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PROGRESS REPORT ON THE PILOT ACCREDITATION OF GEF PROJECT AGENCIES

Constituency Meeting
October, 2015

Introduction

In October 2014 Council requested the **“Secretariat to present a paper regarding possible directions on accreditation in the context of evolving GEF business model, as a basis for discussion at the 49th meeting Council meeting.”**

The main possible directions on accreditation are:

- No additional Agencies are accredited – and hence remain with the current 18 agencies
- Additional Agencies are accredited, but only with limited strategic expansion
- Broad-based expansion where a large number of additional Agencies would be accredited.



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Strategic Issues to Guide Deliberations

These three possible directions have different costs, benefits, and trade-offs, which will affect the GEF's ability to accomplish its objectives. The key parameters for deliberations on future accreditation:

1. Coverage;
2. Competition;
3. Engagement;
4. Efficiency



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Strategic Issues - Coverage

Coverage: are there any gaps in the newly expanded GEF partnership where the GEF needs significant value-addition from additional Agencies?

- *A mapping exercise to explore whether the current GEF Partnership of 18 Agencies have the right set of skills and coverage to met the GEF's goals is needed to answer this question.*
- *The experience of newly accredited Agencies, particularly the three national Agencies, will be valuable to observe in the coming period to inform such analyzes.*
- *As the GEF increasingly seeks programs and projects that develop integrated solutions to the complex drivers behind environmental degradation, an important capability required of the GEF Partnership is to be bale to put together coalitions to promote change.*



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Strategic Issues - Competition

Competition: *would more Agencies increase competition for GEF resources, and is this desirable?*

- ***The IEO has observed that, as the number of Agencies has increased, competition among Agencies for GEF resources has also increased.***
- ***Some competition is a healthy aspect of a vibrant network***
- ***However, some forms of competition might also counter-productive***
- ***Further analysis on this aspect of the health of the Partnership would be useful in assessing how further accreditation might affect the above dynamics***



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Strategic Issues – System Efficiency

Competition: *would more Agencies mean more or less efficiency in delivering GEF finance?*

- ***It is likely that having more partners adds costs to the GEF, but this would need to be assessed over time.***
- ***An additional efficiency concern is the impact of accreditation on average GEF project size***



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Strategic Issues – Engagement

Engagement: *how would further accreditation impact Agency engagement in the GEF partnership?*

- ***Across both expansions of the Partnership, Agencies have demonstrated a continuous, strong desire to engage as partners, particularly in terms of policy and strategy development.***
- ***However, there are some risks from further expansion of the Partnership in terms of overall Agency engagement***



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Some general Observations

First, number of potential trade-offs within and between them. For example, between Agency coverage and system efficiency, between competition and collaboration, engagement and coverage, and also between competition and efficiency. Some trade-offs – such as on the question of Agency engagement - relate to the heart of the GEF business model, and may require further assessment.

Second, many of the possible impacts from further accreditation depend on the number of Agencies relative to the total amount of GEF funding available. For example, more Agencies in a larger replenishment would have a very different impact than more Agencies in a flat replenishment.

Third, a proper assessment of many of these issues will likely require more experience, data gathering, and analysis over time once the recently accredited Project Agencies have had more experience within the GEF Partnership.



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Recommended Council Decision

It is recommended that the Council deliberates on the issues above and provides guidance to the Secretariat on:

- (a) Whether the analysis presented in the paper identifies the right key issues for deliberation; and***
- (b) What further analysis is required from the Secretariat and IEO to expand on and provide further evidence to better answer the above questions and determine the future direction on accreditation?***

The Council could request that the Secretariat conduct further analysis on the key questions identified in the paper, providing an update on this work to the Council at its spring 2016 meeting. The Council could also deliberate on how IEO can take the accreditation pilot into account in the planned review of the health of the GEF Partnership as part of the Sixth Overall Performance Study of the GEF (OPS6).



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