



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

GEF/C.47/10

October 03, 2014

GEF Council Meeting
October 28 – 30, 2014
Washington, D.C.

Agenda Item 11

**PROGRESS REPORT ON THE PILOT ACCREDITATION OF GEF
PROJECT AGENCIES & TIMELINE FOR FURTHER DISCUSSION OF
ACCREDITATION**

Recommended Council Decision

The Council, having reviewed GEF/C.47/10, *Progress Report on the Pilot Accreditation of GEF Project Agencies & Timeline for Further Discussion of Accreditation*, notes the status of the Stage II reviews conducted by the Accreditation Panel to date.

The Council requests the Independent Evaluation Office to initiate in January 2015 collection of data in order to establish a baseline for an evaluation of the Pilot that would begin in [October 2016], which is two years after the first five agencies have been accredited, identifying the lessons learned from the Pilot.

The Council requests the Secretariat to present a progress report on the accreditation pilot at the next Council meeting.

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INTRODUCTION

1. The GEF Council agreed in May 2011 to launch a pilot program, in accordance with the GEF-5 policy recommendation to broaden the GEF Partnership under Paragraph 28 of the GEF Instrument, to accredit “up to ten” new agencies, called GEF Project Agencies, to assist countries in implementing GEF-financed projects.
2. Accordingly, the GEF Accreditation Pilot, consisting of three stages, began in January 2012 after 16 agencies submitted Stage I applications to the Secretariat by December 31, 2011, the deadline announced by the Council for the first round.
3. Based on the outcome of the Stage I Value-added Review conducted by the Secretariat, the Council in June 2012 approved 11 agencies¹ to progress to the Stage II of the accreditation process. Since then, the independent GEF Accreditation Panel (the Panel) has been conducting Stage II reviews of these applicants in order to assess whether or not they meet the GEF’s Fiduciary Standards as well as its Environmental and Social Safeguards, including Gender Mainstreaming.

CURRENT STATUS OF THE FIRST ROUND

4. Thus far, four applicants (WWF-US, CI, IUCN, DBSA), after receiving approval from the Panel to progress from Stage II to Stage III of the accreditation process, have completed Stage III by signing Memoranda of Understanding (MoUs) with the Secretariat and Financial Procedures Agreements (FPAs) with the Trustee, and have now become fully functional as GEF Project Agencies. The GEF now has a total of 14 Partner Agencies (three Implementing Agencies + seven Executing Agencies + four Project Agencies).
5. Two applicants (IFRC and FONAM) were rejected by the Panel after initial desk reviews of their Stage II applications. One applicant (VTB) has withdrawn from the process.
6. The process of further reviews of remaining applicants (BOAD, CAF, FECO, and FUNBIO) is continuing as agencies address the compliance issues identified by the Panel, and it is expected that the last agency will conclude its Stage II review by the end of December 2014.
7. The status of the Stage II reviews of all 11 first round applicants is provided in Annex 1.

PROPOSED TIMELINE FOR FURTHER DISCUSSION OF ACCREDITATION

8. This paper proposes a timeline for Council discussion on accreditation, in accordance with previous Council decisions.

¹ The Development Bank of Southern Africa (DBSA); Fundo Brasileiro para a Biodiversidade – Brazil (FUNBIO); Foreign Economic Cooperation Office – China (FECO); National Environment Fund – Peru (FONAM); VTB Bank – Russian Federation (VTB); Banco de Desarrollo de America Latina (CAF); Banque Ouest Africaine de Développement (BOAD); World Wildlife Fund, Inc. (WWF-US); Conservation International (CI); International Union for Conservation of Nature (IUCN); and International Federation of Red Cross (IFRC).

Council Decisions

9. As elaborated in the Council Document GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the Instrument*, several principles were taken into consideration in constituting the pilot. First, in order to accredit new agencies to the GEF network without overwhelming the GEF partnership, the number of agencies to be accredited under the pilot was limited to “up to 10.” Second, the Council placed a priority on the accreditation of national institutions. Third, highlighting the importance of regional balance, the Council agreed to accredit national institutions from different GEF regions, and preferably, from different groups of countries (e.g. least developed countries (LDCs), small island developing states (SIDS), middle income countries, etc.) under the pilot. Fourth, it was decided that the pilot would allow for experimentation by accrediting different types of agencies, including national institutions, regional organizations, and nongovernmental organizations. The approach to broadening the GEF partnership aimed to learn from the experience of accrediting a diverse set of agencies and better understand the benefits that each type of agency can bring to the GEF.²

10. Underlining the importance “for the GEF to be able to evaluate the success of the pilot so that the GEF can learn from it and adjust policies and procedures,”³ the Council, at its 40th meeting in May 2011, decided that the Evaluation Office (EO) would “initiate an evaluation on the Pilot at the earlier of either (i) two years after the first five agencies have been accredited; or (ii) January 2015.”⁴ The evaluation is “to enable the GEF to learn from the Pilot and better determine policy going forward.”⁵ According to Council document GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the Instrument*, “based on the findings of the evaluation, the Council will decide whether to continue accrediting GEF Project Agencies and whether or how the accreditation policies and procedures should be amended.”

11. At its 44th meeting in November 2013, the Council welcomed the first two GEF Project Agencies (WWF-US and CI) and noting that several applicants were still undergoing further reviews, decided to consider the possibility of a second round of accreditation, including accreditation of bilateral agencies, only once all Stage II reviews are completed for the first round.

12. At its 45th meeting in May 2014, the Council welcomed two more Project Agencies (DBSA and IUCN) and noting that first round of the Pilot is expected to conclude by the end of 2014, some Council Members requested the Secretariat to submit a paper for discussion at the October 2014 meeting on a timeline for further discussion on accreditation.

² Paragraphs 14-15, GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the Instrument*

³ Paragraph 42, GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the Instrument*

⁴ Paragraph 30, Joint Summary of the Chairs, 40th GEF Council Meeting, May 24-26, 2011. The January 2015 date, as indicated in GEF/C/40/09, was established by the Council on the expectation that it would be two years after Council reviewed the last set of applications in December 2012 according to the original timetable. The accreditation process has taken longer as candidate agencies had to undertake several improvements to meet GEF standards.

⁵ GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the Instrument*.

Evaluation of the Pilot

13. The first five agencies under the pilot will have been accredited by [October 2014]. Given that the goal of the requested evaluation is “to enable the GEF to learn from the pilot and better determine policy going forward,” as stated in Council document GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the Instrument*, the Secretariat, after consultation with the Independent Evaluation Office (EO), proposes that this evaluation be undertaken beginning [October 2016], i.e., two years after the accreditation of the first five agencies. Such a timing would allow the evaluation to assess the performance of the first five accredited agencies and their influence on the GEF partnership during their initial years as GEF Project Agencies.

14. In addition, it is important to note that the implementation of the Pilot has been a learning experience for the Secretariat, the applicant agencies as well as the Accreditation Panel. Several donors, client countries, other environmental funding institutions around the world such as Fund for REDD+ in Indonesia (FREDDI), Adaptation Fund and Green Climate Fund (GCF) have been observing the process closely and have approached the Secretariat to learn from this unique experience and exchange views. The Secretariat will, in collaboration with the accreditation panel and the agencies that have been accredited, actively share the lessons learned; this exercise could also be helpful for the full evaluation.

15. The Independent Evaluation Office has indicated that it could initiate collection of data in January 2015 in order to establish a baseline for an evaluation of the Pilot that could begin in [October 2016].

Proposed Timeline

16. Given all the above considerations, the Secretariat proposes the timeline as shown in Table 1 for further Council discussion on the direction of the accreditation pilot. With this timing, it is expected that the Council could consider the future direction of accreditation in June 2017.

Table 1: Proposed Timeline for Further Discussion on Accreditation

Date	Action	Outcome
[October 2014]	First five agencies complete accreditation process	Five GEF Project Agencies begin functioning as GEF partners
[December 2014]	Completion of First Round of the Pilot	X number of agencies accredited under the pilot
January 2015	IEO to begin data collection for establishment of the baseline	
[October 2016]	Launch of the Evaluation by the EO	Council paper for June 2017
June 2017	IEO presents the results of its evaluation Council holds discussion on the future of accreditation	Council decision on future of accreditation

ANNEX 1. PROGRESS TO DATE ON ACCREDITATION PANEL'S STAGE II REVIEWS (AS OF OCTOBER 1, 2014)

Agency	Stage I Application submission	Stage II application submission and fee payment	Request for missing documents/ translations	Completed Stage II application submission	Stage II Initial Desk Review - Panel Report Date	Resubmission After Initial Review and Additional Fee Payment	Further Review - Panel Report Date	Resubmission After Further Review	Safeguards Review after Grace Period – Panel Report	Resubmission After Safeguards Review	Interview – Panel Report	Resubmission After Interview	Final Panel Decision
WWF-US	December 31, 2011	May 16, 2012 Fee payment: June 18, 2012	N/A	N/A	July 16, 2012 Did not pass Fiduciary fully Did not pass all Environmental and Social Safeguards Received <u>3 months</u> to fix compliance and resubmit for “further review” Due date: October 16, 2012	September 18, 2012 Additional Fee Payment: 10/8/ 2012	October 8, 2012 Passed Fiduciary Did not pass all Environmental and Social Safeguards Received “Conditional Approval” with <u>6 months</u> grace period to fix compliance with standards Due Date: April 8, 3013 Signed Interim MoU with GEFSEC on January 10, 2013	February 7, 2013	March 20, 2013 Did not pass all Environmental and Social Safeguards Received <u>3 months</u> to fix remaining items and complete interview with Panel Due date: June 20, 2013	April 9, 2013 Interview Date: April 23, 2013	April 24, 2013 Did not pass all Environmental and Social Safeguards Received <u>1 month</u> to fix remaining issues Due date: June 1, 2013	May 13, 2013 Additional Fee Payment: 5/29/ 2013	June 14 2013 Approved to move to Stage III and sign MoU with GEFSEC and FPA with the Trustee. MoU signed on October 2, 2013 FPA signed on December 11, 2013
CI	December 31, 2011	May 16, 2012 Fee payment: June 27, 2012	N/A	N/A	September 5, 2012 Panel could not conduct full review – submission was incomplete. Received <u>3 months</u> to complete and resubmit for further review Due date: December 5, 2012 Panel did not request additional fee for further review.	December 21, 2012	April 30, 2013 Passed Fiduciary Did not pass all Environmental and Social Safeguards Received “conditional approval” with <u>3 months</u> grace period to fix compliance with safeguards Due date: July 30, 2013	May 24, 2013	N/A Interview date: May 30, 2013	N/A	May 31, 2013 Additional Fee Payment: June 13, 2013	June 17, 2013	June 17 2013 Approved to move to Stage III and sign MoU with GEFSEC and FPA with the Trustee. MoU signed on October 22, 2014 FPA signed on January 28, 2104
DBSA	December 31,	May 16, 2012	N/A	N/A	July 3, 2012	Partial	October 17, 2013	November 15,	January 31,	February 12,	March 3, 2014	April 14, 2014	May 19,

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	2011	Fee payment: October 30, 2012			Passed Fiduciary Did not pass fully Environmental and Social Safeguards Received "Conditional Approval" to with <u>12 months</u> grace period to fix compliance with environmental and social standards Due Date: July 3, 2013	Submission on 6/28/2013. Partial submission on 10/3/ 2013. Additional Fee Payment: 10/09/2013.	Received <u>1 additional month</u> to address remaining issues Dues date: November 17, 2013	2013 And December 09, 2013 And January 22, 2014	2104 Panel requested clarifications on institutional changes due to internal reorganization.	2014 Interview Date: February 24-26, 2014 Additional Fee Payment: 2/24/2014	Did not pass all safeguards and M&E issues Received <u>6 weeks</u> to fix remaining issues. Due date: April 14, 2014		2014 Approved to move to Stage III and sign MoU with GEFSEC and FPA with the Trustee MoU signed on August 20, 2014
FUNBIO	December 31, 2011	May 16, 2012 Fee payment: July 17, 2013	August 30, 2012	September 20, 2012	October 25, 2012 Did not pass Fiduciary Did not pass all Environmental and Social Safeguards Received <u>6 months</u> to fix compliance and resubmit for further review Due Date: April 25, 2013	April 24, 2013 Missing info. Provided on 7/22/2013, 7/ 25/2013, 8/7/2013 Additional Review Fee Payment: May 20, 2013	October 16, 2013 Did not pass fiduciary Did not pass all Environmental and Social Safeguards Received <u>2 additional months</u> to fix fiduciary issues Due Date: December 16, 2013	Partial submission on 11/ 22/ 2013 Missing info. Provided on 12/10/2013, 12/12/2013, 12/16/2013 Revised submission on December 16, 2013 Missing info. Provided on 12/17/2013, 12/19/2013	January 28, 2014 Received <u>3 months</u> to address remaining issues Due Date: April 28, 2014 Missing info. Provided on 03/20/2014, 03/28/2014	April 28, 2014 Additional Fee Payment: 06/05/2014 Further Review Report: June 10, 2014 Revised submission on July 11, 2014 Additional Fee Payment: 8/8/2014 Interview Date: August 11-14, 2014	September 23, 2014 Received 3 weeks to address issues identified during the interview. Due Date: October 15, 2014	Expected October 15, 2014	
FECO	December 31,	May 17, 2012	August 30,	September	January 10, 2013	April 11, 2013	August 2, 2013	April 15, 2014	June 30, 2014	August 14,			

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	2011	Fee payment: July 11, 2012	2012	27, 2012 October 19, 2012 November 1, 2012	Did not pass Fiduciary fully Did not pass all Environmental and Social Safeguards Received <u>3 months</u> to fix fiduciary compliance and resubmit for further review Due date: April 10, 2013		Passed Fiduciary Did not pass all Environmental and Social Safeguards Received “conditional approval” with <u>9 months</u> grace period to fix compliance with environmental and social safeguards Due date: May 8, 2014	Additional review fee received on May 16, 2014	Received <u>45 days</u> to address compliance issues Due Date: August 15, 2014	2014 Revised submission on September 25, 2014 Interview expected in November, 2014.			
VTB	December 31, 2011	May 22, 2012 and June 13, 2012 Fee Payment: June 30, 2012	October 04, 2012	February 27, 2013	May 16, 2013 Did not pass Fiduciary fully Did not pass all Environmental and Social Safeguards Received <u>6 months</u> to fix fiduciary compliance and resubmit for further review Due date: November 16, 2013	Requested and was granted 2 weeks extension on November 13, 2014 Provided partial submission on December 17, 2014 and requested extension until March 31, 2014 Provided update on February 26, 2014	March 3, 2014 Panel granted <u>2 additional months</u> to fix fiduciary issues Due date: May 5, 2014 Provided requested update on March 12, 2014	May 15, 2014	Expected in June 2014 Withdrawn from the accreditation process on July 16, 2014	N/A	N/A	N/A	July 16, 2014 Withdrawal
IUCN	December 31, 2011	May 16, 2012	November 29, 2012	December 7, 2012	February 18, 2013	Partial submission on	October 16, 2013	December 16, 2013	February 19, 2014	April 17, 2014	May 5, 2014	May 15, 2014	May 21, 2014

Agency	Stage I Application submission	Stage II application submission and fee payment	Request for missing documents/ translations	Completed Stage II application submission	Stage II Initial Desk Review - Panel Report Date	Resubmission After Initial Review and Additional Fee Payment	Further Review - Panel Report Date	Resubmission After Further Review	Safeguards Review after Grace Period - Panel Report	Resubmission After Safeguards Review	Interview - Panel Report	Resubmission After Interview	Final Panel Decision
		Fee payment: July 25, 2012			<p>Did not pass Fiduciary fully</p> <p>Did not pass all Environmental and Social Safeguards</p> <p>Received <u>6 months</u> to complete compliance and resubmit for further review</p> <p>Due Date: August 18, 2013</p>	<p>June 4, 2013</p> <p>Partial submission on July 22, 2013</p> <p>Additional Review Fee Payment: July 18, 2013</p>	<p>Did not Pass Fiduciary</p> <p>Received <u>2 additional months</u> to fix fiduciary</p> <p>Due Date: December 16, 2014</p> <p>Partial submissions on 11/15/ 2013 and 11/21/2014</p> <p>Updated Panel Report issued on November 26, 2013</p>	<p>Partial submission on January 31, 2014</p> <p>Passed fiduciary but did not pass all Environmental and Social Safeguards</p> <p>Received “conditional approval” <u>with 3 months</u> grace period to fix safeguards issues</p> <p>Due Date: February 26, 2014</p>		<p>Additional Fee Payment: 04/16/2014</p> <p>Interview Date: April 28-29, 2014</p>	<p>Received <u>10</u> days to fix remaining issues.</p> <p>Due date: May 15, 2014</p>	<p>Approved to move to Stage III and sign MoU with GEFSEC and FPA with the Trustee</p> <p>MoU signed on June 11, 2014</p> <p>FPA signed on July 16, 2014</p>	
BOAD	December 31, 2011	May 22, 2012 Fee payment: June 28, 2012	October 16, 2012	January 31, 2013	<p>June 5, 2013</p> <p>Did not pass Fiduciary</p> <p>Did not pass all Environmental and Social Safeguards</p> <p>Received <u>6 months</u> to fix compliance</p> <p>Due Date: December 5, 2013</p>	<p>December 16, 2013</p> <p>Additional Fee received: January 22, 2014</p>	<p>March 3, 2014</p> <p>Received <u>2 months</u> to fix remaining issues</p> <p>Due date: May 5, 2014</p>	<p>May 5, 2014</p> <p>Additional Review Fee received on: June 24, 2014</p> <p>Translations submitted on July 11, 2014</p>	<p>September 18, 2014</p> <p>Received <u>2 months</u> to address remaining issues</p> <p>Due date: November 18, 2014</p>	<p>Expected on November 18, 2014</p>			
CAF	December 31, 2011	May 17, 2012	December 6, 2012	January 31, 2013	<p>April 3, 2013</p>	<p>October 3, 2013</p>	<p>December 18, 2013</p>	<p>February 18, 2014</p>	<p>April 2, 2014</p>	<p>June 5, 2014</p>	<p>August 25, 2014</p>		

Agency	Stage I Application submission	Stage II application submission and fee payment	Request for missing documents/ translations	Completed Stage II application submission	Stage II Initial Desk Review - Panel Report Date	Resubmission After Initial Review and Additional Fee Payment	Further Review - Panel Report Date	Resubmission After Further Review	Safeguards Review after Grace Period - Panel Report	Resubmission After Safeguards Review	Interview - Panel Report	Resubmission After Interview	Final Panel Decision
		Fee Payment: July 17, 2012			Did not pass Fiduciary fully Did not pass all Environmental and Social Safeguards Received <u>6 months</u> to complete compliance Due Date: October 3, 2013	Additional Fee received: October 28, 2013 Partial submission on 11/12/2013	Did not pass Fiduciary. Received <u>2 additional months</u> to fix fiduciary issues. Due Date: February 18, 2014	Additional Fee Received: March 18, 2014 Provided missing info on 03/19/2014	Passed Fiduciary Did not pass all Environmental and Social Safeguards Received "conditional approval" with 2 months grace period Due Date: June 2, 2014	Additional Review Fee Received: August 12, 2014	Received one month to address remaining issues Due Date: September 25, 2014 Revised submission received on September 26, 2014		
IFRC	December 31, 2011	May 16, 2012 Fee payment: October 19, 2012	January 2, 2013	February 2, 2013	June 17, 2013 Did not pass Fiduciary Did not pass Environmental and Social Safeguards Panel did not believe IFRC could fix fiduciary deficiencies within 6 months, the maximum amount of time an agency can receive to fix compliance with fiduciary standards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Rejected June 2013
FONAM	December 31, 2011	May 17, 2012 Fee Payment: August 23, 2012	September 14, 2012	October 30, 2012	January 10, 2013 Did not pass Fiduciary Did not pass Environmental and Social Safeguards Panel did not believe FONAM could fix fiduciary deficiencies within 6 months, the	N/A	N/	N/A	N/A	N/A	N/A	N/A	Rejected January 2013

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					maximum amount of time an agency can receive to fix compliance with fiduciary standards.								