The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), through the International Climate Initiative is funding a readiness support programme in 9 countries implemented by the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Resource Institute (WRI).
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbreviations</td>
<td>3</td>
</tr>
<tr>
<td>1. Introduction</td>
<td>4</td>
</tr>
<tr>
<td>2. Summary of Key Points</td>
<td>5</td>
</tr>
<tr>
<td>3. Accreditation Requirements</td>
<td>9</td>
</tr>
<tr>
<td>4. Accreditation Stakeholders</td>
<td>17</td>
</tr>
<tr>
<td>5. The Process</td>
<td>19</td>
</tr>
<tr>
<td>Lessons Learned regarding the GCF accreditation process</td>
<td>25</td>
</tr>
<tr>
<td>A note on Fast-track accreditation</td>
<td>26</td>
</tr>
<tr>
<td>References</td>
<td>27</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>AE</td>
<td>Accredited Entities</td>
</tr>
<tr>
<td>ACCF</td>
<td>African Climate Change Fund</td>
</tr>
<tr>
<td>COP</td>
<td>Conference of Parties</td>
</tr>
<tr>
<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH</td>
</tr>
<tr>
<td>ESS</td>
<td>Environment and Social Safeguards</td>
</tr>
<tr>
<td>ESMS</td>
<td>Environmental and Social Management System</td>
</tr>
<tr>
<td>EU DEVCO</td>
<td>EuropeAid of the European Commission</td>
</tr>
<tr>
<td>EE</td>
<td>Executing Entities</td>
</tr>
<tr>
<td>BMZ</td>
<td>German Federal Ministry for Economic Cooperation and Development</td>
</tr>
<tr>
<td>BMUB</td>
<td>German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety</td>
</tr>
<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>GCF</td>
<td>Green Climate Fund</td>
</tr>
<tr>
<td>IE</td>
<td>Implementing Entity</td>
</tr>
<tr>
<td>I</td>
<td>Intermediation</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>MESTI</td>
<td>Ministry of Environment, Science, Technology and Innovation</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>NDA</td>
<td>National Designated Authority</td>
</tr>
<tr>
<td>NIE</td>
<td>National Implementing Entity</td>
</tr>
<tr>
<td>OAS</td>
<td>Online Accreditation System</td>
</tr>
<tr>
<td>TAP</td>
<td>Technical Advisory Panel</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNEP</td>
<td>United Nations Environment Programme</td>
</tr>
<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
</tr>
<tr>
<td>WRI</td>
<td>World Resources Institute</td>
</tr>
</tbody>
</table>
1. INTRODUCTION

WHAT IS THE GREEN CLIMATE FUND?

The Green Climate Fund (GCF) is an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC). The GCF became operational in May 2014, and has received nearly 10.2 billion in funding pledges from over 42 countries as of July 2016. Funds from the GCF are to be used to implement climate change mitigation and adaptation projects/programmes.

WHO CAN APPLY FOR GCF FUNDING?

The funds from the GCF will flow directly to Accredited Entities (AEs) for project/programme implementation. AEs can be sub-national, national, regional and international entities which are public, private or non-governmental. Therefore the GCF has adopted “fit-for-purpose” application procedures for entities seeking accreditation. The fit-for-purpose approach allows AEs who will implement smaller, financially simpler and less environmentally and socially risky project/programmes to meet less stringent or fewer accreditation requirements. This means application requirements change as a result of the level of accreditation selected.

Entities seeking accreditation can select the level of accreditation from the following “menu of options”:

- Size: Micro, Small, Medium, Large
- Fiduciary Standards: Project Management, Grant Awarding, Lending/Blending, etc
- Level of Environmental and Social Risk: Low (C), Medium (B), High (A)

AEs are accredited by the GCF Board during regularly scheduled Board meetings. As of July 2016, thirty-three (33) entities have been accredited to the GCF.

WHAT IS “DIRECT ACCESS” FOR NATIONAL ENTITIES?

One of the key components of the design of the GCF is that it allows for “Direct Access”. Amongst climate funds, direct access has only been included in the design of the Adaptation Fund and, to a lesser extent, the Global Environment Facility (GEF). Other climate funds provide exclusively for “international access”, which allows for the provisions of funds to a recipient country via international entities.

Direct access allows for fund transfer directly to recipient countries via sub-national, national or regional AEs. One of the goals of incorporating direct access into the design of the GCF is to increase country ownership. The accreditation of national entity is therefore an essential component for the success of the GCF direct access design component.

WHAT IS THE PROCESS FOR APPLYING FOR DIRECT ACCESS?

Entities (or applicants) seeking Direct Access will need to undertake the following sequence’

1. Obtain a “Nomination Letter” from the Nationally Designated Authority (NDA)
2. Obtain Online Accreditation System (OAS) access from the GCF
3. Compile the GCF application according to the requirements for the selected accreditation level
4. Submit application and pay accreditation fee
5. Respond to GCF inquiries in Stage I and Stage II
6. If approved, sign the Accreditation Master Agreement (“AMA”)

For details on this sequence see Section 5 “Accreditation Process”. Accreditation applications are received by the Secretariat on a rolling basis i.e. there are no established deadlines.
2. SUMMARY OF KEY POINTS

WHAT ARE THE “KEY POINTS” ANY ENTITY SHOULD KNOW BEFORE APPLYING?

The following 3 pages provide details on 3 sections; “Key Guidance Documents”, “Key steps” and “Key Lessons Learned”. After reading these key points, and following the advice provided the entity should have a general understanding of what to expect when applying for accreditation to the GCF. Concepts and processes are further elaborated in Section 3 “Accreditation Requirements” and Section 5 “Accreditation Process” which follow.

KEY GUIDANCE DOCUMENTS

The following table gives lists the key guidance documents for undertaking accreditation, together with the corresponding links and a brief description of each document and its use.

<table>
<thead>
<tr>
<th>Document and Link</th>
<th>Description and use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entity Self-Assessment</td>
<td>This is a quick one-page self assessment tool to allow an entity to assess whether it fulfills the basic criteria to be accredited</td>
</tr>
<tr>
<td>GCF Accreditation Application Form</td>
<td>The GCF Accreditation Application Form should always be referred to by applicants for full requirements of accreditation</td>
</tr>
<tr>
<td>Stage I Check</td>
<td>The GCF has published the checklist used to assess applications. This checklist refers to Stage 1 criteria. Applicants that wish to ensure they have provided the correct materials in their application should make use of this checklist.</td>
</tr>
<tr>
<td>Stage II Check</td>
<td>The GCF has published the checklist used to assess applications. This checklist refers to Stage 2 criteria. Applicants that wish to ensure they have provided the correct materials in their application should make use of this checklist.</td>
</tr>
<tr>
<td>OAS User Guide</td>
<td>The OAS User Guide is a simple guide intended to inform applicants on the use of the online application system.</td>
</tr>
</tbody>
</table>

*All Documents can also be found as Appendices to this guide or by clicking on the hyperlink

KEY STEPS

The following table gives the key steps in the accreditation process as well as advice for each step.

<table>
<thead>
<tr>
<th>Key Step</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| 2    | **Decide on Accreditation Levels (and intended projects)**  
To ensure the entity selects the appropriate level of accreditation, the entity should hold a strategic meeting with relevant staff (i.e. senior management, donor relations unit, programme managers, etc.) during which the entity should determine its strategy for making use of GCF.  
At the same time, the NDA should note that, at least in the near term, national or “direct access” will be dependent upon the level of accreditation of the first AE in country. |
| 3    | **Prepare to Compile Accreditation Application**  
Once the appropriate level of accreditation is selected the entity should review the application form and determine what capacities the entity will need to demonstrate. The entity will need to provide the appropriate supporting documentation as evidence of its capacity as well as include a narrative describing the documentation where necessary. |
| 4    | **Organize an Internal Accreditation Task Team**  
Based on the application criteria the entity should establish an internal task team. At a minimum the team should consist of staff members with the following profiles:  
- **1 team leader** to lead the process, it is helpful if this staff member is a member of the organizations senior management  
- **1 officer in charge** of preparing a coherent application, this staff member will liaise with the following staff members to collect the relevant policies and information on practices  
- **1 senior staff on finance** (typically from procurement or operations), who can advise on the entity’s procedures and policies as it relates to finance  
- **1 senior staff on safeguards expert**, who can advise on the entity’s procedures and policies as it relates to Environmental and Social Safeguards  
- **1 senior staff on climate change project/programmes**, who can advise on the entity’s technical projects/programmes including the overall size of the portfolio, objectives, strategy and technical undertakings |
| 5    | **Request OAS access**  
All applications must be submitted through an online system. An entity must submit a letter requesting access to the online system and identify the staff members who are expected to access it. Copies of the staff member’s passports must also be submitted. Instructions for sending the letter are available at [http://www.greenclimate.fund/ventures/accreditation](http://www.greenclimate.fund/ventures/accreditation) |
| 6    | **Compile Application**  
The entity should ensure staff members responsible for preparing the application are intimately familiar with the capacities and supporting documentation required by the GCF. The Internal Task Team should then compile the required documentation and narratives according to the selected level of accreditation. **The exact documentation required** is found in the accreditation application accessible at [http://www.greenclimate.fund/documents/20182/46513/1.5.1_-Application_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d6d6231](http://www.greenclimate.fund/documents/20182/46513/1.5.1_-Application_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d6d6231) |
| 7    | **Submit Application**  
After undertaking the above steps, compiling a full application, and applying the Stage 1 checklist the entity is ready to submit. At this point the entity should identify any supporting documentation which should be kept confidential and provide this information to the GCF at the time of submission in the space provided. |
| 8    | **Pay Invoice**  
Following the submission of the application the entity becomes an “applicant”. The applicant will receive an invoice for an amount based on the selected level of |
accreditation. The fee ranges from 1,500 USD to 32,000 USD. See fee structure policy for further details at https://www.greenclimate.fund/documents/20182/114264/1.10_-_Policy_on_Accreditation_Fees.pdf/b4d44215-5593-4531-987e-6ea80c746dbc.

<p>| | |</p>
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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>9</td>
<td>Respond to GCF Inquires on Stage I</td>
</tr>
<tr>
<td>10</td>
<td>Clearance to Stage II</td>
</tr>
<tr>
<td>11</td>
<td>Respond to GCF Inquires on Stage II</td>
</tr>
<tr>
<td>12</td>
<td>Draft Board Meeting Applicant Description</td>
</tr>
<tr>
<td>13</td>
<td>Approval*</td>
</tr>
</tbody>
</table>

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**KEY LESSONS LEARNED**

The following table gives key lessons learned for completing the accreditation process.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform Self Assessment</td>
<td>Before undertaking any lengthy, resource-demanding process it is important to know if it is feasible to complete the process successfully. It is advisable to take the rapid self-assessment (link at left) but also to review the application form with the required supporting documentation as well as the Stage I checklist in detail before committing substantial resources.</td>
</tr>
<tr>
<td>Know your level of accreditation</td>
<td>Changing between levels of accreditation under the “fit-for-purpose” model will be time consuming and can cause confusion. Depending on whether an upgrade or downgrade in level is requested it may require starting a new application online, and beginning the upload and online application process again.</td>
</tr>
<tr>
<td>Form an “in-house” Accreditation Team</td>
<td>The application requires significant input from various units across the entity. In order to work in a cohesive and efficient manner it is important to ensure the team is made up of the appropriate members and that all members understand and commit to providing the information needed to complete the application. The importance of having at least 1 senior management official on-board cannot be understated. This is because the application requires input from many</td>
</tr>
</tbody>
</table>

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*Applicant can be found un-fit for accreditation at any stage throughout the application process and will not proceed to next stage.
<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gather required supporting documentation for level of accreditation selected</td>
<td>Gather the required supporting documentation exactly as described by the GCF in the application form. If the supporting documentation does not exist, state so. If it does exist, ensure that the narrative text points to the exact page or paragraph reference within the document which addresses the criteria required by the GCF.</td>
</tr>
<tr>
<td>Apply the Stage I checklist to ensure all required documentation has been collected</td>
<td>Checking for individual components within policies collected cannot be understated. The GCF will seek to determine not only that the policy is in place, but that the policy addresses the specific points required by the GCF. It is important that the applicant fully understand the criteria required by the GCF so that the applicant can provide the correct document or set of documents that address the criteria.</td>
</tr>
</tbody>
</table>
3. ACCREDITATION REQUIREMENTS

All entities seeking accreditation are required to meet the Basic Fiduciary Standards, while Specialized Fiduciary Standards are optional. Entities select among 3 specialized standards as appropriate for their institution. In addition, all entities will need to meet Gender and Environmental and Social Safeguard Standards up to the level of risk for which the entity is applying (category A, B, or C).

Figure 1 Accreditation requirements

<table>
<thead>
<tr>
<th>Basic Fiduciary Standards</th>
<th>Environmental &amp; Social Safeguards</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Key administrative and financial capacities</td>
<td>Institutional policy-level:</td>
</tr>
<tr>
<td>• Transparency and accountability</td>
<td>• Assessment and management of relevant environmental and social risks and impacts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specialized Fiduciary Standards</th>
<th>Project-level:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Project management</td>
<td>• Labour and working conditions</td>
</tr>
<tr>
<td>• Grant award and/or funding allocation mechanisms</td>
<td>• Resource efficiency and pollution prevention</td>
</tr>
<tr>
<td>• On-lending and/or blending</td>
<td>• Community health, safety &amp; security</td>
</tr>
<tr>
<td></td>
<td>• Land acquisition &amp; involuntary resettlement</td>
</tr>
<tr>
<td></td>
<td>• Biodiversity conservation &amp; sustainable management of living natural resources</td>
</tr>
<tr>
<td></td>
<td>• Indigenous people</td>
</tr>
<tr>
<td></td>
<td>• Cultural heritage</td>
</tr>
</tbody>
</table>

**FIDUCIARY STANDARDS (BASIC)**

**Basic Fiduciary Standards** are standards set a reasonable baseline for fund management. The underlying principles for Basic Fiduciary Standards include the ability to demonstrate that financial inputs and outputs are properly accounted for, reported, and administered transparently in accordance with pertinent regulations and law, and with due accountability; Information relating to the overall administration and management of the entity is available, consistent, reliable, complete and relevant to the required fiduciary standards; and that operations of the entity show a track record in effectiveness and efficiency.

The GCF also requires all entities to meet basic Transparency and Accountability standards which include protection and commitment against mismanagement and fraudulent, corrupt and wasteful practices; disclosure of any form of conflict of interest (actual, potential or perceived); and code of ethics, policies and culture that drive and promote full transparency and accountability.

For details on the supporting documents requested by the GCF to prove the entity has these functions see Section 4.1, on page 20 of the Accreditation Application, located here [http://www.greenclimate.fund/documents/20182/46513/1.5.1_Accreditation_Application_Form.pdf/7c6ed0-e42e-475a-9bd7-e099d64d6231](http://www.greenclimate.fund/documents/20182/46513/1.5.1_Accreditation_Application_Form.pdf/7c6ed0-e42e-475a-9bd7-e099d64d6231).
Entities can select, at their own discretion, to apply for one, two or three\(^1\) of the specialized fiduciary standards. The specialized fiduciary standards are: 1) project management 2) grant award mechanisms and 3) on-lending and/or blending.

The underlying principles for **Project Management** are the ability to identify, formulate and appraise projects or programmes; competency to manage or oversee the execution of approved funding proposals, including the ability to manage executing entities or project sponsors and to support project delivery and implementation; and capacity to consistently and transparently report on the progress, delivery and implementation of the approved funding proposal.

The underlying principles for **Grant Awarding** include specific capacities for grant award and funding allocation mechanisms such as transparent eligibility criteria and an evaluation process, grant award decision and procedures, public access to information on beneficiaries and results, transparent allocation and implementation of financial resources, and good standing with regard to multilateral funding.

The underlying principles for **Lending and Blending** include appropriate registration or licensing, track record of success, creditworthiness, due diligence practices, public access to information, investigative capacities, financial risk management, transparency and governance.

For details on the supporting documents requested by the GCF to prove the entity has these capacities and functions please see the appropriate sections (5.1, 5.2 and 5.3 respectively) beginning on page 28 of the Accreditation Application, found here [http://www.greenclimate.fund/documents/20182/46513/1.5.1_-_Application_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231](http://www.greenclimate.fund/documents/20182/46513/1.5.1_-_Application_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231).

<table>
<thead>
<tr>
<th>Key Points</th>
<th>Potential challenges and solutions(^2)</th>
</tr>
</thead>
</table>
| - Numerous (minimum of 2-3) pieces of evidence of implementation/practice of policies/procedures is required | - May be difficult to provide evidence of implementation/practice, particularly if policies/procedures are new or being put in place | | - Track record of at least three years is required | | - Open discussions with the Secretariat about steps being taken to ensure implementation or explanation about why policies have not been practiced may be useful | | - Proof of management support of policies is necessary | | - Evidence does not need to match exactly with the examples provided by GCF instead evidence may be comparable to the examples | | - Evidence of feedback from a variety of stakeholders (e.g. auditors) is needed | | - Compliance with certain standards has been found particularly difficult to prove. One standard which has proved challenging for non-bank entities is evidence of certain procurement policies e.g. standards relating to conflicts of interest, Know Your Customer, Anti-Terrorism and Anti-Money Laundering, clear and competitive tendering processes, or transparent selection criteria | | - Emphasis is placed on transparency and wide communication | | - As of July 2016 and according to the GCF, accredited entities may upgrade the level of their accreditation at a later date by completing an application for the additional standards | | - Prior experience implementing climate change projects is preferred | | - Accreditation has helped to improve or clarify internal capacities of the applicant organization, as it requires the entity to evaluate and articulate its own strengths and weaknesses against international standards | | - May be difficult to provide evidence of implementation/practice, particularly if policies/procedures are new or being put in place | | - Open discussions with the Secretariat about steps being taken to ensure implementation or explanation about why policies have not been practiced may be useful | | - Evidence does not need to match exactly with the examples provided by GCF instead evidence may be comparable to the examples | | - Compliance with certain standards has been found particularly difficult to prove. One standard which has proved challenging for non-bank entities is evidence of certain procurement policies e.g. standards relating to conflicts of interest, Know Your Customer, Anti-Terrorism and Anti-Money Laundering, clear and competitive tendering processes, or transparent selection criteria | | - May be difficult to provide evidence of implementation/practice, particularly if policies/procedures are new or being put in place | | - Open discussions with the Secretariat about steps being taken to ensure implementation or explanation about why policies have not been practiced may be useful | | - Evidence does not need to match exactly with the examples provided by GCF instead evidence may be comparable to the examples | | - Compliance with certain standards has been found particularly difficult to prove. One standard which has proved challenging for non-bank entities is evidence of certain procurement policies e.g. standards relating to conflicts of interest, Know Your Customer, Anti-Terrorism and Anti-Money Laundering, clear and competitive tendering processes, or transparent selection criteria |}
ENVELOPMENTAL AND SOCIAL SAFEGUARDS AND GENDER

The interim GCF ESS is comprised of 8 “performance standards” modeled from the International Finance Corporation (IFC) standards. Entities seeking accreditation must demonstrate compliance with the Performance Standards. The performance standards are areas of environmental and social consideration and protection in project design. The stringency of requirements for the ESS relevant policies/systems/structures that the entities are required to have in place is based on the level of potential ESS risk associated with the projects/programmes that are to be implemented. The level of potential ESS risk falls into one of three categories: a) high b) medium and c) low.

During the accreditation process, the applicants will specify the level of expected potential project/programme risk. The applicant must then provide proof of policies/systems/structures that are detailed and complex enough to minimize the applicable level of risk and a track record of having dealt with this level of risk. These policies/systems/structures fall under an overarching Environmental and Social Management System (ESMS) which the applicant must have established.

For Low level risk no policy is needed. However, the applicant is required to be able to demonstrate the ability to appraise projects as low, medium and high risk. For applicants seeking a Medium or High risk level of accreditation, the GCF requests the applicant to demonstrate use of an Environmental and Social policy with a three year track record.

---

3 The GCF has indicated that it will develop its own ESS PS within 3 years of the commencement of operation.
The 8 performance standards of the interim GCF ESS are taken from the ESS of the International Finance Corporation (IFC). A set of eight IFC Guidance Notes, corresponding to each performance standard, offers further guidance on the requirements contained in the performance standards. The Guidance Notes are available at http://www.ifc.org/wps/wcm/connect/Topics_Ext_Co
| 7 | Indigenous people | • Ensure full respect for indigenous peoples  
   (i) Human rights, dignity, aspirations  
   (ii) Livelihoods  
   (iii) Culture, knowledge, practices  
   • Avoid/minimize adverse impacts  
   • Ensure sustainable and culturally appropriate development benefits and opportunities  
   • Ensure free, prior and informed consent in certain circumstances |
| 8 | Cultural heritage | • Protect and preserve cultural heritage  
   • Promote equitable sharing of cultural heritage benefits |

**ESS RISK CATEGORIES**

There are three ESS risk categories (A, B, and C). The applicant should determine (at the outset of the accreditation process) the level of expected ESS risk of the projects/programmes that the applicant would like to implement with GCF resources.

<table>
<thead>
<tr>
<th>Category</th>
<th>Risk Level</th>
<th>Activities</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>High</td>
<td>Potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented</td>
<td>Large infrastructure projects such as large dams which require relocation or extensive coastal protection activities</td>
</tr>
<tr>
<td>B</td>
<td>Medium</td>
<td>Potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures</td>
<td>Small infrastructure projects such as construction of a new road to replace an existing road</td>
</tr>
<tr>
<td>C</td>
<td>Low</td>
<td>Minimal or no adverse environmental and/or social risks and/or impacts</td>
<td>Project/programmes such as distribution of improved cookstoves, installation of community level water purification systems or improved land management</td>
</tr>
</tbody>
</table>

The ESMS of the entity is the framework of policies/systems/structures which aims to minimize the environmental and social risks associated with the performance standards. The ESMS is comprised of a set of management processes and procedures which help the national entities to identify, analyze, control and reduce the adverse environmental and social impacts of activities under projects/programmes. It can take various forms depending on the needs and structure of the institution.

Within the entity’s ESMS, 6 areas of competence which must be demonstrated. These areas of competence include:

- Policy
- Identification of risks and impacts
The areas of competence apply to all of the 8 performance standards. For example, the “Identification of risks and impacts” competence area is used to identify risk associated with and impacts on labour and working conditions; resource efficiency and pollution prevention; community health, safety & security; land acquisition & involuntary resettlement; biodiversity conservation & sustainable management of living natural resources; indigenous people; and cultural heritage.

As an example, the ESMS capacity requirements for the low risk (C/I-3) projects/programmes are presented below. Requirements for medium and high risk projects/programmes can be found in the GCF Accreditation Application form.

<table>
<thead>
<tr>
<th>Area of Competence</th>
<th>Specific Capacity Required for C/I-3</th>
<th>Examples of Supporting Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy</td>
<td>Not required</td>
<td>A basic environmental and social (E&amp;S) procedure, which may be implemented by the relevant part of the organization. If a categorization system is already used, a list of illustrative projects from the past 3 years and their category, including an indication of who determines categorization.</td>
</tr>
<tr>
<td>Identification of risks and impacts</td>
<td>A process that screens projects/programmes against PS1-8 and is able to consistently confirm the risk category</td>
<td></td>
</tr>
<tr>
<td>Management programme</td>
<td>A management programme consistent with the level of E&amp;S risk. The management programme should indicate an institutional process to identify and manage risks (including unanticipated risks and impacts), and designate roles responsible for implementing the programme.</td>
<td>If needed due to unanticipated risks or impacts arising after screening, a description of the process and organizational capacity to manage E&amp;S risk.</td>
</tr>
<tr>
<td>Organizational capacity and competency</td>
<td>Designated staff or staff members appropriately located within the organization are knowledgeable about PS1-8 and able to properly categorize potential funding proposals through a screening process</td>
<td>Organizational chart of where designated staff members who make categorization decisions sit in the organization and reporting lines</td>
</tr>
<tr>
<td>Monitoring and review</td>
<td>Moderate monitoring of projects/programmes to ensure that there have been no scope changes or unanticipated impacts or risks requiring mitigation and management</td>
<td>Description of project monitoring process.</td>
</tr>
<tr>
<td>External communications</td>
<td>External communication channels that allow the entity to:</td>
<td>Written process or procedures describing external communications system.</td>
</tr>
</tbody>
</table>
GENDER

The GCF requires that the entity possess the specific capacities to meet the requirements outlined in the table below. This ensures that the entity contributes to the objectives of the GCF Gender Policy.

<table>
<thead>
<tr>
<th>Specific capacity required</th>
<th>Examples of Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrate competencies, policies and procedures to implement the GCF’s Gender Policy</td>
<td>• Extract from entity’s operational policies and procedures relating to gender</td>
</tr>
</tbody>
</table>
| Demonstrate experience with gender and climate change, including a track record of lending to both men and women | • Examples of 2 activities (e.g. projects/programmes undertaken, on-granting, on-lending, etc.) that specifically target women among beneficiaries  
• Evidence to show that the entity’s activities (e.g., projects/programmes undertaken, on-granting, on-lending, etc.) have non-discriminatory practices in terms of benefits and remuneration for both men and women employees |

The four objectives of the Gender Policy can be found in the second table below.

<table>
<thead>
<tr>
<th>GCF Gender Policy Objectives (GCF, 2015a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
</tr>
<tr>
<td>To ensure that by adopting a gender-sensitive approach, the Fund will achieve greater, more effective, sustainable, and equitable climate change results, outcomes and impacts, in an efficient and comprehensive manner in both its internal and external procedures and activities</td>
</tr>
<tr>
<td>To build equally women and men’s resilience to, and ability to address climate change, and to ensure that women and men will equally contribute to, and benefit from activities supported by the Fund</td>
</tr>
<tr>
<td>To address and mitigate against assessed potential project/programme risks for women and men associated with adaptation and mitigation activities financed by the Fund</td>
</tr>
<tr>
<td>To contribute to reducing the gender gap of climate change-exacerbated social, economic and environmental vulnerabilities</td>
</tr>
</tbody>
</table>

Key points and potential challenges with regards to meeting the ESS and gender standards set out by the Fund can be found below.
### Key Points

- A comprehensive ESMS is required
- External and transparent communication systems which are publically accessible are required
- Registry of inquiries/complaints and their responses from the past 3 years needs to be made available
- Gender policies must be established
- Evidence of non-discriminatory practices is required

### Potential challenges and solutions

- Many applicants do not have ESS or specific gender policies or structures in place
  - The GCF is aware of this challenge and does not always require the processes and policies to have been in place prior to the accreditation process. The applicant may institutionalize the policy as part of the accreditation process
  - The ESS and gender policies and structures should be designed in a way which is most applicable to the applicant
- GCF Gender Policy is ambiguous
  - The GCF is continuing to improve upon available guidance
  - Ambiguity allows for flexibility for the applicants
- Non-discrimination may be difficult to demonstrate
  - The applicant can use a variety of types of evidence to demonstrate non-discrimination

### READINESS

In order to facilitate demonstration of meeting the accreditation requirements, applicants can acquire readiness support from the Secretariat or from other partners. As part of the Readiness Programme provided by the GCF, the Secretariat provides in-kind support to entities to apply for accreditation. The support helps applicants to “navigate the accreditation application process” (GCF, 2015d).

In addition to the readiness support provided by Secretariat, other opportunities for support exist. The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), through the International Climate Initiative is funding a readiness support programme in 9 countries, implemented by the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Resource Institute (WRI). Further information is available at [www.gcfreadinessprogramme.org](http://www.gcfreadinessprogramme.org). This guidebook was produced as part of the BMUB funded UNDP/UNEP/WRI readiness support programme.

The German Federal Ministry for Economic Cooperation and Development (BMZ) is funding a readiness programme implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and KfW. The programme is working in 10 countries, as well as a regional program in the Caribbean. The programme will be producing generic information, such as an ESS toolkit, which may be useful for future applicants. Further information is available at [http://www.bmz.de/en/zentrales_downloadarchiv/themen_und_schwerpunkte/klima/Climate_Finance_Readiness_Programme.pdf](http://www.bmz.de/en/zentrales_downloadarchiv/themen_und_schwerpunkte/klima/Climate_Finance_Readiness_Programme.pdf).
4. ACCREDITATION STAKEHOLDERS

There are three key stakeholders in the accreditation process. These stakeholders are: 1) the National Designated Authority (NDA); 2) the GCF (including the Board, Secretariat and Accreditation Panel), and 3) the applicant.

NATIONAL DESIGNATED AUTHORITY

The NDA is the national focal point as agreed with the GCF. The NDA should: “ensure that activities supported by the Fund align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in line with national needs” (GCF, 2015b). The NDA has 5 key roles:

- **Provide broad strategic oversight aligned to national priorities**: Ensure that project/programmes are aligned with national development documents such as National Climate Change Policies or Development Agendas.
- **Convene national stakeholders including public, private and civil society stakeholders**: Help to organize stakeholder workshops to raise awareness about the GCF and to gather input regarding the design of GCF projects/programmes.
- **Provide nomination letters for direct access AEs**: All entities must request and acquire letters of nomination in order to be eligible to begin the GCF accreditation process.
- **Implement process to approve projects/programmes and grant letters of no-objection for projects/programmes**: The MoF serves as the catalyst for implementing the process to engage stakeholders to discuss the project/programme design provide feedback to the AE on the design, and, upon approval, grant letters of no-objections.
- **Provide leadership on the deployment of readiness and preparatory support funding in the country**: The MoF will receive readiness support and may facilitate the provision of readiness support to other stakeholders.

![Figure 2 Key roles and functions of NDAs (GCF, 2015b)](image)

The main role of the NDA in the accreditation process is to provide a letter of nomination for national entities.
There are three key actors within the GCF who are involved in the accreditation process: the Secretariat, the Accreditation Panel and the Board.

**SECRETARIAT**

The Secretariat is the main point of contact with the GCF for the applicant throughout the accreditation process. The Secretariat communicates feedback from the Board and Accreditation Panel to the applicant. In addition, the Secretariat performs a completeness check, following the submission of the GCF Accreditation Application Form by the applicant.

The Secretariat has four divisions: Country Programming; Mitigation and Adaptation; Private Sector Facility; and Chief Finance Officer and Support Services (GCF, 2014b). The Secretariat is based at GCF headquarters in Songdo, South Korea.

**ACREDITATION PANEL**

The Accreditation Panel is an independent technical panel comprised of six senior expert members, with balanced representation between developing and developed countries and appropriate range of expertise. The Accreditation Panel may invite senior expert observer members, on an ad-hoc or regular basis, to participate at sessions where no confidential information will be discussed. The Accreditation Panel assesses the accreditation application in Stage II of the accreditation process.

**BOARD**

The Board has 24 members, composed of an equal number of members from developing and developed country Parties. Each Board member has an alternate member, with alternate members entitled to participate in the meetings of the Board only through the principal member, without the right to vote, unless they are serving as the member. During the absence of the member from all or part of a meeting of the Board, his or her alternate serves as the member. The Board makes the final decision on accreditation, based on the guidance provided by the Accreditation Panel. Decisions by the Board are made at Board meetings which are held three times per year.
Green Climate Fund accreditation is a three-stage process. The accreditation process is considered to start once the necessary steps have been taken to submit the completed GCF Accreditation Application Form to the GCF Secretariat. Accreditation applications can be received by the Secretariat on a rolling basis i.e. there are no established deadlines.

Figure 3 Three stages of accreditation (GCF, 2014a)

The entire accreditation process for a national entity is intended to be completed within six months after submission of all the required documentation (GCF, 2014c), however GCF has noted longer than expected processing times during recent board meetings. For eligible entities, the fast-track accreditation process is intended to be completed three months after submission of all the required documentation. The GCF aims to improve efficiency and reduce the time required to complete the accreditation process (GCF, 2014c).

STAGE I: COMPLETENESS CHECK

Stage I of the accreditation process is comprised of a series of three Stage I preparatory steps followed by two main steps.

PREPARATORY STEPS 1-3

The first preparatory step is to request an Online Accreditation System (OAS) account. Entities must send an official letter signed by a duly authorized official of the entity with the names and email addresses of persons to whom the Fund is permitted to release OAS account information (including a username and initial password) to the GCF. This letter should be accompanied by documentation acceptable to the Fund evidencing the authority of the signatory. The letter and documentation shall be submitting via email to: accreditation@gcfund.org. Details about starting an account in the OAS and the details of the system can be found in the OAS User Guide available at https://www.greenclimate.fund/documents/20182/114264/1.5.6_OAS_User_Manual.pdf/ceea2e51-1cbe-403b-ab7a-42eb0c57b0d2.

Once the account has been opened, the entity then submits via the OAS the GCF Accreditation Application Form along with the letter of nomination by the NDA. Many country NDA’s are developing specific requirements for nomination. An entity seeking accreditation should contact the NDA where the entity is registered to obtain information on the unique country process. A list of NDAs and the appropriate contact information is available at http://www.greenclimate.fund/documents/20182/114261/20160406_GCF_List_of_Accredited_Entities.pdf/e09bb9b3-9730-4adc-bca9-ff32739ecae8.

The submission of the GCF Accreditation Application form and letter of nomination comprise preparatory step 2.
Figure 4 Stage I of the accreditation process

In regards to the confidentiality of information provided in the GCF Accreditation Application, the GCF has approved a comprehensive disclosure policy. The policy can be found at: https://www.greenclimate.fund/documents/20182/184476/GCF_B.12_24_-_Comprehensive_Information_Disclosure_Policy_of_the_Fund.pdf/f551e954-baa9-4e0d-bec7-352194b49bcb?version=1.0. The GCF strives to be as transparent as possible, therefore any exceptions to publication of information occur when the “GCF is legally obligated to non-disclosure or has received information from third parties clearly marked as confidential”.

The third preparatory step is payment of the accreditation fees. Once the Secretariat receives the application through the OAS, the Secretariat will send the applicant confirmation of receipt of submission and an invoice for accreditation fees. Accreditation fees are charged based on 1) the financial capacity category (i.e. micro, small, medium or large project/programme scope) and 2) on whether the accreditation fiduciary standard is basic or specialized. Fee exemptions are made for certain AEs. Details about fees are provided in the table below.

<table>
<thead>
<tr>
<th>Financial Capacity Category</th>
<th>Threshold: Total projected costs (irrespective of GCF contribution)</th>
<th>Fee Level for accreditation application for undertaking activities related to Basic Fiduciary Standards and ESS</th>
<th>Fee Level for accreditation application for undertaking activities related to each Specialized Fiduciary Standard</th>
<th>Other Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>≤ USD 10 million for an individual project or activity</td>
<td>Subnational and national entities in developing countries including small island developing states (SIDS) and least developed countries (LDCs): no fee</td>
<td>USD 500 each</td>
<td>Other fees may apply if the application is reviewed by the Secretariat or...</td>
</tr>
<tr>
<td>Category</td>
<td>Fee Structure</td>
<td>Description</td>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
<td>-------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td>&gt;USD 10 million and ≤ USD 50 million for an individual project or activity</td>
<td>SIDS and LDCs: no fee. Subnational and national entities in developing countries other than SIDS and LDCs: USD 3,000. All other entities: USD 5,000.</td>
<td>USD 1,000 each. In cases where the Accreditation Panel needs to review the application more than twice (see Section 0 for more information about the Accreditation Panel review), due to lack of completeness in the information or clarity in the documentation provided, additional fees may be determined on a case-by-case approach by the Secretariat.</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>&gt; USD 50 million and ≤ USD 250 million for an individual project or activity</td>
<td>USD 10,000</td>
<td>USD 3,000 each.</td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>&gt; USD 250 million for an individual project or activity</td>
<td>USD 25,000</td>
<td>USD 7,000 each.</td>
<td></td>
</tr>
</tbody>
</table>

Fees are non-refundable, even if an applicant fails to receive accreditation.

In cases where the Accreditation Panel needs to review the application more than twice (see Section 0 for more information about the Accreditation Panel review), due to lack of completeness in the information or clarity in the documentation provided, additional fees may be determined on a case-by-case approach by the Secretariat.

**STEP 1: CONFIRM RECEIPT OF NDA NOMINATION**

Step 1 of Stage I begins following the “preparatory steps” detailed above. Step I is comprised of the GCF confirming receipt of the NDA nomination. During this step, the GCF Secretariat will reach out to the NDA, to confirm that the entity was nominated. This serves to double-check country engagement in the accreditation process.

**STEP 2: INSTITUTIONAL ASSESSMENT AND COMPLETENESS CHECK**

The Stage I institutional assessment and completeness check is an initial assessment completed by the Secretariat. The Secretariat assesses the information submitted through OAS by the entity. The Stage I assessment identifies gaps in the application form. The assessment deems the status on each item in the application as “done” or “not done” and includes remarks which indicate “complete”, “pending” or “information not satisfactory.” In both the Stage I and Stage II assessments, all of the key components of the accreditation application form are assessed. These key components are:

1. Background and contact information of the applicant
2. Information on the ways in which the institution and its intended projects/programmes will contribute to furthering the objectives of the GCF
3. Information on the scope of intended projects/programmes and estimated contribution requested for an individual project or activity within a programme
4. Basic fiduciary criteria
5. Applicable specialized fiduciary criteria
6. Environmental and Social Safeguards
7. Gender
Following the review of the application, the Secretariat will most likely request clarifications/further information from the applicant. The applicant should be prepared for a significant number of clarification requests from the Secretariat. There may be multiple feedback rounds during Stage I.

The checklist used by the Secretariat in the Stage I assessment is available at https://www.greenclimate.fund/documents/20182/114264/1.5.7_-_Checklist_Stage_I_Secretariat_.pdf/3547b547-2e1e-425d-abc6-51fe606d7bdc. Once the applicant has successfully passed the institutional assessment and completeness check, the application is forwarded from the Secretariat to the Accreditation Panel.

STAGE II: REVIEW AND DECISION

Stage II of the accreditation process can be seen in Figure 5. Stage II is comprised of two steps: 1) Review and 2) Board decision.

Figure 5 Stage II of the accreditation process

STEP 1: ACCREDITATION PANEL REVIEW

Step 1 is comprised of two components: a) application review by the Accreditation Panel b) recommendation regarding the application to the Board.

In Step 1a, the Accreditation Panel assesses the application and the information provided during Stage I. Technical experts may also be utilized during the Stage II assessment. The checklist used by the Accreditation Panel for Stage II assessments is available at https://www.greenclimate.fund/documents/20182/114264/1.5.8_-_Checklist_Stage_II_Accreditation_Panel_.pdf/d0e3a1c9-7f2c-419d-8705-3a776ad58c6a. The Stage II assessment
evaluates key criteria for each item in the application checklist, with the assessment resulting in a “yes” or “no” evaluation. Remarks/observations by the Accreditation Panel are also recorded in the checklist.

Following the review of the entity’s application, the Accreditation Panel, via the Secretariat, will most likely request clarifications/further information from the entity. Entities should be prepared for a significant number of clarifications from the Secretariat.

Once the Accreditation Panel is satisfied that the entity has demonstrated compliance with the requirements, in Step 1b, the Panel provides the documentation and recommendation to the Board.

### STEP 2: BOARD DECISION

Step 2 of Stage II consists of the Board reviewing the recommendation of the Accreditation Panel and making a decision, based on the recommendation, about whether or not to approve the entity for accreditation. If the Board decides that further work by the entity is required and that accreditation is therefore not approved, this is communicated by the Secretariat to the entity. If during the board meeting the approval is confirmed, the applicant officially becomes an “Accredited Entity” (AE) and proceeds to Stage III. The Board can also opt to grant a conditional approval. In this circumstance, the conditions must be met, depending on the specifics of the condition, either prior to the first disbursement and/or during the project/programme implementation. Details about conditions accompanying accreditations of the currently approved AEs can be found in the annexes of the decisions of the 9th, 10th, and 12th Board meetings available at [http://www.greenclimate.fund/boardroom/on-record/documents](http://www.greenclimate.fund/boardroom/on-record/documents).

<table>
<thead>
<tr>
<th>Key Points</th>
<th>Potential challenges and solutions</th>
</tr>
</thead>
</table>
| • The accreditation is intended to take 6 months from the point when all documentation is complete, however in practice the process has taken slightly longer. | • If documentation submitted is incomplete, the process may take significantly longer  
  ▪ An applicant can safeguard against this issue by making good use of the application form instructions and by performing the self-assessment checks |
| • NDA support must be demonstrated  
• If the Accreditation Panel needs to review the application more than twice, additional fees may be required  
• Conditional accreditation approvals may be granted | • The current pipeline of applicants for GCF accreditation is around 160  
  ▪ An applicant can shorten overall wait time by ensuring that the originally submitted application is well-developed and addresses all GCF criteria at outset |

### STAGE III: LEGAL ARRANGEMENTS

Stage III of the accreditation process can be seen in Figure 6. Stage III is comprised of two steps: 1) validation of payment instructions and 2) finalization and signature of the Accreditation Master Agreement (AMA).

Figure 6 Stage III of the accreditation process
During Stage III, legal arrangements between the AE and GCF are negotiated and approved. The first step of Stage III is validating the payment instructions provided by the entity to the GCF. This validation ensures that payment for implementation will efficiently flow from the GCF to the entity.

Step 2 of Stage III is the finalization and signature of the Accreditation Master Agreement (AMA), the legal agreement between the GCF and accredited entity. The AMA sets out the general terms and conditions of the services to be rendered by the AE for the Fund under its accreditation. The AMA defines the relationship between the Fund and the AE, including the roles of each and how each will carry out its responsibilities with regard to the extent and scope of its accreditation. The AMA may include a wide scope of provisions, as seen in Annex XI of the Decisions of the Board — Ninth Meeting of the Board (GCF, 2015a) available at [http://www.greenclimate.fund/boardroom/on-record/documents](http://www.greenclimate.fund/boardroom/on-record/documents).

The signing of the AMA is the final step of the accreditation process. The accreditation of the entity is valid for a fixed term of five years or less, depending on the terms of accreditation. The Board will decide whether an entity is to be re-accredited, based on an assessment which will be conducted by the Secretariat and the Accreditation Panel.
LESSONS LEARNED REGARDING THE GCF ACCREDITATION PROCESS

Consultations with readiness recipients and review of other readiness programme documents have yielded several key lessons learned including lessons learned on stakeholder engagement, accreditation capacity needs, and early project pipeline development.

Early engagement of stakeholders in the accreditation process is beneficial, particularly in the long term. Early discussions with the NDA will facilitate the process of the NDA granting the letter of nomination as well as familiarize an entity with the unique nomination process required by the NDA. Early conversations with a variety of stakeholders may facilitate project/programme implementation and provide insight on the level of accreditation the entity should seek.

The capacity needed to undertake the accreditation process should not be underestimated. Capacity needs are in terms of: 1) Number of staff working on accreditation and 2) Institutional capacity of the entity to pass the accreditation process. As each round of feedback with the GCF is time consuming and the timing of the feedback is not known, it is useful to have more than one person working on the accreditation process as well as on stand-by to quickly answer questions as the GCF provides feedback. The GCF asks applicants to respond as soon as possible, and has indicated that many applicants have managed to respond with 24 hours. Institutional capacity can be a major challenge during accreditation. Applicants may need to be prepared to update existing policies/procedures or create new ones. This may require significant time and costs.

Designing the initial project/programme to be submitted at the same time as the entity undertakes the accreditation process allows for the proposal review process to begin quickly following accreditation. Further, entities are permitted to submit concept notes prior to receiving accreditation. Entities should note that GCF project proposals require substantial upfront investment, and are highly detailed forms.

Entities should be aware that even if the entity is accredited, project/programme funding proposals are not automatically accepted. Proposals must be high quality and well aligned with national development plans and the objectives of the GCF.
A NOTE ON FAST-TRACK ACCREDITATION

Fast-track accreditation is allowed for entities which meet both of the below criteria:

1) The entity was accredited by one or more of the following funds by 17 October 2014:
   a) Global Environment Facility (GEF)
   b) Adaptation Fund (AF)

2) The entity is in full compliance with the relevant accreditation requirements of the fund(s) they are accredited to:
   a) GEF’s Minimum Fiduciary Standards and Minimum Standards on Environmental and Social Safeguards
   b) AF’s fiduciary standards
   c) EU DEVCO’s fiduciary standards under the 6-pillar assessment

Under the fast-track accreditation process, entities which meet both of the above criteria need to complete the accreditation form to address gaps specific to entities accredited with the GEF, AF and EU DEVCO. The fast-track accreditation process eliminates certain criteria from the accreditation requirements, based on the understanding that the entity has already demonstrated that it met the requirements as a part of the accreditation process when it obtained accreditation to other international funds. The fast-track process is intended to take approximately three months, but in practice has taken slightly longer.
REFERENCES


