GEF Pilot on Accreditation
Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument

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Global Environment Facility (GEF)

A Quick Overview

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History of the GEF

1991

$1 billion pilot program in the WB

1992

At the Rio Earth Summit, negotiations started to restructure the GEF out of the WB

1994

Instrument for the Establishment of the Restructured GEF

Initial partners: WB, UNDP, UNEP

GEF serves as financial mechanism for:
- CBD
- UNFCCC
- Stockholm Conv. on POPs
- UNCCD
- Mercury (NEW)

Also, although not linked formally to the Montreal Protocol, the GEF supports its implementation in transition economies.

2014

World’s largest public funder of projects and programs to benefit the global environment
Replenishment: process in which donor countries, every 4 years, voluntarily pledge to provide resources to fund the GEF operations.

Previous Replenishments

<table>
<thead>
<tr>
<th>Phase</th>
<th>US Dollars Billion</th>
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<tbody>
<tr>
<td>Pilot</td>
<td>1.0</td>
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<tr>
<td>GEF-1</td>
<td>2.0</td>
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<tr>
<td>GEF-2</td>
<td>2.5</td>
</tr>
<tr>
<td>GEF-3</td>
<td>3.0</td>
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<tr>
<td>GEF-4</td>
<td>4.5</td>
</tr>
<tr>
<td>GEF-5</td>
<td>5.0</td>
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* Unallocated funds (funds not pledged)
- Carry over from earlier replenishment period
- Investment income projected
- New Pledged amount
Areas of Work

The GEF is organized along focal areas.

• Biodiversity
• Climate Change (Mitigation and Adaptation)
• Chemicals
• International Waters
• Land Degradation
• Sustainable Forest Management / REDD +
• Ozone Layer Depletion
Institutional Framework

GEF Assembly

Conventions
- CBD
- UNFCCC
- Stockholm (POPs)
- UNCCD
- Montreal Protocol
- Mercury

GEF Council
Donor & Recipient Countries
Council Members
/Constituencies

STAP

Evaluation Office

GEF Secretariat

GEF Agencies
- UNDP
- UNEP
- WB
- ADB
- AfDB
- EBRD
- FAO
- IaDB
- IFAD
- UNIDO
- WWF-US
- CI

Projects
Counterparts:
- GEF OFPs / PFPs
- Convention FPs
- Other Gov’t Agencies
- NGOs / CSOs
- Academic Institutions
- Private Sector
- Executing Agencies

GEF Trustee

Donor & Recipient Countries
Council Members
/Constituencies

GEF Assembly

Conventions

STAP

Evaluation Office

GEF Secretariat

GEF Agencies

Projects
Counterparts:

www.theGEF.org
GEF Financing

- The GEF generally provides grants to various types of projects ranging from several thousand dollars to several million dollars. These are Full-Sized projects (over $2 million), Medium-Sized Projects (up to $2 million), Programmatic Approaches and Enabling Activities, and small grants (up to $50,000).

- The GEF is also able to provide non-grant, concessional finance that has the potential to earn a return (or reflow) which are used to expand the pool of GEF resources available for future investments. Examples of such non-grant instruments include:
  - Contingent Grant
  - Credit Guarantee or Risk Guarantee Fund
  - Equity Fund Investments
  - Concessional Loans
  - Performance Risk Guarantee
  - Revolving Fund
  - Risk Sharing Fund for Loan Provision
Implementing Agency – Project Oversight

- Ensure quality of project preparation
- Disburse funds to Executing Agency
- Supervise implementation
- Monitor portfolio and report on Results
- Be accountable to GEF Council
- Keep GEF OFP informed
- Help secure committed co-financing
Responsibility of GEF Agencies (2 of 2)

Executing Agency – Project Management

– Deliver project outcomes
– Day-to-day management of funds
– Report on results and use of funds
Broadening the GEF Partnership

Pilot Accreditation of GEF project Agencies

An Overview

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Global Environment Facility
Broadening the GEF Partnership

• The GEF Council approved, in May 2011, a pilot to accredit new institutions to serve as GEF project implementing partners.

• Accredited institutions are called “GEF Project Agencies.”

• Upon accreditation, GEF Project Agencies can access resources from all GEF-managed trust funds directly to assist recipient countries in the preparation and implementation of GEF-financed projects.
GEF-5 Pilot on Accreditation

• Up to 10 institutions will be accredited to serve as GEF Project Agencies.
• At least 5 national institutions with a regional balance
• At least one national institution from an LDC
• At least one national institution from a middle income country
• Until at least 5 applicant national institutions have been approved by Council, only applications from national institutions, regional organizations, and civil society organizations/non-governmental organizations will be reviewed.
Eligibility

Institutions eligible for accreditation under the pilot are:

– national institutions
– regional organizations
– civil society organizations/non-governmental Organizations
– United Nations specialized agencies and programs
– other international organizations
Three-Stage Process

• **Stage I**: Internal GEFSEC Value Added Review and Council Approval

• **Stage II**: External/Independent Accreditation Panel Review for Fiduciary and Environmental and Social Safeguards

• **Stage III**: Signing of legal agreements to formalize accreditation and begin partnership
Review of Applications

• **Stage I**: Applicants are assessed according to the degree to which it adds value to the GEF partnership and aligns strategically with the GEF’s objectives.

• **Stage II**: Applicants need to fully meet all of the GEF Fiduciary Standards as well as applicable GEF Environmental and Social Safety Standards, including Gender Mainstreaming.
Stage I

The Council agreed to review applications at its meetings in Spring and Fall of 2012.

– First round: Stage I application was due Dec. 31, 2011 to be considered for the Spring 2012 Council Meeting.

– Second Round: Stage I application was due June 30, 2012 to be considered for the Fall 2012 Council Meeting.

– Application Materials Requested:
  • Stage I Application Form and supporting documentation
  • A letter of support from a GEF OFP
  • An initial project idea supported by an OFP with an indicative amount of resources that could be allocated from the country’s allocation

– A review of Stage I application materials is conducted by the Value-added Review Panel.

– The scores (1 – 4) received by applicant agencies for each review criteria as well as those agencies with passing scores are then presented to the Council for approval.
Value-added Review Criteria

- Relevance to the GEF
- Demonstration of Environmental or Climate Change
- Adaptation Results
- Scale of Engagement
- Capacity to Leverage Co-financing
- Institutional Efficiency
- Networks and Contacts
Stage II

If approved by the Council, Applicants move forward to Stage II.

Conducted by an independent Panel of 3 internationally recruited experts.

Cost-neutral review process: Applicants pay a non-refundable accreditation fee of $25,000 before their Stage II reviews can begin. Agencies also need to cover the cost of any further review or field visits.

The Accreditation Panel reviews applicants for Fiduciary and Environmental and Social Safeguards Standards.

The Accreditation Panel makes the final decision as to whether an applicant will receive accreditation or not.

If approved by the Panel, an applicant moves on to Stage III.
Stage III

• **MoU with GEFSEC**: The Agency signs a Memorandum of Understanding (MoU) with the GEF Secretariat, agreeing to abide by all GEF policies and procedures as a GEF Project Agency.

• **FPA with the Trustee**: The Agency signs a Financial Procedures Agreement with the Trustee (World Bank), agreeing to the terms under which GEF funds would be provided.
First Round of Accreditation:  
16 Applications received by Dec. 31, 2011 and reviewed starting January 2012

National Agencies (5):
- Uruguay: Agencia Nacional de Investigación e Innovación (ANII)
- Russian Federation: VTB Bank
- Brazil: Fundo Brasileiro para a Biodiversidade (FUNBIO)
- China: Ministry of Environment, Foreign Economic Cooperation Office (MEP FECO)
- South Africa: The Development Bank of Southern Africa (DBSA)

International Civil Society Organizations (3):
- International Union for Conservation of Nature (IUCN)
- World Wide Fund (WWF)
- Conservation International (CI)

United Nations Agencies (2):
- UN World Food Program (WFP)
- UN Human Settlements Programme (UN-HABITAT)

Regional Agencies (4):
- LAC: Conservation International Banco de Desarrollo de America Latina (CAF)
- Pacific: The Secretariat of the Pacific Regional Environment Programme (SPREP)
- North Africa: Observatoire du Sahara et du Sahel (OSS)
- West Africa: Banque Ouest Africaine de Développement (BOAD)
Eleven applicants received Council approval in June 2012 to move on to Stage II

National Agencies (5):

- **Russian Federation**: VTB Bank - *private*
- **Peru**: Fondo Nacional del Ambiente (FONAM)
- **Brazil**: Fundo Brasileiro para a Biodiversidade (FUNBIO) - *NGO*
- **China**: Ministry of Environment, Foreign Economic Cooperation Office (MEP FECO)
- **South Africa**: The Development Bank of Southern Africa (DBSA)

International Civil Society Organizations (4):

- International Union for Conservation of Nature (IUCN)
- World Wide Fund (WWF)
- Conservation International (CI)
- International Federation of Red Cross (IFRC)

Regional Agencies (2):

- **LAC**: Banco de Desarrollo de America Latina (CAF)
- **West Africa**: Banque Ouest Africaine de Développement (BOAD)
Stage II Review Criteria

Fiduciary Standards

1. Project Development and Implementation:
   - (a) Procurement Processes;
   - (b) Monitoring and Project-at-Risk Systems; and
   - (c) Evaluation Function.

2. Governance and Accountability:
   - (a) External Financial Audit;
   - (b) Financial Management and Control Frameworks;
   - (c) Financial Disclosure;
   - (d) Codes of Ethics;
   - (e) Internal Audit;
   - (f) Investigations Function; and
   - (g) Hotline & Whistleblower Protection.
Stage II Review Criteria

Environmental and Social Safeguards Standards
1. Environmental and Social Impact Assessment;
2. Natural Habitats;
3. Involuntary Resettlement;
4. Indigenous Peoples;
5. Pest Management;
6. Physical Cultural Resources;
7. Safety of Dams; and
8. Accountability and Grievance Systems.

Gender Mainstreaming
Stage II Review Process

• The Accreditation Panel only reviews complete applications. The Secretariat assists in ensuring that applicants submit all necessary documentation along with translations into English.

• The Panel has developed a criteria-based scoring mechanism with four possible review outcomes based on scores (1 to 6) received by applicant agencies:
  – approval
  – rejection
  – further review, possibly including field visits
  – conditional approval with a grace period to complete compliance with environmental and social safeguards.

• It takes about one month to complete the initial desk review of an applicant.

• The Panel issues a written report after each review, explaining the reasons for the Panel’s assessment in each case and presents the scores received by each agency for each of the review criteria.

• Verification interview – field visit; followed by a final report.
Possible Stage II Review Outcomes

• An applicant agency that receives the Panel’s “approval” will move on to Stage III, signing an MoU with the GEF Secretariat and an FPA with the Trustee. The applicant will then be accredited as a GEF Project Agency with the ability to submit project proposals, receive funding and implement GEF projects.

• An applicant agency recommended for “rejection” does not qualify for accreditation; but may apply again at a later date, if the Council decides to hold another round of accreditation, after improving their standards and capabilities in line with the GEF’s requirements, as detailed in the Panel’s report.

• An applicant agency that requires “further review” will need to submit additional information and then undergo further assessment, possibly including field visits. In such cases, the Panel will estimate the cost of additional review and the applicant will submit a payment to cover this cost. An agency can receive up to six (6) months to address fiduciary compliance issues and resubmit for further review.

• An applicant agency that fully complies with the GEF’s Minimum Fiduciary Standards; but does not yet fully comply with the GEF’s Environmental and Social Safeguards Standards can received a “conditional approval” with a grace period of up to one year (12 months) to complete the necessary steps to fully adhere to the GEF’s Safeguards including gender mainstreaming. In this case, the applicant may move to Stage III and sign a MoU with the GEF Secretariat; but can not enter into an FPA with the Trustee. Until all accreditation requirements are met and an FPA is signed, the GEF CEO will not endorse any project proposals by such applicant and no commitments and transfers of resources will be made to the applicant.
Current Status

• At the June 2012 Council meeting, 11 agencies were cleared for Stage II review by an independent Accreditation Panel.
• Stage review began in mid-June 2012.
• To date, the Panel has completed desk review of all agencies and provided assessments for each.
  – Two agencies have been accredited (WWF-US and CI).
  – Two agencies were rejected (FONAM and IFRC).
  – Four agencies (DBSA, FECO, CAF and IUCN) received “conditional approval” and are working on compliance with safeguards. DBSA and IUCN interviews completed.
  – Three agencies (FUNBIO, VTB and BOAD) were requested to revise and resubmit for “further review”.
• Stage II Reviews are continuing. The goal is to complete Stage II reviews and interviews of all 11 agencies by December 2014.
• The Pilot is expected to conclude by December 2014.
More Info

For updates, relevant policy documents, application forms and more detailed information on the accreditation process, please visit

http://www.thegef.org/gef/agencies_accreditation

OR  Contact:

Dr. Yasemin Biro (ybiro@thegef.org)
Thank you for your attention

Questions?