AGENDA ITEM 6.2:  Accessing Multilateral Financing - Global Environment Facility (GEF) and Adaptation Fund (AF) Accreditation

Purpose of the Paper

1. The purpose of the paper is to update Members on the progress made in SPREP’s efforts to become a Regional Implementing Entity (RIE) under the Adaptation Fund (AF) and an Implementing Agency under the Global Environment Facility (GEF).

Background

2. SPREP has been implementing the decisions taken by previous SPREP Meetings relating to access of multilateral financing mechanisms such as the GEF and AF. In particular the 2012 SPREP meeting noted, inter alia, that: "The Meeting noted the progress made by the Secretariat (on the GEF application) and encouraged the work to be continued as quickly as possible" Though the GEF and AF processes are separate, there are many common issues and this is why they have been combined in this paper.

Adaptation Fund

3. SPREP began the process of pursuing accreditation as a Regional Implementing Entity under the AF in 2011. Since that time the Secretariat has been in close contact with the Accreditation Panel in identifying areas where existing institutional policy requires improvement. The process has been helpful and tangible improvements have been made at the institutional level with a view to satisfying the accreditation criteria.

4. In response to the Panel’s advice, SPREP has established an Internal Audit function with the appointment of an Internal Auditor in the second half of 2012 to provide an ongoing and operationally independent means of assessing the impact and effectiveness of its internal policies and procedures. It is the first CROP Agency in the Pacific region to do so. Other developments have included introduction of a comprehensive mechanism for Monitoring and Evaluation of project activities and reforms to SPREP’s policies and procedures to improve effectiveness and transparency.
5. SPREP submitted further documents evidencing this progress which, as at July, 2013, is under consideration by the Accreditation Panel. Subject to the Panel’s response to the documents, it is hoped that SPREP will soon be accredited. In addition, SPREP has been comprehensively documenting the accreditation process and plans to make the relevant information available for Members as soon as possible so as to assist interested Members which are applying to become National Implementing Agencies.

GEF

6. SPREP was directed at the 2011 SPREP Meeting to pursue accreditation as a GEF Agency under the GEF’s *Expanding the GEF Constituency* Initiative. The core objective of SPREP gaining Implementing Agency status is to increase the funding for Pacific Island Countries from the GEF and provide Members with an alternative, regionally owned and accountable institution to implement GEF projects.

7. The initial application was submitted to the GEF Secretariat on 15th December 2011 and was then considered by the Accreditations Panel thereafter. In order to speed up the process, the Panel invited applicants to submit supporting documents for Stage II of the application which SPREP did on 21st May 2012. As part of the Stage I application, the GEF Secretariat conducted a Value Added Review (VAR) of SPREP’s completed application according to criteria agreed by the GEF Council which issued a report on 18th May 2013. While particular areas of comparative advantage and strength at SPREP were identified, the VAR noted that progress was required in a number of areas relevant to the application, including in project design and development, monitoring and evaluation, fiduciary standards and environmental and social safeguards.

8. In order to address these issues, the GEF invited SPREP to develop a Medium Sized Project. SPREP has been working with UNDP-GEF in New York and Bratislava to develop the Project Identification Form which was cleared by UNDP GEF on 11th April 2013. The Secretariat is now developing the Project Document, working closely with partners, including UNDP-GEF and the UNEP Frankfurt School Collaborating Centre for Climate and Sustainable Energy Finance. On completion, the Project Document will be submitted directly to the GEF CEO.

9. One of the key aims of the project is to enable SPREP to become an accredited GEF Implementing Agency by the time GEF-6 is operational.

10. The Meeting is invited to:

- **note** the progress made on the Adaptation Fund and GEF Accreditations and encourage the work to be continued as soon as possible;
- **encourage** Members of SPREP, who are also Members of the GEF and the AF, to strongly support the application of SPREP to become a GEF Project Agency; and
- **encourage** interested donors and partners to consider supporting the Accreditation process at SPREP, through financing and secondments.

29 July 2013