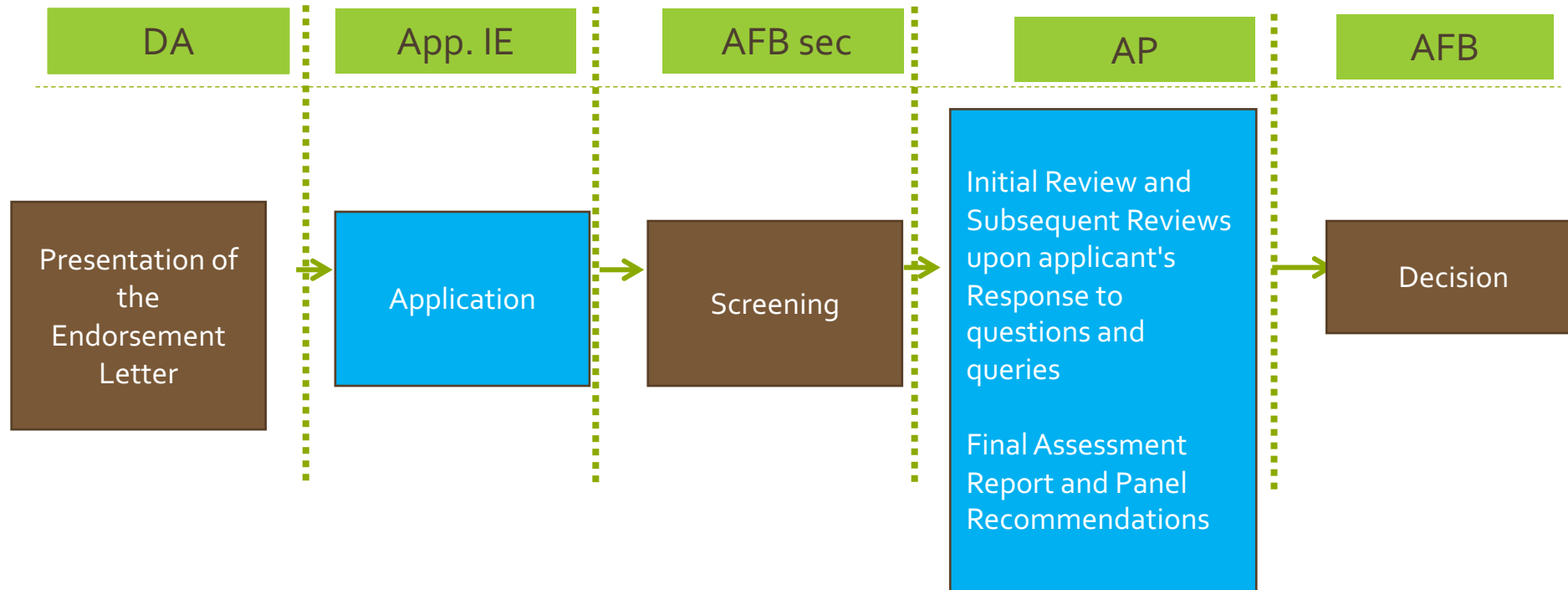
Reinforces AF's commitment to Direct access and the importance of country ownership and building national capacity in adaptation

AF Accreditation Process



- ☐ **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.

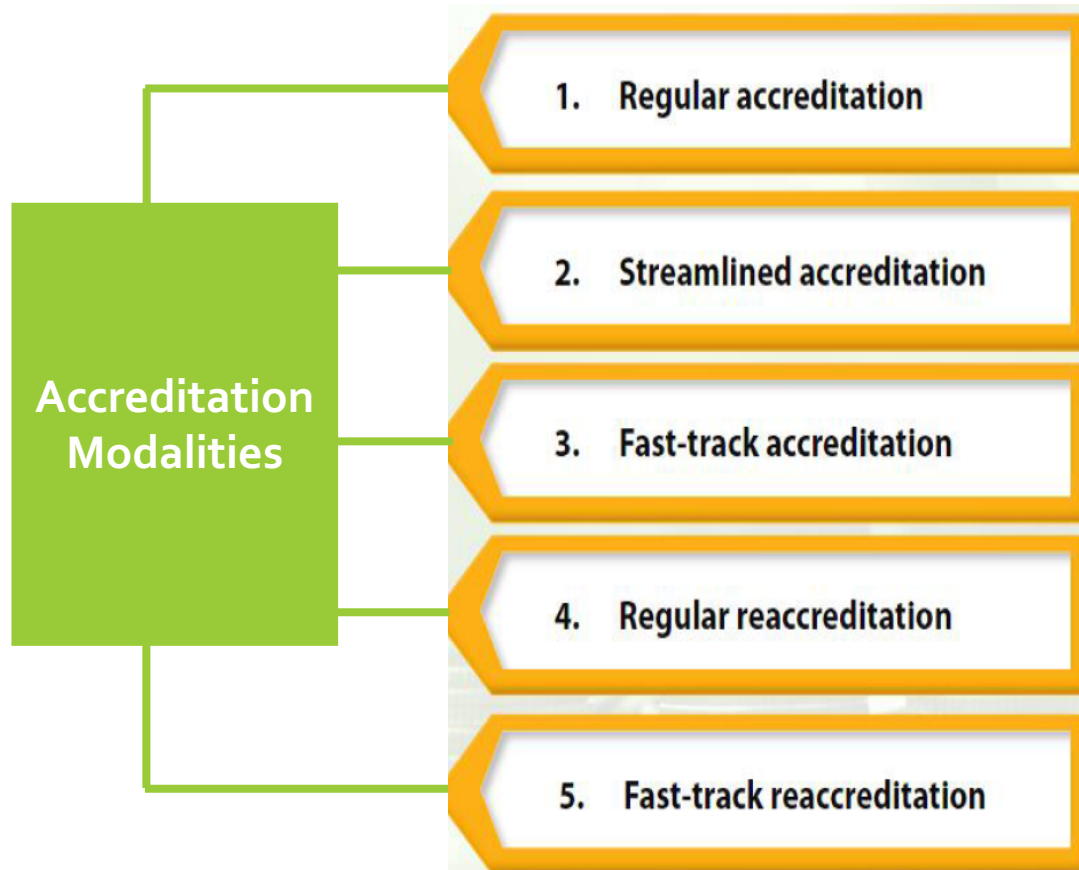
Parties of the Accreditation Process



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



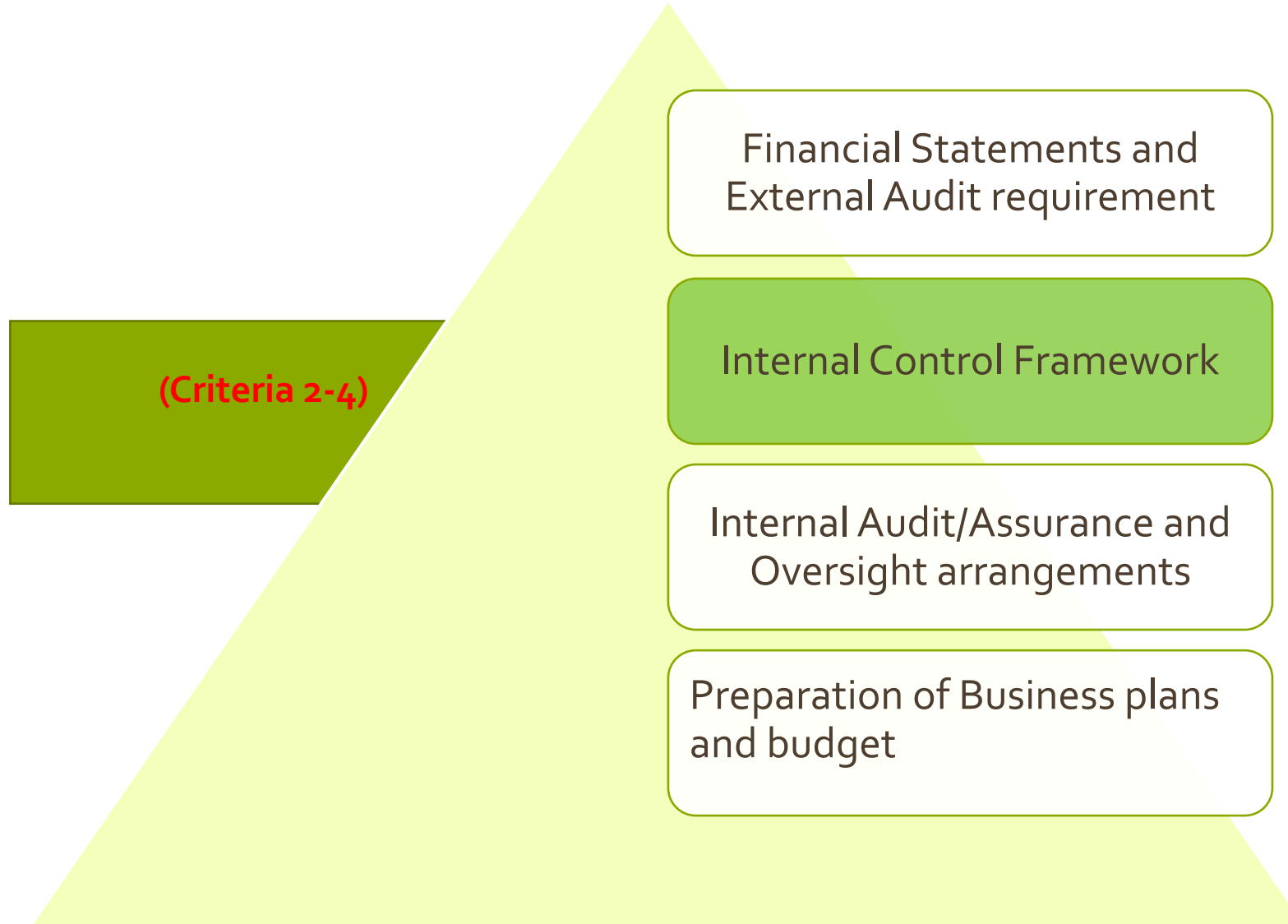
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- ❑ **Regular Accreditation:** Available to entities of all types, sizes, and risk profiles.
- ❑ **Streamlined Accreditation:** Designed to support **smaller entities** access AF resources; typically available for applicants that **execute or implement 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.

Financial and Management Integrity



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Internal Control Framework



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❑ **Elements that require IE applicant elaboration:**

❑ **Accountability:** evidence/confirmation that the internal control framework is operating satisfactorily

- Supported by periodic review of the effectiveness of the internal control elements, i.e., internal control reviews carried out by management or by the internal and external auditors.

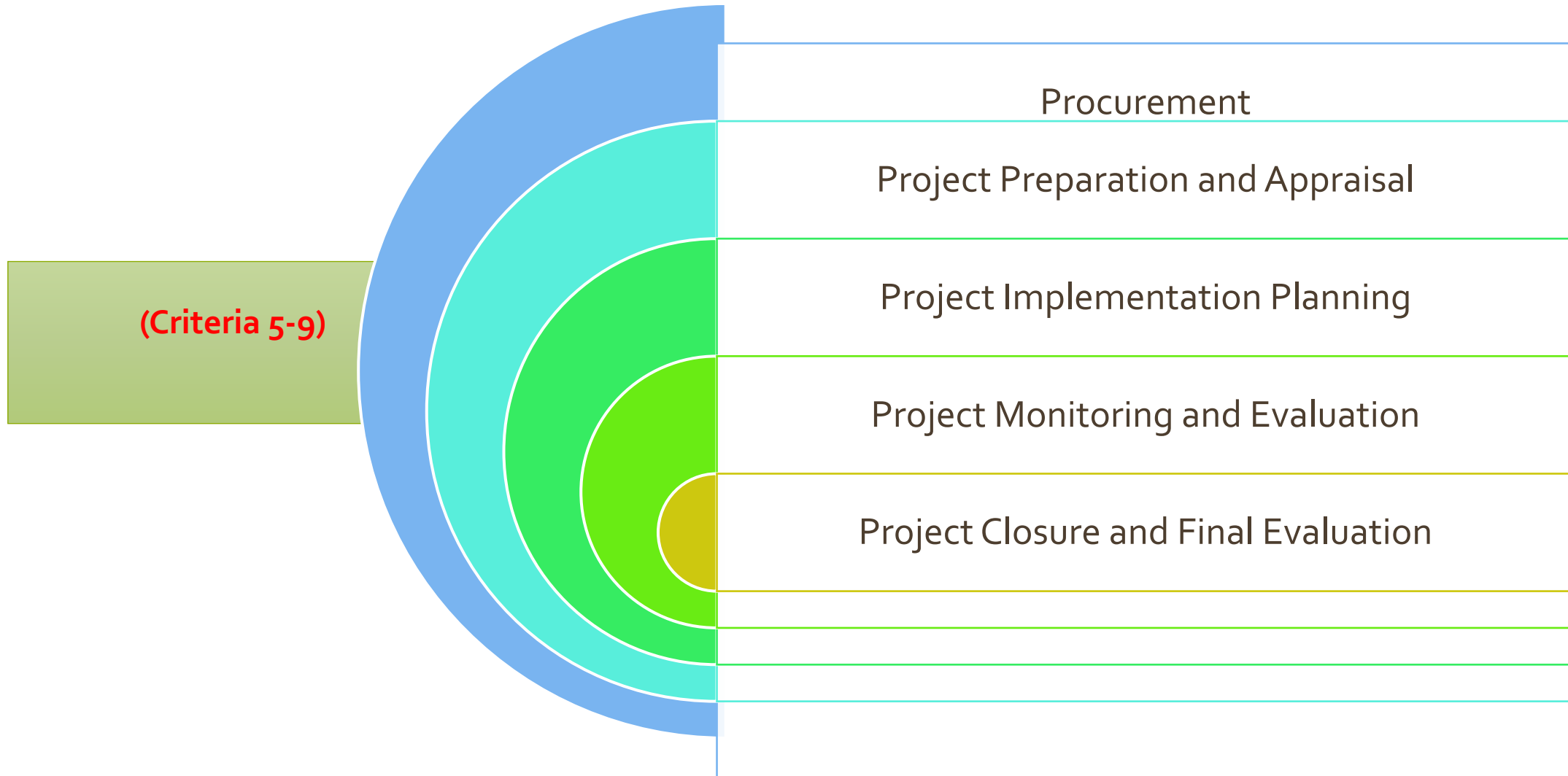
❑ **Payment and Disbursements:** The application and supporting documents should include a demonstration of the organization's capability to ensure that all payments and disbursements, **with a particular reference to projects, are properly checked and made only for bona-fide/ approved purposes.**

- Required basic documents and information are as follows:
 - A description of the disbursement system and procedures, including the most important steps in processing payments for both projects and other expenditures;
 - A description of authorized signatories in the payment and disbursement system; and
 - Evidence of a recent audit, or similar review, related to the disbursements and payments function of projects.

Institutional Capacity



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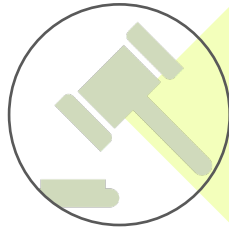
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Transparency, Self-investigative Powers, Anti-corruption measures and mechanism to address E&S and gender complaints

(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

Commitment to abide by Fund's ESP and GP



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- ❑ The ESP and GP is operationalized at the Fund level at two key stages:
 - **During the process of accrediting Implementing Entities (IEs);** and
 - During the process of project and programme review

- ❑ During the accreditation process, the Accreditation Panel will assess whether the IE has the capacity and commitment to address environmental and social risks, and whether a grievance mechanism is available in order to either be accredited or to maintain accreditation.

- ❑ The IEs are responsible for the environmental and social risk management of projects/programmes under their supervision.

- ❑ The IE applicant demonstrates, in a written/official statement issued at the highest managerial level, its commitment to **abide by** the ESP and GP in all projects/programmes funded by the Fund.

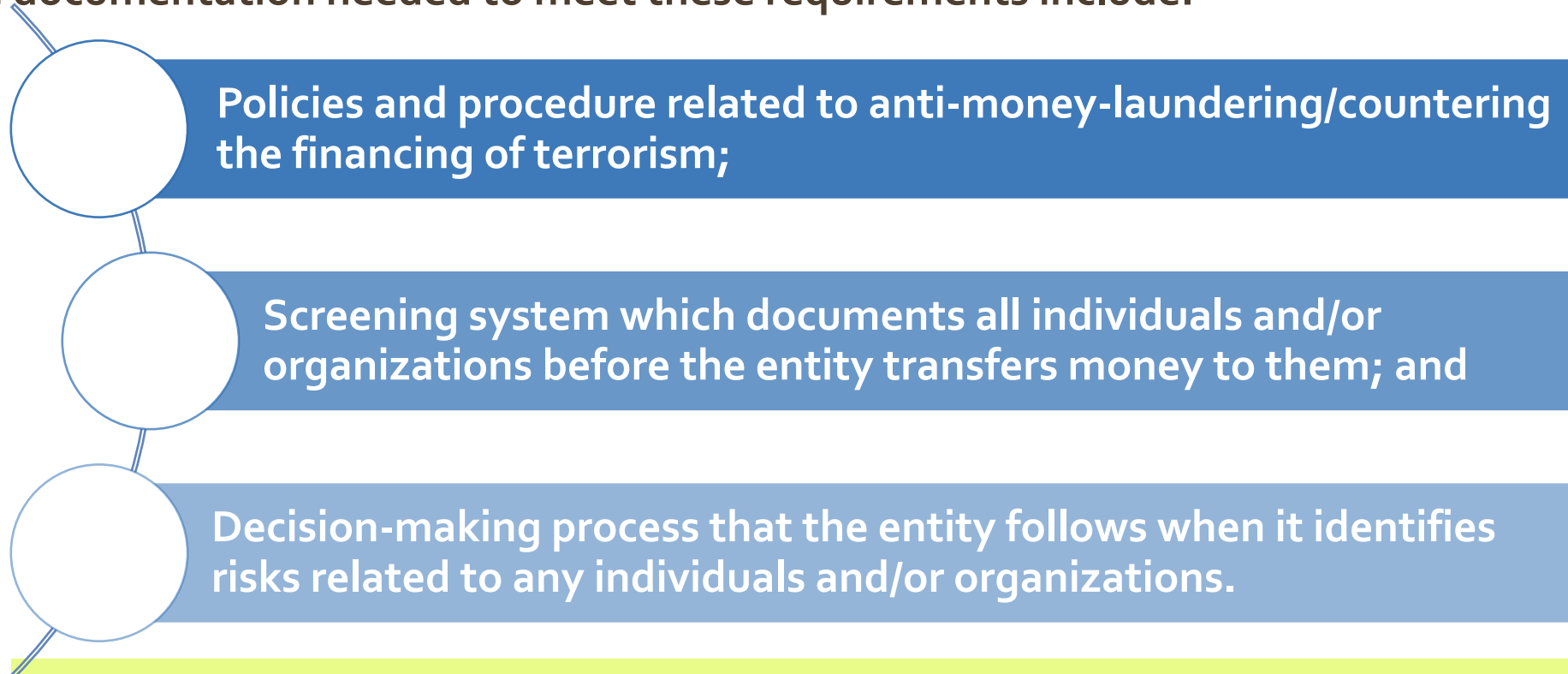
AML/CFT requirements



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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:



- ❑ [Regular Accreditation Application Guidance document](#) (English, French and Spanish)
- ❑ [Fast-track Accreditation Application Guidance document](#) (English, French and Spanish)
- ❑ [Regular Reaccreditation Application Guidance document](#) (English, French and Spanish)
- ❑ [Fast-track Re-accreditation Application Guidance document](#) (English, French and Spanish)
- ❑ [Guidance on Accreditation Standards](#) (English, French and Spanish)
- ❑ [The Re-accreditation Process](#) (English, French & Spanish)
- ❑ [AF e-Learning course on Direct Access](#) (English, French and Spanish)
- ❑ [AF Environmental and Social Policy](#) (English & Spanish; *French under translation*)
- ❑ [AF Gender Policy](#) (updated in March 2021) (English & Spanish; *French under translation*)
- ❑ [NIE Accreditation Toolkit](#) (English & French)
- ❑ [Information Note for Designated Authorities for IE nomination](#)

Second NIE nomination



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❑ At the Thirty-sixth AFB Meeting ([April 2021](#)) through **Decision B.36/42**

Having considered the analysis contained in document AFB/B.36/5, the Adaptation Fund Board (the Board) decided:

(a) To enable the accreditation of **up to two National Implementing Entities (NIEs) per country** for eligible developing-country Parties, and to request the secretariat to reflect that change in the Operational Policies and Guidelines (OPG) and to submit the revised OPG for consideration by the Board at its thirty-seventh meeting;

(b) To strongly encourage countries to make use of the direct access modality of the Adaptation Fund in order to enhance national capacity and country ownership, including, whenever possible, through the accreditation of NIEs and the submission of projects through the same.

❑ **The decision enables countries to nominate and accredit up to two national implementing entities (NIEs) per country**

❑ **It encourages all developing countries, including those that do not yet have NIEs, to make use of the Direct Access modality to bring potential new entities forward for accreditation and to develop adaptation projects through the modality.**



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THANK YOU

