



SECRETARIAT OF THE PACIFIC REGIONAL ENVIRONMENT PROGRAMME

*Twenty-Second SPREP Meeting*Apia, Samoa
13 – 15 September 2011**Agenda Item 8.2.10:****SPREP as Implementing Agency/Project Agency for GEF****Purpose**

1. To seek endorsement by the Meeting of the proposal that SPREP apply for accreditation as a GEF Project Agency in support of Pacific Island Countries.

Background

2. The issue of increasing the number of GEF Implementing Agencies has long been voiced by members of the GEF Council representing both recipient and donor countries. A number of reasons were raised, the underpinning rationale being that the inclusion of agencies with different strengths and capabilities will help the GEF accomplish its mandate, adding value to the GEF network, and provide recipient countries with greater choice. The current accreditation process is referred to a pilot, to be evaluated later to guide future action.
3. The GEF Council has also agreed that there shall be two types of GEF Agencies – the current ten GEF Agencies and an additional ten to be known as GEF Project Agencies. In terms of project activities, there will be no distinctions between GEF Agencies and GEF Project Agencies, and they will be referred to collectively as “GEF Partner Agencies”.
4. The Pilot on accrediting GEF Project Agencies follow these principles: (i) Limit the number under the pilot in order not to disrupt on-going business operations; (ii) Priority is given to national institutions; (iii) Strive for regional balance; and (iv) Accreditation is possible for different types of agencies – national, regional, and NGOs.
5. Current GEF Agencies include those active in the Pacific: (i) UNDP; (ii) UNEP; (iii) World Bank; (iv) ADB; and (v) FAO. Others are: (vi) UN Industrial Development Organization (UNIDO); (vii) International Fund for Agriculture Development (IFAD); (viii) African Development Bank (AfDB); (ix) Inter-American Development Bank (IADB); and (x) European Bank for Reconstruction and Development (EBRD). Of the latter only UNIDO and IFAD have the flexibility in their mandates to operate in the Pacific.

Functions of Implementing and Project Agencies

6. GEF Project Agencies, like existing GEF Agencies, will assist recipient countries in preparing and implementing GEF-financed projects. They will follow the same procedures as the existing GEF Agencies.

7. GEF Project Agencies will sign a financial procedures agreement (FPA) with the World Bank as the GEF Trustee, and will provide funding to the GEF Project Agency under the terms of the FPA. Agencies will also sign a Memorandum of Understanding (MOU) with the GEF Secretariat.

8. GEF Project Agencies will be responsible for disbursing project funds and for appraising and supervising projects in accordance with the agency's policies and procedures. Through the accreditation process, the GEF Accreditation Panel will have assessed the GEF Project Agency's policies as fully meeting the GEF's Fiduciary Standards, including any agreed GEF environmental and social safeguard standards.

9. Accreditation of a GEF Project Agency makes the agency eligible for seeking project funding from all trust funds managed by the GEF, including the GEF Trust Fund, the Special Climate Change Fund (SCCF), the Least Developed Countries Fund (LDCF), and the Nagoya Protocol Implementation Fund (NPIF).

Accreditation Process

10. Applicant agencies will need to successfully complete a three-stage accreditation procedure: (i) Submission of Stage 1 Application, Value-added Review, and Council Approval; (ii) Submission of Stage 2 Application and GEF Accreditation Panel Review; and (iii) Negotiation and Approval of the Memorandum of Understanding and Financial Procedures Agreement.

11. The GEF Council decided on the following accreditation rules: (i) The same accreditation procedure will apply to all applicants; (ii) All applicants must include the endorsement of at least one GEF country Operational Focal Point; (iii) Each applicant will undergo a Value-added Review, its application to be approved by the GEF Council based on this review, prior to undergoing the Accreditation Panel Review; (iv) Applicants must meet all the GEF Fiduciary Standards, including environmental and social safeguards standards; and (v) Applicants will pay a non-recoverable fee of US\$25,000 for the cost of the accreditation.

12. Value-added Criteria include: (i) Relevance to the GEF; (ii) Demonstration of environmental or climate change adaptation results; (iii) Scale of engagement; (iv) Capacity to leverage co-financing; (v) Institutional efficiency; and (vi) Networks and contacts.

SPREP Capacities as a GEF Agency

13. Based on the criteria developed by the GEF for the process of accreditation, SPREP is well placed on all counts to be accredited. The fiduciary standards and financial management capacities required will be more expeditiously satisfied because of the major enhancements to SPREP's management systems implemented over the immediate past eighteen months. In addition the process that SPREP went through in regards to the Kyoto Protocol Adaptation Fund accreditation has also provided valuable lessons learned for seeking GEF accreditation.

14. The option of including regional organisations as GEF Agencies is considered an opportunity for recipient SIDS because of the capacities in most small countries, and also allows for a regional approach that the Pacific is well accustomed to, extending the working relationships that already exist.

Recommendation

15. The Meeting is invited to:

- **endorse** the proposal that the Secretariat apply for accreditation as a GEF Project Agency to provide Members with another choice of GEF Agency.

18 July 2011