



2nd Executive Board Meeting

2 – 4 September 2020

Agenda Item 8.4: SPREP Accredited Entity Role

Purpose of paper

1. To report on progress as a Regional Accredited Entity with the Green Climate Fund and Adaptation Fund in assisting Members to access climate finance.
2. To provide an update on SPREP's accreditation status.

Background:

3. SPREP is a regional accredited entity (RAE) to both the Adaptation Fund (since 2014) and the Green Climate Fund (since 2015). This enables SPREP to better support Members to access climate financing and to strengthen climate projects from design and development through to implementation.
4. SPREP is able to access financing from both Funds for 14 PICs : Palau, Federated States of Micronesia, Republic of the Marshall Islands, Nauru, Kiribati, Samoa, Tonga, Niue, Tuvalu, Cook Islands, Fiji, Vanuatu, Papua New Guinea and Solomon Islands. Tokelau is eligible for the AF only.
5. SPREP is continuing to strengthen and improve capacity to carry out its RAE function of supporting PICs through the development of projects that meet the Funds' design and implementation criteria. As well as realising appropriate levels of SPREP staffing and financial resourcing to meet the accreditation criteria of both Funds, this work also includes strengthening internal policies, systems and procedures to meet best practice.
6. SPREP continues to be in demand as an accredited entity for both GCF and AF projects. As manager of SPREP's RAE function, the PCU has developed positive working relationships with the secretariats of both funds. Regular, on-going discussions with the Secretariats continue to assist SPREP and PICs in achieving the release of climate finance for country, regional and sub-regional projects
7. SPREP is working with Countries on developing project concept notes, Readiness Support and NAP proposals. The development of concept notes which gain approval from the GCF has been challenging. Whilst the current project pipeline with SPREP contains many good ideas, it has been challenging to develop a number of Country project ideas into concepts that can meet the rigorous GCF and AF investment criteria. The GCF Secretariat is currently undertaking a review of RAE project pipelines in consultation with RAE Focal Points to

ascertain the viability of pipeline project concepts to be moved through GCF approval processes. It is likely that these discussions will see a reduction in the number of current projects in the pipeline, however, those that remain will have been considered viable for the Secretariat and promoted to the GCF Board for approval. An updated pipeline will be provided at the Executive Board Meeting following these discussions.

8. SPREP currently has five projects under implementation; two full-size projects (Vanuatu and Federated States of Micronesia) and three Readiness projects (Republic of the Marshall Islands, Niue and Solomon Islands).
9. COVID-19 impacts: The impacts of COVID-19 is currently being felt on the implementation of projects rather than the development of project concepts, however it is anticipated that the longer restrictions are in place, this will start to impact more broadly across both the development and implementation portfolio. In particular and most immediately, COVID-19 travel restrictions are impacting upon the implementation of the Readiness Support projects due to their short timeframes and reliance on external delivery partners and technical experts. The GCF has provided automatic six-month extensions for all Readiness projects and increases in the project management costs to provide for the additional costs to salaries and operating costs.
10. For full-size projects under implementation, impacts are likely to be experienced in late 2020 and into 2021 due to the inability of external project partners and SPREP personnel to progress in-country activities. Whilst some project activities can be placed on hold, the payment of salaries and operational costs cannot. SPREP, with the on-going support of the GCF and AF continues to monitor the situation and adjust project implementation accordingly.
11. **GCF Pacific Flagship Programme:** In August 2019, during the Pacific workshop at the Green Climate Fund's (GCF) Global Programming Conference, Pacific representatives endorsed the GCF proposal that SPREP and SPC, as the Pacific region's regional accredited entities, collaborate on the formulation of a Pacific Regional Flagship Programme. The Flagship Programme would address the GCF's overarching mandate of a "paradigm shift" in relation to climate change action.
12. In May 2020 SPREP developed and shared with SPC, a discussion paper "*The Blue Pacific: Realizing Regional Ambitions for Climate Change Mitigation and Adaptation*". The discussion paper outlines a concept for a Flagship proposal to bring the CROP agencies, Accredited Entities in the region, and Countries together in a common endeavour to realise the vision of Pacific Leaders for Pacific climate change action.
13. SPREP is continuing to collaborate with SPC to reach agreement on the approach and to develop the framework of the Flagship Programme. The intention is to submit a draft concept note to the GCF by end 2020 for initial inputs from the GCF which will guide further development of the proposal.

Climate Financing Accreditation:

14. SPREP's accreditation with the Adaptation Fund was renewed in April 2019 for a further five-year period.
15. SPREP's accreditation with the Green Climate Fund (GCF) was upgraded in July 2019 from small projects (<US\$50m Category C) to medium projects (>US\$50m <US\$250m Category B/1-2). In addition to the upgrade, SPREP has been awarded accreditation for 'Specialized Fiduciary Standard for Grant Award and/or Funding Allocation Mechanisms'.
16. SPREP's accreditation with the GCF expires in July 2021. Work will commence in late 2020 to apply for re-accreditation. The reaccreditation review and process will be undertaken by the GCF Secretariat and its Accreditation Panel and will include:
 - a. An assessment of the extent to which the overall portfolios of activities and the impacts generated by the mitigation and adaptation projects of the AE (SPREP), beyond those funded by the GCF, have evolved during the accreditation period.
 - b. Reports relating to the performance of the AE over the previous five years, including whether concept notes and funding proposals were submitted and reports on the GCF-funded activities
 - c. Risk flags incurred by the projects, AE or country over the previous five years
 - d. Reporting on participatory monitoring and review submitted by the national designated authority or focal point, if available, related to the GCF-funded projects/programmes undertaken by the AE within the country/region;
17. The GCF Board will consider a recommendation from the Secretariat and the Accreditation Panel on whether to re-accredit.

Recommendations

18. The Executive Board Meeting is invited to:
 1. **note** progress on SPREP's role as a regional implementing entity
 2. **note** the need for Member Country climate finance project ideas to conform with GCF investment criteria
 3. **note** the reaccreditation process for the GCF.
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