
Annex VI: Policy on fees for accreditation of the Fund

I. Purpose

1. The purpose of the policy on fees for accreditation is to define the payments to be made by entities seeking accreditation to the Fund. The policy takes into account the financial capacities of institutions and aims at contributing to covering the costs from the accreditation process, recognising that the actual costs of the accreditation process is expected to be higher than the amount recovered through fees.
2. The fee policies of other institutions that have a similar accreditation process, including the Adaptation Fund and the GEF, were considered in the development of this policy on fees.

II. Tailoring of fees on the basis of financial capacities

3. The policy on fees for accreditation to the Fund taking into account the financial capacities of institutions is based on the total projected costs at the time of application for an individual project or activity to be undertaken, for which one or more thresholds are defined.
4. Financial capacity is understood as the scale of intended funding proposals for individual projects or activities to be submitted to the Fund by the applicant in the event of accreditation.
5. Following on from this understanding, four thresholds are hereby established in relation to the financial capacities of institutions:
 - (a) Micro;
 - (b) Small;
 - (c) Medium; and
 - (d) Large.
6. The micro threshold refers to applications for a maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including a threshold of US\$ 10 million for an individual project or activity. The fee level for this threshold will be US\$ 1,000 for the basic fiduciary standards and US\$ 500 for each specialized fiduciary standard.¹
7. The small threshold refers to applications for a total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project. The fee level for this threshold will be US\$ 5,000 for the basic fiduciary standards and US\$ 1,000 for each specialized fiduciary standard.
8. The medium threshold refers to applications for a total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or activity. The fee level for this threshold will be US\$ 10,000 for basic fiduciary standards and US\$ 3,000 for each specialized fiduciary standard.

¹ Specialized Fiduciary Standards refer to: 1) project management, 2) grant award and/or allocation mechanisms, and 3) on-lending and/or blending.

9. The large threshold refers to applications for a total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 250 million for an individual project or activity. The fee level for this threshold will be US\$ 25,000 for basic fiduciary standards and US\$ 7,000 for each specialized fiduciary standard.
10. In cases where the Accreditation Panel needs to review the application more than twice, due to lack of completeness in the information or clarity in the documentation provided, additional fees will be determined on a case-by-case approach by the Secretariat.
11. The basic fee (for basic fiduciary standards and ESS), the additional fee(s) (for each specialized fiduciary standard), and other fee (for applications requiring more than two reviews by the Secretariat or Accreditation Panel) are non-refundable, even if an applicant fails to receive accreditation.
12. Subnational and national entities in developing countries, including small island developing states (SIDS) and least developed countries (LDCs), that apply for accreditation for the micro-sized funding activities will have their accreditation fees waived for the basic fiduciary standards.
13. Entities from SIDS and LDCs that apply for accreditation for the small-sized funding activities will have their accreditation fees waived for the basic fiduciary standards.
14. Subnational and national entities of developing countries other than SIDS and LDCs that apply for accreditation for the small-sized funding activities will have a fee level of US\$ 3,000 for the basic fiduciary standards.
15. A summary of the fee structure is provided in the following table:

Table 1: Structure of fees for accreditation of the Fund

Financial capacity category	Threshold	Fee Level for accreditation application for undertaking activities related to Basic Fiduciary Standards and ESS	Fee Level for accreditation application for undertaking activities related to each Specialized Fiduciary Standard ^a	Other Fees
Micro	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, less than or equal to US\$ 10 million for an individual project or activity	Subnational and national entities in developing countries including SIDS and LDCs: no fee All other entities: US\$ 1,000	US\$ 500 each	Other fees may apply if the application is reviewed by the Secretariat or Accreditation Panel more than twice. The amount of the fee is to be determined on a case-by-case approach by the Secretariat.
Small	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, above US\$ 10 million and up to and including US\$ 50 million for an individual project or activity	SIDS and LDCs: no fee Subnational and national entities in developing countries other than SIDS and LDCs: US\$ 3,000 All other entities: US\$ 5,000	US\$ 1,000 each	
Medium	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, above US\$ 50 million and up to and including US\$ 250 million for an individual project or activity	US\$ 10,000	US\$ 3,000 each	
Large	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, above US\$ 250 million for an individual project or activity	US\$ 25,000	US\$ 7,000 each	

^a Specialized Fiduciary Standards refer to: 1) project management; 2) grant award and/or allocation mechanisms; and 3) on-lending and/or blending.

III. Currency

16. Payments will be made in any convertible currencies approved by the Board.
17. For the purposes of assessment of financial capacities and consistency and comparability across applicants, financial information submitted by applicants will be required to be submitted using officially recognized exchange rates.

IV. Timing of payment

18. Payment of the fee for accreditation of the Fund will be made at the time of submission of the application (Stage I of the Accreditation Process).
19. Additional payments to cover excess costs to be incurred by the Accreditation Panel in reviewing the application more than twice, due to lack of complete information or clarity in the documentation provided by the applicant, will be done as instructed by the Secretariat to the applicant.

V. Upgrading or downgrading accreditation

20. An entity accredited for certain fiduciary standards may apply for an upgrade or downgrade in its accreditation status (e.g. an entity accredited under the Fund's basic fiduciary and ESS standards for small-scale projects or activities may choose to upgrade to the basic fiduciary and ESS standards for medium-scale projects or activities, or an entity may choose to downgrade its accreditation from medium-scale project activities to small). The following fee structure applies to upgrading or downgrading accreditation for already-accredited entities.
 - (a) For the basic fiduciary standards and ESS, the basic fee to be paid by the entity for applying to upgrade its activity size (e.g. micro, small, medium or large) equals the difference between the basic fee set for the activity size the entity is applying to upgrade to and the basic fee level the entity paid for its existing accreditation;
 - (b) For the specialized fiduciary standards, the additional fee to be paid by the entity for applying to upgrade its activity size equals the additional fee set for the activity size that the entity is applying to upgrade to;
 - (c) For the basic fiduciary standards and ESS, or the specialized fiduciary standards, there is no refund of the basic fee or additional fee, either in part or whole, paid by the entity requesting to downgrade its accreditation.