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WORLD
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SIMPLIFIED GUIDEBOOK FOR
DIRECT ACCESS ACCREDITATION TO THE
GREEN CLIMATE FUND



Bundesministerium
für Umwelt, Naturschutz,
Bau und Reaktorsicherheit

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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). This guidebook was produced by Jesica Andrews. Special thanks to Alexander Koch and Barney Dickson.

A STARTING NOTE

This Guidebook is a simplified version of the “Comprehensive Guidebook for Direct Access Accreditation to the Green Climate Fund”. It provides an overview of the key elements of the accreditation process and best practice for completing the process. Greater detail can be found on each item in the Comprehensive Guidebook available online at gcfreadinessprogramme.org

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.

More information on the Fund's resources can be found here:
<http://www.greencimate.fund/contributions/pledge-tracker>.

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. 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
- 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.

A full list of Accredited Entities can be found here:
<http://www.greencimate.fund/documents/20182/114261/20160406>

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 can be received by the Secretariat on a rolling basis i.e. there are no established deadlines. The entire accreditation process for a national entity is expected to be completed within six months after submission of all the required documentation (GCF, 2014c).

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 a list of key guidance documents for undertaking accreditation, together with the corresponding link and a brief description of each document and its use.

Document and Link	Description and Use
Entity Self-Assessment	This is a quick one-page self assessment tool to allow an entity to assess whether it fulfills the basic criteria to be accredited
GCF Accreditation Application Form	The GCF Accreditation Application Form should always be referred to by applicants for full requirements of accreditation
Stage I Check	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.
Stage II Check	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.
OAS User Guide	The OAS User Guide is a simple guide intended to inform applicants on the use of the online application system.
*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 completing each step.

	Key Step	Process
1	Obtain Nationally Designated Authority's Nomination	For an entity to submit a GCF Accreditation Application Form it must obtain a letter of nomination by the NDA. Many country NDA's are developing specific requirements for nomination. An entity seeking accreditation should contact the NDA of the country where the entity is registered to obtain information on the unique country process. A list of NDAs and the appropriate contact information can be found at http://www.greenclimate.fund/ventures/accreditation
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: <ul style="list-style-type: none"> • 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
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-e099d64d6231
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 .
9	Respond to GCF Inquires on Stage I	During Stage I the GCF will ensure that the entity’s application is complete with all the required documentation. The entity should expect one or more rounds of inquiry from the GCF to clarify the information provided by the entity.
10	Clearance to Stage II	Once the GCF accreditation team determines the application is complete and fit for Stage II review the GCF secretariat will inform the applicant that the application has been cleared for Stage II review.
11	Respond to GCF Inquires on Stage II	During Stage II review the GCF reviews the application for strategic appropriateness. The GCF reviews whether the entity will be effective in furthering the objectives of the GCF and in managing the funding. The Stage II review typically consists of at least one call between the GCF and the applicant, the GCF then makes a recommendation either for or against accreditation and forwards this recommendation to the board for review.
12	Draft Board Meeting Applicant Description	Following Stage II completion the GCF board will review the GCF secretariat’s recommendation for accreditation as well as the applicant’s application and make a decision on accreditation at the next board meeting.
13	Approval*	Once approved the “Accredited Entity” works with the GCF to sign the Accreditation Master Agreement (“AMA”). Upon signing, the entity is eligible to submit project/programme proposals.
*Applicant can be found un-fit for accreditation at any stage throughout the application process and will not proceed to next stage		

KEY LESSONS LEARNED REGARDING THE ACCREDITATION APPLICATION

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

Perform Self Assessment	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 but also to review the
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	application form with the required supporting documentation and the Stage I checklist in detail before committing substantial resources.
Know your level of accreditation	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.
Form an “in-house” Accreditation Team	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 required 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 different units of the entity who may be more or less willing to work with the internal task team.
Gather required supporting documentation for level of accreditation selected	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.
Apply the Stage I checklist to ensure all required documentation has been collected	It is very important to ensure that the individual clauses or processes required by the GCF are contained within policies provided in the application. 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.

KEY LESSONS REGARDING THE ACCREDITATION PROCESS AND BEYOND

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

Early engagement of stakeholders in the accreditation process may be 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. 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. Entities are permitted to submit concept notes once they have reached Stage II of accreditation. However, GCF will only review Funding Proposals once an entity receives accreditation. Entities should note that GCF project proposals are highly detailed and require substantial upfront investment.

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.

MORE INFORMATION

For more information on the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Resource Institute (WRI) readiness support programme funded by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) please see www.gcfreadinessprogramme.org.