



“DIRECT ACCESS” TO CLIMATE FINANCE: LESSONS LEARNED BY NATIONAL INSTITUTIONS

INDIRA MASULLO, GAIA LARSEN, LOUISE BROWN, AND LISA DOUGHERTY-CHOUX

EXECUTIVE SUMMARY

Overview

Developing countries need significant amounts of finance to help them adapt to the changing climate and follow a path of low-carbon development. The international community has set up multilateral funds to help support climate change mitigation and adaptation in these nations. Two of the largest climate funds, the Adaptation Fund and the Green Climate Fund (GCF), have committed to allowing institutions from developing countries so-called direct access to finance. *Direct access* in this context means that national or subnational entities¹ become accredited to receive finance directly from the fund without going through an international intermediary (like the World Bank or a regional development bank). The goal of such direct access is, among other things, to reduce transaction costs and enhance national ownership over available financing.

Implementation of the Adaptation Fund and GCF direct access modalities is still in a relatively early stage. (The Adaptation Fund accredited its first implementing entities in 2010; the GCF did so in 2015.) This paper explores the experiences to date of national institutions that have been accredited by either of these two funds. It focuses on approaches that these institutions have taken to plan for, access, and use finance received through direct access, as well as early lessons learned in the process. The primary target audience is other institutions who plan to seek direct access to finance from the Adaptation Fund, the GCF, or other relevant funds. The information contained in this paper was obtained primarily from interviews with representatives of accredited institutions and other

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relevant stakeholders. The paper is not meant to be an assessment of whether the funds are doing a good job of implementing the direct access approach. It aims, rather, to be a useful analysis for those seeking to utilize the direct access option.

Findings

Although national institutions have taken a variety of approaches to engaging with the direct access modalities of the climate funds, some common themes can be found in their experiences to date. See Figure 1 for a summary.

Planning for Engagement with the Climate Funds

Several institutions interviewed for this paper recommend that countries spend time planning for how they will engage with the climate funds. This can include linking the search for climate finance to new or existing national strategies related to climate change and sustainable development. It can also include designating a coordinating body to help ensure that different sectors of the country are represented in decision-making processes.

Many institutions also recommend taking care when selecting the institutions that will be responsible for overseeing and implementing projects or programs funded through direct access. Both the Adaptation Fund and the GCF require countries seeking direct access to designate specific actors, including so-called designated authorities, implementing entities, and executing entities. Choosing the right institution to play each role will help countries more easily access and effectively use financing. For example, designated authorities are responsible for overseeing coordination within the country and therefore benefit from having a good overview of activities within the nation. Implementing entities, meanwhile, ensure that projects meet the relevant fund's standard and therefore benefit from having effective and documented processes in place to reduce fiduciary, environmental, and social risk. Many of those interviewed also emphasize the importance of ensuring effective collaboration between the relevant institutions to avoid duplication and facilitate synergies.

Applying for Accreditation

Implementing entities are responsible for overseeing project and financial management, and so are the only institutions that need to be accredited by the Adapta-

tion Fund or the GCF. Those that have gone through the accreditation process suggest being prepared for a rigorous, time-consuming, but ultimately useful endeavor. They generally recommend ensuring that the institution has adequate human and financial resources dedicated to the accreditation process, including a team of people able to access information about the different sections of the institution. Buy-in from the senior level is also reported as crucial.

Some institutions have struggled more to provide documentation related to the accreditation requirements than to actually meet the standards. They therefore encourage others to ensure that they truly understand the application process by, for example, reaching out to the relevant fund early to ask questions about the process. They also recommend beginning early to thoroughly document the institution's systems and processes. Some institutions that did not initially meet all the requirements have benefited from being flexible enough to take on new processes, and from being creative in their thinking about how to meet the standards. Readiness support has helped national institutions overcome some of these challenges.

Designing and Implementing Projects and Programs

Once accredited, implementing entities can apply for and receive funding from the relevant fund. As of October 2015, the Adaptation Fund has approved 20 project proposals put forward by 12 national entities. These projects are at different stages of the project cycle. The GCF Board approved two project proposals from national institutions in November 2015. Some of those interviewed report that the project-approval process can be at least as challenging as the process of accreditation. They recommend easing the process by ensuring that the proposal is in line with the objectives of the fund, country, and implementing entity. In terms of project implementation, they encourage people to pick executing entities carefully based on their ability to effectively implement high-quality projects, and to be prepared to train these entities on the relevant fund's standards. They also suggest building robust monitoring systems. Finally, institutions emphasize the value of engaging external stakeholders in the creation, implementation, and monitoring of projects or programs, including those that the project or program is intended to benefit.

Figure 1 | **Overview of Findings**



1. INTRODUCTION

Climate change threatens ecosystems and populations all over the world. Developing countries are in particularly dire need of financial resources to adapt to the effects of climate change and support low-carbon development. In order to help meet this financial shortfall, the international community has begun to shift finance toward activities that support developing countries’ adaptation to climate change and their mitigation of greenhouse gas emissions. Developed countries have committed to providing \$100 billion a year by 2020 toward this end. A significant portion of this funding will likely flow through international funds like the Green Climate Fund (GCF) and Adaptation Fund, which have been set up to help channel finance toward activities that reduce greenhouse gas emissions and support resilience to climate change.

One key feature of the GCF and the Adaptation Fund is their emphasis on providing finance directly to developing countries’ institutions through so-called direct access (see Box 1). The approach allows national and subnational² institutions in countries seeking finance from these funds to gain access to such funding without going through an international intermediary institution, such as the World Bank or a regional development bank. Using an international intermediary can benefit a country by allowing it to use the expertise and resources available at the international organization. However, sometimes countries prefer for one of their own national institutions to act as financial manager, in large part to ensure that the country has full ownership over the use of financing.

This paper will introduce a series of lessons that national institutions have learned to date in their efforts to directly access finance from the GCF and the Adaptation Fund. It aims to help institutions from developing countries more effectively plan for, receive, and use climate finance from international funds.

Box 1 | **The Adaptation Fund and the Green Climate Fund**

Adaptation Fund: The Adaptation Fund was established in 2001 at the Seventh Conference of the Parties in Marrakech and officially launched in 2007 to finance adaptation projects in countries that are parties to the Kyoto Protocol and most vulnerable to the impacts of climate change. Financing for the Adaptation Fund comes from a 2% share from the sales of certified emission reductions (CERs) issued for Clean Development Mechanism projects and voluntary contributions from governments, the private sector, and individuals. The fund is governed by a board with 16 members and 16 alternates.

Green Climate Fund: The Green Climate Fund (GCF) was established in 2010 as a new financial mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) that would support projects, programs, policies, and other activities in developing countries. The GCF aims to pursue a country-driven approach to low-carbon and resilient development in developing countries, and to provide funding for both climate change mitigation and adaptation. The GCF Board has 24 members from developed and developing countries. So far countries have pledged \$10.2 billion to the fund, making it the largest dedicated climate fund.

1.1 Direct Access

1.1.1 What Is “Direct Access?”

Under direct access, national institutions can receive finance directly from the international funds without going through another international institution. Many existing international funds require recipients of finance to use international intermediaries—often multilateral institutions or bilateral entities—to manage any funds received. For example, the Clean Technology Fund (CTF), one of the Climate Investment Funds, uses the World Bank, the International Finance Corporation, and four regional development banks as financial intermediaries.³ The term *direct access* describes a modality for countries to replace these international intermediaries with institutions based in the recipient country.

The concept of providing finance directly to institutions at the national level once they meet certain requirements is not new. In 2005, many donor countries signed the Paris Declaration on Aid Effectiveness, which among other things committed them to supporting recipient-country ownership of the use of development finance. As a result, the World Bank, for example, has at times allowed recipient countries to use their own risk management systems to reduce risks associated with project investments (Larsen and Ballesteros, 2014). The Millennium Challenge Corporation (MCC), a U.S. foreign aid agency, provides large-scale grants to countries that it deems are committed to good governance, economic freedom, and investments in their citizens.

One of the main differences between these past methods for emphasizing country ownership and the new “direct access” approach utilized by the GCF and the Adaptation Fund is these funds’ reliance on an accreditation process. The only other institution to follow this approach is the Global Environment Facility (GEF). These institutions have fewer staff members dedicated to project preparation and review than, for example, the World Bank or the MCC. Instead they rely on an accreditation process to ensure that recipient institutions are capable of effectively planning and overseeing funded activities. Under the direct access modality, an accredited national or subnational entity takes on the role of managing financing received, just as an international financial intermediary would have otherwise done (see Boxes 2 and 3).

The funds adopted such a “direct access” modality for a variety of reasons, including their interest in strengthening recipient country ownership over received funding, and in supporting the ability of national institutions to effectively manage finance.

As of October 2015, the Adaptation Fund has accredited 20 national institutions out of a total of 37 accredited institutions. The GCF has accredited 5 national institutions and the GEF has accredited 1.⁴ Because of the relatively limited number of institutions accredited by the GEF, as well as differences between the GEF’s approach and that of the two climate funds, experiences with the GEF are not covered in this paper.

Box 2 | Institutional Arrangement for Direct Access

The Adaptation Fund and the GCF each require countries seeking direct access to finance to create an institutional arrangement to support such access. The GCF, for example, requests countries to designate the following institutions:

- **A national designated authority (NDA)** (called “designated authority” at the Adaptation Fund), responsible for overseeing all funding coming into the country from the fund. The NDA is the point of communication with the GCF and undertakes a wide range of functions, which include aligning activities with national sustainable development objectives and frameworks. The GCF also uses the term *focal point* to refer to institutions playing the role of an NDA.
- **National implementing entities (NIEs)**, responsible for overseeing implementation of individual initiatives supported by the funds. Under direct access, these institutions can be public or private, subnational, national, or regional, as long as they meet the GCF’s accreditation standards. Countries can access GCF funding through multiple institutions. Their role is to ensure that projects follow the fund’s objectives and meet its fiduciary standards and social safeguards.
- **Executing entities**, responsible for actual implementation of initiatives, as relevant. These can be members of other government agencies, civil society, community organizations, and the private sector. Subsection 4.1.4 elaborates on the selection of executing entities, providing country experiences and recommendations.

Box 3 | Accreditation at the Adaptation Fund and the GCF

To gain direct access to the Adaptation Fund, a designated authority (DA) nominates a national implementing entity (NIE) and submits an application to the fund on the entity’s behalf. The Adaptation Fund Board Secretariat reviews the application and sends it to the independent Accreditation Panel. Institutions must show that they meet a set of fiduciary and environmental and social standards.

The GCF has also created a set of fiduciary, environmental, and social requirements, which applicants must show they are capable of meeting before achieving accreditation. A national designated authority (NDA) must approve an NIE before it can apply for accreditation. Several sections of the GCF then review the application, including the GCF Secretariat, Accreditation Panel, and Board. In order to reduce duplication, the GCF has implemented a fast track process for country entities already accredited by the Adaptation Fund, the GEF, or the Directorate-General Development and Cooperation– EuropeAid of the European Commission (EU DEVCO).^a

The GCF has structured its accreditation process as “fit for purpose.” This allows institutions to become accredited at different tiers. For example, an NIE that has no experience implementing large-scale projects or projects with high levels of potential environmental or social impacts can become accredited to implement smaller or lower-risk projects. The intention of this tiered approach is to allow a larger number of institutions to become accredited, while maintaining protections against fiduciary, environmental, or social risks. Though the Adaptation Fund does not have a similar tiered accreditation system, it does allow some flexibility in how institutions can meet certain requirements, with the aim of streamlining the process, particularly for smaller institutions.

^aEU-DEVCO does not accredit national institutions from developing countries. We have therefore not included an analysis of institutions accredited through their processes in this paper.

Once institutions are accredited, they do not automatically have access to funding. Instead they must submit project proposals to the relevant fund. Once proposals are approved, the accredited entity is responsible for ensuring that projects are implemented effectively, and for reporting results to the fund in question. The one exception to this process is a pilot program on “enhanced direct access” soon to be implemented by the GCF (see Box 4).

1.1.2 Potential Benefits of Direct Access

If implemented effectively, direct access to climate finance can have multiple benefits. Beyond supporting country ownership, the process of arranging for and implementing such access can help strengthen national institutions in developing countries. While the accreditation processes require applicants to undergo rigorous assessments focused on how they meet relevant fiduciary, environmental, and social standards, most of the institutions that have undergone this process to date report that the scrutiny has helped strengthen their ability to perform effectively.

Direct access can in some cases also enhance efficiency. Allowing the climate funds to maintain lean secretariats while also allowing national institutions to access finance

Box 4 | Further Enhancing Direct Access at the GCF

In order to experiment with providing greater control over project planning and approval to national institutions, the GCF Board agreed to implement a pilot program aimed at “further enhancing direct access.” This program would allow accredited entities and NDAs, instead of the GCF Board, to make decisions together as to whether specific projects or programs should go forward. In order to be granted such access under the pilot, countries need to describe to the GCF:

1. The scope of activities that will be considered for financing;
2. How the implementing entity and NDA will approve proposals; and
3. How the entities will ensure oversight and multistakeholder engagement.

The GCF envisions providing \$200 million in funding to 10 entities as part of this pilot program. At least four of the programs will be implemented in small island developing states, least developed countries, or African states.

Source: Green Climate Fund, 2015a.

without an international intermediary can potentially reduce the number of actors involved in transactions, and thus overall costs and coordination challenges. According to the Adaptation Fund Board Secretariat, international intermediaries have generally experienced longer delays in project inception compared to their national counterparts (Adaptation Fund, 2015a).

1.1.3 Potential Drawbacks of Direct Access

While direct access can improve the results of climate finance, it also entails challenges. When international funds use multilateral or bilateral institutions to manage the implementation of funded activities, they do so because these institutions are known entities with relatively strong systems for financial, environmental, and social risk management. National entities, in contrast, have had fewer opportunities to showcase their competence and independence in these areas.

Some national institutions need to undergo significant institutional reconfiguration to meet the relevant standards. This can be tedious and expensive, particularly for those that cannot immediately meet the requirements without significant additional investment of financial and human resources. In some such cases, the recipient country may benefit from continuing to rely on the international institutions to manage finance received instead of seeking accreditation, at least until the country's own institutions have gained adequate capacity.

1.2 Structure and Objectives

This paper seeks to distill early lessons learned by national institutions as they have sought to access funds directly from the Adaptation Fund and the GCF. The objective is to allow national institutions and their partners to gain insights from those that have gone before. Our ultimate aim is to help ensure that direct access to the climate funds results in effective use of climate finance.

Note that evaluating the strengths and weaknesses of Adaptation Fund and GCF policies is beyond the scope of this paper's analysis. Instead we focus on how national institutions have dealt with the current policies of these international climate funds.

This paper is organized according to the three stages that national institutions generally need to go through in

order to gain direct access to climate finance. These three stages include:

1. Planning for engagement with the relevant fund
2. Securing accreditation by the fund
3. Designing and implementing effective projects or programs

Although presented in sequence, these stages will often not be linear in practice.

Section 2 covers recommendations from national institutions on how to receive finance through direct access. It focuses on key decisions in the planning process, including choices regarding funding priorities and institutional arrangements. Section 3 looks more closely at experiences to date with the process of becoming accredited to receive funding through direct access. Section 4 covers experiences of national institutions that have directly accessed finance for projects or programs, and the lessons they have learned. Section 5 lays out our conclusions.

1.3 Methodology

The information in this paper is based primarily on interviews with representatives of national institutions that have been accredited to receive direct access to finance from the Adaptation Fund and/or the GCF. Table 1 provides a list of the NIEs interviewed (15 in total). Unsuccessful applicants for accreditation are more difficult to identify as they are not made public by the Adaptation Fund or the GCF. Those we did approach preferred not to share details about their experience. We did interview a smaller number of representatives from NDAs and the international funds. Interview questions are found in Appendixes 2, 3, and 4. The authors conducted a review of existing literature on direct access.

The paper focuses largely on experiences with the Adaptation Fund, as this is the only institution to date that has accredited and provided finance directly to a significant number of national institutions. In addition, it captures early lessons from the Green Climate Fund. Interview questions focused on the three stages of accessing finance directly: planning, accreditation, and project approval and implementation.

Table 1 | **National Institutions Interviewed**

| COUNTRY | NATIONAL INSTITUTIONS INTERVIEWED THAT ARE ACCREDITED BY THE ADAPTATION FUND |
|--------------|---|
| Argentina | Unidad para el Cambio Rural (UCAR) |
| Benin | Fonds National pour l'Environnement et le Climat (FNEC) |
| Costa Rica | Fundecooperación Para el Desarrollo Sostenible |
| Jamaica | Planning Institute of Jamaica (PIOJ) |
| Kenya | National Environment Management Authority (NEMA) |
| Namibia | Desert Research Foundation of Namibia (DRFN) |
| Panama | Fundación Natura |
| Peru | Peruvian Trust Fund for National Parks & Protected Areas (PROFONANPE) |
| Rwanda | Ministry of Natural Resources (MINIRENA) |
| Senegal | Centre de Suivi Ecologique (CSE) |
| South Africa | South African National Biodiversity Institute (SANBI) |
| Uruguay | Agencia Nacional de Investigación e Innovación (ANII) |
| COUNTRY | NATIONAL INSTITUTIONS INTERVIEWED THAT ARE ACCREDITED BY THE GREEN CLIMATE FUND |
| Peru | Peruvian Trust Fund for National Parks & Protected Areas (PROFONANPE) |
| Rwanda | Ministry of Natural Resources (MINIRENA) |
| Senegal | Centre de Suivi Ecologique (CSE) |

2. PLANNING FOR ENGAGEMENT WITH CLIMATE FUNDS

When seeking direct access to climate finance, countries must make a number of decisions, including what to seek financing for and who to designate to manage the process. This section covers some of the lessons learned to date by accredited national institutions about planning for engagement with the climate funds.

2.1 Prioritizing Needs⁵

Several interviewees emphasize that countries will benefit from making a more deliberate effort to ensure that climate finance supports coherent, nationwide efforts for climate action and sustainable development. So far, countries have used a range of approaches to help ensure such coherence, including national climate strategies and coordinating bodies.

2.1.1 National Strategies

Written national strategies have helped those seeking direct access to climate finance identify priority areas for intervention. Such strategies have included plans created as part of other climate-related initiatives – such as national adaptation programs of action (NAPAs), nationally appropriate mitigation actions (NAMAs), or intended nationally determined contributions (INDCs) – and/or other policies and regulations developed at the national and local levels in response to country needs.

Table 2 lists national institutions that report having used national strategies to decide what to seek financing for. In each case, the institution put forward a funding proposal to support a project or program that fell into a priority area identified by the relevant national strategy. Interviewees report having found the guidance provided by the existing strategy useful to the institution’s planning process and efforts to support coherent nationwide actions for climate change mitigation or adaptation.

For example, Uruguay’s National Plan for Climate Change of 2009 sets the adaptation needs for the country. It emphasizes, among other things, the risks to the agriculture and livestock sectors associated with a changing climate, and it has helped guide decisions regarding where to invest climate finance. Costa Rica’s National Climate Change Strategy, in turn, identifies both mitigation and adaptation needs in the country and proposes climate change interventions to address them. Box 5 gives an overview of how Rwanda’s NIE used the national policy framework to guide its engagement with the Adaptation Fund.

One drawback of national strategies, as reported by national institutions, is that they can take a long time to develop and adopt. If no such strategy exists, support is available from the Adaptation Fund, the GCF, and other development partners to help with the development of climate change strategies, action plans, and other policy instruments.

Table 2 | **The Role of National Strategies**

| COUNTRY | STRATEGY | PRIORITY AREAS FOR SUPPORT |
|------------|---|---|
| Costa Rica | National Climate Change Strategy | The strategy identifies water and coastal zones, agriculture, and livestock as priority areas for adaptation intervention. |
| Jamaica | National Development Strategy (Vision 2030) Mid-term Social and Economic Framework National Adaptation Plan | The strategy and plan identify coastal zones and food security as priority areas for adaptation intervention. The Mid-term Social and Economic Framework provides guidance for budget allocation and financing, which help guide decisions on priority sectors for financial support. |
| Panama | 2007 National Climate Change Policy | The policy outlines broad priority areas for climate change intervention. |
| Peru | 2003 National Climate Change Strategy | The strategy outlines broad priority areas for climate change intervention. |
| Rwanda | Rwanda Vision 2020 Green Growth and Climate Resilient Strategy | The two documents set priority areas for climate change mitigation and adaptation. The strategy lists 14 climate change programs that will contribute to the country's sustainable development. This helped the government select an area for the Adaptation Fund's support. |
| Senegal | 2006 National Adaptation Program for Action Climate Change Action Plan | The Program of Action identifies priority areas for adaptation intervention including coastal zones, water infrastructure, and agriculture sectors. This guided the Senegalese government's determination of priority areas for Adaptation Fund support. |
| Uruguay | 2009 National Plan for Climate Change | The plan identifies agriculture and livestock as the sectors most vulnerable to climate change. This helped government stakeholders support a project addressing adaptation needs in the agriculture and livestock sector. |

Box 5 | How Climate Change National Strategies Can Support Engagement with International Climate Funds: The Case of Rwanda

The Ministry of Natural Resources (MINIRENA) of Rwanda was accredited by the Adaptation Fund in December 2011 at the 16th meeting of the Adaptation Fund Board. It was accredited by the GCF at the 10th meeting of the board in July 2015. Rwanda’s existing policy framework on climate change helped the institution engage more effectively with the funds.

Rwanda Vision 2020 and the Green Growth and Climate Resilience Strategy

Rwanda has several policy documents that help guide the country’s efforts to adapt to climate change and mitigate greenhouse gas emissions. Rwanda Vision 2020, a policy instrument adopted in 2000, outlines the country’s broad vision to protect the environment and manage its natural resources. The instrument prioritizes efforts to reduce deforestation, facilitate landscape restoration, and manage risks associated with climate change.

In 2011, the country adopted its Green Growth and Climate Resilience Strategy. This strategy provides a comprehensive plan consisting of 14 adaptation and mitigation programs that aim to foster sustainable growth, food security, and integrated resource management. The strategy resulted from a thorough stakeholder consultation process and breaks down each program into distinct actions, which are ranked according to their emission reduction potential, contribution to climate resilience, timing, and costs. The strategy also presents current and potential sources of finance for each program. For example, the strategy identifies the Adaptation Fund as a potential funder for certain key programs, areas such as agriculture; disaster risk reduction; and the management of forests, land, and water (Republic of Rwanda, 2011). (Although the strategy recognizes the GCF as an emerging actor in climate finance, it does not present specific areas for the GCF’s support because this fund was not operational at the time.)

Given the high quality of the Green Growth and Climate Resilience Strategy, MINIRENA was able to use the guidance provided in the strategy to develop an effective concept note to the Adaptation Fund. The proposed project aims to reduce the incidence and severity of flooding and landslides through community-based adaptation strategies that restore ecosystems. A representative from MINIRENA also expressed confidence that the existing policy framework will help MINIRENA engage more effectively with the GCF.

2.1.2 Coordination Bodies

In some countries, government coordination bodies have helped foster strategic planning for the use of climate finance. These bodies generally consist of ministries and agencies responsible for finance, the environment, and national planning, along with other stakeholders. When effective, these coordination bodies have reportedly helped key institutions reach agreement on priority areas and appropriate responsibilities, as well as identify potential sources of finance.

Argentina, for example, has the Government Committee on Climate Change, which consists of 21 government organizations, as well as representatives from the private sector and civil society (LECBP n.d.). This committee has helped guide Argentina’s plans to access and utilize climate finance, including finance from the Adaptation Fund. Similarly, a committee composed of national government ministries in Uruguay facilitated dialogue and decision-making on accessing and using climate finance.





2.2 Identifying an Institutional Structure

Interviewees stress the importance of designating the right institutions to play the roles necessary for receiving finance directly from the climate funds and using that finance effectively.

2.2.1 Selecting the Right National Designated Authority (NDA)

All NIEs interviewed for this paper felt that having a good NDA or DA can play a significant role in enabling countries to successfully utilize direct access to climate finance. Table 3 provides an overview of some of the ways DAs helped NIEs access and use finance from the Adaptation Fund, according to interviewed NIE representatives. As the table shows, nearly all the interviewed institutions report that the DA helped them communicate with the Adaptation Fund Board Secretariat, understand accreditation requirements, and understand the degree to which the NIEs met the requirements. Three NIEs also report that the NDA helped them access finance for a third-party assessment of the NIEs.

Table 3 | **The Role of Designated Authorities**

| COUNTRY |  COMMUNICATING WITH THE FUND SECRETARIAT |  PROVIDING INFORMATION ON ACCREDITATION REQUIREMENTS |  ASSESSING THE CAPACITY OF CANDIDATE NIES |  SECURING FINANCIAL SUPPORT FOR A THIRD-PARTY ASSESSMENT OF NIES |
|--------------|---|---|--|---|
| Argentina | | | | |
| Benin | | | | |
| Costa Rica | | | | |
| Jamaica | | | | |
| Kenya | | | | |
| Namibia | | | | |
| Panama | | | | |
| Peru | | | | |
| Rwanda | | | | |
| Senegal | | | | |
| South Africa | | | | |
| Uruguay | | | | |

From interview results one can surmise that strong NDA/DAs will typically have the following:

- **A good understanding of the fund’s requirements:** A good understanding of accreditation and project requirements that national institutions need to meet before they can receive finance from the relevant fund. This helps to ensure that the NDA only approves institutions for accreditation, or funding proposals for submission, if they are likely to meet the relevant standards.
- **Close engagement with the fund’s board and secretariat:** DAs interviewed report that engaging with the Adaptation Fund at workshops and board meetings has allowed them to better understand the accreditation process and readiness support provided by the Adaptation Fund.
- **Convening power:** NDAs or DAs with convening power may generally be better positioned to mobilize

political and technical support for direct access to climate finance. The DA in Rwanda, for example, created a national team consisting of government representatives from different sectors to help assess the ability of a number of national institutions to meet accreditation requirements. This enabled a more coordinated and strategic choice of NIEs for the country.

- **Broad perspective:** NDAs or DAs that are engaged with a range of other actors in the country may be better positioned to make coordinated decisions about climate finance. For example, the DA in Costa Rica is based in the Climate Change Directorate of the Ministry of Environment and Energy, which formulates and coordinates climate change policy and helps promote the integration of climate change into the government’s agenda. The DA’s interaction with other agencies and stakeholders appears to have facilitated an integrated perspective on climate finance decision-making.

2.2.2 Selecting an Appropriate National Implementing Entity

As we have noted, NIEs are responsible for overseeing implementation of funded initiatives. They are the institutions that must be accredited by the relevant fund, and they have a responsibility to the fund to oversee the use of finance received according to the relevant standards. The Adaptation Fund lets countries have one NIE, while the GCF does not currently limit the number of NIEs that can be accredited from one country.

Interviewees mention a range of factors that were considered as part of the NIE selection process in their country. Factors commonly cited include the following:

- A solid track record of implementing the type of projects or programs that the institution will oversee as an NIE.
- The scope of work and its relevance to climate change adaptation and mitigation.
- Experience managing international aid and development or climate finance.
- Effective and documented processes and policies to reduce fiduciary, environmental, and social risk.

Countries have often found it useful to assess institutional competencies against a set of criteria to identify the strongest candidates for accreditation. To date, governments have chosen various processes for assessing the strength of a candidate. Each has taken a different approach to balancing an interest in transparency and fairness with a simultaneous interest in avoiding undue delay in the selection process. See Table 4 for a summary.

Closed-Door Processes. In Argentina, Benin, Jamaica, Kenya, South Africa, and Uruguay the identification and assessment of NIEs took place behind closed doors at ministries or NDA/DAs. For example, the government of Jamaica chose the Planning Institute of Jamaica as an NIE without an open competition process. The choice was reportedly made in part because of the institute’s legal mandate to lead the government’s efforts to implement development strategies, including climate change strategies. Uruguay chose the Agencia Nacional de Investigación e Innovación (ANII), also through a closed-door process. The government based its selection largely on the institution’s formalized processes for dealing with fiduciary risks and solid track record of overseeing and monitoring project implementation.

In Argentina, the DA considered two potential candidates for accreditation, the Unidad para el Cambio Rural (UCAR) and the Instituto Nacional de Tecnología Agropecuaria (INTA). The DA felt that the former was better positioned to become an implementing entity as it met the elements for a strong NIE. In contrast, INTA was better positioned to become an executing entity at the project level, because of its strong ties with communities in the anticipated project geographic area.

In Benin, the DA assessed several national institutions, including the Fonds National pour l’Environnement et le Climat (FNEC), the Fonds d’Appui au Développement des Communes, the Fonds National de la Microfinance, and the Fonds de Développement et de Promotion Touristiques, among others. The DA nominated the FNEC because it had the systems and policies in place to meet the accreditation requirements of the Adaptation Fund, particularly with respect to fiduciary standards.

NIEs interviewed noted that a closed-door approach could increase the risk of an arbitrary selection and reduce trust in the process, but that it also had benefits, including a reduction in delays.

Third-Party Assessments. DAs in Panama and Peru received support from a third party to assess the capacities of a number of potential NIEs. The DAs and relevant ministries in both countries sought support from the United Nations Development Programme (UNDP) to help assess the strength of two or three candidates. The capacity assessments took around 1–2 months, and they clarified some of the pros and cons of each candidate institution. Although the final decisions were made by the ministers of environment, the third-party assessments reportedly helped improve the grounds for decision-making.

Competitive Processes. Costa Rica’s minister of environment favored an open competitive process to identify an institution for direct access to the Adaptation Fund and so sent out a call for proposals. The minister took this approach in part to secure public support for the selection process. The call for proposals, led by the DA, narrowed the number of potential candidates to three. The United Nations Environment Programme (UNEP) then conducted a capacity assessment similar to those conducted by the UNDP in Peru and Panama. This process was generally perceived to be effective but time-consuming.

Multistakeholder Bodies. In Senegal and Rwanda, multi-stakeholder bodies helped select a national institution to put forward to the Adaptation Fund for accreditation. The Senegalese DA used the National Committee for Climate Change, an existing coordinating vehicle for climate change decision-making, to help with the selection process. This committee includes representatives from the government, the private sector, and civil society. The DA in Rwanda created a multisectoral team of government officials. The team determined that MINIRENA was best positioned to meet accreditation requirements. Its assessment also shed light on how to overcome some accreditation challenges.

2.2.3 Ensure Coordination

Interviewees emphasize the value of ensuring effective communication between NDA/DAs, NIEs, and other

actors. Insufficient coordination between these players has created problems for some countries. In particular, a number of NIEs have complained of slow response times from DAs or NDAs. Additionally, some national institutions fear that poor communication and coordination leads to duplication of efforts. Argentina, Rwanda, Senegal, and Uruguay have used coordination committees to facilitate coordination among relevant actors. Rwanda’s Technical Coordination Committee, for example, helps coordinate implementation of the country’s engagement with the international climate funds. Rwanda’s government has expressed interest in having another NIE accredited by the GCF, in addition to MINIRENA. The Technical Coordination Committee is expected to facilitate coordination among NIEs and other actors that manage climate finance to avoid competition for resources and maximize synergies.

Table 4 | **Approaches to Selecting National Implementing Entities***

| COUNTRY | NUMBER OF INSTITUTIONS CONSIDERED | APPROACH | | | |
|--------------|-----------------------------------|---------------------|------------------------|--------------------------|---|
| | | CLOSED-DOOR PROCESS | THIRD-PARTY ASSESSMENT | MULTI-STAKEHOLDER BODIES | CALL FOR PROPOSALS + THIRD-PARTY ASSESSMENT |
| Argentina | 2 | | | | |
| Benin | More than one | | | | |
| Costa Rica | More than one | | | | |
| Jamaica | 1 | | | | |
| Kenya | 1 | | | | |
| Panama | More than one | | | | |
| Peru | 3 | | | | |
| Rwanda | 4 | | | | |
| Senegal | More than one | | | | |
| South Africa | 1 | | | | |
| Uruguay | 1 | | | | |

* Namibia is not part of this analysis because the initiative to seek accreditation came from the NIE itself.

3. APPLYING FOR ACCREDITATION

As we have noted, national institutions typically report that although the accreditation process can be time-consuming and tedious, it has also benefited them in the long run. The time taken to secure accreditation has varied significantly from one national institution to another. Figure 2 shows the approximate amount of time between the DA’s nomination and accreditation by the Adaptation Fund. A number of factors account for the delays experienced by some NIEs including, for example:

- A need to translate required documentation
- Limited understanding of required documentation
- Challenges in documenting and/or adopting policies and processes to meet accreditation requirements
- Lack of support from senior staff within the institution

This chapter introduces lessons that institutions have learned while going through the accreditation process.

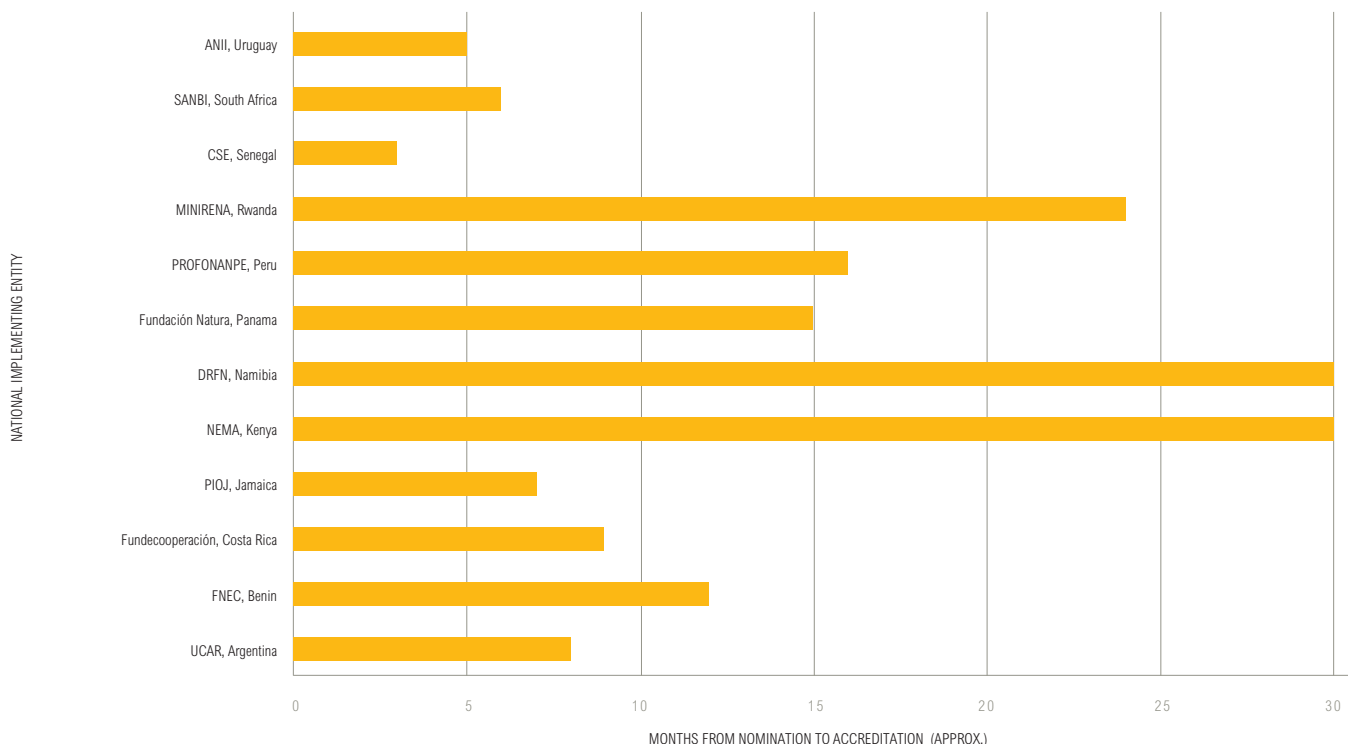
3.1 Preparing Required Resources

3.1.1 Seek Assistance to Understand the Requirements

Institutions sometimes have had difficulty understanding the precise requirements of the Adaptation Fund and the GCF, including what evidence an institution must show to confirm that it meets the accreditation requirements. For example, the NIEs in Rwanda and Uruguay report that their biggest challenge was not in meeting the standards of the Adaptation Fund, but rather understanding what documentation they should submit as evidence. According to the NIE in Uruguay, it was not entirely clear, for example, how to identify documents that describe internal procurement, financial management, or project appraisal processes.

Institutions can turn to several different sources for further understanding of the accreditation requirements. One key source is the international funds themselves. Institutions in Costa Rica, Kenya, and Namibia report that they initially hesitated to ask such questions of the Adaptation Fund, fearing that this might be interpreted as a lack of

Figure 2 | Time from Nomination to Accreditation



capacity to meet requirements. Their opinion changed once they contacted the fund. Members of the Adaptation Fund Board Secretariat also urged candidates to reach out to the secretariat for assistance. NIEs from Rwanda and Jamaica mention that visits to their countries by the adaptation panel, with support from the secretariat, were particularly helpful.

In seeking to understand and meet accreditation requirements, institutions have also received support from other development partners. Benin's NIE, the FNEC, for example, leveraged readiness support from the German government to overcome challenges in the accreditation process. According to the FNEC, the support helped strengthen the institution's project management and monitoring capacity, which facilitated accreditation by the Adaptation Fund.

Finally, national institutions have found workshops and other events that emphasize South-South learning to be useful. For example, Rwanda and Kenya report benefiting from a workshop organized by the UNFCCC Secretariat in Senegal in 2011. The workshop allowed for engagement between NIEs at different phases of the accreditation process. According to the Rwandan and Kenyan institutions, the interaction led to the creation of more robust applications and subsequently to their accreditation by the Adaptation Fund. Some candidates have proactively reached out to other NIEs for advice. For example, institutions in Tanzania and Ethiopia asked Rwanda to share tips and insights on how to address challenges in the accreditation process. The NIEs in Morocco and Benin made a similar request to the NIE in Senegal.

3.1.2 Do Not Underestimate Financial Resources Needed to Complete the Application Process

Many institutions have found the accreditation process costly and time-consuming. The board of the GCF has committed to providing grants of up to \$1 million per year to each developing country to support readiness activities, including support for accreditation processes. The Adaptation Fund's Readiness Program for Climate Finance has also provided readiness support to prospective NIEs. This initiative includes a series of seminars on climate finance, online tools for knowledge exchange, and a so-called South-South Grants Program, which aims to enable experienced NIEs to assist other institutions seeking funding from the Adaptation Fund. In addition, numerous organizations have made themselves available to help countries develop their ability to access climate funds, including UNEP, UNDP, and the German government, among

others. NIEs recommend that countries take advantage of this support in a strategic way to ensure that the resources are channeled toward the areas with the greatest need.

Interviewees also emphasize that those seeking accreditation should expect to use their own domestic resources to cover unexpected expenses associated with the accreditation process. For example, institutions from non-English-speaking countries—including Benin, Costa Rica, Panama, Peru, Senegal, and Uruguay—have spent resources translating documents into English, as has been required to date at the Adaptation Fund and the GCF. The NIEs in Peru and Costa Rica underscored the need for highly specialized translation services to secure high-quality translation of the technical documents required in the application, including financial statements and project contracts. Institutions have also needed to pay for capacity-building efforts. The NIE in Namibia, for example, paid for a training on risk management for its staff.

3.1.3 Create a Team and Designate a Team Leader

One common strategy to speed up the accreditation process is to rely on a team of people to prepare the application, rather than an individual. Argentina, Costa Rica, Kenya, South Africa, and Uruguay created committees composed of staff from relevant departments to better coordinate the preparation of the application and address feedback from the Adaptation Fund and the GCF (see Box 6). An assessment of the experience of the NIE in Rwanda, meanwhile, indicated that the application process could have been completed faster had the institution relied on a committee rather than an individual.

Applications for accreditation require a broad array of information, which is generally housed in different parts of the institution. Institutions have found that relying on a team can help those writing the application more easily access these pieces of information. Bringing together a group of experts can also help ensure that the application reflects the organization's true knowledge base. Finally, creating a team can reduce the risk of interruption in the application process resulting from unexpected staff turnover or absence.

At the same time, NIEs have generally found it useful to designate one or two individuals as team leaders. These individuals are responsible for ensuring that applications are written in a coherent and timely manner. Some institutions have used internal staff for this position, while others have hired external consultants.

Box 6 | ANII’s Success Factor in the Application Process: Creating a Dedicated Team to Prepare Documentation

Uruguay’s Agencia Nacional de Investigación e Innovación (ANII) was accredited by the Adaptation Fund in 2010. ANII is a key implementer of Uruguay’s National Strategic Plan in Science, Technology, and Innovation, which addresses environmental protection. ANII has established a track record of executing development projects funded by the Inter-American Development Bank, the World Bank, and the European Commission. Over time it has documented and certified its operational processes. The government recognized all these attributes and put ANII forward for accreditation by the Adaptation Fund.

The application process lasted five months, a brief period compared to the experience of most NIEs. After the first submission of the application, the Adaptation Fund requested clarification and further documentation on issues including the following:

1. Fiduciary standards and financing documentation, such as documentation of external audits, monthly financial reports, annual budgets and operating plans, payment and disbursement systems, and project field audits.
2. Institutional capacity, including the law that created ANII, manuals for technical and financial assessments and projects, and the full manual of risk assessment instruments and procedures.
3. Information and project management, including examples of quarterly reports of projects with detailed budgets and numbers of beneficiaries, the online system to make information on projects between \$25,000 and \$1 million available to the public, and the monitoring and evaluation systems.

Although ANII had access to this documentation, the institution found it challenging to gather and translate the information in a timely manner. A dedicated team committed to answering requests received from the relevant fund secretariat was key to ANII’s success.

3.1.4 Ensure and Maintain Full Institutional Buy-In

Several accredited institutions emphasize the value of having support for the accreditation process from the institution’s senior level. A clear mandate from upper management can help ensure that the application team has adequate staffing and authority to access relevant information within the institution. The CEO of SANBI, South Africa’s NIE, made the decision to seek accreditation by the Adaptation Fund, which helped different departments across the institution work together toward this goal. At NEMA, the Kenyan NIE, the team tasked with completing the application to the Adaptation Fund and the GCF found benefit in showing senior management how the accreditation process was relevant to—and benefited—the entire institution. Securing senior level buy-in was fundamental to securing internal resources to cover the expenses associated with the application process. They sought, for example, to make sure that the question of accreditation consistently appeared on the agenda of senior management meetings.

NIEs also highlight that political support from the DA and relevant ministers helped them address administrative procedures that often slow down the application process. For example, the Adaptation Fund requested that SANBI

prove that climate change adaptation was within its scope of work. SANBI’s legal mandate was to work on the protection of biodiversity, and there was little legal basis to support its role in adaptation. To address this issue, the minister of environmental affairs sent a letter explaining SANBI’s role in adaptation, which helped show the Adaptation Fund the relevance of SANBI’s work.

3.2 Ensuring Capacity

As we have seen, meeting the required standards can be difficult for some institutions. Below are some examples of how institutions have dealt with this challenge.

3.2.1 Using Flexibility and Creativity

Some NIEs report that an ability to adjust processes and policies to accommodate accreditation requirements can facilitate the application process. NIEs with more flexibility in how they create and implement new policies may have an easier time in the accreditation process than, for example, ministries that must go through the legislative process to make substantial changes. The Adaptation Fund NIE in Argentina, for example, benefited from being a relatively small institution with a simple corporate structure, which enabled it to easily adapt to new require-

ments. The board of the FNEC, the NIE to the Adaptation Fund in Benin, has budgetary autonomy from the national government, which gave it institutional flexibility to reallocate funds for unexpected costs associated with the accreditation process.

Other institutions have found it valuable to think about various options for how to meet the standards in a manner that fits the institution's context. Small institutions may be able to implement modified versions of the requirements. For example, the NIE in Costa Rica did not have an internal auditor, an important accreditation requirement for the Adaptation Fund. Hiring a full-time employee would have posed a heavy financial burden for the NIE, an NGO of 15 or so employees with limited financial resources. As a compromise, the institution hired a part-time internal auditor who could comply with the fiduciary standards.

3.2.2 Document the Institution's Processes

All NIEs interviewed for this paper emphasized the need to formalize procedures and policies to easily prove compliance with the accreditation requirements. While most entities follow procedures in their day-to-day operations, it has commonly proven hard for applicants to identify specific documents—such as manuals, guidelines, and templates—that capture these processes in sufficient detail to prove compliance.

Countries with well-documented processes, like Uruguay, Jamaica, Peru, and Panama, experienced fewer difficulties when seeking accreditation by the Adaptation Fund than those that lack formalized procedures.

3.2.3 Be Prepared to Provide Confidential Information

In a few cases, national entities felt that some application requirements asked them to provide confidential information to the Adaptation Fund or the GCF. For example, the Adaptation Fund requests internal audit reports to show compliance with fiduciary standards in the application process. In the case of Jamaica, the board of the NIE did not initially approve disclosure of the audit reports because it believed they were confidential. Eventually a compromise was struck whereby the NIE board shared with the Adaptation Fund a list of sections from the reports that the panel was willing to disclose. The NIE then included in the application the sections of the internal audit reports that the Adaptation Fund selected from the list. The NIE in Kenya also expressed discomfort with disclosing some of the information requested by the

Box 7 | Tips for a Strong Application According to the Adaptation Fund Board Secretariat

According to the Adaptation Fund Board Secretariat, strong applications for accreditation often include the following elements:

- *Good understanding of the evidence needed to prove compliance.* Accreditation requirements are the same for all institutions, but evidence to prove compliance varies from one institution to another.
- *Responsiveness and leadership.* A fully dedicated team that prepares the application and addresses comments often increases success in the application process.
- *Good communication.* Good channels of communication with the secretariat facilitate preparation of the application and submission of clarifications and additional documentation. Often, national institutions don't fully understand the feedback and additional documentation requested by the Adaptation Fund through e-mails. In most of the cases, a teleconference helps clear doubts.

Adaptation Fund, including minutes from board meetings, as these were normally held in confidence by the institution. Box 7 provides an overview of the Adaptation Fund's advice to accreditation applicants.

4. DESIGNING AND IMPLEMENTING PROJECTS AND PROGRAMS

Once a country has at least one accredited NIE, it is eligible to receive funding from the Adaptation Fund or the GCF through direct access. There is still somewhat limited experience globally with projects or programs implemented with funding directly accessed from the Adaptation Fund or the GCF. To date, the Adaptation Fund has approved 20 project proposals put forward by 12 NIEs. These projects are at different stages in the project cycle. The GCF approved its first eight projects in November, 2015. Two of these projects will be implemented by NIEs through direct access. Table 5 lists NIEs interviewed for this paper that have had projects approved by the Adaptation Fund, along with the projects they are implementing (or, in the case of Senegal, have completed). Some NIEs interviewed have found the process of project or program development and implementation to be at least as challenging as the accreditation process.

Table 5 | **Interviewed NIEs and Their Adaptation Fund Projects**

| NATIONAL IMPLEMENTING ENTITY AND COUNTRY | PROJECT NAME | PROJECT STATUS AS OF SEPTEMBER 2015 |
|--|---|--|
| Unidad para el Cambio Rural (UCAR), Argentina | Enhancing the Adaptive Capacity and Increasing Resilience of Small-Size Agriculture Producers of the Northeast of Argentina | Under implementation |
| Fundecooperación para el Desarrollo Sostenible, Costa Rica | Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors | Preparing for implementation |
| Planning Institute of Jamaica (PIOJ) | Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security | Under implementation |
| National Environment Management Authority (NEMA), Kenya | Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya | Proposal approved by the Adaptation Fund |
| Ministry of Natural Resources (MINIRENA), Rwanda | Reducing Vulnerability to Climate Change in Northwest Rwanda through Community-Based Adaptation | Preparing for implementation |
| Centre de Suivi Ecologique (CSE), Senegal | Adaptation to Coastal Erosion in Vulnerable Areas | Finalized |
| South African National Biodiversity Institute (SANBI) | Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change | Proposal approved by the Adaptation Fund |
| | Building Resilience in the Greater uMngeni Catchment | Proposal approved by the Adaptation Fund |
| Agencia Nacional de Investigación e Innovación (ANII), Uruguay | Uruguay: Helping Small Farmers Adapt to Climate Change | Under implementation |

4.1 Identifying Appropriate Projects and Programs

When assessing the strength of proposed projects or activities, national institutions report the following lessons.

4.1.1 Understand the Relevant Fund’s Investment Priorities

In many ways, developing initiatives for Adaptation Fund or GCF support is similar to creating other types of development projects or programs. The main difference is that recipients receiving funding through direct access are solely responsible for ensuring that initiatives meet the unique requirements of the relevant fund. One piece of this is ensuring that activities proposed for funding support the fund’s overarching objectives.

Experiences with the Adaptation Fund indicate that institutions sometimes struggle to interpret project proposal criteria. A number of NIEs report having faced difficulties describing project activities in the level of detail required by the Adaptation Fund.

4.1.2 Ensure That the Proposed Project Is in Line with the Country’s Existing National Strategies, Plans, or Commitments

As we have noted, one of the reported motivations for seeking direct access is to mobilize funding for climate change activities that are in line with the country’s broader goals. If the country has put in place a national development or climate change strategy, or a different method for ensuring coordination across government activities,

institutions can take advantage of this when developing specific proposals.

For example, the Argentinean DA followed guidance by the Governmental Committee on Climate Change, which designated the agriculture sector as a priority area. Through additional vulnerability studies, the DA determined that farmers in the northern part of the country were highly vulnerable to climate change–induced water scarcity. As a result, the country sought and received funding from the Adaptation Fund for a water management program for small landholders.

4.1.3 Ensure That the Project Is Appropriate for the Accredited NIE

Different NIEs will be best suited to implement different types of projects. For example, some NIEs will be better placed to implement small-scale grant or microloan programs, while others will be structured to implement large-scale public-private partnerships for infrastructure modernization. If an accredited NIE is not well-suited to implement a particular activity, the country can consider putting another institution forward for accreditation. For example, the Adaptation Fund NIE in Senegal, the CSE, was recently accredited by the GCF. Right after this, it received a number of project proposals from the private sector. The CSE is not well-situated to handle private-sector projects, so Senegal is considering accrediting a second institution to the GCF.

4.1.4 Ensure That the Executing Entity Can Deliver the Proposed Project Activities

As we have noted, although NIEs are responsible for overseeing implementation of activities funded by the Adaptation Fund or the GCF, they are not meant to be responsible for actual project execution. This is the responsibility of the so-called executing entities (EEs). These entities are selected by the NIE and do not need to be accredited by the funds. NIE experience to date has indicated that a strong EE will have solid and clear procurement processes, monitoring and evaluation systems, reporting capacities, and an ability to uphold strong social and environmental safeguards. In addition, EEs often appear to function most effectively when they have a good understanding of the local context and close engagement with potential project beneficiaries.

NIEs have used different processes to select EEs. Sometimes EEs have emerged through a call-for-proposal

process. The EEs for the Adaptation Fund projects in South Africa and Costa Rica, for example, followed this approach. In Kenya, the NIE decided to combine 11 of the proposals that it received through the call for proposals into one project, and it initially listed the 11 civil society organizations that put these projects forward as EEs. The Adaptation Fund Board suggested that this might be too many to effectively manage, which led the Kenyan NIE instead to designate three government institutions as EEs.⁶ The 11 organizations remained engaged in a different capacity.

NIEs can also select EEs directly, without a call for proposals. The NIEs to the Adaptation Fund in Uruguay, Senegal, Rwanda, and Argentina took this approach.

4.1.5 Ensure Meaningful Engagement with Stakeholders

Nearly all NIEs interviewed report stakeholder engagement as key to successful project selection and implementation. They emphasize that while the project selection process often gives rise to trade-offs between time, cost, and diligence, governments should not underestimate the value of engaging a spectrum of government and non-governmental entities.

The term *stakeholders* can refer to a variety of actors, from government entities to private investors to local community members. It can include both those likely to affect the successful implementation of planned activities and those likely to be affected. Identifying and engaging relevant stakeholders can be time-consuming and is often not without challenges.

Interviewed NIEs that held stakeholder consultations recommend taking the time to ensure that all important stakeholders have a chance to weigh in on project development. Such engagement can support the creation of robust projects and initiatives and help ensure that the concerns and perspectives of project beneficiaries are taken into account. Without agreement among key stakeholders, conflict can arise during project implementation.

The NIE in Jamaica, for example, reports that it may have been beneficial to put more effort into continuously engaging with stakeholders throughout the project cycle. While the NIE did consult local communities and private-sector stakeholders located in the project site during project preparation, disagreement over project design later arose. As a result, the NIE had to conduct a new feasibility study to accommodate stakeholder requirements.

Table 6 | **Engaging with Stakeholders in Project Selection**

| NATIONAL IMPLEMENTING ENTITY AND COUNTRY | CALL FOR PROPOSALS | STAKEHOLDER CONSULTATIONS | MULTI-STAKEHOLDER COMMITTEES | INTERNAL DISCUSSION BETWEEN THE NIE AND GOVERNMENT ACTORS | DESCRIPTIONS |
|---|--------------------|---------------------------|------------------------------|---|---|
| Unidad para el Cambio Rural (UCAR), Argentina | | | | | A government committee on climate change selected a project that was presented by the Office of Risk for Agriculture and Livestock of the Ministry of Environment and Livestock. |
| Fundecooperación Para el Desarrollo Sostenible, Costa Rica | | | | | The NIE held an open call for proposals and assessed project ideas against a set of criteria set by the NIE's board. |
| Planning Institute of Jamaica (PIOJ) | | | | | The NIE held a limited call for proposals. A working group composed of representatives from academia, government, NGOs, the private sector, and development partners selected the project idea from the participants' proposals. |
| National Environment Management Authority (NEMA), Kenya | | | | | The NIE held a call for proposals. The project was selected by a committee composed of NIE staff from different departments and two representatives of the DA. |
| Ministry of Natural Resources (MINIRENA), Rwanda | | | | | The NIE consulted different government actors, who proposed project ideas for Adaptation Fund support. The Technical Coordinating Committee of the Green Growth and Climate Resilience Strategy, composed of government agencies as well as NGOs and private sector actors, approved the project idea. |
| Centre de Suivi Ecologique (CSE), Senegal | | | | | The national government had identified the project and decided to mobilize resources from the Adaptation Fund to support it. |
| South African National Biodiversity Institute (SANBI), South Africa | | | | | The NIE requested Adaptation Fund support for two projects. One project was proposed by the government and stakeholders were consulted to provide input into its final design. The second project idea came from stakeholder consultations held by the NIE. |
| Agencia Nacional de Investigación e Innovación (ANII), Uruguay | | | | | The Council of Ministers picked a project proposed by the Ministry of Agriculture and Livestock since the National Plan for Climate Change had identified agriculture and livestock as the sector most vulnerable to climate change. Later, the NIE and the EE consulted communities in the project site to get their ideas and feedback on projects for Adaptation Fund support. |

There are various ways in which governments can encourage projects with adequate stakeholder support. A good number of NIEs used more than one. Table 6 summarizes how interviewed NIEs engaged with stakeholders in the project selection process.

Consultations – In South Africa, the NIE involved civil society in project selection by hosting a stakeholder workshop on the NIE’s plans. The aim was to help stakeholders understand the process while allowing the NIE to better understand the audience’s priorities. Rwanda similarly consulted various stakeholders during the project planning phase. The NIE met with civil society, the private sector, line ministries, churches, and other actors. This process helped the institution identify the needs and priorities of key stakeholders, and to put together a project that encourages local ownership.

Multistakeholder Bodies – In Costa Rica, the board of the NIE is composed of stakeholders from different sectors, which reportedly helped the NIE more effectively assess project proposals and potential executing entities. In South Africa, a steering committee—including representatives from the national treasury, the national planning commission, and a civil society coalition—helped assess project proposals and determine the winning project idea.

Call for Proposals – Kenya, Costa Rica, and Jamaica each held a call for proposals for projects to submit to the Adaptation Fund. The calls for proposals generally proved popular, and several countries, including Kenya, received more proposals than expected. The process usually began with a public meeting on the concept. This was followed by a period for submitting proposals, which were then commonly reviewed by a committee to select the top project or projects. While valuable, the call-for-proposals process proved challenging for some NIEs to implement effectively. Participants in the call often had limited capacity to develop strong project proposals, and hosting a call for proposals is relatively expensive and time-consuming (see Box 8 for an example from Kenya).

4.2 Easing Approval of Project and Program Proposals

Similar to experiences with the accreditation process, several NIEs interviewed report that project development and approval at the Adaptation Fund took more time and resources than initially expected.

Box 8 | Kenya’s Call for Proposals for the Adaptation Fund

NEMA, Kenya’s NIE to the Adaptation Fund, decided to have a call for proposals to select its project for Adaptation Fund support. The call was open from November 2012 to January 2013. During that time, NEMA held trainings to help potential applicants ensure their project proposals met the requirements for project submission. NEMA received an unexpected turnout of 102 proposals, a volume that challenged its capacity to effectively assess them.

A committee composed of NEMA’s experts on climate change, financial management, and procurement was tasked to evaluate the proposals. Each proposal was assessed by at least three experts and against a set of criteria that included technical indicators (how the project addresses climate change, how the project helps deliver national priorities) and financial indicators (financial structure and sustainability).

In the first round, 20 proposals were shortlisted. However, these came from the same region. The committee then decided to add new indicators on geographic balance, gender, and availability of funds. The second round resulted in the selection of 11 projects, which were packaged in a project proposal approved by the Adaptation Fund in 2014.

4.2.1 Understand the Project Approval and Administrative Procedures

The Adaptation Fund Board Secretariat recommends that national institutions make an effort to fully understand the relevant project approval process and expected timelines to avoid frustration. This information is available through the relevant fund secretariat, as well as other readiness providers. As we have mentioned, both the Adaptation Fund and the GCF allow for a two-step approach to project implementation. Under this approach, institutions can submit initial concept notes before sending in a full project proposal. The NIEs to the Adaptation Fund in Argentina, Costa Rica, Jamaica, Senegal, South Africa, and Uruguay took advantage of this approach, which they found beneficial.

A number of NIEs emphasize that administrative procedures within their own country delayed project approval. They stress the value of creating a clear system of approval within the country.

4.2.2 Take Advantage of Available Resources

As with the accreditation process, countries also report having benefited from taking advantage of readiness support from the Adaptation Fund, the GCF, other NIEs, and other third-party readiness providers aimed at developing project pipelines. GCF and Adaptation Fund support for institutional readiness (mentioned above) can also be used to help develop project pipelines. The Adaptation Fund has provided “project preparation grants” specifically to support project implementation. NIEs report that they have used these resources to partially cover translation services, staff time, consulting services, assessments and feasibility studies, as well as costs of calls for proposals and stakeholder consultations. They also report having found learning from peer countries helpful to the project selection process. For example, the NIE from Costa Rica reports having gained lessons on how to implement a call for proposals from Jamaica and South Africa at a workshop organized by the Adaptation Fund.

4.3 Facilitating Implementation⁷

At the time we write this paper (October 2015), Senegal is the only institution to have brought a project to completion through direct access to the Adaptation Fund (see Box 9). NIEs in Argentina, Jamaica, and Uruguay are in the middle of project implementation. Together these institutions suggest some key focus areas for this stage of the direct access process.

4.3.1 Building the Capacity of Executing Entities

Interviewees report that capacity gaps of EEs have been a main cause of delays in project implementation. They emphasize therefore that NIEs should be aware of any gaps in EE capacity and be prepared to bridge them to facilitate project implementation in a timely manner. In Costa Rica, for example, the NIE spent over 3 months training EEs on environmental and social safeguards and other relevant Adaptation Fund requirements. The NIE in Argentina also spent significant time helping the EEs develop procurement policies and monitoring and evaluation systems.

According to interviewees, the type of support provided by NIEs to EEs covered such topics as monitoring and evaluation, financial management and reporting, transparency, stakeholder consultation, and environmental and social safeguards.

Box 9 | Project Planning and Implementation in Senegal

In 2010 Senegal was one of the first countries to receive approval for its project proposal to the Adaptation Fund. Prior to that date, the government of Senegal had put together its National Adaptation Plan of Action (NAPA), which gives details on the country’s priorities for adapting to climate change. Implementing its NAPA was a main driver behind the country’s application for accreditation by the Adaptation Fund. Once the country became accredited, the NIE, the Centre de Suivi Ecologique (CSE), knew that its first project would be an activity in line with the NAPA: a project against coastal erosion.

Overall, the project is considered to have been successful. According to a 2014 Senegalese newspaper article, the beneficiary communities are grateful for the funds received for the project (Sane 2014). Creating and implementing the project posed some challenges, however.

The development of the project proposal took about 6 months. Senegal did not use a call for proposals for this first project. The NIE already had a concept prepared and only needed to seek endorsement from the DA.

The CSE is a small institution that operates mainly in French. In order to meet the demands associated with developing a successful project, it hired a consultant and contracted for translation services. It also organized stakeholder consultations. While it received a grant from the Adaptation Fund Board Secretariat to help pay the cost of project preparation, the grant did not arrive until after the process was completed. The Adaptation Fund provided \$8.6 million in grant funding for implementation of the proposed project.

During the implementation phase of the project, the CSE had to oversee three executing entities, a new role for the institution. Among other things, the CSE coordinated a workshop on procurement for the executing entities.

Sources: Adaptation Fund, 2015b; Sane, 2014.

4.3.2 Engaging Stakeholders in Project Implementation

Just as stakeholder engagement is important in the project selection process, interviewees emphasize the value of continuing such engagement through project implementation. NIEs in Argentina, Jamaica, Uruguay, and Senegal suggest that having an effective channel of communication with stakeholders through consultations, field trips, interviews, and so on, helped them manage expectations around project implementation and adjust project activities to the context of the communities.

4.3.3 Developing Strong Monitoring and Evaluation Systems

Monitoring and evaluation (M&E) is an important function of any implementing entity. Most NIEs that have reached the stage of project implementation emphasize that the development of robust M&E systems demands significant time and thought. The NIEs that have gone further down the road in project implementation affirm though that effective M&E systems not only allow them to prepare reports to the Adaptation Fund, but they also allow NIEs to adjust activities to secure project outcomes and manage risks.

For example, the Uruguayan NIE received approval from the Adaptation Fund for a project that grants resources to small farmers who need capital to implement sustainable land management and agricultural practices. The NIE concluded from monitoring reports that to reach the project's goal before the due date it was necessary to grant 50 loans a year. For this, it was necessary to increase the number of applications by 70% (to a total of 700 applications). To achieve this target, the NIE and EE conducted field trips in different locations so loan recipients could talk to their peers about the benefits of the grants and how they could submit proposals. Without the proper monitoring and evaluation system, it would have been difficult to make accurate estimations and, most important, to take actions to meet project goals.

5. CONCLUSION

The introduction of “direct access” modalities in the realm of climate finance has opened new opportunities to strengthen country ownership and increase the capacity of institutions in developing countries. Taking advantage of direct access opportunities is often not easy for national institutions. Countries seeking direct access to finance must be ready to invest significant effort and resources. Some countries may find it more beneficial to only utilize international intermediaries at this time. In the end, though, many have found the direct access process worth the effort, not least because it has helped them strengthen their own institutions.

This paper has provided an overview of some of the key lessons emerging from countries seeking direct access to finance from the Adaptation Fund or the GCF. It has focused on exploring the three main stages in gaining such access: preparing for engagement, securing accreditation, and creating and implementing appropriate projects. Representatives from national institutions emphasize that countries benefit from having a clear national strategy for combating climate change before seeking direct access from the climate funds. They also note the importance of designating a strong set of institutions to implement and oversee the process, and ensuring that these actors work together effectively.

Both the Adaptation Fund and the GCF require accreditation of the national entities that will oversee implementation of projects or programs. Those interviewed for this paper emphasize the value of understanding the accreditation requirements and preparing the required resources. They also recommend ensuring full buy-in from the senior level of the institution, and investing in the institution's capacity to ensure that it can live up to relevant standards.

In terms of developing and implementing projects, institutions that have engaged with this process to date suggest focusing on projects that align with the priorities of the relevant fund, country, NIE, and stakeholders. They also recommend ensuring that those responsible for developing project proposals be familiar with the relevant fund's requirements, and that they take advantage of resources available from the fund and elsewhere to support proposal development. When it comes to project implementation, national institutions suggest being prepared to train executing entities as necessary. They also emphasize the value of continuously engaging a variety of stakeholders, and of focusing on monitoring and evaluating impacts in order to adapt to change.

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ENDNOTES

1. In the context of the GCF, access to funds by certain regional entities is also termed *direct access*.
2. In the context of the GCF, access to funds by certain regional entities is also termed *direct access*.
3. The four regional banks include the African, Asian, European, and Inter-American Development Banks as implementing agencies.
4. National institutions that are successful in the accreditation process at the GEF are referred to as GEF partner agencies. As of October 2015, the GEF has accredited one national institution as a partner agency, the Fundo Brasileiro para a Biodiversidade, and is considering an application by China's Ministry of Environmental Protection.
5. Section 2.1 builds on follow-up questions to the initial interviews. Not all national institutions were available to answer follow-up questions. National institutions from Argentina, Costa Rica, Senegal, Rwanda, Panama, Peru, and Uruguay answered these questions. See Appendixes 1 through 4 for more detail on questions, follow-up, and interviewees.
6. The three EEs include the Coast Development Authority, the Kenya Forestry Research Institute, and the Tana and Athi River Development Authority.
7. This section captures lessons and recommendation from the experience of the NIEs to the Adaptation Fund in Argentina, Jamaica, Senegal, and Uruguay, which have reached the stage of either project implementation or closure.

APPENDIX 1. STAKEHOLDERS INTERVIEWED

| ORGANIZATION | TYPE OF ORGANIZATION | NAME | TITLE |
|--|---|----------------------------------|---|
| Adaptation Fund Accreditation Panel | International climate fund | Peter Maertens | Member of Adaptation Fund Accreditation Panel |
| Adaptation Fund Board Secretariat | International climate fund | Dima Reda | Operations officer |
| Adaptation Fund Board Secretariat | International climate fund | Daouda Ndiaye | Senior climate change specialist |
| Adaptation Fund Board Secretariat | International climate fund | Aisha Shaikh | Accreditation & communication assistant |
| Agencia Nacional de Investigación e Innovación (ANII), Uruguay | National implementing entity to the Adaptation Fund | Beatriz Prandi | Adviser to the CEO |
| Centre de Suivi Ecologique (CSE), Senegal | National implementing entity to the Adaptation Fund and the GCF | Déthié Soumaré Ndiaye | Coordinator, Climate Finance Unit |
| Climate Change Directorate and National Institute of Meteorology of the Ministry of Environment and Energy (MINAE), Costa Rica | Designated authority to the Adaptation Fund | William Alpízar | Director |
| Desert Research Foundation of Namibia (DRFN) | National implementing entity to the Adaptation Fund | Viviane Kinyaga | Former director of DRFN |
| Desert Research Foundation of Namibia (DRFN) | National implementing entity to the Adaptation Fund | Olla Aldrich | Consultant |
| Fondo de Promoción de las Áreas Naturales Protegidas del Perú (PROFONANPE) | National implementing entity to the Adaptation Fund and the GCF | María del Carmen Cerpa Sierralta | Administration and finance director |
| Fondo de Promoción de las Áreas Naturales Protegidas del Perú (PROFONANPE) | National implementing entity to the Adaptation Fund and the GCF | Natalia Ortiz | Programs and projects specialist |
| Fonds National pour l'Environnement et le Climat (FNEC), Benin | National implementing entity to the Adaptation Fund | Mathieu Biaou | Director for FNEC resources mobilization |
| Fundación Natura, Fundación para la Conservación de los Recursos Naturales, Panama | National implementing entity to the Adaptation Fund | Rosa Montañez | General director |
| Fundación Natura, Fundación para la Conservación de los Recursos Naturales, Panama | National implementing entity to the Adaptation Fund | Vilna Cuellar | Financing manager |

| | | | |
|--|---|-------------------------|--|
| Fundecooperación para el Desarrollo Sostenible, Costa Rica | National implementing entity to the Adaptation Fund | Carolina Reyes | Project official |
| Ministerio del Ambiente, Peru | Designated authority to the Adaptation Fund and the GCF | Viviana Zaldívar Chauca | Adviser to the Ministry of Environment |
| Ministry of Housing, Land Planning and Environment, Uruguay | Designated authority to the Adaptation Fund | Luis Santos | Technical adviser |
| Ministry of Environment and Natural Resources (MINIRENA), Rwanda | National implementing entity to the Adaptation Fund and the GCF | Innocent Musabyimana | Director of planning, M&E |
| National Environment Management Authority (NEMA), Kenya | National implementing entity to the Adaptation Fund | Wangare Kirumba | Head of the NIE committee |
| Planning Institute of Jamaica (PIOJ) | National implementing entity to the Adaptation Fund | Claire Bernard | Deputy director general |
| South Africa National Biodiversity Institute (SANBI), South Africa | National implementing entity to the Adaptation Fund | Mandy Barnett | Director |
| Unidad para el Cambio Rural (UCAR), Argentina | National implementing entity to the Adaptation Fund | Laura Abram Alberdi | Consultant, coordination of project implementation |
| Unidad para el Cambio Rural (UCAR), Argentina | National implementing entity to the Adaptation Fund | Mario Nanclares | Head of the Social and Environmental Unit |

APPENDIX 2. INTERVIEW QUESTIONS FOR ADAPTATION FUND NIES

Initial interview questions

Motivation to seek accreditation and country context

1. Why did you seek direct access?

Accreditation by the Adaptation Fund (AF)

1. NIE selection process
 - How was the choice of institution to apply for NIE made?
 - Who was/what institutions were consulted?
 - What other institutions (if any) were considered?
 - What was the role of the designated authority?
2. Application
 - Challenges and specific gaps
 - Readiness support by the AF secretariat, domestic institutions, and/or other readiness providers
 - Application process: How long did it take?
 - Benefits of direct access
 - Lessons for other countries seeking accreditation

Project development and approval (if applicable)

1. Selection of project, target sector, etc., for funding (criteria and decision-making process)
2. Development of project proposal and timing
3. Challenges in project development and project approval
4. Challenges in project implementation
5. Capacity building/readiness support
6. Sources of funding for the project and executing entities involved
7. M&E for projects
8. Potential for scaling up project(s)
9. Lessons for other countries that are about to start project preparation, development, and implementation

Looking ahead to the Green Climate Fund

1. Has your institution considered the fast-track accreditation by the GCF?
2. Expected challenges in seeking accreditation by the GCF (e.g., interinstitutional coordination, environmental and social safeguards)
3. Lessons from the Adaptation Fund for the GCF
4. Has your institution received/requested readiness support from domestic institutions, the GCF, and/or other readiness providers?

Follow up questions

1. When seeking direct access, did you have a good understanding of
 - How the AF/GCF funding would fit into the country’s objectives/goals on how to achieve low-carbon, climate-resilient development
 - Priority sectors for climate change interventions, perhaps even specific projects
 - The roles that each national institution will play in direct access in particular, and in climate finance more broadly
 - Financing plan (sources and financing gaps)
 - AF/GCF’s role in the country’s funding structure
2. If the answer of any of the above is yes,
 - How did you gain that understanding?
 - Did that understanding help you engage with the AF/GCF and pursue direct access? How and why?

APPENDIX 3. INTERVIEW QUESTIONS FOR DESIGNATED AUTHORITIES TO THE ADAPTATION FUND

Selecting an institution

1. Decision-making process (stakeholder consultation, options, criteria, etc.)
 - How was the choice of institution to apply for NIE made?
 - Who was consulted?
 - What other institutions (if any) were considered? (including international institutions)
2. What was the role of the designated authority?
3. Challenges in the accreditation process
 - Did your institution face information gaps and challenges regarding the accreditation process?
 - Were there any failed attempts at accreditation by another institution in the country?
4. Did your organization receive support or guidance from the secretariat, domestic institutions, or other readiness providers to help in the selection of the NIE?
5. What guidance would you provide to other countries looking to pursue a direct access approach, or to other institutions looking to apply for accreditation?

Looking ahead to the Green Climate Fund (GCF)

1. What lessons could the GCF learn from the Adaptation Fund?
2. Direct access in the AF vs. the GCF (challenges, opportunities, processes)
 - How do you see the role of the NDA to the GCF differing from/following close to the DAs to the AF? Do you envision barriers/challenges/opportunities to build on the experience with the AF?
 - How do you see the process of accreditation by the GCF being similar to or different from that of the Adaptation Fund?
3. How is having direct access to climate funds more beneficial to your country?
4. Looking ahead: anticipated readiness support
 - Based on your experience with the AF, what kind of readiness support do you anticipate needing to access the GCF?
 - Can you briefly describe any challenges regarding the coordination?
 - How do you view the process with the GCF? How can NIEs/NDAs be better placed to access GCF funds?
5. Do you anticipate that the Adaptation Fund NIE will become a NIE to the GCF? Why or why not?

Follow-up questions

1. When seeking direct access, did you have a good understanding of
 - How the AF/GCF funding would fit into the country's objectives/goals for how to achieve low-carbon, climate-resilient development
 - Priority sectors for climate change interventions, perhaps even specific projects
 - The roles that each national institution will play in direct access in particular, and in climate finance more broadly
 - Financing plan (sources and financing gaps)
 - AF/GCF's role in the country's funding structure
2. If the answer of any of the above is yes,
 - How did you gain that understanding?
 - Did that understanding help you engage with the AF/GCF and pursue direct access? How and why?

APPENDIX 4. INTERVIEW QUESTIONS FOR ADAPTATION FUND ACCREDITATION PANEL/SECRETARIAT

Accreditation by the Adaptation Fund

1. NIE selection process

- What do you recommend to DAs when considering entities for accreditation by the AF?

2. Accreditation

- What were the most common challenges or causes of delay encountered by applicants during the accreditation process?
- What are the most common gaps or deficiencies that institutions face in complying with the accreditation requirements? Are there particular trends that you see? (e.g., in types of institutions, size of institutions, etc.)
- What are the gaps/challenges that more often result in an unsuccessful application?
- What approaches/strategies/ways forward have helped countries overcome major challenges/gaps in the application process?
- Do countries start the application process with reasonable time estimations? If not, what could be done to address (i) the speed of the process and/or (ii) the expectations set at the outset?
- To what extent is there flexibility within the assessment by the accreditation panel to accommodate the specific context and capacities of each institution? How are these institutional differences taken into account?
- To what extent does the secretariat/accreditation panel engage with the applicant entity during the assessment process?
- Is the panel/secretariat revising forms/questionnaires or working on a tool/framework to help countries overcome challenges with the application process?

3. Environmental and social policy

- Why was the environmental and social policy (ESP) developed?
- What do you anticipate to be the main challenges for institutions in complying with the ESP?

4. Streamlined accreditation approach

- What was the rationale for developing the streamlined approach?
- How does it differ from the regular accreditation approach in terms of (i) requirements for the accreditation/assessment process and (ii) restrictions on how much funding entities can access/other conditions?

5. Lessons for other countries seeking accreditation

- What guidance would you provide to other countries looking to pursue a direct access approach, or to other institutions looking to apply for accreditation?

6. Readiness support

- What do you see as the most pressing areas for readiness support, and what is the most appropriate mechanism to provide such support in your view?
- What type of support by the AF or third parties has proven to be effective for applicants/more demanded by countries? And why? What hasn't been effective?

7. Project development

- What role do DAs play in the project development process, if any? What role would you recommend they play? Is there any difference in the role of the DA under direct access vs. access through multilateral implementing entities (MIEs)?
- What guidance would you provide to countries in selecting a project? Any insights on what approach has worked well in different countries?
- Are there any trends/similarities/differences in project implemented through NIEs, regional implementing entities (RIEs), and MIEs in terms of (i) timelines; (ii) engagement of stakeholders; (iii) political buy-in; (iv) impact/effectiveness; (v) other aspects?
- How long does the process generally take to develop a proposal for submission, and from submission to project approval? Do IEs have realistic expectations of timeline?
- What were the major challenges encountered by NIEs during the project development process and in getting project approval? What recommendations would you make to NIEs to avoid such challenges?
- In cases (if any) where a project failed to be approved, what were the most common reasons for such failure?
- What role do executing entities (EEs) play in the project development process? Any recommendations/guidance on selection and role of EEs?
- What support was provided by the secretariat/Project Review Committee for the project development/submission process? Has it been helpful/sufficient? What do you see as the key readiness needs of countries (DAs, IEs, EEs) with regard to project preparation, submission, and implementation?
- What role did the AF NGO network/civil society and other observers play in the project development and review process? Was this useful?

8. Beyond project approval

- What are the next steps after project approval and what role (if any) does the secretariat play?
- Once project implementation has started, what challenges, if any, have the projects encountered and how have they been managed? Any guidance to entities on the project implementation stage?

9. Any other points you wish to make?

APPENDIX 5. LIST OF NATIONAL INSTITUTIONS ACCREDITED BY THE ADAPTATION FUND AS OF OCTOBER 2015

| LEGAL ENTITY | COUNTRY |
|--|---------------------|
| Environment Division | Antigua and Barbuda |
| Unidad para el Cambio Rural (Unit for Rural Change - UCAR) | Argentina |
| Protected Areas Conservation Trust (PACT) | Belize |
| Fonds National pour l'Environnement et le Climat (FNEC) | Benin |
| Agencia de Cooperación Internacional de Chile | Chile |
| Fundecooperación para el Desarrollo Sostenible | Costa Rica |

| | |
|--|---------------------------------|
| National Bank for Agriculture and Rural Development (NABARD) | India |
| Planning Institute of Jamaica (PIOJ) | Jamaica |
| Ministry of Planning and International Cooperation (MOPIC) | Jordan |
| National Environment Management Authority (NEMA) | Kenya |
| Instituto Mexicano de Tecnología del Agua (IMTA) | Mexico |
| Micronesia Conservation Trust (MCT) | Micronesia, Federated States of |
| Agence pour le Développement Agricole (ADA) | Morocco |
| Desert Research Foundation of Namibia (DRFN) | Namibia |
| Fundación Natura | Panama |
| Fondo de Promoción de las Áreas Naturales Protegidas del Perú (PROFONANPE) | Peru |
| Ministry of Natural Resources (MINIRENA) | Rwanda |
| Centre de Suivi Ecologique (CSE) | Senegal |
| South African National Biodiversity Institute (SANBI) | South Africa |
| Agencia Nacional de Investigación e Innovación (ANII) | Uruguay |

APPENDIX 6. NATIONAL INSTITUTIONS ACCREDITED BY THE GREEN CLIMATE FUND AS OF OCTOBER 2015

| NATIONAL INSTITUTION | COUNTRY |
|--|---------|
| National Bank for Agriculture and Rural Development (NABARD) | India |
| Environmental Investment Fund of Namibia (EIF) | Namibia |
| Fondo de Promoción de las Áreas Naturales Protegidas del Perú (PROFONANPE) | Peru |
| Ministry of Natural Resources (MINIRENA) | Rwanda |
| Centre de Suivi Ecologique (CSE) | Senegal |

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ABOUT THE AUTHORS

Indira Masullo is a research analyst in the Sustainable Finance Center of the World Resources Institute.

Gaia Larsen is an associate in the Sustainable Finance Center of the World Resources Institute.

Lisa Dougherty-Choux was formerly a research analyst in the Vulnerability and Adaptation Initiative of the World Resources Institute.

Lisa can be reached at ldc717@gmail.com.

Louise Brown was formerly an associate in the Sustainable Finance Center of the World Resources Institute.

Louise can be reached at louisehelenbrown@gmail.com.

ABOUT WRI

World Resources Institute is a global research organization that turns big ideas into action at the nexus of environment, economic opportunity and human well-being.

Our Challenge

Natural resources are at the foundation of economic opportunity and human well-being. But today, we are depleting Earth's resources at rates that are not sustainable, endangering economies and people's lives. People depend on clean water, fertile land, healthy forests, and a stable climate. Livable cities and clean energy are essential for a sustainable planet. We must address these urgent, global challenges this decade.

Our Vision

We envision an equitable and prosperous planet driven by the wise management of natural resources. We aspire to create a world where the actions of government, business, and communities combine to eliminate poverty and sustain the natural environment for all people.

Our Approach

COUNT IT

We start with data. We conduct independent research and draw on the latest technology to develop new insights and recommendations. Our rigorous analysis identifies risks, unveils opportunities, and informs smart strategies. We focus our efforts on influential and emerging economies where the future of sustainability will be determined.

CHANGE IT

We use our research to influence government policies, business strategies, and civil society action. We test projects with communities, companies, and government agencies to build a strong evidence base. Then, we work with partners to deliver change on the ground that alleviates poverty and strengthens society. We hold ourselves accountable to ensure our outcomes will be bold and enduring.

SCALE IT

We don't think small. Once tested, we work with partners to adopt and expand our efforts regionally and globally. We engage with decision-makers to carry out our ideas and elevate our impact. We measure success through government and business actions that improve people's lives and sustain a healthy environment.



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