



Procedure: PR/IN/04
May 21,2012

Procedure: Accreditation of GEF Project Agencies

Summary: This paper sets forth the key procedures for the accreditation of GEF Project Agencies.

Background: The present document outlines the Accreditation Procedure that the GEF will follow to accredit GEF Project Agencies, as contained in Council Document C.39/8/Rev.2 *Accreditation Procedure for GEF Project Agencies* (November 18th 2010). Modifications have been made to update the procedure based on Council Documents GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument* (April 26th 2011) and GEF/C.41/10/ Rev.1 *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards* (November 18th 2011).

Applicability: GEF Council, GEF Secretariat, GEF Trustee and GEF Accreditation Panel.

Approval date: May 9, 2011.

Sponsors: GEF Operations and Business Strategy Team.

Key Words: Accreditation, Broadening, GEF Project Agencies, Stage 1 Application.

I. Definitions

The following terms apply to this document and the Policy on Accreditation of GEF Project Agencies. They will be applied in the GEF Accreditation Procedure for Project Agencies under paragraph 28 of the GEF Instrument.

1. **Academic Institution:** A privately or publicly owned institute of higher learning or research, with activities in one or more countries.
2. **Accreditation Panel:** The panel to be constituted by the GEF Council that will review Stage 2 Applications for accreditation of GEF Project Agencies.
3. **Accreditation Panel Review:** A criteria-based review to be performed by the Accreditation Panel, which will include assessment of project performance capacity, agencies' governance framework, and environmental and social safeguards.
4. **Bilateral Development Agency:** A development agency of a GEF donor country that is entrusted with the task of coordinating and implementing aid efforts in one or more GEF recipient countries.
5. **GEF Agency:** Any one of the 10 institutions that were entitled to receive GEF Trust Fund resources directly as of November 2010. They include the following organizations: the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Fund for Agricultural Development, the United Nations Development Program, United Nations Environment Program, and the United Nations Industrial Development Organization.
6. **GEF Partner Agencies:** Those agencies eligible to request and receive GEF resources directly for the design, implementation, and execution of GEF Projects. This category includes both GEF Agencies and GEF Project Agencies.
7. **GEF Project Agency:** Any of the institutions that the GEF has accredited to receive GEF resources to implement and execute GEF-financed projects apart from the ten GEF Agencies.
8. **GEF Resources:** Resources from any GEF-managed trust fund, including the GEF Trust Fund, the Least Developed Countries Fund (LDCF), and the Special Climate Change Fund (SCCF).
9. **International Organization:** An organization established by treaty or other instrument governed by international law that includes more than one government among its members and has a personality distinct from that of its members.

10. **Multilateral Development Bank:** An institution operating at the international, regional or subregional level to provide financial support and professional advice for sustainable development activities.
11. **National Institution:** An institution or agency of public interest within a country, established under national law and operating at the national or sub-national level.
12. **Non-governmental organization:** An entity established under national law as a not-for-profit organization, operating at the sub-national, national, regional or international level.
13. **Regional Organization:** An international organization whose membership is restricted to countries to a specific region or sub-region of the world.
14. **Private Sector Entity:** An individual or collective entity, a corporation, a foundation, a consortium, a business association, or other entity established under national law as a for-profit organization, operating at the sub-national, national, regional or international level.
15. **Stage 1 Application:** The initial application of an applicant entity. It provides the Value-added information needed to perform the Value-added Review.
16. **Stage 2 Application:** The second application of an applicant entity, which will provide information on how the entity meets the GEF Minimum Fiduciary Standards and GEF environmental and social safeguard standards.
17. **Value-added Review:** The review to assess whether or not an applicant entity will provide sufficient added value to the GEF in terms of meeting its strategic objectives.
18. **UN Specialized Agencies and Programs:** The 17 international organizations that have a relationship agreement with the United Nations (i.e. UN specialized agencies), and the UN affiliated programs and funds financed through voluntary contributions.

II. Introduction

1. This document outlines the procedure that the GEF will follow to accredit agencies (to be called GEF Project Agencies) to the GEF partnership. These procedures are drawn from GEF Council Document C.39/8/Rev.2 and Council Document C.40/09. It outlines the responsibilities for the GEF Secretariat, GEF Accreditation Panel, and the GEF Trustee.

III. Procedure Requirements

3. The GEF Project Agency accreditation procedure will consist of the following Stages:

Stage 1: Submission of Stage 1 Application, Value-added Review, and Council approval;

Stage 2: Submission of Stage 2 Application and Accreditation Panel Review; and

Stage 3: Conclusion of Memorandum of Understanding and Financial Procedures Agreement.

4. As part of the Stage 1 Application, applicants will provide the GEF Secretariat with a letter from a GEF country operational focal point endorsing its application as a GEF Project Agency (hereafter referred to as a Project Agency endorsement letter). This requirement will apply to all applicants – both national institutions and international/multilateral institutions operating in multiple countries.

5. The Project Agency endorsement letter will need to identify the initial project for which the applicant is being endorsed. There are no restrictions on the type of project; it can be a single country project, a regional project, or a global project. In the case of regional or global projects, applicant entities will only need to receive an endorsement letter from the operational focal point of one of the countries in which the project will be implemented/executed. Moreover, Project Agency endorsement letters will only be required once, when an applicant entity is applying for accreditation. After an entity is accredited as a Project Agency, it will submit regular project endorsement letters for each subsequent project, as is required for the GEF Agencies.

6. The stages of the accreditation procedure include the following stages and sub-steps. The Secretariat will develop and maintain a tracking system to record progress on all applications received.

Stage 1: Submission of Stage 1 Application, Value-added Review, and Council Approval

Sub-Step1: Endorsement and Submission of Application

7. An entity that is interested in applying to become a GEF Project Agency will submit a Stage 1 Application Form. The purpose of the Stage 1 Application is to inform the GEF that an entity is interested in becoming a GEF Project Agency and describe how the entity will add value to the GEF partnership based on the Value-added Review Criteria discussed in Document GEF/C.39/7/Rev.2. The application will need to be accompanied by a letter from the GEF operational focal point of at least one GEF recipient country.

- (a) A GEF operational focal point will be limited to endorsing up to one and in an exceptional case two national institutions.
- (b) The Project Agency endorsement letter will need indicate the project or type of project that the potential GEF Project Agency would implement if accredited.

8. The GEF Secretariat will review the Project Agency endorsement letter and confirm its authority. The Secretariat will review the Stage 1 Application to ensure that it is complete and enter the applicant in an established tracking system.

Sub-Step 2: Value-added Review and Council Approval

9. The Stage 1 Application will be assessed by the GEF Secretariat according to a set of Value-added Review Criteria and according to a scoring procedure [agreed by Council]. The Value-added Review Criteria and scoring procedure are listed in Annex 1. Those applicants approved by Council will move forward to Stage 2. The Secretariat will notify the applicant of the Council's decision.

Stage 2: Accreditation Panel Review

10. Applicants approved by the Council will submit a Stage 2 Application Form that provides information on its ability to meet the GEF fiduciary standards adopted by the Council for GEF Agencies (hereafter referred to as the GEF fiduciary standards), which includes their ability to successfully implement GEF projects. The applicant will also need to provide information in the Application Form on its ability to meet the policy objectives and operational principles on environmental and social safeguard standards that are included in Annex 3 of this document. (The GEF Secretariat will develop the Stage 2 Application to reflect these criteria.)

11. The Secretariat will review the application to ensure that all sections and questions were answered and that sufficient information has been provided to enable the Accreditation Panel to perform its work.¹

12. After completeness has been ensured, the applicant will pay the required accreditation fee. (Note: For those applicants requiring a more in-depth review, an additional fee will have to be paid at a later in this Stage, as described below.) The Secretariat will then forward the completed application to the Accreditation Panel.

13. Next, the Accreditation Panel will conduct a criteria-based review of the application based on the GEF fiduciary standards, which include project and governance framework criteria and the environmental and social safeguard criteria. A description is further provided below. The Accreditation Panel Review will include three sub-steps:

- (a) Sub-step 1: Preliminary Assessment of each application. This step consists mostly of a desk review. The Panel may engage directly with the applicant to request further information in the form of alternative documentation, clarification of capabilities, or

¹ The GEF Secretariat can reject an application due to incompleteness if repeated attempts by the applicant to provide the required information do not substantially improve the application. Moreover, when the GEF Secretariat requests further documentation to complete an application, the applicant will have 45 days to respond to the Secretariat. Failure to do so may result in rejection of the application. In either case, the accreditation cycle would restart from the beginning if the applicant were to reapply.

identification of where short-term mitigation strategies might be possible. The interaction between the Panel and the applicant is solely focused on receiving more information.

- (b) Sub-step 2: Written assessment of each application: The Panel will develop a written report of its findings on each application. Based on its collective assessment, the applications will be grouped into three categories - “Approve”, “Requires Further Review” or “Rejection.” The Panel’s written report will explain the reasons for the assessment in each case. When the members are not in agreement on the assessment, which occurs when at least one member scores the application in the “Requires Further Review” category, the application is classified as “Requires Further Review.”
- (c) Sub-Step 3: Further Review of mid-range applicants: If the Panel places an applicant in the "Requires Further Review" category, the applicant will need to undergo a further review to be accredited. In such cases, the Panel and Secretariat will estimate the required amount of additional costs, to be paid prior to the start of additional review work. The Panel will investigate further and discuss with the applicant areas of concern to determine whether it meets the standards in question or whether mitigation strategies can be immediately put in place that will bring the applicant to an acceptable level.

14. Accredited applicants will move forward to Stage 3. For those recommended for Rejection, the Panel will include in its assessment an explanation of sufficient depth to provide the applicant with the necessary information on what the applicant will need to do to improve its standards and capabilities such that, if they choose to reapply at a later date, they will be better positioned to meet the standards.

15. There may be cases where the Panel is convinced that the applicant will complete the necessary steps to fully adhere to the GEF Fiduciary Standards and environmental and social safeguard criteria within a short period of time. In that case, the application may move forward to Stage 3 on the condition that the Financial Procedures Agreement that enables the Trustee to commit and transfer funds cannot be finalized until the Accreditation Panel has confirmed that all the necessary steps have been completed and there is full adherence to the GEF fiduciary standards. This will normally be done within a timeframe of six months. If the standards have not been met, the entity will need to reapply for accreditation at a future date, which will begin the accreditation process anew.

Stage 3: Conclusion of Memorandum of Understanding and Financial Procedures Agreement

16. Approved GEF Project Agencies will agree to a Memorandum of Understanding with the Secretariat in which they will commit to follow all relevant GEF policies and procedures. The GEF Trustee will enter into a Financial Procedures Agreement (FPA) with the GEF Project Agency that will enable the Trustee to commit and transfer funds.

17. Upon conclusion of the MOU and the FPA, the entity will be accredited and be eligible to submit project identification forms (PIFs) for resources from the trust funds managed by the GEF: the GEF Trust Fund, the LDCF, and the SCCF.

Criteria-based Review by Accreditation Panel

18. The Accreditation Panel will review applicants based on three sets of important criteria. The two first sets are embodied in the existing GEF Fiduciary Standards,² which are divided into of “Project Criteria” and “Governance Framework Criteria.” The third includes criteria on Environmental and Social Safeguards and Gender Mainstreaming. The Stage 2 Application will ask for documents and other evidence of indicating how the applicant meets these standards, including evidence of previous, successful project implementation.

Project Criteria

19. These criteria are all those included in Section B “Project/Activity Processes and Oversight” of the GEF Fiduciary Standards, which can be divided into the following categories:

- (a) Procurement Processes;
- (b) Monitoring and Project-at-Risk Systems; and
- (c) Evaluation Function.

Governance Framework Criteria

20. These criteria are all those included in section A (Audit, Financial Management and Control Framework), and section C (Investigations) of the GEF Fiduciary Standards, which can be divided into the following categories:

- (a) External Financial Audit;
- (b) Financial Management and Control Frameworks;
- (c) Financial Disclosure;
- (d) Codes of Ethics;
- (e) Internal Audit;
- (f) Investigations Function; and
- (g) Hotline & Whistleblower Protection.

Environmental and Social Safeguard and Gender Mainstreaming Criteria

21. The Accreditation Panel will assess whether applicants have established adequate policies and standards, and have sufficient implementation practices and capacity, to be able to apply

² The GEF Fiduciary Standards are defined in the GEF Policy Paper *Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies* of July 2007. This policy paper can be found at the following link: http://www.thegef.org/gef/sites/thegef.org/files/documents/Recommended_Minimum_Fiduciary_Standard.pdf. It is based on Council Document GEF/C.31/6, with some additional changes that were requested by Council members. As decided by the Council in June 2009, the Secretariat will manage a third party process to review minimum fiduciary standards in 2013. They will be reviewed every four years thereafter.

environmental and social safeguard standards as agreed by the GEF Council. The Panel will also assess whether applicants have established policies that meet the criteria of the GEF's policy on gender mainstreaming. If a GEF Project Agency does not meet one or more required Minimum Environmental Safeguard Standards, the Accreditation Panel may grant the Applicant a one-year grace period, during which it will be expected to come into full compliance with the required minimum standards. The Applicant would then submit evidence of its compliance to the Accreditation Panel for a further assessment³.

22. The Accreditation Panel will include an expert on environmental and social safeguard policies and their application, including gender issues.

Application Review Procedures under the Pilot

23. Applications under this pilot will be processed according to the GEF Policy on Accreditation of GEF Project Agencies for accrediting GEF Project Agencies approved by the GEF Council. Additional procedures will have to be followed during the pilot for the GEF to meet the goals with respect to types of agencies mentioned above. It is recommended that the Council adopt the following rule to ensure that national agencies receive priority in accreditation:

- (a) Until at least five national agencies have been approved by the Council, the Secretariat may review applications from regional organizations and non-governmental organizations but will not review applications from other types of organizations.

24. To enable the Council to appropriately shape the pilot and seek an appropriate mix of agencies, the Secretariat and Council will follow the following procedures with regard to the Value-added Review and Council approval of applications.

- (a) The Secretariat will receive Stage 1 Applications for the Value-added Review prior to two Council Meetings: spring 2012 and fall 2012. The Secretariat will maintain the following cut-off dates for receipt of applications prior to each Council Meeting:
 - i. Spring 2012: February 1, 2012
 - ii. Fall 2012: August 1, 2011
- (b) The Secretariat will conduct a Value-added Review on all applications received prior to each cut-off date.
- (c) For each meeting, the Secretariat will prepare a report to Council containing the following information: (a) a list of the agencies that have submitted a Stage 1 Application judged by the Secretariat to be complete, (b) a short-list of the agencies that the Secretariat is recommending for Council approval, (c) assessment reports of the agencies recommended by the Secretariat for approval, explaining how the agencies meet the applicable criteria for the agency, and the scores for each criteria, where relevant.

³ Added from GEF/C.41/10/Rev.1 *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards* (November 18th 2011).

- (d) Prior to each Council Meeting, the Secretariat will communicate with each agency that has submitted a complete application whether it is being recommended for Council approval.
- (e) The Secretariat and Council will consider criteria such as regional distribution and type of agency in addition to the scores received through the Value-added Review in making, respectively, recommendations and decisions. Applicants will need to meet the minimum scores and criteria for the Value-added Review as agreed by Council (and as explained below), but the Council would be able to select the highest ranking applicants from the different groups.

25. After the Council approves an Applicant, the CEO will write to the Applicant and invite it to submit a Stage 2 Application. The Secretariat will then apply the following rules to manage the pipeline of State 2 applications so that the GEF can meet its agreed goals in terms of the mix of agencies, regional balance, etc.

- (a) In the case of national institutions, once the Council has approved three applicants from one region, the Secretariat will place a temporary hold on reviewing further applications from that region pending the outcome of the Accreditation Panel Review.
- (b) For regions with three Council-approved applications from national institutions, if one of the applicants does not receive Accreditation Panel approval, or one of the applicants fails to submit a complete Stage 2 Application within six months, then the Secretariat could review further Stage 1 Applications then the Secretariat could review further Stage 1 applications.
- (c) Once three national institutions from a given region are accredited, the Secretariat would no longer accept applications from national entities in that region.
- (d) For other types of agencies, once the Council has approved one applicant, the Secretariat would place a temporary hold on the processing of further applications from agencies of the same type. If one of these approved agencies failed to submit a complete Stage 2 Application within six months, or was not approved by the Accreditation Panel, the Secretariat would reopen the window for reviewing further Stage 1 Applications.

Roles of Different GEF Entities

Role of the GEF Council

26. The GEF Council will have two primary roles. First, the Council will establish and keep under review policies and procedures, with regard to the accreditation of new agencies. Second, the Council will approve applications for GEF Project Agency status based on the Value-added Review. This will happen prior to the Accreditation Panel Review and prior to the payment of the accreditation fee.

Role of the GEF Secretariat

27. The GEF Secretariat's role in the accreditation process should be minimal, so as to avoid the perception that it is allowing its own value judgment or interests to influence the

accreditation decision. The Secretariat will provide administrative support to the Accreditation Panel and the Council. The Secretariat will also undertake the following:

- (a) Review of applications for completeness. The Secretariat will receive all Stage 1 and Stage 2 applications and review them to ensure that all sections are complete and responsive. The Secretariat will return those applications deemed inadequate, with guidance on what information was lacking. Stage 1 applications deemed complete will undergo the Value-added Review. Stage 2 applications deemed complete will undergo the Accreditation Panel Review.
- (b) Reporting to Council. The Secretariat will provide reports to Council, as requested.

GEF Trustee

28. The GEF Trustee will be responsible for concluding Financial Procedures Agreements with GEF Project Agencies, working with the Secretariat to establish systems so that the Secretariat may receive accreditation fees, and for managing other necessary financial transactions, such as allocations, commitments, disbursements. As with the existing Agencies, the Trustee will not have any responsibility to the GEF for the use of funding transferred to GEF Project Agencies.

Accreditation Panel

29. After Council approval of applicants, the Accreditation Panel will assess all applications. The Secretariat shall establish an Accreditation Panel consisting of three members with expertise in the following areas:

- (a) Development project implementation and execution;
- (b) Governance and accountability issues in developing country contexts, including expertise with regard to fiduciary issues, financial management, and auditing; and
- (c) Environmental and social safeguards.

30. The Secretariat will draft terms of reference and acquire the services of the necessary experts to constitute the panel.

Responsible Party	Required Actions
[GEF Council]	<p>(a). Establish and keep under review policies and procedures, with regard to the accreditation of new agencies.</p> <p>(b). Approve applications for GEF Project Agency status based on</p>

Responsible Party	Required Actions
	the Value-added Review.
[GEF Secretariat]	Review of Application for completeness and reporting to Council.
[GEF Trustee]	Concluding Financial Procedures Agreements with GEF Project Agencies, working with the Secretariat to establish systems so that the Secretariat may receive accreditation fees, and for managing other necessary financial transactions, such as allocations, commitments, disbursements

IV. References

- a. *Accreditation of GEF Project Agencies, PL/IN/04*
- b. *Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument (May 2011 Council Document: English, Spanish, and French) GEF/C.40/09*
- b. *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards (November 2011 Council Document available in English, French, and Spanish) GEF/C.40/10/Rev.1*
- c. *Accreditation Procedure for GEF Project Agencies (November 2010 Council Document) GEF/C.39/08/Rev.2*
- d. *GEF Minimum Fiduciary Standards (GEF Policy)*
- f. *Glossary of Terms and Descriptions Relating to the Accreditation of GEF Project Agencies*

V. Approval Process

Sponsor(s):

[OBS]

Reviewed by:

[Ramesh Ramankutty], [5/21/2012]

Approved by:

[Monique Barbut], [5/21/2012]

VI. Annexes

Annex 1: Value-added Review Criteria⁴

1. Below are the Value-added Review Criteria that the GEF Secretariat will use to score Stage 1 Applications for accreditation.

Core Value-Added Review Criteria

2. Agencies that apply for accreditation will be assessed according to the six core criteria listed below. Because of the diversity between types of agencies in terms of the contributions that they will bring to the GEF, and different limiting factors, specific guidance relevant to different types of agencies is included. In some cases, the criteria are modulated to be made more specific or stringent for different types of agencies. Independent evaluative evidence and information from recognized third-party experts will be given significant weight in scoring applicants.

Criterion 1: Relevance to the GEF

3. This criterion assesses the degree to which an applicant's mission and/or areas of work overlap with the GEF's mission, its focal areas, and other GEF issue areas, including climate change adaptation, sustainable forest management, and sound chemicals management.

(a) Questions to be asked of applicant:

- i. How is the agency's mission relevant to the GEF?
- ii. In what GEF focal areas or other GEF issue areas are the agency engaged?
- iii. What experience has the agency had executing GEF projects (funded through GEF Trust Fund, LDCF, or SCCF) or implementing or executing environmental and/or climate change adaptation projects financed by other funders?

(b) **Means of Verification:** Narrative statement on the application, organization mission statement, project implementation reports (or equivalent), interviews with recognized third-party experts; and independent project evaluations.

⁴ These criteria are adopted in its entirety from Council Document GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument* (April 26th 2011) Pages 7-16.

Text Box 1 - Guidance on Scoring Criterion 1: Relevance to the GEF

4. Strong Relevance: The Agency's mission and areas of work align to a moderate degree with GEF's global environmental and/or climate change adaptation missions. The Agency's mission statement relates to the global environment and/or adaptation. The Agency is engaged in at least 2 GEF focal areas/issue areas on a continuing basis. The Agency has been in continuous operation for least eight years. Successful completion of at least 5 projects funded by major bilateral or multilateral organizations.

3. Relevance: The Agency's mission and areas of work align well with the GEF's objectives in at least one focal area/issue area. The Agency is engaged in at least 1 GEF focal area/issue area on a continuing basis. The Agency has been in continuous operation for least five years. Successful completion of at least 5 projects funded by major bilateral or multilateral organizations.

International NGOs, UN Agencies and Programs, and Other (non-regional) International Organizations:

To earn this score, these entities will need to demonstrate the additional, specialized expertise they would bring to the GEF and how they will address important gaps in the GEF portfolio. This will require demonstrating capacity that they are able to implement GEF projects in sectors, regions, or countries in which existing GEF Agencies have had difficulty implementing projects, for example because of their small size or in a niche field of a GEF area or region of the world.

2. Weak Relevance: Low alignment with GEF objectives and mission. The Agency's mission statement does not overlap well with the GEF's objectives, but the agency can show some areas of relevance. The Agency has been in continuous operation for least three years. Successful completion of less than 5 projects for international organizations.

1. Almost No Relevance: Hardly any experience relevant to the GEF's objectives. The Agency has almost no relevant experience to the GEF, but is interested in pursuing projects in GEF focal areas/issue areas. The Agency has operated for less than three years and has completed less than 5 projects for international organizations.

Criterion 2: Demonstration of Environmental or Climate Change Adaptation Results

4. This criterion assesses whether the applicant has a track record of achieving clear, positive environmental benefits in its areas of engagement relevant to the GEF. The agency also seeks to holistically integrate social, cultural, economic, environmental and/or political dimensions in its work. It seeks to incorporate gender equity in all aspects of its work and also pursues a path of improving the general quality of the groups and communities that it works with.

(a) Questions:

- i. What are the clear, quantified (GEF-relevant) outcomes that the agency helped achieve through the projects it has implemented or executed? (Please document/provide evidence for up to five projects.)
- ii. What were the outcome ratings given to the projects implemented/executed by the agency in the terminal evaluation reports or equivalent?
- iii. If terminal evaluation ratings are not available, what are the relevant implementation ratings for the projects?

(b) Means of Verification: For Non-Governmental Organizations, Regional Organizations and Other International Organizations, narrative statements, terminal evaluation reports; project implementation reports will be used.

Text Box 2 - Guidance on Scoring Criterion 2: Demonstration of Environmental Results

4. The Applicant can document consistent achievement of satisfactory GEF relevant outcomes in the projects that it has implemented or executed. The Applicant can show several examples (at least 5) of projects that have achieved strong results in improving the quality of the global environment, or providing climate change adaptation benefits. Independent project evaluations generally rate the applicant's GEF relevant project outcomes as "satisfactory" or equivalent.
3. The Applicant can demonstrate that it generally achieves moderately satisfactory GEF relevant outcomes in the projects that it has implemented or executed. The Applicant can show a few examples (3-5) of projects that have achieved strong results in improving the quality of the global environment, or providing climate change adaptation benefits. Independent project evaluations generally rate the applicant's GEF relevant project outcomes as at least "moderately satisfactory" or equivalent. If independent project evaluations are not available, then project implementation reports or other third party expert assessments demonstrate achievement of GEF relevant outcomes as "moderately satisfactory" or equivalent.
2. The Applicant generally achieves less than moderately satisfactory achievement in terms of GEF relevant project outcomes. The Applicant can show only one or two projects that have achieved strong results in improving the quality of the global environment, or providing climate change adaptation benefits. Independent project evaluations generally rate the applicant's GEF relevant project outcomes as at least "moderately satisfactory" or equivalent. If independent project evaluations are not available, then project implementation reports or other third party expert assessments lead to the same outcome.
1. The Applicant generally achieves unsatisfactory or highly unsatisfactory outcomes in its GEF relevant projects or project components. Independent project evaluations, if available, generally rate the applicant's GEF relevant project outcomes as unsatisfactory or highly unsatisfactory. The applicant is rarely able to achieve a satisfactory or moderately satisfactory outcome.

Criterion 3: Scale of Engagement

5. This criterion assesses whether the applicant is likely to have the capability to implement or execute a project at least at the level of the GEF grant that it is seeking for the project identified in the endorsement letter from the country operational focal point.

(a) Questions:

- i. What is the average size of project that the agency has either implemented or executed in the past five years?
- ii. What is the largest size project it has implemented/executed? What was the evaluation rating on this project?
- iii. What are the multilateral or bilateral agencies that the agency has received funding from in the past five years, and for what projects?

(b) Means of Verification: Narrative statement on the application, project implementation reports (or equivalent), project terminal evaluation reports, or equivalent (preferably from an independent source), and interviews with previous and/or current funders of the agency.

Text Box 3 - Guidance on Scoring Criterion 3: Scale of Engagement

4. The applicant has project experience to enable it to engage in regular GEF full-size projects. It can document successful completion of at least three projects for major bilateral or multilateral organizations such as the World Bank, the GEF, etc. The Applicant can document successful completion of projects with total financing of at least \$10 million (e.g. approximately two-times the average FSP GEF grant in GEF-4). The Applicant has adequate paid staff with demonstrated absorptive capacity to work with the GEF at this scale.

3. The applicant has project experience to enable it to engage in average medium-size GEF projects. It can document successful completion of at least two projects for major bilateral or multilateral organizations such as the World Bank, the GEF, etc. The Applicant can document successful completion of projects with total financing of at least \$1.8 million (e.g. approximately two times the average MSP in GEF-4). The Applicant has adequate paid staff with demonstrated absorptive capacity to implement the project it has identified in its application for accreditation.

National Institutions: Will need to demonstrate, based on previous project experience, a track record of successfully implementing or executing projects at a scale that is: (i) similar to previous GEF projects in the country, and (ii) similar in size to the initial project endorsed in the Focal Point endorsement letter.

2. The applicant has low capacity to engage in the GEF. It can document successful completion of one project for a major bilateral or multilateral organization, but it has only implemented or executed projects with total financing of less than \$1.8 million. The Applicant does not appear to have adequate staff to implement the project it has identified in its application for accreditation.

1. The applicant has weak capacity to engage in the GEF. It is unable to document successful completion of a project for a major bilateral or multilateral organization. Has not implemented a project with a total value greater than \$1 million. The Applicant does not appear to have adequate staff to implement the project it has identified in its application for accreditation.

Criterion 4: Capacity to Leverage Co-finance

6. This criterion assesses whether the applicant has the capacity to leverage co-financing for projects at a meaningful level in the context of the GEF. It will also need to demonstrate an ability to commit its own resources to GEF projects, which will be assessed based on past performance of its projects. From inception to date, GEF agencies have leverage cofinancing at a level of 4.4 dollars for each GEF dollar of GEF financing. There has, however, been critical variance in co-financing among the focal areas. For instance, average co-financing in climate change has been 1:6.2 whereas it has only been 1:1.6 for persistent organic pollutants (POPs). For biodiversity, it has been 1:3.1. There has also been important variance between agencies. Because some agencies might concentrate their work in certain issue areas, the Secretariat and Council will need to take this variance into account in scoring applicants and making decisions based on this criterion.

(a) Questions:

- i. What is the average amount of financing that the agency has leveraged/ raised to finance its projects to date? From what sources did it raise this funding?
- ii. What is the percentage of these resources that came from the agency's own budgetary resources?

- (b) **Means of Verification:** Narrative statement on the application, project implementation reports (or equivalent), interviews with recognized third party experts; and project terminal evaluation reports (or equivalent), and budget documents.

Text Box 4 - Guidance on Scoring Criterion 4: Capacity to Leverage Co-finance

4. The Applicant can demonstrate that the average amount of financing raised for its projects to date equals four times the amount of the GEF grant expected for its first GEF project. The Applicant will need to demonstrate an ability to commit its own resources to GEF projects. Furthermore, the Applicant will also need to prove that it would not depend heavily on the GEF for its continued sustainability and that it already has other relevant sources of support.
3. The Applicant can demonstrate that the average amount of financing raised for its projects to date is greater than three times the amount of the GEF grant expected for the first project. The Applicant will need to demonstrate an ability to commit its own resources to GEF projects. Furthermore, The Applicant will also need to prove that it would not depend heavily on the GEF for its continued sustainability and that it already has other relevant sources of support.

National Institutions: “Own budgetary resources” will be interpreted to include other domestic resources.

UN Agencies and Programs and Other International Organizations: Will need to demonstrate an ability to mobilize cofinancing out of its own resources at a ratio of 1:1 of the proposed GEF grant based on past project performance.

2. The Applicant can demonstrate that the average amount of financing raised for its projects to date equals two times the amount of the GEF grant expected for the first project. The Applicant would have difficulty in committing its own resources to GEF projects. The Applicant does not have many other sources of funding for its projects beyond the GEF.
1. The average amount of financing raised for its projects to date equals the amount of the GEF grant expected for the first project. The Applicant has weak capacity in terms of committing its own resources to GEF projects and might become heavily reliant on GEF funding for its mission.

Criterion 5: Institutional Efficiency

7. This criterion assesses how efficiently the institution converts inputs into outputs. Reflecting approaches within the GEF, this criterion has two primary sub-criteria: (a) administrative efficiency and (b) project cycle efficiency. Because of differences among organizations – e.g. larger institutions are able to capture economies of scale; some provide financing in the form of loans, others in grants – some flexibility will be needed in interpreting this criterion. Important characteristics of an efficient institution are that it be able to document a track record of continuing efforts to improve efficiency and considers cost effectiveness in decision making.

(a) **Questions:**

- i. Please describe and provide evidence of measures implemented by the agency to enhance efficiency over the past five years, particularly with regard to controlling administrative costs and improving the efficiency of agency’s project cycle (the cycle used to develop, appraise, and approve projects.)

- ii. For the past five years, please provide evidence of the agency’s total administrative costs and total program funding.
- iii. How long does it take the agency to bring a project from the stage of concept development to approval by the agency (either by the Board or management, whichever is applicable)? Please provide evidence for the past five years.

(b) **Means of Verification:** Agency budgets from the past five years, independent assessments/evaluations of the agency; and project terminal evaluation reports (or equivalent).

Text Box 5 - Guidance on Scoring Criterion 5: Institutional Efficiency

4. The institution has a well developed system for tracking and improving its efficiency over time. It benchmarks its performance to that of similar organizations, learns from its performance, and bases management decisions on evidence. It has a system in place to measure its efficiency, and management bases decisions on evidence. (a) Administrative costs are generally maintained in the range of 10% to 15% of program costs. (b) It takes the agency, on average, approximately 18 months to move a project from concept development to agency approval.

3. The institution has developed a system, including clear indicators, for measuring its efficiency and has started to track its performance over time. It has a system in place to measure its efficiency, and management bases decisions on evidence. (a) Administrative costs are generally maintained in the range of 15% to 20% of program costs. (b) It takes the agency, on average, approximately 20 months to move a project from concept development to agency approval.

2. The institution has either only started to develop a system for measuring its performance and evidence of efficiency improvement is weak. Available evidence indicates that efficiency improvements are needed. If information is available, (a) administrative costs are in the range of 20% to 25% of program costs. (b) It takes the agency, on average, 22 months to move a project from the point of concept to agency approval.

1. The institution either does not have evidence on its performance in terms of administrative efficiency, or, if evidence is available, the institution clearly performs at a substandard level. If evidence is available, (a) administrative costs are more than 25% of program costs. (b) It takes the agency, on average, more than 24 months to move a project from concept development to agency approval.

Criterion 6: Networks and Contacts

8. The agency has at its disposal networks of collaborators and experts, at the regional and national levels, such as CSOs, with which it could collaborate on the implementation of GEF projects.

(a) **Questions:**

- i. Can the agency describe the range of organizations and experts with which it regularly collaborates, and break this out, as relevant, to the national, regional, and international/global levels, on the implementation of environmental projects?
- ii. Has the agency provided resources to other organizations to execute a project under its supervision?

- iii. How have collaborations between the agency and other organizations contributed to improvements in project quality?

(b) **Means of Verification:** Narrative statement on the application, organization mission statement, project implementation reports (or equivalent), interviews with recognized third party experts; and project terminal evaluation reports, or equivalent.

Text Box 6 - Guidance on Scoring Criterion 6: Networks and Contacts

4. The Applicant can document that it has developed a wide network of collaborators and experts (either at the national, regional or global level, as appropriate to the organization), with which it can collaborate on the implementation of projects. It can document more than 3 examples of global environmental or adaptation projects that it has implemented through an agreement with an executing agency under its supervision that had satisfactory outcomes. It can also demonstrate several examples of projects (five to ten) in which it has collaborated with other partners, including beneficiaries, and experts to deliver global environmental/adaptation benefits.

3. The Applicant can document that it has at its disposal a network of collaborators and experts (either at the national, regional or global level, as appropriate to the organization), with which it can collaborate on the implementation of projects. It can document one example of a global environmental/adaptation project that it has implemented through an agreement with one or more executing agencies under its supervision that had satisfactory outcomes. It can also provide examples of projects (at least five) in which it has collaborated with other partners, including beneficiaries, and experts to deliver global environmental/adaptation benefits.

International NGOs: The Applicant will need to document a track record of collaborating with local NGOs/CSOs at the national level in GEF recipient countries and building their capacity.

Regional Organizations: The Applicant will need to document examples of projects in which it has either helped build capacity at the regional level to address global environmental issues or capacity to adapt to climate change. They will also need to demonstrate strong networks at the regional level, including with governments, non-governmental organizations, and scientists relevant to the GEF issue areas.

UN and Other International Organizations: The Applicant will need to document examples of how it has built capacity and helped sustain local action in GEF issue areas.

2. The Applicant has experience in collaborating on the execution of environmental projects and has started to build a network of collaborator organizations at the national, regional, or global levels, but this network is not very extensive. It has not implemented a project in which it has supervised the execution of a project by another agency. It can only provide a few examples (three to five) in which it has collaborated with other partners, including beneficiaries.

1. The Applicant has only collaborated on a few environmental/adaptation projects and does not have a deep network of collaborators and experts that it can draw on. It has only participated in the execution of projects or project components. It has only collaborated on three or fewer global environmental or adaptation projects. The Applicant is interested in building its network of collaborators or networks related to the global environment and adaptation.

Additional Value-added Review Criteria for Specific Types of Agencies

9. The following additional criteria and standards will be used to assess the value-added of applicants of the listed types. Rating will be conducted in a binary manner: each applicant will either receive a “pass” or “fail” rating for each criteria listed.

10. **National Institutions** will need to pass the following additional criteria and standards:

- (a) Project Experience: Does the agency implement and/or execute projects in their countries as a core part of their business? (Normally, national institutions primarily engaged in policy formulation will not be eligible for accreditation as GEF Project Agencies.)
- (b) Type of Project: Has the agency implemented a similar type of activity previously?
- (c) Enhancement of Country Ownership: Will accepting the agency help the GEF enhance country ownership? How will implementation of GEF projects by the agency help ensure that GEF funding is better aligned with country priorities for the generation of global environmental benefits, including as contained in country strategies?

11. **Nongovernmental Organizations** and **regional organizations** will need to pass the following additional criterion:

- (a) Previous Execution of a GEF Project: Document previous execution of a GEF project under a GEF Agency and have achieved an outcome rating of satisfactory or better on the project.

