Green Climate Fund Accreditation Toolkit
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Disclaimer

This toolkit is a knowledge product prepared by Acclimatise, the trading name of Acclimatise Group Limited. The content was adapted to meet the requirements of the UN Environment-funded project “Support Uzbekistan in identification, assessment and strengthening a national institution to directly access climate finance from the GCF”, conducted in collaboration with CENER21. The views expressed and information contained in it are not necessarily those of or endorsed by the client, which can accept no responsibility or liability for such views, completeness or accuracy of the information or for any reliance placed on them. Any liability arising out of use by a third party of this document for purposes not wholly connected with the above shall be the responsibility of that party, who shall indemnify against all claims, costs, damages and losses arising out of such use.

### Acronyms

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<th>Description</th>
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<td>ADA</td>
<td>The Agency for Agricultural Development of Morocco</td>
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<td>AE</td>
<td>Accredited Entity</td>
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<td>AF</td>
<td>Adaptation Fund</td>
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<td>AMA</td>
<td>Accreditation Master Agreement</td>
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<td>CBNRM</td>
<td>Community-Based Natural Resource Management</td>
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<td>CIA</td>
<td>Certified Internal Auditor</td>
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<td>CDM</td>
<td>Clean Development Mechanism</td>
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<td>CPO</td>
<td>Chief Procurement Officer</td>
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<td>COSO</td>
<td>Committee of Sponsoring Organisations</td>
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<td>CSE</td>
<td>Centre de Suivi Écologique</td>
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<td>DA</td>
<td>Direct Access</td>
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<td>DAE</td>
<td>Direct Access Entity</td>
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<td>DG DEVCO</td>
<td>Directorate General for International Cooperation and Development</td>
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<td>DP</td>
<td>Delivery Partner</td>
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<td>EDA</td>
<td>Enhanced Direct Access</td>
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<td>ECOSOC</td>
<td>Economic and Social Council</td>
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<td>EE</td>
<td>Executing Entities</td>
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<td>EIF</td>
<td>Environmental Investment Fund</td>
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<td>ESIA</td>
<td>Environment and Social Impact Assessment</td>
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<td>ESMS</td>
<td>Environmental and Social Management System</td>
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<td>ESS</td>
<td>Environmental and Social Safeguards</td>
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<td>DOE</td>
<td>Department of Environment</td>
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<td>DP</td>
<td>Delivery Partner</td>
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<td>FAA</td>
<td>Funded Activity Agreement</td>
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<td>FDB</td>
<td>Fiji Development Bank</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FECO</td>
<td>Foreign Economic Cooperation Office</td>
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<td>FSF</td>
<td>Fast-Start Finance</td>
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<td>FP</td>
<td>Funding Proposal</td>
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<td>GAAP</td>
<td>Generally Accepted Auditing Principles</td>
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<td>GCF</td>
<td>Green Climate Fund</td>
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<td>GEF</td>
<td>Global Environmental Facility</td>
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<td>IDCOL</td>
<td>Infrastructure Development Company Limited</td>
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<td>IE</td>
<td>Implementing Entities</td>
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<td>IIA</td>
<td>Institute of Internal Auditors</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>International Institute for Environment and Development</td>
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<td>ITAP</td>
<td>Independent Technical Advisory Panel</td>
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<td>INDC</td>
<td>Intended Nationally Determined Contribution</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>IPCC</td>
<td>Intergovernmental Panel on Climate Change</td>
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<td>KDB</td>
<td>Korea Development Bank</td>
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<td>KYC</td>
<td>Know Your Customer</td>
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<td>LDCs</td>
<td>Least Developed Countries</td>
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<td>LDCF</td>
<td>Least Developed Country Fund</td>
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<td>LLC</td>
<td>Limited Liability Company</td>
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<td>M&amp; E</td>
<td>Monitoring and Evaluation</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MIE</td>
<td>Multilateral Implementing Entity</td>
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<td>MINIRENA</td>
<td>Ministry of National Resources of Rwanda</td>
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<td>MOFEC</td>
<td>Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia</td>
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<td>MRV</td>
<td>Measurable, Reportable, Verifiable</td>
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<td>MSME</td>
<td>Micro, Small and Medium Enterprise</td>
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<td>MW</td>
<td>Megawatt</td>
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<td>NABARD</td>
<td>National Bank for Agriculture and Rural Development</td>
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<td>NAP</td>
<td>National Adaptation Plan</td>
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<td>NAPAs</td>
<td>National Adaptation Programmes of Action</td>
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<td>NBFI</td>
<td>Non-Bank Financial Institution</td>
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<td>NDA</td>
<td>National Designated Authority</td>
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<td>NDC</td>
<td>Nationally Determined Contribution</td>
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<td>NEMA</td>
<td>National Environment Management Authority of Kenya</td>
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<td>NIE</td>
<td>National Implementing Entity</td>
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<td>OAS</td>
<td>Online Accreditation System</td>
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<td>ODI</td>
<td>Overseas Development Institute</td>
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<td>PKSF</td>
<td>Palli Karma-Sahayak Foundation</td>
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<td>PMF</td>
<td>Performance Measurement Framework</td>
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<td>PPF</td>
<td>Project Preparation Facility</td>
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<td>PROFONAPE</td>
<td>Peruvian Trust Fund for National Parks and Protected Areas</td>
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<td>PS</td>
<td>Performance Standards</td>
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<td>PSF</td>
<td>Private Sector Facility</td>
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<td>PT SMI</td>
<td>PT Sarana Multi Infrastruktur</td>
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<td>RIE</td>
<td>Regional Implementing Entities</td>
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<td>RFP</td>
<td>Request For Proposal</td>
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<td>RMF</td>
<td>Results Management Framework</td>
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<td>SANBI</td>
<td>South African National Biodiversity Institute</td>
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<td>SAPR</td>
<td>Semi-Annual Progress Reports</td>
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<td>SCCF</td>
<td>Special Climate Change Fund</td>
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<td>SIDBI</td>
<td>Small Industries Development Bank of India</td>
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<td>SIDS</td>
<td>Small Island Developing States</td>
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<td>UCAR</td>
<td>Unidad Para el Cambio Rural (Unit for Rural Change)</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UN Environment</td>
<td>United Nations Environment Programme</td>
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<td><strong>UNFCCC</strong></td>
<td>United Nations Framework Convention on Climate Change</td>
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<td><strong>Uzhydromet</strong></td>
<td>Centre of Hydrometeorological Service of the Republic of Uzbekistan</td>
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Glossary of key terms

**Accredited Entities (AE):** An entity that is accredited by the Board in accordance with the governing instrument and relevant Board decisions.

**Adaptation:** Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

**Adaptation Fund (AF):** The Adaptation Fund was established to finance concrete adaptation projects and programmes in developing countries that are particularly vulnerable and are Parties to the Kyoto Protocol. The Fund is to be financed with a share of proceeds from Clean Development Mechanism (CDM) project activities and receive funds from other sources. It is operated by the Adaptation Fund Board.

**Basic fiduciary standards:** These standards assess the capacity of an entity to identify, prepare, submit and implement funding proposals for projects and programmes in line with national needs for mitigation and adaptation to climate change. They include: (a) key financial and administrative capacities; and (b) transparency and accountability.

**Capacity building:** In the context of climate change, the process of developing the technical skills and institutional capability in developing countries and economies in transition to enable them to address effectively the causes and results of climate change.

**Carbon market:** A popular (but misleading) term for a trading system through which countries may buy or sell units of greenhouse-gas emissions in an effort to meet their national limits on emissions, either under the Kyoto Protocol or under other agreements, such as that among member states of the European Union. The term comes from the fact that carbon dioxide is the predominant greenhouse gas, and other gases are measured in units called "carbon-dioxide equivalents."

**Certified Internal Auditor (CIA):** Is a certification offered to accountants who conduct internal audits, offered by the Institute of Internal Auditors (IIA). This credential is the only such accepted worldwide.

**Clean Development Mechanism (CDM):** A mechanism under the Kyoto Protocol through which developed countries may finance greenhouse-gas emission reduction or removal projects in developing countries, and receive credits for doing so which they may apply towards meeting mandatory limits on their own emissions.

**Climate change:** A change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

**Climate finance:** Refers to the financial resources mobilised to help developing countries mitigate and adapt to the impacts of climate change (Overseas Development Institute - ODI)
Climate finance readiness: Capacities of countries to plan for, access, deliver, and monitor and report on climate finance, both international and domestic, in ways that are catalytic and fully integrated with national development priorities and achievement of the Millennium Development Goals (MDGs) (United Nations Development Programme - UNDP).

Code of ethics: A guide of principles designed to help employees and contractors conduct business and operations honestly and with integrity. A code of ethics may outline: the mission and values of an institution, how employees are expected to approach a problem. These ethical principles will generally be based on an organisation’s core values. Compliance-based codes of ethics usually outline the guidelines for conduct and the penalties for violations of the principles.

- Compliance officer: Compliance with these ethical principles is often overseen by a dedicated compliance officer, tasked with keeping regulatory codes up to date and monitoring employee conduct to encourage compliance.

Concept note: A project or programme concept document which provides basic information about a project or programme to seek feedback on whether the concept is broadly aligned with the objectives and policies of the Fund.

Conflict of interest: A situation where a person or organisation with vested interests in another entity, organisation or asset becomes unreliable because of a clash between their personal and professional interests. Self-dealing is the most common conflict of interest and occurs when management level employees accept transactions from another organisation benefiting their manager but harming their organisation.

Delivery Partners (DP): Institutions selected by the National Designated Authority (NDA) or focal point to implement activities approved under the Readiness and Preparatory Support Programme. Delivery partners provide services such as: development of readiness request proposals; implementation and supervision; fiduciary management; progress reporting; and project completion and evaluation. Delivery partners may be AEs or other institutions assessed to meet the financial management capacities requirements of the Fund.

Direct access: Initially presented in 2007 as part of a Decision to operationalise the Adaptation Fund at the United Nations Framework Convention on Climate Change (UNFCCC) conference in Bali, the direct access modality is defined as the possibility to invite eligible Parties and institutions (referred to as "entities") selected by Governments to directly approach the Adaptation Fund and submit project proposals directly to the Fund. This modality is also used by the Green Climate Fund (GCF).

- Enhanced Direct Access (EDA): Aims to increase the level of country ownership. Selected accredited entities will submit a proposal in consultation with the NDA describing: (i) The scope of activities that will be considered for financing in conformity with the Fund’s eight result areas; (ii) The country/entity level approval process of specific pilot activities set up in conformity with the Fund’s investment framework and results management framework; and (iii) The institutional arrangements set up to ensure oversight and multi-stakeholder engagement. Unlike the traditional direct access modality, there will be no submission of
individual projects or programmes because decision-making for the funding of specific pilot activities will be devolved at the country level.

**Direct access entity (DAE):** Refers to subnational, national or regional entities that are accredited by the GCF under the direct access modality to receive direct financial transfers in order to carry out adaptation projects and programmes funded by the GCF. They may include regional agencies, national ministries or government agencies, development banks, climate funds, commercial banks, other financial institutions, etc.

**Environmental and Social Management System (ESMS):** Processes that institutions have in place to make sure that they adequately identify, assess, manage, mitigate and monitor environmental and social risks and respond to problems that arise. All institutions seeking accreditation to the GCF must have an ESMS. The strength of the ESMS can vary though depending on the accreditation category.

**Environmental and Social Safeguards (ESS):** A reference point for establishing criteria for accrediting institutional capacities and entities seeking accreditation to the Fund, and for identifying, measuring and managing environmental and social risks. The main purpose of the ESS is to determine the key environmental and social risks the AE intends to address in the conceptualisation, preparation and implementation of funding proposals, and to provide guidance on how these risks are to be managed. ESS is based on the eight performance standards (PS) of the International Finance Corporation.

**Evaluation:** A systematic assessment of the worth or utility of an intervention at a specific point in time, for example whether a policy has been effective in achieving set objectives.

**Executing Entities (EE):** With respect to the Green Climate Fund, organisations that execute eligible activities supported by the GCF under the oversight of accredited Implementing or Funding Entities.

**External auditing standards:** The standards for external auditing are the Generally Accepted Auditing Principles (GAAP) set by the American Institute of Certified Public Accountants. A separate set of standards called the International standards on Auditing were established by the International Auditing and Assurance Board.

**Fast-Start Finance (FSF):** At COP 15 in Copenhagen in 2009, developed countries pledged to provide new and additional resources, including forestry and investments, approaching USD 30 billion for the period 2010 - 2012 and with balanced allocation between mitigation and adaptation. This collective commitment has come to be known as "Fast-start Finance".

**Fiduciary Standards:** Refers to the basic and specialised fiduciary requirements of the GCF that accredited entities and readiness partners need to comply with depending on the nature of the activities funded by the GCF.

**Financial Mechanism:** Developed country Parties (Annex II Parties) are required to provide financial resources to assist developing country Parties implement the Convention. To facilitate this, the Convention established a financial mechanism to provide funds to developing country Parties. The Parties to the Convention assigned operation of the financial mechanism to the Global Environment
Facility (GEF) on an on-going basis, subject to review every four years. The financial mechanism is accountable to the COP.

**Funding Proposal:** Accredited entities can access GCF resources to undertake climate change projects and programmes by submitting funding proposals to the Fund.

**Gender:** Refers to how societies and specific cultures assign roles and ascribe characteristics to men and women on the basis of their sex. For example, many cultures share expectations that women are more nurturing than men, and that men should be soldiers during wars.

**Gender Policy:** The Fund’s gender policy aims to ensure the GCF will efficiently contribute to gender equality and will, in turn, achieve greater and more sustainable climate change results. The gender policy is applied to all of the Fund’s activities, whether implemented by international, regional, national or subnational, public or private entities or institutions that access GCF’s resources.

**Global Environment Facility (GEF):** The GEF is an independent financial organisation that provides grants to developing countries for projects that benefit the global environment and promote sustainable livelihoods in local communities. The Parties to the Convention assigned operation of the financial mechanism to the GEF on an on-going basis, subject to review every four years. The financial mechanism is accountable to the COP.

**Green Climate Fund (GCF):** At COP 16 in Cancun in 2010, Governments established the GCF as an operating entity of the financial mechanism of the Convention under Article 11. The GCF will support projects, programmes, policies and other activities in developing country Parties. The Fund will be governed by the GCF Board.

**Independent Technical Advisory Panel (ITAP):** Provides independent technical assessment of, and advice on, funding proposals for the GCF Board. The Panel conducts the technical assessments at the analysis and recommendations to the Board stage of the Fund’s project and programme activity cycle. This is done in accordance with the Fund’s initial proposal approval process, and in order to provide objective technical advice on funding proposals for the Board.

**Indicator:** A measurable characteristic or variable which helps to describe an existing situation and to track changes or trends – i.e. progress – over time.

**Intended Nationally Determined Contributions (INDCs):** Are the primary means for governments to communicate internationally the steps they will take to address climate change in their own countries. INDCs reflect each country’s ambition for reducing emissions and adapt to climate change impacts, taking into account its domestic circumstances and capabilities. They pair national policy setting — in which countries determine their contributions — with a global framework under the Paris Agreement that drives collective action toward a zero-carbon, climate-resilient future.

- **Nationally Determined Contribution (NDC):** as countries formally join the Paris Agreement and look forward to implementation of these climate actions – the “intended” is dropped and an INDC is converted into a Nationally Determined Contribution (NDC). Under the provisions of the Paris Agreement, countries will be expected to submit an updated NDC every five years,
which will represent a progression beyond the country’s then current NDC to reflect its highest possible ambition.

**Intergovernmental Panel on Climate Change (IPCC):** Established in 1988 by the World Meteorological Organization and the UN Environment Programme, the IPCC surveys world-wide scientific and technical literature and publishes assessment reports that are widely recognised as the most credible existing sources of information on climate change. The IPCC also works on methodologies and responds to specific requests from the Convention's subsidiary bodies. The IPCC is independent from the Convention.

**Intermediation:** Activities involving investments through financial intermediation functions or through delivery mechanisms involving financial intermediation.

**Investment criteria:** Six investment criteria adopted by the Board, namely impact potential, paradigm shift potential, sustainable development potential, needs of the recipient, country ownership and efficiency and effectiveness. There are coverage areas, activity-specific sub-criteria, and indicative assessment factors that provide further elaboration. Please refer to the Board decision on further development of the Initial Investment Framework which provides more detailed explanation of the Fund’s investment criteria.

**Investment Framework:** The Fund’s Investment Framework details possible indicators (or indicative assessment factors) that may help entities to quantify impact potential. For example, a renewable energy project/programme may wish to provide the expected number of Megawatt (MW) of low-emission energy capacity installed, generated and/or rehabilitated.

**Internal audit:** Is the examination, monitoring and analysis of activities related to an institution’s operations. Audits are important components of an institution’s risk management by helping to identify issues before they become major problems. Internal audits may take place over varying periodicities depending on the function being audited, with some departments being audited more frequently than others: a daily, weekly, monthly or annual internal audit may assess the effectiveness of an institution’s control systems and help to uncover cases of fraud, waste or abuse.

- **Auditing process:** An internal audit will generally begin by the auditing officer assessing current institutional processes and procedures, followed by analyses and comparison of these result versus internal control objectives, to determine whether internal policies, national and international laws are being complied with. Finally, the auditor’s report will be presented to senior management.

- **Financial auditing:** When auditing financials, the goal will be to determine whether the institutions financial statements comply with the generally accepted accounting principles of that particular jurisdiction. It will ensure that the financial records are a fair and accurate representation of the transactions that they claim to represent.

- **Auditors:** Auditors can be internal employees and/or external outside firms.

**Internal controls:** as defined by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, internal controls are the processes set by an entity’s board of directors, management and other personnel, that are designed to provide assurances that an entity’s objectives in the
effectiveness and efficiency of their operations, the reliability of financial reporting, and compliance with applicable laws and regulations. No two internal control systems will be the same, however, they should all be documented to create an audit trail. Internal controls will generally be defined in two categories: preventative and detective.

- **Preventative**: Preventative internal controls are policies and procedures that do not allow certain activities to take place, therefore are a proactive first line of defence especially within a financial accounting system. E.g. the segregation of duties whereas tasks are delegated amongst several staff members to ensure no single person is in a position to authorise, record, and be in custody of a financial transaction and resulting asset.

- **Detective**: Detective internal controls are the backup procedures that ensure preventative internal controls operate as intended, allowing items or events missed by the first line of defence to be caught within a second set of controls. E.g. performance reviews of budgets, forecasts and other benchmarks; the follow-up of unexpected conditions or unusual results; external audits from accounting firms and internal auditing of assets.

**Know your customer (KYC) due diligence**: The process of identifying and verifying the identity of clients. This process may also be used for the purpose of ensuring agents, consultants and distributors procured are anti-money laundering, anti-bribery and anti-terrorist financing compliant. KYC should encompass a customer policy, customer identification process, monitoring of transactions and financial risk management, and equivalent processes.

**Kyoto Protocol**: An international agreement standing on its own, and requiring separate ratification by governments, but linked to the UNFCCC. The Kyoto Protocol, among other things, sets binding targets for the reduction of greenhouse-gas emissions by industrialised countries.

**Least Developed Countries (LDCs)**: The world's poorest countries. The criteria currently used by the Economic and Social Council (ECOSOC) for designation as an LDC include low income, human resource weakness and economic vulnerability.

**Least Developed Country Fund (LDCF)**: The LDCF is a fund established to support a work programme to assist Least Developed Country Parties to carry out, inter alia, the preparation and implementation of national adaptation programmes of action (NAPAs). The Global Environment Facility, as the entity that operates the financial mechanism of the Convention, has been entrusted to operate this fund.

**Logframe**: One of the most used methods to articulate and clarify how a set of activities will achieve the desired outcomes and objective of a project (or its ‘theory of change’). The logframe represents a results map or results framework which is part of Result Management Framework (RMF). The logframe also captures basic monitoring and evaluation (M&E) requirements. The project/programme’s logframe is critical to determining the costs at the activity level required in the proposal template, the overall budget, and the timeline and key milestones.

**Loss and damage**: At COP 16 in Cancun in 2010, Governments established a work programme in order to consider approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change as part of the Cancun Adaptation Framework.
**Mitigation:** In the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other "sinks" to remove greater amounts of carbon dioxide from the atmosphere.

**MRV:** Measurable, reportable and verifiable. A process/concept that potentially supports greater transparency in the climate change regime.

**Multilateral Implementing Entity (MIE):** With respect to the Green Climate Fund or the Adaptation Fund, Multilateral Institutions and Regional Development Banks chosen by eligible Parties to submit proposals to the Board, will bear the full responsibility for the overall management of the projects and programmes financed by the Fund and will bear all financial, monitoring and reporting responsibilities.

**Monitoring:** Systematic and continuous collection of information that enables stakeholders to check whether an intervention is on track or achieving set objectives.

**National Adaptation Plan (NAP):** According to decision 5/CP.17, paragraph 1, the objectives of the NAP process are: a) to reduce vulnerability to the impacts of climate change, by building adaptive capacity and resilience; and b) to facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities, in particular development planning processes and strategies, within all relevant sectors and at different levels, as appropriate.

**National Adaptation Programmes of Action (NAPAs):** Documents prepared by least developed countries (LDCs) identifying urgent and immediate needs for adapting to climate change.

**National Designated Authority (NDA):** A core interface and the main point of communication between a country and the Fund. The NDA seeks to 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. A key role of NDAs is to provide letters of no-objections for project proposals.

**Paradigm shift:** A fundamental shift of all countries towards low-carbon and climate-resilient sustainable development, in accordance with the GCF agreed results areas and consistent with a country-driven approach. It should be noted that this is not an official definition from the GCF and that the terms ‘paradigm shift’ and ‘transformational change’ are often used interchangeably. The paradigm shift of a project corresponds to the degree to which the proposed activity can catalyse impact beyond a one-off project/programme investment. This can be emphasised by providing further details on the four related factors:

- **Potential for scaling up and replication:** The proposal should illustrate how the proposed project/programme’s expected contributions to global low-carbon and/or climate resilient development pathways could be scaled up and replicated, including a description of the steps necessary to accomplish it.
Potential for knowledge and learning: Any potential for the creation or the strengthening of knowledge, collective learning processes or institutions should be highlighted.

Contribution to the creation of an enabling environment: The sustainability of outcomes and results beyond the completion of the intervention should be highlighted. The proposal should explain how proposed measures will create conditions that are conducive to effective and sustained participation of private and public-sector actors in low-carbon and/or resilient development that go beyond the programme.

Contribution to regulatory framework and policies: The proposal should elaborate on how the proposed project/programme advances national/local regulatory or legal frameworks to systematically drive investment in low-emission technologies or activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development.

Performance Measurement Framework (PMF): A performance measurement system intended to monitor the Fund’s results at the project, programme and aggregate portfolio levels. The GCF has distinct PMFs for mitigation, adaptation and REDD+ activities. The PMFs comprise a set of indicators that measure progress towards intended results based on the paradigm-shift objective, Fund-level impacts and project/programme outcomes outlined in the Fund’s mitigation, adaptation and REDD+ logic models.

Private climate finance: The financial resources mobilised from private sector to leverage the public climate finance in mitigating and adaptation on the impact of climate change in developing countries. Private climate finance is represented in many forms such as Foreign Direct Investment (FDI), and philanthropic to mention a few.

Procurement: The process through which products and services are acquired or purchased. Procurement takes into account the budgeting, supply chain and payment, amongst other factors. The procurement process will also involve identifying an entity’s needs, identifying and evaluating potential suppliers, and negotiating with these suppliers over the price and quantity to find the best result for an organisation with respect to their culture, mission and mandate.

Chief Procurement Officer (CPO): As large procurements can be very complex and lengthy, many organisations will employ a CPO to handle major acquisitions.

Procurement laws: Most countries have strong government procurement laws to protect against fraud and local protectionism.

Project: A set of activities with a collective objective(s) and concrete outcomes and outputs that are narrowly defined in scope, space, and time; and that are measurable, monitorable, and verifiable.

Project Preparation Facility (PPF): Supports AEs in project and programme preparation. It is especially targeted to support direct access entities, and micro-to-small size category projects. The PPF can support project and programme preparation costs from all AEs, especially direct access entities and especially for projects in the micro-to-small size category. Funding available is up to USD 1.5 million for each PPF request, and can be provided through grants and repayable grants while equity may be considered for private sector projects through grants or equity. Funding proposals developed with the PPF should be submitted to the GCF Board within two years of the approval of a PPF request.
**Programme:** A set of interlinked individual sub-projects or phases, unified by an overarching vision, common objectives and contribution to strategic goals, which will deliver sustained climate results and impact in the GCF result areas efficiently, effectively and at scale.

**Public climate finance:** The financial resources that are mobilised from the public revenues sources such as taxes to mitigate and adapt to the impacts of climate change in developing countries.

**Results Management Framework (RMF):** A life-cycle approach to results management through measurements to improve decision making, transparency and accountability. The approach is in line with improving the way that the Fund functions by achieving outcomes through implementing performance measurement, learning and adapting, in addition to reporting performance.

**Small Islands Developing States (SIDS):** Low-lying coastal countries that tend to share similar sustainable development challenges, including small but growing populations, limited resources, remoteness, susceptibility to natural disasters, vulnerability to external shocks, excessive dependence on international trade, and fragile environments. The SIDS were first recognised as a distinct group of developing countries at the United Nations Conference on Environment and Development in June 1992.

**Special Climate Change Fund (SCCF):** The SCCF was established to finance projects relating to adaptation, technology transfer and capacity building, energy, transport, industry, agriculture, forestry and waste management and economic diversification. This fund should complement other funding mechanisms for the implementation of the Convention. The Global Environment Facility (GEF), as the entity that operates the financial mechanism of the Convention, has been entrusted to operate this fund.

**Specialised Fiduciary Standards:** These standards refer to the institutional capacities that will make entities eligible to undertake specialised activities within the GCF based on the nature and scope of their mandate. These include (a) Project management; (b) Grant award mechanisms and/or funding allocation mechanisms; and (c) On-lending and/or blending.

**Strategic planning:** Is an organisation’s process of defining its strategy or direction. In addition, making decisions on the allocation of resources, either financial or in-kind resources, towards the pursuit of this strategy or direction. Strategy itself has many definitions, but generally describes how an organisation’s ends (goals) will be achieved by the means (resources).

**Theory of change:** A methodology for planning, participation and evaluation that is used to promote long-term change. The theory of change defines long-term goals and then maps backward to identify necessary preconditions. The innovation of theory of change lies in making the distinction between desired and actual outcomes, as well as in requiring stakeholders to model their desired outcomes before they decide on forms of intervention to achieve those outcomes. The theory of change is an inclusive process involving stakeholders with diverse perspectives in achieving solutions. The ultimate success of any theory of change lies in its ability to demonstrate progress on the achievement of outcomes. Evidence of success confirms the theory and indicates that the initiative is effective. Therefore, the outcomes in a theory of change must be coupled with indicators that guide and facilitate measurement. The added value of a theory of change lies in outlining a conceptual model
that demonstrates the causal connections between conditions that need to change in order to meet the ultimate goals.

**Trust funds**: Funds earmarked for specific programmes within the UN system.

**United Nations Framework Convention on Climate Change (UNFCCC)**: Is an international environmental treaty negotiated at the Earth Summit in Rio de Janeiro from 3 to 14 June 1992, then entered into force on 21 March 1994.

**Vulnerability**: The degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes. Vulnerability is a function of the character, magnitude and rate of climate variation to which a system is exposed, its sensitivity and its adaptive capacity.
1. Summary

Responding to climate change challenges requires collective action from all countries, governments, cities, communities, businesses and private citizens. With USD 10.3 billion currently pledged, the Green Climate Fund (GCF) is the world’s largest fund dedicated to the fight against climate change. Designed to be the main financial instrument to mobilise USD 100 billion per year by 2020 from both public and private sources, the GCF is the centrepiece to address the pressing mitigation and adaptation needs of developing countries.

Why this toolkit?

This toolkit is part of United Nations Environment-funded project entitled “Support Uzbekistan in identification, assessment and strengthening a national institution to directly access climate finance from the GCF", and aims to provide guidance on GCF process and requirements to Uzbek entities interested in seeking accreditation.

What does the GCF support?

The GCF aims to support developing countries in achieving a paradigm shift to low-emission and climate-resilient pathways. This is achieved by funding innovative and transformative low-emission (mitigation) and climate-resilient (adaptation) projects and programmes developed by the public and private sectors to contribute to the implementation of national climate change priorities in developing countries. Cross-cutting projects that deliver co-benefits in terms of both mitigation and adaptation are also eligible for funding.

How can Uzbekistan access the GCF?

Uzbekistan can access the GCF through three main access modalities:

- **International Access**: Through international Accredited Entities (AEs), whereby all three key functions – fund oversight, management, and implementation – are undertaken at the international level;
- **Direct Access (DA)**: Through national, sub-national and regional AEs. In this case, both implementation and execution are delegated to the national level, usually to a national entity; and,
- **Enhanced Direct Access (EDA)**: Under this modality, only the fund oversight remains at the international, while the fund management, implementation and execution are all delegated to the national level, usually to a national entity.

AEs are legally accountable directly to the GCF’s Board for the overall management of programmes and projects, as well as for the financial, monitoring and reporting aspects of funded activities. They supervise or may carry out also the functions of Executing Entities (EEs) that are responsible for the operational implementation and execution of GCF-funded projects or programmes. EEs are generally not accredited with the GCF and therefore cannot receive its finance directly.
Who can become an AE of the GCF?

To access the GCF’s finance through the direct access modality, Uzbekistan can support the accreditation of a national or subnational Direct Access Entity (DAE). These can be national government ministries and agencies, national development banks, financial intermediaries and climate funds. Uzbekistan can select any number of entities to access, manage and distribute GCF funding, and does not have to go through any multilateral agencies. A prospective sub-national or national entity must receive formal approval from the NDA through nomination. In addition, it must demonstrate that they are able to manage the GCF’s resources effectively and efficiently, in line with the standards and criteria set out in the GCF’s accreditation requirements.

International, regional, national and subnational entities - from both the public and private sectors - can become AEs of the GCF, provided they successfully receive accreditation. In 2017, new applications for accreditation from national DAEs, entities in the Asia-Pacific and Eastern European regions, private sector entities, in particular those in developing countries will be prioritised by the GCF to ensure a balance of diversity of AEs. In addition, entities responding to Requests for Proposals (RFPs) issued by the GCF will be favoured, for example including a pilot phase for EDA; a pilot programme to support Micro Small and Medium Enterprises (MSMEs); and a pilot programme to mobilise resources at scale in order to address adaptation and mitigation.

An entity can apply for accreditation if it can demonstrate:

- A solid track record of implementing the type of projects or programmes that the institution will oversee as an implementing entity;
- Experience in managing international aid and development or climate finance;
- Effective and documented processes and policies to reduce fiduciary, environmental, and social risks; and,
- Its scope of work should be related to climate change adaptation and mitigation.

How to apply for GCF accreditation?

The accreditation process includes three main phases:

1. Pre-accreditation and completeness check;
2. Accreditation review and GCF Board decision; and,
3. Post-accreditation review and legal arrangements.

Once the legal arrangements are concluded and the entity is accredited, the AE can submit a proposal to the GCF.

How to meet GCF accreditation requirements?

The GCF uses a ‘fit-for-purpose’ accreditation approach to enables a wide range of entities with different levels of existing capacities to gain accreditation. Entities can qualify for different levels of accreditation, depending on their ability to demonstrate a track record of fiduciary standards and
Environment and Social Safeguards (ESS). In addition, entities are expected to demonstrate they have the competencies, policies and procedures to perform activities in line with the GCF’s gender policy. Becoming accredited to the GCF is a rigorous process. It can take as long as 1-2 years to become accredited, whilst on average, it takes 6-9 months to complete depending on scope, size and risk level of accreditation.

How to develop and submit a funding proposal to the GCF?

An AE can submit funding proposals to the GCF spontaneously on an-ongoing basis or by responding to an RFP published on the GCF website. Funding proposals submitted to the GCF should include a no-objection letter signed by the National Designated Authority (NDA), Uzhydromet. Through the no-objection procedure, the NDA is responsible for ensuring that funding proposals are aligned with national priorities.

The GCF project cycle includes seven main steps:

- The AE or the NDA, Uzhydromet, submits a concept note (voluntary);
- The AE submits the funding proposal to the GCF, in conjunction with a no-objection letter signed by the NDA, Uzhydromet;
- The GCF reviews selected sections of the proposal and the Independent Technical Advisory Panel (ITAP) of the GCF undertakes a technical assessment and provides recommendations.
- Based on the review and the technical assessment, the GCF decides whether or not to approve the funding;
- If the funding proposal is approved, a Funded Activity Agreement (FAA) between the AE and the GCF is negotiated and signed;
- The project or programme enters the GCF portfolio, moving into the implementation phase. Funds are transferred to the AE according to agreed tranches; and,
- The project or programme becomes effective, and the process of monitoring, evaluation and reporting commences and continues until the project or programme closes and exits the GCF’s portfolio.

AEs should develop funding proposals in close consultation with the NDA, Uzhydromet, and with due consideration of the GCF’s Result Management Framework (RMF) and Investment Framework. The GCF’s RMF defines the elements of a paradigm shift towards low-carbon and climate resilient country-driven development pathways within individual countries and across the Fund’s activities. The RMF includes two key elements: the logic model and the Performance Measurement Framework (PMF).

The funding proposal should also include a brief description of the expected performance of the proposed project/programme against the GCF investment criteria. These are defined in the GCF’s Investment Framework and include: climate impact potential, paradigm shift, sustainable development, responsiveness to the needs of the recipient, country ownership, efficiency and effectiveness.
What support is available to seek accreditation?

The Readiness and Preparatory Support Programme was established by the GCF to enhance country ownership and build the capacity (or ‘readiness’) of national entities of accessing to the Fund. This programme can provide funding to entities looking for accreditation to the GCF. Under this programme, readiness support is available to prospective national entities seeking accreditation and to existing direct access entities to develop project and programme pipelines. The support is provided for awareness raising of accreditation processes and standards, institutional gap analyses; and developing personalised capacity building plans to address identified gaps. A request for readiness support can be submitted through the NDA, Uzhydromet.

Once accredited, what are the monitoring, evaluation and reporting requirements to fulfil as a GCF Accredited Entity?

The AEs are primarily responsible for the M&E of GCF-funded projects or programmes, and will report accordingly to the GCF. M&E requirements include the log frame and identification of indicators in the funding proposal, annual performance reports from the project or programme and interim and final evaluations at the project or programme level.

What’s next?

Entities interested in applying for accreditation are invited to review the accreditation application document to get familiarised with the required supporting documents. They can also complete the online accreditation self-assessment tool on the GCF website to do an early assessment to determine if their organisation is ready to start the accreditation process of the GCF and help identify any obvious gaps. Prospective entities are also encouraged to express their interest to the NDA, Uzhydromet, in seeking accreditation to the GCF.
2. Introduction

2.1. Purpose of this document

This toolkit was commissioned through UN Environment’s project “Support Uzbekistan in identification, assessment and strengthening a national institution to directly access climate finance from the GCF”. The main objective of the project is to identify a suitable DAE in Uzbekistan to be accredited to the GCF. As such, this toolkit aims to provide guidance to potential candidate national Uzbek entities that seek accreditation to the GCF to act as a GCF AE, regarding its accreditation process and requirements.

2.2. Limitations of this document

This document should be considered as a “living” document and be subject to review and modification in response to inter alia: changes in the GCF operational modalities and policies. Users of this toolkit should also bear in mind that the GCF’s Results Based Framework, Gender Policy and interim ESS are also likely to evolve following the completion of the initial resource mobilisation period, based on experience gained and lessons learned. In addition, it should be noted that while this document intends to inform potential applicants on the GCF accreditation process and requirements, it is a guide only and does not guarantee later GCF accreditation.

We are always seeking to produce toolkits that are appropriate for our target audience. If you have any suggestions on how we could improve this toolkit please get in touch with the authors.

3. Essentials to know about the GCF before seeking accreditation

3.1. What does the GCF support?

The GCF finances low-emission (mitigation) and climate-resilient (adaptation) projects and programmes developed by the public and the private sector to contribute to the climate change priorities of countries. Cross-cutting projects that deliver co-benefits in terms of both mitigation and adaptation are eligible for funding by the GCF.

To help achieve a paradigm shift towards low-emission and climate-resilient development, the GCF has identified eight strategic impact areas (see Figure 1), noting that for an individual project or programme, several can apply.
3.2. How much and what type of finance is available?

As of September 2017, the GCF has raised USD 10.3 billion equivalent in pledges from 43 state governments. So far, the major contributors have been the United States, Japan, the United Kingdom, France and Germany. However, eight developing countries also pledged finance, including Chile, Colombia, Indonesia, Mexico, Mongolia, Panama, Peru and Vietnam. The GCF provides four financial instruments: grants, concessional loans, equity and guarantees (see Table 1 below). Grants include reimbursable grants (providing funding after expenses have been incurred) and non-reimbursable grants. Concessional loans include senior loans and subordinate loans. It is important to note that two or more instruments may be blended, with more than one instrument being used by the Fund itself on a particular project or programme, or a GCF instrument or instruments being combined with instruments from other sources of financiers. Grants include reimbursable grants (providing funding after expenses have been incurred) and non-reimbursable grants. Concessional loans include senior loans and subordinate loans. It is important to note that two or more instruments may be blended, with more than one instrument being used by the GCF itself on a particular project or programme, or a GCF instrument or instruments being combined with instruments from other sources of financiers.

### Table 1: GCF Financial Instruments (source : Acclimatise, GCF proposal toolkit 2017)

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>Resources generally channelled to fund investments without the expectation that the money be repaid. Grants can be provided up-front or disbursed through an incentive-based schedule after achieving specific goals. Grants can finance activities that would have left unfunded by the market such as information generation, data analysis, development and dissemination of knowledge products; capacity building of national institutions for a robust policy reform and priority setting.</td>
</tr>
<tr>
<td>Reimbursable grant</td>
<td>Assimilated to loans, reimbursable grants consist in contribution provided to a recipient institution for investment purposes, with the expectation of long-</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>Term reflows</td>
<td>At conditions specified in the financing agreement. The provider assumes the risk of total or partial failure of the investment; it can also decide if and when to reclaim its investment.</td>
</tr>
</tbody>
</table>

**Non-reimbursable grant**

Unlike reimbursable grants, non-reimbursable grants are standard transfers made in cash, goods or services for which no repayment is required. This amounts to direct aid as opposed to repayable assistance.

**Concessional loans**

The up-front transfer of resources from one party to another with the agreement that the money will be repaid on conditions more favourable than market terms is known as concessional or soft lending. Concessional lending includes a grant component that can be quantified based on how favourable the lending terms are (the ‘grant element’ of the loan).

**Guarantees**

Commitments in which a guarantor undertakes to fulfil the obligations of a borrower to a lender in the event of non-performance or default of its obligations by the borrower, in exchange for a fee. They can cover the entire investment or just a portion of it (partial guarantee).

**Equity**

Consists of an investment into a project or asset to leverage debt and achieve better returns.

### 3.3. What is the role of the National Designated Authority?

Countries appoint a NDA to act as an interface and the main point of communication between the country and the GCF. In Uzbekistan, this is the Centre of Hydrometeorological Service (Uzhydromet). The NDA also plays a crucial role in facilitating, supporting and creating an enabling environment for GCF processes within an eligible country.

Acting as Uzbekistan’s NDA, Uzhydromet is responsible for:

- **Acting as the focal point for communication with the GCF, AEs and national stakeholders** (including private sector actors);
- **Identifying national funding priorities for engagement with the GCF**, through the development of a strategic country work programme;
- **Nominating for accreditation application sub-national and national entities** applying under the direct access track; and,
- **Recommend funding proposals and concept notes received from AEs** that are consistent with national laws, regulations, development and climate priorities, through the implementation of the no-objection procedure.
3.4. How can Uzbekistan access the GCF?

Uzbekistan can submit funding proposals to the GCF through three main access modalities (see Figure 3). These modalities can be used simultaneously.

**International access:** Under this modality, Uzbekistan can access the GCF through international AEs. The key functions – fund oversight, management, and implementation – are undertaken at the international level within a multilateral or international institution, e.g. United Nations Development
Programme (UNDP) or UN Environment. Execution may take place at the national level or may be managed within the multilateral institution.

**DA:** Under this modality, Uzbekistan can access the GCF through national, sub-national and regional AEs. These entities are referred as DAEs. In this case, only the fund oversight and management function remain at the international level and both implementation and execution are delegated to the national level, usually to a national entity. Also, the administration of funds is carried out by a national entity.

**EDA:** Under this modality, only the fund oversight remains at the international, while the fund management, implementation and execution are all delegated to the national level, usually to a national entity. Unlike the traditional direct access track, there will be no submission of individual projects or programmes because decision-making for the funding of specific pilot activities will be devolved at the country level. Through the EDA modality, the GCF aims to move from the financing of stand-alone projects towards a more comprehensive and stakeholder-driven programmatic approach. The objective is to enhance country ownership of projects and programmes by devolving decision making at country level, thereby allowing greater involvement and input from national stakeholders. It should be noted that the EDA modality is still being piloted and as such, may evolve in the near term. Under the EDA pilot programme, USD 200 million has been initially allocated to support at least 10 pilots, including at least four pilots to be implemented in Small Island Developing States (SIDS), Least Developed Countries (LDCs) and African nations. To date (as of 12 October 2017), only one funding proposal has been approved at the 14th Board (October 2016) from the Environment Investment Fund (EIF) in Namibia “Empower to Adapt: Creating Climate-Change Resilient Livelihoods through Community-Based Natural Resource Management (CBNRM) in Namibia”.

There is wide range of entities that can act as AEs for the GCF. AEs are legally accountable directly to the GCF’s Board for the overall management of programmes and projects, as well as for the financial, monitoring and reporting aspects of funded activities. In addition to project management responsibilities, AEs can be intermediaries which administer grants and loans while blending funds with their own and others. AEs are also commonly referred to as Implementing Entities (IEs), while national and regional DAEs are referred as National Implementing Entities (NIEs) and regional Implementing Entities (RIEs) respectively, and international access entities are referred as Multilateral Implementing Entities (MIEs). Working under the oversight of AEs, EEs are responsible for the operational implementation and execution of GCF-funded projects or programmes. EEs are generally not accredited with the GCF and therefore cannot receive its finance directly. However, they are expected to operate in accordance with the GCF’s relevant standards and guidelines. An AE may also carry out the functions of an EE. The list of existing AEs is available at:

{ www.greenclimate.fund/partners/accredited-entities/ae-directory }.

3.5. What is the role of the private sector?

The GCF aims at maximising private sector engagement in climate change activities to provide transformational solutions and catalyse private finance. To achieve this, the GCF has set up a
detailed Private Sector Facility (PSF) through which it is engaging with pension funds, insurance companies, corporations, local and regional financial intermediaries, and the capital markets. The PSF is managing two alternative mechanisms: the mobilisation of funding at scale and MSME pilot programmes.

The former aims to mobilise funds at scale from institutional investors such as commercial banks, investment funds, insurance companies, pension funds and sovereign wealth funds. To engage with these institutional investors, the Fund intends to develop a range of investible financial products, some of which include: green bonds, commercial paper, syndications and club deals. Institutional investors can benefit from these products, which can help them to raise additional third-party capital for climate related investments. Initially, USD 500 million have been allocated to this programme and an RFP was launched to identify a minimum of three high-impact projects and programmes that mobilise private sector investment in climate change activity at scale. In total, 350 concept notes were received and approximately 150 were shortlisted for a preliminary review, conducted in October 2017. The 20-30 best concept notes will be announced in early December 2017¹.

The latter uses public finance to work with local MSMEs – to unlock innovative solutions for tackling climate change, in particular on adaptation using RFPs to which all AEs that are able to demonstrate a track record of successfully working with and financing MSMEs, can respond to. A first MSME RFP was launched in 2016. Two of the selected proposals, both from DAEs, were approved at its 15th Board by Xacbank, a commercial bank from Mongolia for the ‘Business Loan Programme for GHG Emissions Reduction’ proposal and the ‘SCF Capital Solutions’ proposal of the Development Bank of Southern Africa. A second MSME RFP is expected to be published soon, based on the lessons learned from the first round.

¹ Further information is available at: http://www.greenclimate.fund/documents/20182/730867/RFP_Results_Snapshot.pdf/cecb671f-ef12-48a4-bc97-57b3d2ae419b
4. Who can become a GCF Accredited Entity?

4.1. Overview

International, regional, national and subnational entities - from both the public and private sectors - can become AEs of the GCF, provided they successfully receive accreditation. In 2017, new applications for accreditation from national DAEs, entities in the Asia-Pacific and Eastern European regions, private sector entities, in particular those in developing countries will be prioritised by the GCF to ensure a balance of diversity of AEs. In addition, entities responding to RFPs issued by the GCF will be favoured, for example including a pilot phase for EDA; a pilot programme to support MSMEs; and a pilot programme to mobilise resources at scale in order to address adaptation and mitigation.

An entity can apply for accreditation if it can demonstrate:

- A solid track record of implementing the type of projects or programmes that the institution will oversee as an implementing entity;
- Experience managing international aid and development or climate finance;
- Effective and documented processes and policies to reduce fiduciary, environmental, and social risks; and,
- Its scope of work should be related to climate change adaptation and mitigation.

To access the GCF’s finance through the direct access modality, Uzbekistan can support the accreditation of a national or subnational DAE. These can be national government ministries and agencies, national development banks, financial intermediaries and climate funds. The country can select any number of entities to access, manage and distribute GCF funding, and does not have to go through any multilateral agencies. A prospective sub-national or national DAE must receive formal approval from the NDA through nomination. In addition, it must demonstrate that they are able to manage the GCF’s resources effectively and efficiently, in line with the standards and criteria set out in the GCF’s accreditation requirements.

In order to become accredited to the GCF, a subnational or national entity must meet the following requirements:

- Basic fiduciary standards;
- Specialised fiduciary standards;
- Environmental and social safeguards; and,
- Gender policy.

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2 The full application form is available at: https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Application.pdf/7ce5ed0-e42e-475a-9bd7-e099d6d6231
Further information on these specific accreditation requirements is provided in Section 6.

4.2. Fit-for-purpose accreditation

The GCF uses a ‘fit-for-purpose’ accreditation approach to enable a wide range of entities with different levels of existing capacities to gain accreditation. Entities can qualify for different levels of accreditation, depending on their ability to demonstrate a track record of fiduciary, environment and social standards.

Based on this simplified and tiered approach, fiduciary standards and ESS are adjusted to suit the nature, scope and risks of the proposed activities (by activity and institution type). This tiered approach classifies applicant entities according to the intended scale, nature and risks of their proposed activities.
Through the fit-for-purpose approach, entities can get accredited based on:

- Their intended fiduciary functions;
- The size of their proposed projects and activities within programmes; and,
- The environmental and social risk level of their proposed projects and activities within programmes.

Figure 6. The GCF’s fit-for-purpose approach to accreditation, related to the intended scope (fiduciary functions), intended size (project size) and intended environmental and social risk of intended activities using GCF funding (source: Acclimatise NDA toolkit 2017)
4.3. Status of the GCF’s accreditation portfolio

As of October 2017, 59 entities have been accredited to the GCF, and there are 186 entities in the accreditation pipeline. Most of the AEs are multilateral (46%) – as shown below:

![Accredited Entities: state of play](image)

**Figure 7: Repartition of AEs per access modality (source: prepared by the authors)**

Those multilateral AEs include:

- Multilateral development institutions, such as the United Nations Development Programme (UNDP);
- Multilateral development banks, such as the World Bank and the Asian Development Bank (ADB);
- Commercial financial institutions, such as HSBC; and,
- International non-government organisations, such as Conservation International Foundation;
- Private development banks, such as Groupe Agence Française de Développement (the French Development Bank).

There are also 21 national DAEs, as presented in the table below.
<table>
<thead>
<tr>
<th>Organisation</th>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency for Agricultural Development (ADA)</td>
<td>Morocco</td>
<td>National public entity which provides action plans and value-added solutions to address agricultural needs at the local and national levels. Its mandate, under the national green plan in place since 2008, is to contribute to social and economic development through more resilient and productive agriculture. ADA has developed a comprehensive portfolio of climate change-related projects and programmes worth approximately USD 33 million, which has been financed by bilateral and multilateral organisations.</td>
</tr>
<tr>
<td>CDG Capital</td>
<td>Morocco</td>
<td>Financial institution which focuses on asset management services, corporate and investment banking and capital investment.</td>
</tr>
<tr>
<td>China Clean Development Mechanism Fund Management Centre (China CDM Fund Management Centre)</td>
<td>China</td>
<td>National climate fund that supports low carbon growth and climate resilience in China. It is a revolving fund that receives regular capital injections from levies collected by the government on clean development mechanism projects in China (UNFCCC).</td>
</tr>
<tr>
<td>Centre de Suivi Écologique (CSE)</td>
<td>Senegal</td>
<td>National entity whose core activities include environmental monitoring, natural resources management and conducting environmental impact assessments. It has built partnerships at the local (subnational) and national levels, as well as with international donors, in order to develop climate change projects and programmes, particularly in the areas of environment, agriculture and livestock.</td>
</tr>
<tr>
<td>Department of Environment (DOE)</td>
<td>Antigua and Barbuda</td>
<td>The DOE belongs to the country’s Ministry of Health and Environment. Its mission is to provide technical advice and implement projects and programmes on behalf of the Government. These projects are designed to protect and enhance the country's environment, as well as seek common solutions to national, regional and global environmental problems (DOE’s website).</td>
</tr>
<tr>
<td>Environmental Investment Fund (EIF)</td>
<td>Namibia</td>
<td>This is a national entity and environmental fund that was established with a mandate of being a sustainable source of funding for the development and implementation of environmentally sustainable development projects and programmes in partnership with both public and private sector organisations.</td>
</tr>
<tr>
<td>Organisation</td>
<td>Country</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
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</tr>
<tr>
<td>Fiji Development Bank (FDB)</td>
<td>Fidji</td>
<td>Provides finance for projects that contribute to the development of Fiji’s economy. Loan funds are provided for agricultural, small and medium, as well as corporate enterprise projects. FDB focuses on the following sectors: agriculture, mining and quarrying, manufacturing, transport, communications and storage, wholesale, retail, hotels and restaurants, professional and business services, building and construction and real estate. The Fiji government also uses FDB as a financial vehicle in its development projects/plans and special assistance programmes that may be necessary from time to time. Over the years FDB has introduced a range of loan packages and services aligning it with its strategic objectives and customer demands (FDB’s website).</td>
</tr>
<tr>
<td>Foreign Economic Cooperation Office (FECO)</td>
<td>China</td>
<td>FECO is part of the Ministry of Environmental Protection of China, with a mandate of improving economic cooperation in the area of environmental protection through management of financial assistance from international financial organisations. FECO mobilises financial resources from international and bilateral sources. Since its establishment, FECO has implemented projects that protect the environment and contribute to climate change mitigation and adaptation in the agriculture, forestry, transport, energy and water resources sectors.</td>
</tr>
<tr>
<td>Infrastructure Development Company Limited (IDCOL)</td>
<td>Bangladesh</td>
<td>IDCOL is a non-bank financial institution (NBFI) that finances the development of medium to large-scale infrastructure and renewable energy projects in Bangladesh. The company is the market leader in private sector energy and infrastructure financing in the country.</td>
</tr>
<tr>
<td>Korea Development Bank (KDB)</td>
<td>Korea</td>
<td>National entity that was founded with the purpose of supplying and managing major industrial capital to help develop the economy of the Republic of Korea. Since its establishment, KDB has been providing financing for the development and promotion of industries, the expansion of social infrastructure development of countries, including that of the Republic of Korea, the stabilization of financial markets and the facilitation of sustainable growth. KDB has placed climate change and socially responsible investment as policy issues that are addressed in its annual planning.</td>
</tr>
<tr>
<td>Ministry of Finance and Economic Cooperation (MOFEC)</td>
<td>Federal Democratic Republic of Ethiopia</td>
<td>MOFEC’s mandate is to oversee the planning and implementation of development programmes, including those that address climate change. Its activities in climate-resilient development pathways, valued at over USD 400 million, include mitigation and adaptation projects and programmes in a variety of sectors, particularly agriculture, water, energy, forestry, buildings, industries and transport. Some of its key activities in these sectors include natural resources management through watershed management, afforestation and reforestation, energy generation and access, and low-carbon transport systems.</td>
</tr>
<tr>
<td>Organisation</td>
<td>Country</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ministry of National Resources of Rwanda (MINIRENA)</td>
<td>Rwanda</td>
<td>National entity, specifically a public sector ministry, which is responsible for environment, climate change and natural resources management at the local and national levels. MINIRENA in partnership with national stakeholders, has a strategy in place to support national development goals, particularly in green growth, climate resilience, and the sustainable management and consumption of natural resources. The goal of MINIRENA is to provide solutions to the environmental and resource challenges faced, including the imbalance between population and natural resources that has serious impacts on sectors such as agriculture, energy, infrastructure, land, water resources and forestry, in achieving national long-term sustainable development.</td>
</tr>
<tr>
<td>National Bank for Agriculture and Rural Development (NABARD)</td>
<td>India</td>
<td>National financial institution in India with a total balance sheet of over USD 40 billion. It has the mandate of promoting sustainable agriculture and rural development through innovative, sustainable and equitable agriculture and rural prosperity by providing financial and technical support. It has built partnerships with other national entities, financial institutions and non-governmental organisations in order to implement innovative ideas through loans, guarantees, blended finance and other structures in the areas of agriculture, natural resources management, fisheries, rural livelihood improvement, renewable energy and micro finance among others.</td>
</tr>
<tr>
<td>National Environment Management Authority (NEMA)</td>
<td>Kenya</td>
<td>National entity which was established in 2002 with the objectives of supervising and coordinating environmental activities and serving as the main national body to implement environmental policies in all sectors within the country. In addition to its role as an environmental regulatory body, NEMA additionally implements its own projects. NEMA has vast experience in the field of climate change adaptation and mitigation, co-implementing projects ranging from USD 10 million to USD 255 million with local and international organisations. Some of its past and current activities include building resilience to climate change and adaptive capacity of vulnerable communities, environmental management, coastal development, technical assistance and natural resource management.</td>
</tr>
<tr>
<td>Palli Karma-Sahayak Foundation (PKSF)</td>
<td>Bangladesh</td>
<td>Was established to fight against poverty through employment generation. It is a non-for-profit company whose objectives are to provide financial assistance and institutional development support to appropriate organisations for implementing sustainable inclusive financial programmes for reduction of poverty through creating productive employment opportunities for the moderate and ultra-poor, small and marginal farmers and micro-entrepreneurs (PKSF website).</td>
</tr>
<tr>
<td>Organisation</td>
<td>Country</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
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</tr>
<tr>
<td>Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe)</td>
<td>Peru</td>
<td>National entity and environmental fund whose mandate is to provide stable and long-term funding as well as to develop and implement innovative strategies for conservation and management of protected areas. Its partnerships at local, national, and international levels with donors have allowed it to address climate change issues such as deforestation and forest degradation as well as to develop climate change projects and programmes, particularly in the areas of environment, agriculture and livestock.</td>
</tr>
<tr>
<td>PT Sarana Multi Infrastruktur (PT SMI)</td>
<td>Indonesia</td>
<td>National entity with the goal of serving as a catalyst for accelerating national infrastructure development in Indonesia. PT SMI supports the fulfilment of its government’s infrastructure development objectives by implementing projects through public–private partnerships. In addition, the entity mobilises resources from multilateral and bilateral financial institutions in order to finance infrastructure projects. PT SMI is contributing to the sustainable development and climate resilience of communities in Indonesia by financing water, renewable energy generation, transport and agriculture-related infrastructure projects.</td>
</tr>
<tr>
<td>Small Industries Development Bank of India (SIDBI)</td>
<td>India</td>
<td>Specifically addresses the financial and developmental needs of the MSME sector. Financial support to MSMEs is provided by way of indirect refinance to banks and financial institutions for onward lending to MSMEs and via direct finance in areas like risk capital, sustainable finance, receivable financing and service sector financing.</td>
</tr>
<tr>
<td>South African National Biodiversity Institute (SANBI)</td>
<td>South Africa</td>
<td>National entity and a research institute that coordinates research, monitors and reports on the state of biodiversity in South Africa. SANBI also provides planning and policy advice and pilots management models. It has developed and implemented climate-resilient projects that deliver multiple and sustainable benefits to communities in an effort to respond to local adaptation needs and national climate change priorities. SANBI has achieved this by mobilising financial resources from various sources, including multilateral financial institutions.</td>
</tr>
<tr>
<td>Unidad Para el Cambio Rural (Unit for Rural Change, UCAR)</td>
<td>Argentina</td>
<td>Government agency located within the Ministry of Agroindustry, which is responsible for implementing environmental and social sustainable projects financed totally or partially by external resources at the national and provincial levels. UCAR offers a wide variety of public investments in rural services and infrastructure through grants, concessional loans and guarantees. UCAR, in partnership with national stakeholders, has a strategy in place to support national sustainable development and growth, particularly in the forestry, agriculture, sugar industry, fisheries, aquaculture, training and innovation sectors.</td>
</tr>
<tr>
<td>Organisation</td>
<td>Country</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>XacBank Limited Liability Company (LLC)</td>
<td>Mongolia</td>
<td>Private commercial bank that serves clients from individuals and MSMEs to Mongolia’s largest corporations with a full spectrum of inclusive banking, fair investment and other financial products and services. The entity strives to be a dynamic leader in the Mongolian financial sector, setting the highest standards in corporate governance and social and environmental responsibility, while returning fair value to its shareholders.</td>
</tr>
</tbody>
</table>
5. **How to apply for GCF accreditation?**

5.1. What are the key considerations before starting the accreditation process?

- Accreditation is a **time-intensive** process and a minimum of six months (if no readiness support is required) should be planned to be dedicated to the process. The prospective accredited entity will be required to frequently interact with key GCF stakeholders along the accreditation process, such as the country’s NDA, the GCF Regional Advisor, Secretariat and Accreditation Panel. Three quarters of all accreditation applicants have experienced delays so far, with direct access entities taking on average nine months to gain accreditation (see Box 1);

- It is necessary to be able to **write, read and speak fluent English** for the process, as all accreditation documents must be submitted in this language, in addition to communications such as email and teleconferencing. The GCF is however exploring the possibility of enabling submission in all the UN official languages;

- The **NDA’s approval is necessary** to apply for a national or subnational entity. The NDA will provide a letter of nomination, that must be included in the application, to ensure that the entity is contributing to the country’s climate change and development priorities.

- Accreditation **fees may be required prior** to gaining accreditation and will vary depending on the accreditation scale and scope. Entities in LDCs or SIDS are not required to pay any fees for basic accreditation covering micro and small-sized. See the full fees and description in Table 3. If the Secretariat or Accreditation Panel are required to review the application more than twice, **additional fees** may apply;

- **The GCF’s policies and guidelines change frequently** following decisions made at Board meetings and sometimes in between. That is why, entities must continuously monitor the GCF’s website for new documents to keep up to date. In addition to policies, requests for proposals may be published and entities that respond to RFPs will be prioritised. All new GCF documents are available at: [https://www.greenclimate.fund/boardroom/board-meetings/documents](https://www.greenclimate.fund/boardroom/board-meetings/documents); and,

- **All application materials must be submitted electronically** via the Online Accreditation System (OAS), since no hard-copy is accepted. The OAS allows applicants to check their application status online and receive regular notifications.

The OAS request form is available on the GCF website at:
[www.greenclimate.fund/documents/20182/319135/20160602_ _OAS_Account_Request_Form.docx/13906136-1e76-47d4-b2a7-ff291350baa8](https://www.greenclimate.fund/documents/20182/319135/20160602__OAS_Account_Request_Form.docx/13906136-1e76-47d4-b2a7-ff291350baa8)

The OAS platform is available on the GCF website at:
Box 1. How long does it take to get accredited to GCF?

Becoming accredited to the GCF is a rigorous process. It can take as long as 1-2 years to become accredited, whilst on average, it takes **6-9 months to complete** depending on scope, size and risk level of accreditation.

If a prospective AE meets the **fast-track requirements**, the accreditation panel aims to make a decision within 3 months. The fast-track is for organisations that have already been accredited by the Global Environmental Facility (GEF), Adaptation Fund (AF) and the Directorate-General Development and Cooperation – EuropeAid of the European Commission (DG DEVCO).

If organisations also apply for support through the **GCF Readiness Programme**, this process may take longer.

5.2. What are the key stages and steps to apply for accreditation?

The accreditation process is structured around three main stages as shown in Figure 8.

**Figure 8: Three stages of the GCF accreditation process (source: Acclimatise NDA toolkit 2017)**
A three-step process

Stage 1. Pre-accreditation and completeness check:

The prospective AE to collect the relevant information and documents to apply for accreditation. This will be completed in 5 steps:

- The prospective entity will open an account on the OAS via the GCF Secretariat. The OAS will enable the entity to communicate directly with the GCF Secretariat, including on readiness support (if the entity makes a request to seek readiness support);
- The entity will request and/or receive a letter of nomination for accreditation from the country’s NDA;
- After having obtained a letter of nomination from the NDA, the entity can submit the completed application for accreditation through the OAS, including the required accompanying institutional policy document and evidence of implementation;
- The entity will execute payment of the relevant accreditation fees; and,
- The GCF Secretariat will undertake an institutional assessment and completeness check of the documented material provided by the entity regarding the entity’s policies, standards and guidelines relevant to the GCF’s accreditation requirements.

The institutional assessment and completeness check is finalised once the entity has provided all the necessary documented material, and the accreditation application will move onto Stage 2 – accreditation review and Board decision. If the information is unclear, incomplete or missing, the GCF will request additional evidence.

Accreditation fees will vary depending on the accreditation scale and scope applied for. Entities in LDCs or SIDS are not required to pay any fees for basic accreditation covering micro and small-sized projects; entities from any other developing country are required to pay a minimum of USD 1,000. Fees for basic accreditation vary, from USD 1,000 for accrediting micro sized funding to USD 25,000 to large scale funding. Additional fees, which also rise with the scale of funding accredited for, are required for each specialised fiduciary standard the entity wishes to gain accreditation for. The full fees are outlined in Table 3. These fees are required before the accreditation application is approved by the Board, and other fees may apply, for instance if the GCF Secretariat or Accreditation Panel are required to review the application more than twice.
### Table 3: Overview of accreditation application's fees (source: Acclimatise NDA toolkit 2017)

<table>
<thead>
<tr>
<th>Financial capacity category</th>
<th>Total projected costs at the time of the application</th>
<th>Fee level for accreditation application's fees</th>
<th>Fee for accreditation application for specialised fiduciary standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Less than or equal to USD 10 million</td>
<td>DAE from developing countries: no fee</td>
<td>USD 500 per specialised fiduciary standard</td>
</tr>
<tr>
<td>Small</td>
<td>Above USD 10 million up to USD 50 million</td>
<td>DAE from SIDS and LDCs: no fee, DAE not from SIDS and LDCs: USD 3,000 Regional and international access entities: USD 5,000</td>
<td>USD 1,000 per specialised fiduciary standard</td>
</tr>
<tr>
<td>Medium</td>
<td>Above USD 50 million up to USD 250 million</td>
<td>All entities: USD 10,000</td>
<td>USD 3,000 per specialised fiduciary standard</td>
</tr>
<tr>
<td>Large</td>
<td>Above USD 250 million</td>
<td>All entities: USD 25,000</td>
<td>USD 7,000 per specialised fiduciary standard</td>
</tr>
</tbody>
</table>

### Stage 2. Accreditation review and GCF Board decision:

The GCF’s independent Accreditation Panel will review the submitted accreditation application and the supporting documents. Based on the recommendation of the Independent Accreditation Panel and of each Board member’s own evaluation, the Board will make a final decision. This process includes two main steps:

- **Accreditation Panel application review**: The application will be reviewed by the Accreditation Panel to assess whether it meets the GCF’s basic fiduciary standards, specialised fiduciary standards, environmental and social safeguards, and gender policy. Through the fit for purpose approach, the Accreditation Plan will compare the applicant’s demonstrated capacities versus the intended activity with the GCF, as well as the entity’s past track record. Finally, the Panel will provide a recommendation to the Board specifying whether the entity should be accredited or not and for which type and scale of accreditation. The Panel may also decide to recommend to the Board the applicant is accredited for smaller and/or less risky financial, environmental and social activities than originally applied for.

- **Board decision on accreditation application**: Following the recommendation from the Accreditation Panel, the GCF Board will make a final decision on the accreditation application. There are four potential outcomes:
  - Unconditional approval for accreditation;
  - Conditional approval, with a range of conditions to be met by the entity to be eligible for accreditation;
  - Referral back to Stage 1 of the accreditation process, providing further readiness support to build the applicant’s capacities based on the gaps identified. In such cases, the application will be reconsidered at a later date, following further review by the Accreditation Panel; or,
  - Complete rejection.

The GCF Board will consider applications for accreditation recommended by the Secretariat and the Accreditation Panel at the Board meetings. As such, applications should be submitted at the earliest
point possible and at minimum of one month in advance of the relevant Board meeting. Once the GCF Board approved the accreditation, the applicant will move onto Stage 3—post-accreditation review and legal arrangements.

**Stage 3. Post-accreditation review and legal arrangements:**

Following accreditation approval by the Board, the prospective entity will complete the legal arrangements with the Fund. This includes:

- The AE’s fee payment will be validated and registered; and,
- The AE will finalise the legal arrangements and sign the Accreditation Master Agreement (AMA) with the GCF. The legal arrangements and the contract for accreditation are outlined in the AMA which describes the role, terms and conditions of the AE. This agreement reflects the fit-for-purpose accreditation approach, by making a distinction between various types of entities and their type of accreditation, rather than following a *one-size-fits-all* legal format.

The AMA includes:

- The conditions that the AE must meet prior to the disbursement of funds from the GCF;
- Clauses related to the AE’s performance against the GCF’s policies and standards which may lead to termination of the AMA; and,
- Specification of the environmental and social risk category and financial size of projects/programmes that the AE may undertake using the GCF funding.

AEs can upgrade their accreditation status at any time, once they have generated sufficient policies and experience to demonstrate their compliance. Upgrading entities will go straight to Stage 2 of the accreditation process, where the additional capacities will be analysed by the GCF Accreditation Panel, unless the entity wishes to commence at Stage 1, in order to undergo a readiness support assessment for the newly proposed accreditation standards. AEs will need to re-apply to retain their status every five years.

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3 The GCF Board decisions and template of the Accreditation Master Agreement can be found at: [https://www.greenclimate.fund/documents/20182/319135/Accreditation_Master_Agreement_Template.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fba506](https://www.greenclimate.fund/documents/20182/319135/Accreditation_Master_Agreement_Template.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fba506)
6. How to meet GCF accreditation requirements?

This section presents the application form and corresponding areas of competence required, including examples of evidence/documentation to be provided by an applicant. Before completing the relevant questions within the accreditation application form, an applicant should have sufficient collected all relevant information.

The full application form is available at:
{https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231}

6.1. Background and contribution to GCF objectives

The first three sections of the application form include:

- **Section I**: Description of the entity and contact information, track record of past climate change projects and programmes, accreditation by other funds;
- **Section II**: Information on the ways in which the institution and its intended activities will contribute to furthering the objectives of the GCF; and,
- **Section III**: Information on intended scope of projects/programmes and estimated contribution requested.

Before starting the application process, it is important that the applicant identifies potential activities to undertake using the resources of the GCF.
Table 4: Section I of the accreditation application “Background and contact information” (source: GCF accreditation form)

<table>
<thead>
<tr>
<th>Item</th>
<th>Information required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
</tr>
</thead>
</table>
| 1.1  | Legal name of the applicant entity | All applicants | All applicants | For all types of entities:  
  - Founding legal document;  
  - Documentation of legal status. |
| 1.1.1| Type of institution | All applicants | Select all that apply:  
  - International  
  - Regional  
  - National  
  - Subnational  
  - Public sector  
  - Private sector  
  - Other (please specify): | For all types of entities:  
  Evidence demonstrating your type of institution and operations;  
  Evidence may also have been provided in other items of the application, in which case the text response should refer to the item number, document name, section or page number, etc., if it is located in another item. |
| 1.1.2| Size of institution | All applicants | Select one:  
  - 1-10 employees  
  - 11-50 employees  
  - 51-200 employees  
  - 201-500 employees  
  - 501-1,000 employees  
  - 1,001-5,000 employees  
  - 5,001-10,000 employees  
  - Over 10,000 employees | For all types of entities:  
  - List of head count/staff count;  
  - Location of headquarters;  
  - Location(s) of local and/or regional offices. |
| 1.1.3| Core business | All applicants | For government ministries, departments, divisions, etc.:  
  - Scanned copy or extract of the relevant Act, Decree, or other similar document (highlight relevant sections)  
  - Document outlining powers of the Head of the entity and other key/relevant authorities (highlight relevant sections of the document by referring to the section or page number)  
  For incorporated/registered entities, such as private and public sector entities and civil society organizations, etc.:  
  - Certificate of Incorporation/ Registration  
  - Memorandum and Articles of Association, if applicable (highlight relevant sections)  
  - Vision and/or mission statement  
  - Business permit and license to operate  
  For international and regional entities:  
  - Governing instrument; Agreement to establish the entity. |
<table>
<thead>
<tr>
<th>Item</th>
<th>Information required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
</tr>
</thead>
</table>
| 1.1.5 | Sector(s) that the entity operates in | All applicants | | For all types of entities:  
- Sectors may include, for example, energy, agriculture, transportation, etc.  
- Project/programme examples demonstrating operations in the sectors indicated  
- Evidence may also have been provided in other items of the application, such as in item 1.1.4, in which case the text response should refer to the item number, document name, section or page number, etc. if it is located in another item. |
| 1.1.6 | Registered address, including Country Postal Code | All applicants | | Not required |
| 1.1.7 | Website | All applicants | | Not required |
| 1.1.8 | Primary Focal Point | All applicants | | For all types of entities:  
- Official letter from the applicant entity designating the selected person as the primary focal point.  
- If the person is the same as the one(s) nominated for gaining OAS access, the official letter of OAS request may be provided as evidence. |
| 1.1.9 | First Name | | |  
| 1.1.10 | Last name | | |  
| 1.1.11 | Position/Title | | |  
| 1.1.12 | Email | | |  
| 1.1.13 | Telephone | | |  
| 1.1.14 | Secondary Focal Point | All applicants | | For all types of entities:  
- Official letter from the applicant entity designating the selected person as the primary focal point.  
- If the person is the same as the one(s) nominated for gaining OAS access, the official letter of OAS request may be provided as evidence. |
| 1.1.15 | First Name | | |  
| 1.1.16 | Last name | | |  
| 1.1.17 | Position/Title | | |  
| 1.1.18 | Email | | |  
| 1.1.19 | Telephone | | |  
| 1.1.20 | Fax | | |  

<table>
<thead>
<tr>
<th>Item</th>
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<th>Examples of supporting documentation</th>
</tr>
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<tr>
<td>1.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1.2.1  | Type(s) of projects/programmes undertaken | All applicants | Select all that apply: **Mitigation:**  
- Energy generation and access  
- Energy efficiency  
- Transport  
- Buildings, cities, industries and appliances  
- Land use/forestry (REDD+)  
- Institutional and regulatory systems  
- Other (please specify):  
**Adaptation:**  
- Enhancing livelihoods  
- Health and well-being and food and water security  
- Infrastructure and built environment  
- Ecosystem and ecosystem services  
- Institutional and regulatory systems  
- Climate information/early warning systems  
- Awareness strengthening and climate risk reduction  
- Other (please specify):  
**Public/private:**  
- Public  
- Private  
- Cross-cutting | For all types of entities:  
- Information or evidence on projects undertaken in the types selected  
- Evidence may also have been provided in other items of the application, such as in sections 4, 5, 6 or 7, in which case the text response should refer to the item number, document name, etc. if it is located in another item. |
| 1.2.2  | Size(s) of projects/programmes undertaken, including total project costs in USD and duration | All applicants |                                                                             | For all types of entities:  
- List of projects/programmes undertaken in the past 3 years including project/programme name, sector, total project/programme cost, role and responsibilities of the applicant, contribution to project funding and duration.  
- Evidence may also have been provided in other items of the application, such as in sections 4, 5, 6 or 7, in which case the text response should refer to the item number, document name, section or page number, etc. if it is located in another item. |
<table>
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<th>Input data</th>
<th>Examples of supporting documentation</th>
</tr>
</thead>
</table>
| 1.2.3 | Type(s) of financial instrument(s) deployed in projects/programmes undertaken | All applicants | Select all that apply:  
- Grants  
- Concessional loans (senior)  
- Concessional loans (subordinated)  
- Equity  
- Guarantees  
Please specify what other types of financial instruments you have deployed, if any: | For all types of entities:  
- List, with scope of each type of financial instruments that the applicant has experience in deploying in projects/programmes undertaken by it;  
- At least one copy of an agreement for each of the financial instrument(s) deployed in projects/programmes undertaken. For example, if the applicant selects “Grants” indicating that it has experience in deploying grants, a copy of a grant agreement should be provided as evidence of the applicant’s experience with deploying this financial instrument.  
- Evidence may also have been provided in other items of the application, such as in sections 4, 5, 6 or 7, in which case the text response should refer to the item number, document name, section or page number, etc. if it is located in another item. |
| 1.2.4 | Environmental and social risk level(s) of projects/programmes undertaken | All applicants | Select all that apply:  
- Category A / Intermediation 1 (high) directly  
- Category A / Intermediation 1 (high) indirectly through executing entities  
- Category B / Intermediation 2 (medium) directly  
- Category B / Intermediation 2 (medium) indirectly through executing entities  
- Category C / Intermediation 3 (minimal to none) directly  
For all types of entities:  
- At least 3 project/programme examples of each environmental and social risk category that has been selected by the applicant;  
- Evidence should indicate how the risk category was identified and assigned to each project/programme provided as supporting document.  
- Evidence may also have been provided in other items of the application, such as in section 6, in which case the text response should refer to the item number, document name, section or page |
| 1.2.5 | Experience and track record with Performance Standards 2-8 | All entities | Select those which you have previously implemented:  
- Performance Standard 2 Labour and working conditions  
- Performance Standard 3 Resource efficiency and pollution prevention  
- Performance Standard 4 Community health, safety and security  
- Performance Standard 5 Land acquisition and involuntary resettlement  
- Performance Standard 6 Biodiversity conservation and sustainable management of living natural resources  
- Performance Standard 7 Indigenous peoples  
- Performance Standard 8 Cultural heritage  
For all types of entities:  
- Evidence (e.g. project/programme appraisal report, completion reports, etc.) showing how selected Performance Standards have been managed in projects/programmes undertaken by the applicant.  
- Evidence may also have been provided in other items of the application, such as in item 1.2.4 and section 6, in which case the text response should refer to the item number, document name, section or page number, etc. if it is located in another item. |
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<thead>
<tr>
<th>Item</th>
<th>Information required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
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</table>
| 1.3  | Strengths and limitations, if any, regarding accreditation with the Global Environment Facility (GEF), Adaptation Fund (AF), and Directorate-General Development and Cooperation – EuropeAid of the European Commission (EU DEVCO) | Entities accredited under GEF, AF and EU DEVCO as of 17 October 2014 |  | For all types of entities:  
  - Decisions on accreditation, which can include publicly available information or documents;  
  - Letter or other documented form of confirmation of accreditation;  
  - List of conditions and/or limitations, if any, at the time of accreditation. |
| 1.3.2 | Status of compliance with accreditation requirements of the Global Environment Facility (GEF), Adaptation Fund (AF), and Directorate-General Development and Cooperation – EuropeAid of the European Commission (EU DEVCO) | Entities accredited under GEF, AF and EU DEVCO as of 17 October 2014 |  | For all types of entities:  
  - Letter, report or other form of documentation indicating status of compliance with the accreditation requirements of GEF, AF, and/or EU DEVCO, as applicable, regarding conditions stipulated, if any, at the time of accreditation. |
Table 5: Section II of the accreditation application “Information on the ways in which the institution and its intended activities will contribute to furthering the objectives of the Green Climate Fund” (source: GCF accreditation form)

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<tr>
<th>Item</th>
<th>Information required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
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<tr>
<td>2</td>
<td>Given the urgency and seriousness of climate change, the purpose of the Fund is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change. The Fund will contribute to the achievement of the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC). In the context of sustainable development, the Fund will promote the paradigm shift towards low emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of the developing countries particularly vulnerable to the adverse effects of climate change.</td>
<td>All applicants</td>
<td>Not required</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>A statement detailing the ways in which the entity will contribute to furthering the objectives of the Green Climate Fund.</td>
<td>All applicants</td>
<td>Required for entities under international access track</td>
<td>Not required</td>
</tr>
<tr>
<td>2.2</td>
<td>A statement on how the entity intends to strengthen capacities of or otherwise support potential subnational, national and regional implementing entities and intermediaries in order to meet, at the earliest opportunity, the accreditation requirements of the Green Climate Fund in order to enhance country ownership</td>
<td>Required for entities under international access track</td>
<td>Optional for all other entities</td>
<td>Not required</td>
</tr>
</tbody>
</table>
### Table 6: Section III of the accreditation application: “Intended scope of projects/programmes and estimated contribution requested” (source: GCF accreditation form)

<table>
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<tr>
<th>Item</th>
<th>Information required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Theme(s) of intended projects /programmes</td>
<td>All applicants</td>
<td>Select all that apply: Mitigation, Adaptation, Cross-cutting (both mitigation and adaptation in an individual project/programme)</td>
<td>Not required</td>
</tr>
<tr>
<td>3.2</td>
<td>Type(s) of intended projects /programmes</td>
<td>All applicants</td>
<td>Select all that apply: <strong>Mitigation:</strong> Energy generation and access, Energy efficiency, Transport, Buildings, cities, industries and appliances, Land use/forestry (REDD+), Institutional and regulatory systems, Other (please specify): ____________________ <strong>Adaptation:</strong> Enhancing livelihoods, Health and well-being and food and water security, Infrastructure and built environment, Ecosystem and ecosystem services, Institutional and regulatory systems, Climate information/early warning systems, Awareness strengthening and climate risk reduction, Other (please specify): ____________________ <strong>Public/private:</strong> Public, Private, Cross-cutting</td>
<td>Not required</td>
</tr>
<tr>
<td>Item</td>
<td>Information required</td>
<td>Applicability</td>
<td>Input data</td>
<td>Examples of supporting documentation</td>
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<tr>
<td>3.3</td>
<td>Size(s) of intended projects/programmes, including duration</td>
<td>All applicants</td>
<td>Select all that applies:</td>
<td>Not required</td>
</tr>
</tbody>
</table>
| 3.3  | Size(s) of intended projects/programmes, including duration | All applicants | Select all that apply:  
- Micro (maximum total projected costs at the time of application, irrespective of the portion that is funded by the Green Climate Fund, of up to and including USD10 million for an individual project or an activity within a programme) and duration:  
- Small (maximum total projected costs at the time of application, irrespective of the portion that is funded by the Green Climate Fund, of above USD10 million and up to and including USD50 million for an individual project or an activity within a programme) and duration:  
- Medium (maximum total projected costs at the time of application, irrespective of the portion that is funded by the Green Climate Fund, of above USD50 million and up to and including USD250 million for an individual project or an activity within a programme) and duration; and  
- Large (total projected costs at the time of application, irrespective of the portion that is funded by the Green Climate Fund, of above USD250 million for an individual project or an activity within a programme) and duration: | Not required |
<p>| 3.4  | Estimated maximum contribution amount at the time of application for an individual project or an activity within a programme to be requested from the Green Climate Fund (USD or as a percentage of total projected costs) | All applicants | | Not required |</p>
<table>
<thead>
<tr>
<th>Item</th>
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<th>Input data</th>
<th>Examples of supporting documentation</th>
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</thead>
<tbody>
<tr>
<td>3.5</td>
<td>Type(s) of financial instrument(s) for intended projects/programmes to be requested from the Green Climate Fund</td>
<td>All applicants</td>
<td>Select all that apply: The following requires accreditation against the specialized fiduciary criteria for grant award and/or funding allocation mechanisms:  - Grants (in some cases this may be reimbursable)  The following require accreditation against Specialized fiduciary criteria for on-lending and/or blending:  - Concessional loans (senior)  - Concessional loans (subordinated)  - Equity  - Guarantees Please specify what other types of financial instruments you are interested in, if any:</td>
<td>Not required</td>
</tr>
<tr>
<td>3.6</td>
<td>Sources and types of additional finance for intended activities (if applicable), and how the sources and types of other finance will be applied</td>
<td>All applicants</td>
<td>Select all that apply:</td>
<td>Not required</td>
</tr>
<tr>
<td>3.7</td>
<td>Indication of the Green Climate Fund’s standards against which the application will be assessed</td>
<td>All applicants</td>
<td>Select all that apply:  - Basic fiduciary criteria25, ESS26 and gender  - Specialized fiduciary criteria for project management  - Specialized fiduciary criteria for grant award and/or funding allocation mechanisms28  - Specialized fiduciary criteria for on-lending and/or blending</td>
<td>Not applicable</td>
</tr>
<tr>
<td>3.8</td>
<td>Environmental and social risk level(s) of intended activities</td>
<td>All applicants</td>
<td>Select all that apply:  - Category A / Intermediation 1 (high) directly  - Category A / Intermediation 1 (high) indirectly through executing entities  - Category B / Intermediation 2 (medium) directly  - Category B / Intermediation 2 (medium) indirectly through executing entities  - Category C / Intermediation 3 (minimal to none) directly  - Category C / Intermediation 3 (minimal to none) indirectly through executing entities</td>
<td>Not required</td>
</tr>
</tbody>
</table>
6.2. Basic fiduciary standards

The full GCF policy for basic and specialised fiduciary standards can be found at:
https://www.greenclimate.fund/documents/20182/319135/1.6_-_Fiduciary_Standards.pdf

In terms of basic fiduciary standards, all AEs are required to demonstrate:

- **Key administrative and financial capacities**: Cover the underlying principles of ensuring that entities manage financial resources transparently and accountably in line with the relevant regulations and laws. They also ensure that entities’ administration and management operations conform to the required fiduciary standards and that they have a track record of performing these activities effectively and efficiently; and,

- **Transparency and accountability**: Cover the underlying principles of protection against financial mismanagement and other unlawful practices, to ensure that entities operate ethically, transparently and with full accountability.

**Key administrative and financial capacities**:

This basic fiduciary standard is broken down into five specific requirements:

- **General management and administrative capacities**: The organisation’s governance and oversight structures must ensure that the entity operates in line with its set mission, with clearly defined, budgeted, and monitored objectives and goals to achieve it. These oversight structures should include committees for financial, audit and procurement functions;

- **Financial management and accounting**: The entity must demonstrate that finances and accounts are reported periodically, using internationally recognised financial and accounting standards (see Box 2). All payments, disbursement systems, business plans, financial products and budgets should be prepared transparently following documented procedures;

- **Internal and external audit**: Those audit functions must ensure adequate organisational operations by performing planned activities periodically, independently and in line with international auditing standards and be overseen by an independent audit committee. Processes to implement and monitor responses to auditors’ recommendations are required;

- **Control frameworks**: Regularly reviewed policies and procedures are necessary to ensure that all organisational operations, (for all roles including senior management), are delivered effectively and efficiently, that financial risks are identified and managed appropriately, that procurement is undertaken sufficiently and that all applicable laws and regulations are followed; and,

- **Procurement**: Internal guidelines and policies are required to ensure that procurements are performed economically, efficiently, fairly and transparently – with procurement awards publicly accessible. Procedures are provided according to the type of procurement. Executing entities’ procurement procedures must be overseen and capacities to review procurement complaints are required.
Box 2. International financial and accounting standards that meet the GCF fiduciary standards

There are two main internationally used standards on financial reporting and accounting, the International Financial Reporting Standards (IFRS) and the Generally Accepted Accounting Principles (GAAP). IFRS are generally considered more of a ‘principal-based’ accounting standard, whereas GAAP is considered to be more ‘rules-based’.

**International auditing standards:** Professional standards for the performance of financial auditing, and include the International Standards on Auditing (ISA) set by the International Federation of Accountants. Global associations for auditing, such as the Institute of Internal Auditors subscribe to these standards.

**Credit rating agencies:** Domestic credit rating agencies generally grade the ability of entities to repay domestic debt, while international credit rating agencies will assign credit ratings on both domestic and international debt. The three main international credit ratings agencies are Moody’s, Standard and Poor’s, and Fitch Ratings.

**Transparency and accountability policies:**

This basic fiduciary standard is broken down into five specific requirements:

- **Code of ethics:** There should be a documented policy setting out the ethical standards communicated to and upheld by all individuals contracted by or related to the entity. The policy must be overseen by an ethics committee;

- **Disclosure of conflicts of interest:** There should be a policy defining the possible, actual, perceived, and apparent conflicts of interest, and prohibited personal financial interests of employees and relevant parties. The principles used to address and sanction potential breaches of this policy must be clearly laid out;

- **Preventing financial mismanagement:** Experience in accessing finance from national and international sources must be demonstrated and a zero tolerance policy towards fraud, financial mismanagement and other forms of malpractice for all contracted individuals is required;

- **Investigations:** There should be an internal (or external), independent and objective function for investigating allegations of fraud, corruption and ethics breaches, that reports to the organisation’s highest level. This investigation function must follow publicly available guidelines and report case trends periodically; and,

- **Anti-money laundering and anti-terrorist financing policies:** These policies cover the ability to trace and monitor the electronic transfer of funds, and procedures to adequately perform Know Your Customer due diligence. This amounts to identifying and verifying client’s identity to ensure they are not engaged in money-laundering or terrorist financing.
Table 7: Section IV of the accreditation application: Basic fiduciary standards (source: GCF accreditation form)

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<th>Item</th>
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<th>Examples of supporting documentation</th>
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<tr>
<td>4.1</td>
<td>Key administrative and financial capacities</td>
<td><strong>Underlying principles for key administrative and financial capacities are (this list is not exhaustive):</strong> financial inputs and outputs are properly accounted for, reported, and administered transparently in accordance with pertinent regulations and laws, 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 operations of the entity show a track record in effectiveness and efficiency.</td>
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</table>
| 4.1.1 General management and administrative capacities | A clearly defined governance and oversight structure that formally defines the roles, responsibilities and assigned authority of each functional area and individual in the organization; track record in the preparation of business plans and budgets | All applicants | For all types of entities:  
- Organizational chart which includes:  
  i) Clear reporting structure for Finance, Internal Audit, Procurement and other key functions;  
  ii) Reporting structure of the Audit Committee and other senior management committees/governance bodies;  
- List of internal oversight bodies/committees along with:  
  iii) Terms of Reference (TOR) and composition of each committee;  
  iv) A copy of the rules regarding the appointment, termination and remuneration of members of such committees;  
- Document describing the entity’s processes for setting long term and short term objectives including the alignment of the objectives/plans with its mission  
- Copy of current strategic/medium term plan: the plan should also define indicators/metrics for all key organisational objectives. If organisational objectives are further set in terms of departmental/division level objectives, details of such deployment should also be provided. If current plan period is coming to an end within the next 6 months, please provide a copy of next plan; |
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<tr>
<td>4.1.2</td>
<td>Financial management and accounting</td>
<td>Periodic preparation and reporting of financial statements in accordance with recognized accounting standards.</td>
<td>All applicants</td>
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For private sector entities:
Evidence of ability to develop annual/strategic/medium term plan, including demonstrated evidence of implementation of this plan from the past 3 years:
- Copy of the previous 1 year and current year’s annual plans and budgets;
- Document describing how the entity’s long and short term plans, objectives and budgets enable the entity to achieve its mission;
- Brief write up on processes/ procedures and responsibilities for monitoring and reporting on progress made in attainment of set objectives including adherence to budgets.
- 2 annual or half-yearly reports containing periodic evaluation of achievement of organisational objectives and analysis of expenditures to be provided as evidence that such evaluation is undertaken and the results thereof, are published.

For small private sector entities:
- A summary of the achievement of annual objectives and goals for the last two years.

For all types of entities:
- Financial Statements for the past 3 years. The Statements should include:
  - Notes and disclosures explaining the accounting framework/standard used, the basis of preparation of the financial statements, and the specific accounting policies, if any;
  - A statement of changes in financial position covering Capital, Reserves, Debt, Assets, Project/Endowment Fund Balances, etc.;
  - A statement of cash flows;
- Brief details of the Financial Information Systems including a list of major reports prepared and the periodicity of the reports;
- Copies of recent reports prepared as a part of the entity’s Financial Information System.
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<th>Examples of supporting documentation</th>
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<tbody>
<tr>
<td>4.1.3</td>
<td>Internal and external audit</td>
<td>Fully functional independent audit committee; the internal audit function is carried out in accordance with internationally recognized standards; appointment of an independent external audit firm to carry out its work in accordance with internationally recognized standards</td>
<td>All applicants</td>
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<td>For all types of entities:</td>
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<td>• Terms of Reference for the external audit for the years for which the audit reports have been provided. The entity in its text response or the ToRs to be provided as supporting documents should clearly indicate that the work of the external audit firm or organization should be consistent with recognized international auditing standards such as International Standards on Auditing (ISA), or other equivalent standards;</td>
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<td>• Schedule/dates of meetings of the Audit Committee held over the past 2 years;</td>
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<td>• Agenda and minutes of the past 2 Audit Committee meetings;</td>
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<td>• Internal Audit policy/charter/ToRs which are formally approved by management;</td>
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<td>• Evidence that the internal audit function is carried out in accordance with internationally recognized standards such as those prescribed by the Institute of Internal Auditors or other equivalent standards;</td>
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<td>• Brief details of the structure of the internal audit function including qualifications and experience of the auditors. Entity should also provide information on how it ensures that the auditors adhere to recognised internal auditing standards including principles of integrity, objectivity and confidentiality;</td>
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<td>• Copy of internal audit procedures/manual;</td>
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<td>• Internal Audit plans for each of the past 3 years;</td>
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<td>• Status of execution of the past 3 years’ internal audit plans;</td>
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<td>• Sample of internal audit reports in the past 3 years, including those relating to procurement, internal control systems and payments and disbursements, if available along with information on how these reports are disseminated to relevant people within the entity;</td>
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<td>• Brief details of the process to monitor and assess the overall effectiveness of the internal audit functions, including periodic internal and external quality assessments, including a copy of such assessment reports;</td>
</tr>
<tr>
<td>Item</td>
<td>Area of competence</td>
<td>Specific capacity required</td>
<td>Applicability</td>
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</table>
| 4.1.4 | Control frameworks | Documented processes in place to ensure that objectives are achieved, including verification that operations are carried out effectively, financial risks are assessed and managed, and proper financial management is carried out | All applicants | | - Complete external audit reports, including management letters, for the past 3 years, if not included in the financial statements provided at Section 4.1.2;  
- Status of action taken in respect of all the observations/recommendations contained in the external and internal audit reports of the past 3 years including acceptance/sign-off of closures by the external/internal auditors.  
*For private sector entities/financial institutions*  
- A recent Regulator’s Examination Report, including an action plan in response to the Regulator’s recommendations  
*For all types of entities*:  
- Financial control policy;  
- Financial control procedures;  
- The above policies and procedures should provide evidence of/demonstrate the following:  
  - A control framework that includes clearly defined roles for management, internal auditors, the board of directors or comparable body, and other personnel (including fiscal agents and fiduciary trustees, if any involved) with respect to Internal Control;  
  - At the institutional level, risk-assessment processes are in place to identify, assess, analyze and provide a basis for proactive risk responses/mitigating actions in identified areas;  
  - Existence of a documented payment and disbursement system (policies, procedures and Delegation of Authority) preferably with a flow chart. The system should provide for a clear segregation of approval and disbursement responsibility/authority including the organization’s capability to ensure that all payments/disbursements (both for projects and other expenditures) are properly checked and made only for bona-fide/approved purposes.  
  - Evidence of system/procedures for identifying and assessing the details and adequacy of the internal controls annually. This assessment should also cover a regular review by management to check if duties are appropriately segregated to ensure adequate internal control in all key/risk areas.  
  - The applicant should provide recent reports/documents/information as evidence of its effective implementation of the internal control framework as defined above. |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>4.1.5</td>
<td>Procurement</td>
<td>Formal procurement standards, guidelines and systems in place to ensure fair and transparent procurement processes</td>
<td>All applicants</td>
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<td>For all types of entities:</td>
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<td></td>
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<td>• Copy of the entity’s Procurement Policy/Rules/Regulations/Guidelines (approved by management) which are transparent and fair and promote economy and efficiency in procurement, specify procurement requirements, accountability, and authority to take procurement decisions/actions;</td>
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<td>• Detailed procurement procedures, which include details of composition and role of various committees, such as the Procurement Committee Tender Evaluation Committee, etc. and guidelines for different types of procurement managed by the entity, such as consultants/service providers, goods/supplies and works;</td>
</tr>
<tr>
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<td>• System/procedures for oversight/audit of the entity’s procurement function;</td>
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<td>• Procedures for controlling procurement by third parties or Executing Agencies undertaking projects financed by the entity;</td>
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<td>• Copy of the Procurement dispute resolution process, if not already included in or separate from the Policy or Procedures referred to above;</td>
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<td>• As evidence of compliance with the established policies and guidelines, the following documents/information should be provided:</td>
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<td>• 2 sets of documents pertaining to large procurements undertaken in the past 3 years;</td>
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<td>• A sample of procurement oversight/audit reports, both for the entity and Executing Agencies</td>
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<td>• Data on procurement complaints handled in the past 3 years along with brief details of sample cases and their closure.</td>
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</tbody>
</table>
4.2 Transparency and accountability

Transparency and accountability are to be demonstrated through an effective combination of fully functional policies, procedures, systems and approaches. The underlying principles are: 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.

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<tbody>
<tr>
<td>4.2</td>
<td>Transparency and accountability</td>
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<tr>
<td>4.2.1 Code of ethics</td>
<td>A documented code of ethics or a set of clear and formal management policies in place to define ethical standards to be upheld by all individuals contracted or functionally related to the organization</td>
<td>All applicants</td>
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<td>For all types of entities:</td>
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<td>Code of Ethics, which is documented and applicable to the staff and associates like consultants, contractors, suppliers, etc.;</td>
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<td>Documented evidence of a contractual nature that communicates this policy to all staff and other parties functionally related to the organisation, with evidence of such communication;</td>
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<td>Brief description of the system for oversight of the Ethics Function, including the role of the Ethics Committee or other relevant bodies/committees within the organisation to whom such functions have been allocated. This should be supported by evidence that the oversight system is functioning.</td>
</tr>
<tr>
<td>4.2.2 Disclosure of conflicts of interest</td>
<td>A disclosure policy or equivalent in place to establish the necessary mandatory financial disclosures of possible, actual, perceived or apparent conflicts of interest</td>
<td>All applicants</td>
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<td>For all types of entities:</td>
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<td>Financial disclosure policy or other documented policy statement which defines possible, actual, perceived or apparent conflicts of interest including what constitutes conflict of interest or prohibited personal financial interests and also defines the sanction measures for parties which do not disclose such conflicts on a proactive basis; Conflict of interest review and resolution procedures;</td>
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<td>Demonstration of practice, through sample statements of annual disclosure of interest statements by employees or disclosure in respect of specific cases/instances;</td>
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<td>2 actual examples of conflict of interest cases that were identified/reported and how these were dealt with</td>
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<td>Item</td>
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<td>Specific capacity required</td>
<td>Applicability</td>
<td>Input data</td>
<td>Examples of supporting documentation</td>
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| 4.2.3 | Preventing financial mismanagement | Demonstrated experience and track record in accessing financial resources from national and international sources; Evidence of a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by staff members, consultants, contractors, etc. | All applicants | $ | *For all types of entities:*  
  - Policy on financial management or some other document which describes the various malpractices which may occur and also planned prevention strategies;  
  - Evidence of a statement from top management communicating a policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by staff members, consultants, contractors, or from any other relevant party associated directly or indirectly with the operations of the entity;  
  - Process/avenues for reporting fraud, financial mismanagement and other forms of misconduct (these should include placement of a provision for reporting violations on the entity’s website);  
  - Policies and procedures for whistle blower protection. |
| 4.2.4 | Investigations | Evidence of an independent and objective investigation function for allegations of fraud and corruption, with publicly available terms of reference | All applicants | $ | *For all types of entities: (Note: all entities should always be able to demonstrate that the investigations function is executed within the organization and that it is independent and has access to report findings to the highest levels of the organization, if needed)*  
  - Evidence that the organisation’s investigation function has publicly available terms of reference that outline the purpose, authority and accountability of the function;  
  - Details of the investigations structure within the organisation. Also, how does the organisation ensure the independence/authority of the investigation structure and process; Procedures for investigating fraud and corruption within the entity. This should include information on periodic reporting to management/Board on case trends/status of investigations. As evidence sample status reports should be provided;  
  - In case the organisation’s investigation function is linked to an outside investigation system (for example the national/government investigation function), please provide the following information:  
    - Details of the outside system including key procedures and authority levels;  
    - Procedure followed within the entity, on receipt of any allegation, before the allegation is reported to or lodged with the outside system for carrying out the investigation;  
    - Information on cases of violation of code of ethics, fraud or corruption in the past 3 years, and on how such cases were disposed of. |
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</table>
| 4.2.5 | Anti-money laundering and anti-terrorist financing policies | Evidence of adequate control and procedures in place to enable the applicant entity to carry out adequate “Know your customer” due diligence                                                                                                                                                                                                                                                                                                                                                                                                                                                      | All applicants |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | For all types of entities:  
  - Anti-money laundering (AML) and anti-terrorist (AT) financing policy;  
  - “Know your customer (KYC)” due diligence procedures to combat money laundering and financing of terrorism;  
  - 2 copies of reports on KYC due diligence exercises carried out in the past 3 years;  
  - Mechanisms to trace/monitor electronic transfer/wiring of funds;  
  - 2 copies of monitoring reports on electronic funds transfer prepared in the past 3 years.  

For private sector entities: Reports from regulators or periodic examinations by regulators evaluating the robustness of the KYC/AML-AT function
6.3. Specialised fiduciary standards

In addition to its basic fiduciary standards, the GCF has three specialised fiduciary standards:

- **Project management**: This set of standards covers an entity’s ability to manage climate change projects from their identification right through to their evaluation and to ensure all potential project risks are managed. Project management is required if entities intend to implement projects directly and/or oversee the implementation of projects by executing entities. It is required for the majority of activities and all AEs so far have required project management accreditation;

- **Grant award mechanisms and/or funding allocation mechanisms**: This set of standards covers an entity’s ability to provide grants to third parties in a credible, transparent and effective way that ensures the impact of grants on final beneficiaries furthers the objectives of the GCF. Grant award mechanisms and/or funding allocation mechanisms are therefore only required if the entity intends to award grants to third parties with GCF funding; and,

- **On-lending and blending policies**: This set of standards covers an entity’s ability to ‘on-lend’, or lend the GCF’s resources to a third party and/or blend the GCF’s resources with other sources of funding, in a credible and due diligent manner. This standard is required if an entity intends to provide loans and risk sharing products to third parties.

These are required depending on the scope of an entity’s intended activities with the GCF’s resources, that is to say, whether an AE intends to act as an implementing entity and/or a financial intermediary.

**Project management:**

This specialised fiduciary standard is broken down into four specific requirements:

- **Project preparation and appraisal**: This includes a track record, guidelines and frameworks for climate change project identification, preparation, appraisal, monitoring and follow-up must be demonstrated. The capacity to develop climate change objectives, baselines and targets, while evaluating, incorporating and mitigating the technical, financial, economic, legal, environmental, and social impacts/risks during preparation and appraisal stages is also required.

- **Project oversight and control**: This includes operational systems, procedures and templates for implementation, budgetary and reporting oversight of executing entities and project sponsors, to monitor project performance and expenditure against agreed budgets, and identify opportunities to improve performance.

- **Monitoring and evaluation**: This includes documented policies, procedures and tools for a monitoring and an independent evaluation function (unit) of project implementation until its closure, with an evaluation disclosure policy to ensure evaluation reports are broadly disseminated.

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4 In addition to project management responsibilities, an AE may be an intermediary which administers grants and loans while blending funds with its own and others.
• **Project-at-risk systems and related project risk management capabilities:** This includes systems, including an independent risk management function, to ensure financial, economic, political and regulatory risks are identified during project implementation along with problems interfering with set objectives and that these risks are addressed through management strategies.

**Grant award mechanisms and/or funding allocation mechanisms:**

This specialised fiduciary standard is broken down into four specific requirements:

- **Grant award procedures:** This includes a transparent and documented mechanism to award and evaluate grants, (grant approval/evaluation committees), with clearly defined eligibility criteria such as publicised grant notices and/or calls for proposals;
- **Public access to information on beneficiaries and results:** This can be demonstrated through a policy and guidelines that publicise grant award results within a reasonable time frame;
- **Transparent allocation of financial resources:** The organisation needs policies and procedures for performing due diligence that are externally audited and documented to assess the eligibility and capabilities of grant awardees. They are also used to perform monitoring and evaluation of grants. The progress of grant implementation must be periodically publicised and in the event of financial irregularities or fraud, these should be suspended, reduced, terminated and awarded grants must be recovered; and,
- **Good record in meeting financial requirements for multilateral funding:** Good scoring from the public expenditure reviews, and evaluations, assessments/due diligence reports in response to multilateral funding received must have been given to the prospective entity.

**On-lending and blending policies:**

This specialised fiduciary standard is broken down into ten specific requirements:

- **Appropriate registration and/or licensing by a financial oversight body or regulator in country or internationally:** A license clearing the entity to on-lend financial resources from a national and/or international regulator;
- **Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources:** Previous experience on-lending and/or blending international and multilateral finance from multiple sources (from financial assets’ management to special purpose vehicles);
- **Creditworthiness:** Proven capacity to lend money safely to others, recognised through an international credit rating from a reputable international credit ratings agency, a regulator’s examination report or the market value of the entity’s investments;
- **Due diligence policies, processes and procedures:** Mechanisms to undertake due diligence reporting in order to identify the credit quality of loan recipients during on-lending operations;
- **Financial resource management, including analysis of the lending portfolio of an intermediary:** Control frameworks and procedures – within the entity’s financial management and control policies – to evaluate the loan portfolio of financial intermediaries;
• **Public access to information on beneficiaries and results:** Policies and guidelines for providing information to the public on the entity’s on-lending and/or blending operations (decisions, beneficiaries and results of financing operations) are required;

• **Investment management, policies and systems, including in relation to portfolio management:** Systems to ensure sound investment management, (policies, guidelines, reporting and evaluations on the management of investment portfolios);

• **Capacity to channel funds transparently and effectively, and to transfer the GCF’s funding advantages to final beneficiaries:** Policies, periodic and independent reviews (internal and external audit) are in place to ensure funds channelled through intermediaries are transparently and effectively reaching final beneficiaries;

• **Financial risk management, including asset liability management:** Financial risk management policy, procedures and strategies must be in place with assets and liabilities overseen by an asset liability committee; and,

• **Governance and organisational arrangements, including relationships between the treasury function and the operational side:** The relationship between the entity’s treasury functions and the operational side must be sufficiently described and segregated.
Table 8: Section V of the accreditation application: Specialised fiduciary standards (source: GCF accreditation form)

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<thead>
<tr>
<th>Item</th>
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<th>Examples of supporting documentation</th>
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<tr>
<td>5.1</td>
<td>Project management</td>
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<td>Project management underlying principles are: 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.</td>
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<td>5.1.1</td>
<td>Project identification, preparation and appraisal</td>
<td>Track record of capability and experience in the identification and design of projects or programmes within the respective jurisdiction; Documented process for project appraisal to ensure quality and monitoring of follow-up actions during implementation</td>
<td>Required for applicants seeking project management accreditation</td>
<td>For all types of entities:</td>
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<td>- Project preparation guidelines/framework, including templates/formats and roles responsibilities thereof;</td>
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<td>- Project appraisal guidelines/framework, including templates/formats and roles responsibilities in project appraisal;</td>
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<td>- Policy or other document that outlines the entity’s risk assessment procedures/framework, including preparation of risk mitigation strategies/plans at the project design and appraisal stages;</td>
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<td>- Framework/guidelines/procedures for undertaking Quality Review during project preparation and appraisal process. This review should also identify areas which require monitoring/follow-up actions during implementation;</td>
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<td>- 3 examples of project appraisals undertaken in the past 3 years (preferably climate change mitigation or adaptation projects) demonstrating the capacity to:</td>
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<td>- Effectively use the organization’s guidelines for project preparation and appraisal;</td>
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<td>- Mainstream environmental, social and climate change aspects into project preparation and appraisal;</td>
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<td>- Demonstrate use of the Risk assessment procedures/framework for project risks and integrate corresponding mitigation strategies;</td>
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<td>- Demonstrate entity’s capacity to assess and incorporate technical, financial, economic and legal impacts of the project at the preparation and appraisal stage itself;</td>
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<td>- Incorporate outcomes of the quality reviews undertaken during the design and appraisal stages in the project document⁵.</td>
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⁵ Alternatively, separate quality review reports should be provided for each project.
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<tr>
<td>5.1.2</td>
<td>Project oversight and control</td>
<td>Operational capacity and procedures to oversee the implementation of the approved funding proposal, monitor performance and assess project expenditure against project budget; appropriate reporting capabilities</td>
<td>Required for applicants seeking project management accreditation</td>
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**For all types of entities:**  
- Copy of the entity’s Operational manual/procedures covering preparation of project implementation plans, including project budgets, reporting guidelines and templates to be used by executing entities or project sponsors;  
- Implementation plans (which include project implementation plans, monthly/quarterly/annual project budgets, reporting guidelines and templates) for 2 projects undertaken in the past 2 years;  
- 3 detailed project implementation progress reports for projects implemented in the past 3 years which demonstrate the entity’s operational capacity and organizational arrangements to continuously oversee the implementation of the approved funding proposal in order to regularly assess project progress vis-à-vis plans, expenditure against project budget as well as to monitor and identify opportunities for improving project performance against its budget and timelines. | |
| 5.1.3 | Monitoring and evaluation | Capacities for monitoring and evaluation including a clearly defined and resourced monitoring function and an independent evaluation body or function that follows documented and recognized standards; an evaluation disclosure policy is in place | Required for applicants seeking project management accreditation |  
**For all types of entities:**  
- Policy and/or other documents outlining the entity’s Monitoring and Evaluation function (including structure of the monitoring and evaluation unit, roles and responsibilities, procedures/tools/formats/templates);  
- 3 sample monitoring and evaluation reports relating to monitoring during project implementation which demonstrate entity’s capacity to:  
  - undertake effective monitoring and evaluation in accordance with its policies and procedures;  
  - undertake analysis of project expenditure compared to the project budget and a brief explanation of major variances; | |
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| 5.1.4 Project-at-risk systems and related project risk management capabilities | A process or system in place to flag early on when a project has developed problems that may interfere with the achievement of its objectives, and to respond accordingly to redress the problems | Required for applicants seeking project management accreditation |  |  | • Monitor implementation of actions, if any, identified for the implementation phase during the Quality review;  
• Project Evaluation disclosure policy;  
• Policies and procedures which outline the entity’s activities relating to project closure and independent evaluation, including reporting on results achieved, lessons learned and recommendations for improvement, dissemination of results and making key findings publicly available;  
• Sample Terms of Reference of independent evaluation body/consultant;  
• 3 independent evaluation/project closure reports in respect of projects completed in the past 3 years along with evidence that the evaluation results were published as per the Project Evaluation Disclosure Policy.   
For all types of entities:  
• Procedures for project-at-risk system to ensure speedy solutions to problems which may interfere with the achievement of the project objectives or lead to unintended negative consequences;  
• Examples of project problems addressed to demonstrate effectiveness of the system. |
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<tr>
<td>5.2</td>
<td>Grant award and/or funding allocation mechanisms</td>
<td>Specific capacities for grant award and funding allocation mechanisms of grants in the context of programmes require transparent eligibility criteria and an evaluation process, a grant award decision and procedures, public access to information on beneficiaries and results, transparent allocation and implementation of financial resources, and a good standing with regard to multilateral funding.</td>
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| 5.2.1 | Grant award procedures | A transparent grant award mechanism with formally documented procedures for evaluating proposals and awarding grants, and clearly defined eligibility criteria; Grant award decisions taken by authorised body in accordance with good practice | Required for applicants seeking grant award and/or funding allocation mechanism accreditation | Sample grant notices/call for proposals provided are comprehensive and the criteria for exclusion, eligibility, selection and awards is included in the call for proposals | For all types of entities:  
- Composition and Terms of Reference of the Grant award Evaluation Committee;  
- Grant award evaluation system/process/procedures with clearly defined roles and responsibilities including those of the Grant Evaluation Committee and the Grant Approval Authority;  
- Samples of recent grant notices/calls for proposals with information on how these were publicised;  
- Sample documents which provide evidence that the Grant Award evaluation system is complied with in respect of all grants awarded. The sample documents should relate to the same grant for which above notices have been provided. The sample documents should also contain the agenda and minutes of the respective Grant Evaluation Committee meetings in which these grants were discussed and approved/declined, evidence of approval by the Approving Authority and copies of communication sent to all applicants (successful or otherwise) regarding their application for grant. |
| 5.2.2 | Public access to information on beneficiaries and results | Grant-awarding entity to make the grant award results public within a reasonable time frame | Required for applicants seeking grant award and/or funding allocation mechanism accreditation | | For all types of entities:  
- Copy of policies/guidelines for providing information to the public regarding the entity’s grant decisions;  
- Evidence of publication of grant award results for the last 3 grants/programmes/projects. |
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| 5.2.3 | Transparent allocation of financial resources                                        | Systems in place to provide assurance on the reality and eligibility of activities to be carried out with the grant award; to recover funds unduly paid and prevent irregularities and fraud; to monitor project implementation; and to suspend, reduce or terminate the grant in the event of non-compliance | Required for applicants seeking grant award and/or funding allocation mechanism accreditation |                                                                            | For all types of entities:  
  - Copy of documented framework/system for undertaking due diligence, including procurement procedures, with clearly defined responsibilities and applicable formats/templates, for assessing the eligibility and capabilities of potential grant awardees;  
  - Copy of entity’s policies and procedures (including formats) for undertaking Monitoring & Evaluation of grants, along with reports as evidence of monitoring of implementation of 3 projects in the past 3 years; Copy of policies and procedures relating to Suspension, Reduction, Termination and Recovery of grants;  
  - Does the entity have any policies/systems relating to providing access to the public to information on the periodic progress of individual projects including budget utilisation to ensure greater transparency in the use of funds by grantees? If yes, please provide brief description of the policies/system and evidence of its implementation;  
  - Policies relating to external audit of the entity’s grant awarding activities and relevant. If this is done as a part of the entity’s external audit exercise please indicate accordingly. Alternatively provide copies of last 3 reports on the grant award activities.  
  For private sector entities:  
    - Special/separate grant award audit reports as demonstrated evidence of transparent and consistent application of grant awarding criteria. |
| 5.2.4 | Good standing for financial requirements with regard to multilateral funding (e.g. through recognized public expenditure reviews) | Grant awarding entity with a proven track record of handling multilateral funds             | Required for applicants seeking grant award and/or funding allocation mechanism accreditation |                                                                            | For all types of entities:  
  - Evidence of good standing with regard to multilateral funding in the form of evaluation/assessment/due diligence reports commissioned by the multilateral funding sources or letters of reference from multilateral sponsors;  
  - Public expenditure reviews, if any undertaken. |
5.3 On-lending and/or blending

Additional specialized criteria for on-lending and blending will apply for intermediaries and implementing entities that wish to use financial instruments other than grants with the Green Climate Fund’s resources.

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</table>
| 5.3.1 | Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable | An official record from a regulator or licensing body clearing the entity for on-lending | Required for applicants seeking on-lending and/or blending accreditation | For all types of entities:  
- On-lending registration or license from a national or international regulator.  
- If such a license does not exist or apply, please indicate this and explain. |
| 5.3.2 | Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources | Previous experience with on-lending or blending using international or multilateral resources | Required for applicants seeking on-lending and/or blending accreditation | For all types of entities:  
- Data for the last 3 years in respect of funds for On-lending and Blending received from different international and multilateral funding sources, including the management of assets under Trust Arrangements and other arrangements such as SPVs;  
- Project documents for 3 on-lending or blending projects, clearly stating the intermediaries and sources of international and multilateral funding;  
- At least 3 examples of agreements for each of the financial instruments that the applicant has indicated it is applying for accreditation for (e.g., loans, equity and/or guarantees), undertaken by the application. For example, if the applicant is applying for this specialized fiduciary criteria in order to receive resources from the Green Climate Fund to deploy as equity, the applicant should provide at least 3 relevant examples for which the applicant made an equity investment. |
| 5.3.3 | Creditworthiness | Capacity to safely lend money to other entities | Required for applicants seeking on-lending and/or blending accreditation | For all types of entities:  
- Ratings from recognised international credit rating companies;  
- If the applicant is not rated, provide other relevant information to evidence the applicant’s creditworthiness such as the Regulator’s examination report or information regarding status of payments in arrears of the entity’s current loan portfolio and market value of its investments. |
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<tr>
<td>5.3.4</td>
<td>Due diligence policies, processes and procedures</td>
<td>Mechanisms in place to ensure that on-lending and/or blending is done in a credible manner</td>
<td>Required for applicants seeking on-lending and/or blending accreditation</td>
<td>For all types of entities:</td>
<td>• Copy of policies/guidelines/procedures for the entity’s On-lending and/or Blending operations; Copy of the framework/system for undertaking due diligence with clearly defined roles and responsibilities and applicable formats/templates for assessing the capabilities of the recipient organisations; • 2 on-lending and/or blending due diligence reports, including the software employed by the entity in analysing the credit quality of loan recipients, for example Moody’s Credit Analysis Software or other specialised systems.</td>
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<td>5.3.5</td>
<td>Financial resource management, including analysis of the lending portfolio of the intermediary</td>
<td>Control procedures in place to analyse the lending portfolio of the intermediary</td>
<td>Required for applicants seeking on-lending and/or blending accreditation</td>
<td>For all types of entities:</td>
<td>• Financial management policy or any other document outlining the entity’s policy with respect to management of financial resources; • Framework/procedures for evaluating an intermediary’s lending portfolio; 2 lending portfolio assessment/analysis reports.</td>
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<td>5.3.6</td>
<td>Public access to information on beneficiaries and results</td>
<td>Systems and provisions in place for the general public to access information about beneficiaries and results of projects funded by the entity</td>
<td>Required for applicants seeking on-lending and/or blending accreditation</td>
<td>For all types of entities:</td>
<td>• Copy of entity’s policies/guidelines for providing information to the public regarding its decisions on on-lending and/or blending operations; • Evidence of publication of the list of beneficiaries of its on-lending and/or blending operations for the last 2 years; • Evidence of publication of information on beneficiaries and results of 3 projects completed in the past 3 years (preferably climate change mitigation and/or adaptation projects).</td>
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| 5.3.7 | Investment management, policies and systems, including in relation to portfolio management | Systems in place to ensure sound investment management | Required for applicants seeking on-lending and/or blending accreditation | | For all types of entities:  
- Investment management policy;  
- Procedures/guidelines for managing the entity’s investment portfolio;  
- Copies of 2 investment portfolio management reports prepared in the past 3 years, including the current investment portfolio valuation. |
| 5.3.8 | Capacity to channel funds transparently and effectively, and to transfer the Green Climate Fund’s funding advantages to final beneficiaries | Systems in place to ensure that funds are transparently channelled | Required for applicants seeking on-lending and/or blending accreditation | | For all types of entities:  
- Brief description of systems/ procedures/practices which provide requisite assurance that the funds provided by the entity are channelled transparently and used effectively;  
- Examples of reports from the past three years used to control the appropriate use of funds  
- Entity’s policy and practices for annual/periodic independent review/check/internal or external audit on the use of its funds along with evidence of such reviews being undertaken;  
- Data relating to 3 projects showing the advantages to final beneficiaries of projects implemented by the entity. |
| 5.3.9 | Financial risk management, including asset liability management | Capacity to manage financial risk | Required for applicants seeking on-lending and/or blending accreditation | | For all types of entities:  
- Financial risk management Policy and Procedures (if already provided as a part of Internal Control Framework, then the applicant can refer to the item and document where it is contained);  
- Brief description of major financial risk management strategies planned and implemented during each of the last 2 years and analysis/reports covering the impact/effectiveness of the strategies;  
- 2 samples of the minutes of recent meetings of the entity’s Asset and Liability Committee (ALCO) or other committee that manages the entity’s assets and liabilities |
<table>
<thead>
<tr>
<th>Item</th>
<th>Area of competence</th>
<th>Specific capacity required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3.10</td>
<td>Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk)</td>
<td>A link between the treasury function and the operational function</td>
<td>Required for applicants seeking on-lending and/or blending accreditation</td>
<td>For all types of entities: Details of the relationship between the treasury function and the operational functions with evidence that the appropriate segregation of duties between the organizational unit responsible for business decisions and the unit responsible for disbursement covers possible risks.</td>
<td></td>
</tr>
</tbody>
</table>
6.4. Environmental and social safeguards

Environmental and social safeguards (ESS) are necessary to identify, prevent and mitigate harm to people and their environment throughout the implementation of a project or programme. Most multilateral and bilateral development agencies have adopted policies, procedures and guidelines that cover those Environmental and Social (E&S) aspects.

ESS systems have become gradually harmonised, and most align with the International Finance Corporation’s (IFC) Performance Standards (PS) (see Figure 9 below). The GCF’s ESS are based on the IFC PSs, on an interim basis up since it is planned that the GCF will develop its own ESS system when it has the necessary project and programme expertise.

![Table of IFC's Performance Standards](image)

**Figure 9: IFC ESS performance standards (source: Acclimatise, Green Climate Fund Proposal Toolkit 2017)**

The policy

There are eight IFC PS which are part of an overarching system for the “Assessment and Management of Environmental and Social Risks and Impacts” (PS1), and seven risk-specific standards:

- **PS1 – Assessment and management of environmental and social risks and impacts**: The overarching system or procedures for identifying, assessing and managing the activity specific risks;
- **PS2 – Labour and working conditions**: Ensuring workers are informed of their rights and provided with safe working conditions;
- **PS3 – Resource efficiency and pollution prevention**: Avoiding pollution and the generation of waste, and using resources efficiently;
- **PS4 – Community health, safety and security**: Avoiding adverse impacts on health and safety, and on the ecosystem services used by communities;
• PS5 – Land acquisition and involuntary resettlement: Avoiding forced evictions and minimising displacement, or providing fair compensation for resettlement;

• PS6 – Biodiversity conservation and sustainable management of living natural resources: Avoiding impacts on biodiversity through protection;

• PS7 – Indigenous peoples: Identifying and avoiding negative impacts on indigenous peoples; and,

• PS8 – Cultural heritage: Avoiding impacts on and protecting archaeological, historical and cultural sites.

In order to meet PS1 – Assessment and management of environmental and social risks and impacts, the applicant entities must have an effective Environmental and Social Management System (ESMS). An ESMS is a methodology to manage environmental and social risks on a permanent basis. This includes the institutional processes that demonstrate the capacity to identify, categorise, evaluate, mitigate, manage and monitor environmental and social risks that could arise from GCF-funded projects and programmes.

A comprehensive ESMS should include:

- An E&S policy: A statement of commitment with values, principles, objectives and goals governing the E&S performance of each activity;

- A process to identify E&S risks and impacts: A planning process to identify E&S risks and impacts across performance standards 2-8;

- E&S risk management programme: Organisational structures to manage E&S risks, including the implementation of mitigation measures to address E&S impacts;

- Organisation capacity and competency to manage E&S risks: Guidelines and structures to ensure that relevant staff have the necessary skills to undertake E&S risk management;

- Monitoring and review process for E&S risks: Process to monitor and evaluate the E&S risks covering PS2-8 of funded projects and programmes, to ensure that E&S management is implemented; and,

- Structures for external communication on E&S risks: Public disclosure of relevant E&S information is required via channels that also allow the receipt of public inquiries and concerns on E&S risks.

- Risk levels

At the project and programme level, E&S risks are categorised in three levels. The levels are split between environmental and social risk from funding proposals (Categories) or an entity’s exposure to environmental and social financial risk based on their grant award or on-lending portfolios (Intermediations). These risk levels are:

- High risk: Covers funding proposals (Category A) and/or proposed investment portfolios (Intermediation 1) where activities may have significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible or unprecedented;

- Medium risk: Covers funding proposals (Category B) and/or proposed investment portfolios (Intermediation 2) where activities may have 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; and,
• **Low risk:** Covers funding proposals (Category C) and/or proposed investment portfolios (Intermediation 3) where activities have minimal or no adverse environmental and/or social risks and/or impacts.

The GCF’s full environmental and social policy can be found at:
{www.greenclimate.fund/documents/20182/319135/1.7_-_Environmental_and_Social_Safeguards.pdf/e4419923-4c2d-450c-a714-0d4ad3cc77e6}

**Demonstrating compliance**

The required ESMS will vary depending on the environmental and social risk associated with the intended activities of the applicant:

• **High risk:** The entity’s ESMS needs to demonstrate a fully developed and documented track record associated with all six policy requirements of PS1 as part of an effective ESMS, which is fully consistent with all seven risk categories as outlined in PS2-8;

• **Medium risk:** The entity’s ESMS needs to demonstrate that its management programme, organisational capacity and competency, monitoring and review procedures and external communications all align with high risk requirements, although less evidence of implementation is required. The E&S policy and identification of risks and impacts are not required to be as formalised, but must present and be consistent with all seven risk categories as outlined by PS2-8; and,

• **Low risk:** The ESMS will not have to be advanced. It will need basic to moderate procedures covering five of the six ESMS policy areas, consistent with all seven risk categories as outlined by the PS2-8. No E&S policy is required.

If the applicant does not have an ESMS, a quality-based management system can be used as a foundation on which to build the required ESMS. If the applicant has developed and implemented a formal internal environmental, labour or health and safety system that aligns with IFC’s PS, this may be sufficient. It is recommended that a gap assessment be conducted to ensure alignment with the IFC’s PS.
<table>
<thead>
<tr>
<th>Risk level</th>
<th>Funding proposals</th>
<th>Intermediation&lt;sup&gt;6&lt;/sup&gt;</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High</strong></td>
<td>Category A</td>
<td>Intermediation 1 (I1)</td>
<td>Large scale activities including conversion or degradation, extraction, consumption, discharge and disposal related to natural habitats:</td>
</tr>
</tbody>
</table>
|            | Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented. | When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented. | • Large-scale forestry  
• Large-scale agriculture  
• Large-scale infrastructure  
• Large resettlement components  
• Impacts on indigenous peoples  
• Serious health risks |
| **Medium** | Category B        | Intermediation 2 (I2)    | Similar to those with high risks but often smaller in scale: |
|            | Activities with 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. | When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented. | • Small scale infrastructure, including mini-grids and small scale renewables  
• Ecosystem based adaptation  
• Energy efficiency programmes  
• Small rehabilitation, maintenance and upgrades  
• Small scale agricultural and rural development |
| **Low/No** | Category C        | Intermediation 3 (I3)    | Include soft approaches and very small hard approaches: |
|            | Activities with minimal or no adverse environmental and/or social risks and/or impacts | When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts. | • Advisory services  
• Education, training, capacity building, and institutional development  
• Panning support  
• Awareness raising  
• Small scale reforestation  
• Monitoring programmes  
• Household energy supply and efficiency programmes |

<sup>6</sup> Activities involving investments through financial intermediation functions or through delivery mechanisms involving financial intermediation.
**Table 10: Section VI of the accreditation application: “Environmental and social safeguards” (source: GCF accreditation form)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Area of competence</th>
<th>Specific capacity required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documents</th>
</tr>
</thead>
</table>
| 6    | Environmental and Social Management System (ESMS) | The accreditation review against the Green Climate Fund’s environmental and social safeguards (ESS) will focus on the applicant’s institutional ESMS.  
• Entities that desire to undertake Category A/I-145 or lower risk (Category B/I-2 and Category C/I-3) type projects/programmes will be required to have an ESMS that is mature and documented, with a proven track record of managing these types of projects/programmes, and the full support of Senior Management. Required elements of the institutional ESMS are set out below in items 6.1-6.6  
• Entities that desire to undertake Category B/I-246 or lower risk (Category C/I-3) type projects/programmes will be required to have an ESMS and a proven track record of managing these types of projects/programmes, and the support of Management. This ESMS will likely have emerging elements and will not be as mature in scope or documentation, or as well-integrated into business processes, as the ESMS required for Category A/I-1 type projects/programmes, though it will still have all of the ESMS elements listed in items 6.1-6.6;  
• Entities that desire to undertake Category C/I-347 type projects/programmes will only have an ESMS. Category C/I-3 projects, by definition, contain little to no environmental or social risks or impacts. The ESMS required will be moderate and very simple, and will not need all of the ESMS elements required by higher risk categories. Required elements of the institutional ESMS are shown in items 6.1-6.6. |  |  |  |
| 6.1  | Policy            | **Category A/I-1**  
An environmental and social (E&S) policy that:  
• Includes an overarching statement of the E&S objectives and principles guiding the institution;  
• States the E&S standards the institution adheres to including laws implementing host country obligations under international law;  
• Indicates whom within the institutions will ensure conformance with the policy and be responsible for its execution;  
• Is consistent with the Performance Standards (PS) 1-8;  
• Is endorsed by Senior Management;  
• Is communicated to all levels of its organization and may be communicated publicly. | Required for applicants seeking Category A/I-1 accreditation |  | For all types of entities:  
• A formal E&S Policy, or equivalent, that includes the required specific capacities which is fully developed and maintained;  
• In the absence of a formal policy, a description of the specific institutional capacities related to the elements that would otherwise be included in an E&S policy;  
• Year when E&S policy or equivalent was approved/endorsed. |
|      |                   | **Category B/I-2**  
An E&S policy that:  
• Includes an overarching statement of the E&S objectives and principles which guide the | Required for applicants seeking Category B/I-2 accreditation |  | For all types of entities:  
• An E&S Policy, or equivalent, that includes the required specific capacities |
### Identification of Risks and Impacts

<table>
<thead>
<tr>
<th>Item</th>
<th>Area of competence</th>
<th>Specific capacity required</th>
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<th>Examples of supporting documents</th>
</tr>
</thead>
</table>
| 6.2  | Identification of Risks and Impacts | Category A/I-1 | A fully developed and documented institutional process and track record that:  
- Identifies the E&S risks and impacts of projects/programmes as they evolve over the project life;  
- Is consistent with good international industry practice;  
- Is consistent with PS1-8;  
- Is integrated into operations. | Required for applicants seeking Category A/I-1 accreditation | For all types of entities:  
- All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed.  
For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process:  
Complete this section for a risk and impacts identification procedure or process and track record that includes: PS2; PS3 except Pest Management; PS4 infrastructure and equipment design and safety beyond dam safety, hazardous materials and management safety, protection of priority | For all types of entities:  
- A formal E&S risks and impacts identification and assessment procedure describing the due diligence approach which is integrated into business processes, is routinely updated, and may have been audited by an internal or external oversight mechanism;  
- If a risk categorization system is already used, a list of illustrative projects from the past 3 years and their category, including an indication of who within the organization determines the categorization. |
<table>
<thead>
<tr>
<th>Category B/I-2</th>
<th>Required for applicants seeking Category B/I-2 accreditation</th>
<th>For all types of entities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>An institutional process and track record that:</td>
<td></td>
<td>• An E&amp;S risks and impacts identification and assessment procedure describing the due diligence approach, which may be implemented by the relevant part of the organization;</td>
</tr>
<tr>
<td>• Identifies the E&amp;S risks and impacts of projects/programmes;</td>
<td></td>
<td>• 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 within the organization determines the categorization.</td>
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<tr>
<td>• Is consistent with good international industry practice;</td>
<td></td>
<td>For all GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process:</td>
</tr>
<tr>
<td>50 is consistent with PS1-8.</td>
<td>Complete this section for a risk and impacts identification procedure or process and track record that includes: PS2; PS3 except Pest Management; PS4 infrastructure and equipment design and safety beyond dam safety, hazardous materials and management safety, protection of priority provisioning and regulating ecosystem services, community exposure to disease, emergency response and preparedness, collaboration with communities, security force management; and PS6 supply chain requirements.</td>
<td>For all types of entities:</td>
</tr>
</tbody>
</table>
## Category C/I-3
A process that screens projects/programmes against PS1-8 and is able to consistently confirm the risk category.

## Required for applicants seeking Category C/I-3 accreditation
For all types of entities:
- All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed.
- For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section for a risk and impacts identification procedure or process and track record that includes: PS2; PS3 except Pest Management; PS4 infrastructure and equipment design and safety beyond dam safety, hazardous materials and management safety, protection of priority provisioning and regulating ecosystem services, community exposure to disease, emergency response and preparedness, collaboration with communities, security force management; and PS6 supply chain requirements. This section does not need to be completed for other PS requirements.

## For all types of entities:
- A basic E&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.
### Item Area of competence Specific capacity required Applicability Input data Examples of supporting documents

| 6.3 | Management Programme | Category A/I-1 A fully developed and documented institutional process and track record for managing mitigation measures and actions stemming from the E&S risk identification process. Depending upon the nature and scale of the project/programme, the management programme may consist of a documented combination of operational procedures, practices, plans and related supporting documents that are managed in a systematic way. | Required for applicants seeking Category A/I-1 accreditation | For all types of entities: All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating management processes and track record for the issues listed in item 6.2. This section does not need to be completed for other PS requirements. | For all types of entities: • Evidence of management programme, including formal operational processes or procedures documenting practices describing how individual projects/programmes mitigation actions will be documented, tracked, and applied; • Audit reports (conducted by external firm or organization) on institutional management programme effectiveness. |
| 6.3 | Management Programme | Category B/I-2 A documented institutional process and track record for managing mitigation measures and actions stemming from the E&S risk identification process. Depending upon the nature and scale of the project/programme, the management programme may consist of a documented combination of operational procedures, practices, plans and related supporting documents that are managed in a systematic way. | Required for applicants seeking Category B/I-2 accreditation | For all types of entities: All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating management processes and track record for the issues listed in item 6.2. This section does not need to be completed for other PS requirements. | For all types of entities: • Operating processes or procedures documenting how individual projects/programmes mitigation actions will be documented and tracked; • Audit reports on institutional management programme effectiveness |
| 6.3 | Management Programme | Category C/I-3 A management programme consistent with the level of E&S risk. The management programme should indicate an institutional process to identify and manage risks (including unanticipated risks and | Required for applicants seeking Category C/I-3 accreditation | For all types of entities: All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. If needed due to unanticipated risks or impacts arising after screening, a description of the process and organizational capacity to manage | For all types of entities: |
For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating management processes and track record for the issues listed in item 6.2. This section does not need to be completed for other PS requirements.

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<tr>
<th>Item</th>
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<th>Examples of supporting documents</th>
</tr>
</thead>
</table>
| 6.4  | Organizational Capacity and Competency | Category A/I-1 | Required for applicants seeking Category A/I-1 accreditation | All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. | For all types of entities:  
  • Organizational charts that identify units or departments, line management and the individuals having E&S performance and compliance responsibilities;  
  • Job descriptions and responsibilities of key E&S personnel, including expertise and experience in PS1-8;  
  • Procedures for information sharing (awareness) among the investment, legal and credit offices in the organization’s E&S requirements and ESMS;  
  • Description of training and development programs for E&S and other relevant staff.  
 |

An organizational structure that defines roles, responsibilities, reporting lines and authority to implement the ESMS, which includes Senior Management. Key E&S responsibilities should be defined and communicated, and supported with human and financial resources. Technical staff with direct responsibility for the project/programme performance have the knowledge, skills and experience necessary to understand and ensure implementation of PS1-8. Technical staff with knowledge of PS1-8 are able to properly categorize potential funding proposals.
<table>
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<tr>
<th>Category B/I-2</th>
<th>Required for applicants seeking Category B/I-2 accreditation</th>
<th>For all types of entities:</th>
<th>For all types of entities:</th>
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</thead>
<tbody>
<tr>
<td>An organizational structure that defines roles, responsibilities and authority to implement the ESMS, which includes Senior Management. Key E&amp;S responsibilities should be defined and supported with human and financial resources. Technical staff with direct responsibility for the project/programme performance have the knowledge, skills and experience necessary to understand and ensure implementation of PS1-8. Technical staff with knowledge of PS1-8, are able to properly categorize potential funding proposals.</td>
<td>All elements of this item taking into account the category of Environmental and social risk the applicant is applying for must be addressed. For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating capacity and competency for the issues listed in item 6.2. This section does not need to be completed for other PS requirements.</td>
<td>• Organizational charts that identify units or departments, line management and the individuals having E&amp;S performance and compliance responsibilities; • Job descriptions and responsibilities of key E&amp;S personnel, including expertise and experience in PS1-8.</td>
<td></td>
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<tr>
<td>Category C/I-3</td>
<td>Required for applicants seeking Category C/I-3 accreditation</td>
<td>For all types of entities:</td>
<td>For all types of entities:</td>
</tr>
<tr>
<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>All elements of this item taking into account the category of Environmental and social risk the applicant is applying for must be addressed. For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating capacity and competency for the issues listed in item 6.2. This section does not need to be completed for other PS requirements.</td>
<td>Organizational chart of where designated staff members who make categorization decisions sit in the organization and reporting lines.</td>
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<tr>
<td>Item</td>
<td>Area of competence</td>
<td>Specific capacity required</td>
<td>Applicability</td>
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</table>
| 6.5  | Monitoring and Review | **Category A/I-1** Track record and internal processes to support an effective monitoring/supervision programme that tracks and verifies the effectiveness of the ESMS. | Required for applicants seeking Category A/I-1 accreditation | For all types of entities: All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. | For all types of entities: Description of monitoring and review program, including processes and procedures.  
- How lessons learned from monitoring and evaluation have influenced the design/decisions concerning specific projects/programmes.  
- Overall indicators that resulted from the program in the past 3 years, which indicate a track record of the level of success of ESMS implementation within the projects/programmes.  
- Description of the review or audit processes that verify this data (institutional independent review arm, outside audit firm, oversight mechanism, etc.); sample of project audit reports;  
- Description of the types and frequency of reports, which include E&S monitoring information, that are submitted to Senior Management; sample of project monitoring and evaluation reports prepared in the last 3 years;  
- Examples of how E&S supervision and auditing activities have informed the management review and update of the ESMS;  
- Examples of how E&S supervision and auditing activities have resulted in knowledge dissemination either internally or publicly. |
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<tr>
<th>Item</th>
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<th>Specific capacity required</th>
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<tr>
<td><strong>Category B/I-2</strong></td>
<td>Track record and internal processes to support a monitoring/supervision programme that tracks and ensures completion of mitigation and performance improvement measures. Periodic performance reviews reported to Senior Management, on the effectiveness of the ESMS. Senior Management takes the necessary steps to ensure that the intent of the institutions policy is met and that procedures, practices and plans are implemented.</td>
<td>Required for applicants seeking Category B/I-2 accreditation</td>
<td>For all types of entities: All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating monitoring competency and a track record for the issues listed in item 6.2. This section does not need to be completed for other PS requirements.</td>
<td>For all types of entities: • Description of monitoring and review program and previous years’ indicators that resulted from the program; • Sample of project monitoring and evaluation reports.</td>
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<tr>
<td><strong>Category C/I-3</strong></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>Required for applicants seeking Category C/I-3 accreditation</td>
<td>For all types of entities: All elements of this item taking into account the category of environmental and social risk the applicant is applying for must be addressed. For GEF entities eligible for and applying under the Green Climate Fund fast-track accreditation process: Complete this section by demonstrating monitoring competency and a track record for the issues listed in item 6.2. This section does not need to be completed for other PS requirements.</td>
<td>For all types of entities: • Description of project monitoring process.</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Area of competence</td>
<td>Specific capacity required</td>
<td>Applicability</td>
<td>Input data</td>
<td>Examples of supporting documents</td>
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| 6.6  | External Communications | **Category A/I-1** External communication channels that allow the entity to:  
  • Receive and register external communications from the public;  
  • Screen and assess issues raised and determine how to address them;  
  • Provide, track, and document responses. | Required for applicants seeking Category A/I-1 accreditation | | *For all types of entities:*  
  • Written process or procedures describing external communications system  
  • Location of system (website, etc.);  
  • Register of inquiries/complaints and responses from the past 1 year. |
|      |                    | **Category B/I-2** External communication channels that allow the entity to:  
  • Receive and register external communications from the public;  
  • Screen and assess issues raised and determine how to address them;  
  • Provide, track, and document responses. | Required for applicants seeking Category B/I-2 accreditation | | *For all types of entities:*  
  • Written process or procedures describing external communications system  
  • Location of system (website, etc.)  
  • Register of inquiries/complaints and responses from the past 1 year. |
|      |                    | **Category C/I-3** External communication channels that allow the entity to:  
  • Receive and register external communications from the public;  
  • Screen and assess issues raised and determine how to address them;  
  • Provide, track, and document responses. | Required for applicants seeking Category C/I-3 accreditation | | *For all types of entities:*  
  • Written process or procedures describing external communications system  
  • Location of system (website, etc.);  
  • Register of inquiries/complaints and responses from the past 1 year. |
6.5. Gender

Gender is of critical importance in both climate change mitigation and adaptation as women and girls are particularly affected by the impacts of climate change and associated severe weather events. For instance, women’s mortality from climate-related disasters is higher than that of men, and climate-induced events such as droughts exacerbate women’s poverty and unpaid domestic and care work burdens. This is due to factors such as entrenched discriminatory social and cultural norms, a lack of entitlements, and unequal access to land, water and productive assets, compounded by limited mobility and decision-making power in many contexts. As such, there is an increasing recognition of mainstreaming gender in climate finance.

The GCF is the first multilateral climate fund that includes a gender policy and a gender action plan. As per the GCF’s Gender Policy, AEs are required to develop and implement their own gender policy.


The policy

The GCF’s gender policy contains six principles to ensure the GCF contributes to gender sensitivity, equality and equity, as follows:

- **Commitment**: the GCF commits to contributing to gender equality, as enshrined in international agreements and national constitutions;
- **Comprehensiveness**: the GCF applies its gender policy to all its climate change mitigation and adaptation activities, without regard to the nature of the implementing entity (public/private, international/national);
- **Accountability**: gender monitoring, impact and outcomes indicators are included in the results management and performance frameworks of the GCF;
- **Country ownership**: NDAs must align with the GCF’s gender policy;
- **Competencies**: The GCF aims to reach gender balance within its own key advisory and decision making bodies; and,
- **Resource allocation**: Climate change adaptation and mitigation projects and programmes must contribute to gender equality and women’s empowerment.

The GCF’s full gender policy can be found at: [http://www.greenclimate.fund/documents/20182/319135/1.8_Gender_Policy_and_Action_Plan.pdf/f47842bd-b044-4500-b7ef-099bcf9a6bde](http://www.greenclimate.fund/documents/20182/319135/1.8_Gender_Policy_and_Action_Plan.pdf/f47842bd-b044-4500-b7ef-099bcf9a6bde)
Demonstrating compliance

Applicant entities are expected to demonstrate their competencies, policies and procedures to perform in line with the GCF’s gender policy through:

- Previous experience in implementing a gender policy through project examples
- Experiences in gender and climate change

However, it is accepted that gender will commonly be a new element to many applicants’ organisational policies. This is why if the applicant entities are unable to demonstrate all GCF’s gender policy elements, they have to demonstrate a willingness to acquire and develop all of these competencies as a minimum requirement.

**Box 3: Understanding gender (source: Soanes M., 2017)**

**Gender**: How societies and specific cultures assign roles and ascribe characteristics to men and women based on their sex.

**Gender equality**: Equal rights, power, responsibilities and opportunities for women and men, as well as equal consideration of the interests, needs and priorities of men and women. Therefore, entailing that society equally values women and men, and the roles they play.

**Gender equity**: The process of being fair to men and women. To ensure gender equity, measures may need to be taken to compensate for (or reduce) the disparity created by historical and social effects, that prevent women and men from operating on an equitable basis.

**Gender sensitivity**: Understanding the ways in which people think about gender, the sociocultural factors underlying gender inequality, and how to address these inequalities. Gender sensitivity implies consideration of the contribution of women and men to societal change, as well as the methods and tools used to promote gender equity, reduce gender disparities, and measure the impact of climate change and other development activities on men and women.
Table 11: Section VII of the accreditation application: “Gender” (source: GCF accreditation form)

<table>
<thead>
<tr>
<th>Item</th>
<th>Area of competence</th>
<th>Specific capacity required</th>
<th>Applicability</th>
<th>Input data</th>
<th>Examples of supporting documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Gender</td>
<td>Demonstrate competencies, policies and procedures to implement the Green Climate Fund’s Gender Policy</td>
<td>All applicants</td>
<td>For all types of entities:</td>
<td>• Extract from entity’s operational policies and procedures relating to gender.</td>
</tr>
<tr>
<td>7.2</td>
<td></td>
<td>Demonstrate experience with gender and climate change, including a track record of lending to both men and women</td>
<td>All applicants</td>
<td>For all types of entities:</td>
<td>• 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.</td>
</tr>
</tbody>
</table>
7. How to develop and submit a funding proposal to the GCF?

Submitting a funding proposal to the GCF required to follow a step-wise approach. Further information about the requirements for developing and submitting a funding proposal to the GCF, is available in the Green Climate Fund Proposal Toolkit 2017, available at:

[http://acclimatise.uk.com/login/uploaded/resources/CDKN_Acclimatise_GCFproject-development-toolkit_062017.pdf]

7.1. GCF approval process

An AE can submit funding proposals to the GCF through an AE. They can submit spontaneously on an on-going basis, or by responding to a request for proposals published by the GCF, NDA or AE. The NDA/Focal Point and AE can also conduct multi-stakeholder workshops to generate proposal ideas aligned with the national climate change strategy, Nationally Determined Contribution and other national plans.

Table 12: Overview of the key phases of the GCF project cycle (source: Acclimatise GCF proposal toolkit 2017)

<table>
<thead>
<tr>
<th>1. Concept note (voluntary)</th>
<th>A project proponent may submit – through an AE – a concept note for feedback and recommendations from the GCF, in consultation with the NDA. Alternatively, the concept note may be submitted by the NDA if an associated AE has not been identified by a project proponent. The recommendation will clarify whether the concept is (1) endorsed; (2) not endorsed with a possibility of resubmission; or (3) rejected. If a project proponent submits a concept note through an AE, the NDA will need to be copied on the submission. The GCF Secretariat will review the alignment of the concept with the investment framework, RMF and other GCF criteria, respond to the submitter (with copy to the NDA), and provide feedback on alignment with the GCF’s objectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Proposal submission</td>
<td>A project proponent may submit a proposal to the GCF – through an AE – in conjunction with the no-objection letter signed by the NDA. At this stage, the GCF acknowledges the submission and reviews it for completeness. The NDA should be included in the different stages of communication.</td>
</tr>
<tr>
<td>3. Analysis and recommendation</td>
<td>The GCF will carry out a desktop review that includes i) review of the expected performance of the project against each of its six investment criteria and the activity-specific sub-criteria of the GCF; and ii) a review of consistency with its interim environmental and social safeguards, gender policy and other policy guidelines. Once the proposal has passed this initial review stage, the Secretariat provides the proposal, supporting documentation and the preliminary outcome of the review to the GCF’s ITAP. The ITAP provides an independent assessment regarding the expected performance of the project or programme against the activity-specific criteria. A funding proposal may require additional clarifications from the AE based on assessment by the ITAP and the Secretariat, which the AE is expected to clarify. After the ITAP assessment, the Secretariat compiles the funding proposal package including i) the funding proposal; ii) the no-objection letter issued by the NDA; iii) the outcome of the Secretariat’s review; and iv) the outcome of the independent assessment. The funding package is then submitted to the GCF Board for consideration no later than three months before the Board Meeting where the funding proposal will be considered.</td>
</tr>
</tbody>
</table>
### 4. Board decision

Based on the funding package provided by the Secretariat, the GCF Board will then make one of the following decisions by consensus:

- approve funding
- approve funding with the conditions and recommendations that modifications are made to the funding proposal
- reject the funding proposal.

GCF sends a notification to the AE, interim trustee and NDA about the funding decision.

### 5. Legal arrangements

Following the approval of funding for the proposal, an FAA is negotiated and signed between the AE and the GCF.

### 6. Disbursement and Implementation

The project then enters into the GCF’s portfolio, moving into the implementation period whereby funds are transferred to the AE according to agreed tranches as per the term sheet’s disbursement schedule and other key terms and conditions. The GCF’s fiduciary standards and ESS are applied, and an external audit report is submitted.

### 7. Monitoring and evaluation (M&E) and reporting

Following these steps, the project becomes effective and the process of M&E and reporting commences and continues until the project or programme closes and exits the GCF’s portfolio.

![Project Cycle Diagram]

**Figure 10:** Overview of the GCF project cycle, including key steps and indicative timeline. The timeline should be considered as indicative, as it is dependent on a number of factors such as: the GCF workload and existing pipeline, the level of complexity and due diligence requirements for the project, and the level of baseline information available on the project, such as technical studies (e.g. feasibility studies). (Acclimatise, Green Climate Fund Proposal Toolkit 2017)

### 7.2. GCF approval criteria

A funding proposal must demonstrate its alignment with six investment criteria which are defined in the GCF’s Investment Framework. The list of criteria is provided in Figure 11. The GCF’s Investment Framework details possible indicators (or indicative assessment factors) that may help entities to quantify impact potential. For example, a renewable energy project/programme may wish to provide...
the expected number of megawatt (MW) of low-emission energy capacity installed, generated and/or rehabilitated.

For each of these investment criteria, the funding proposal should select only the applicable and relevant sub-criteria and indicators, as follows:

- The activity-specific sub-criteria inform the approval process for project and programme allocation decisions, and apply to both adaptation and mitigation actions; and,
- The indicators (indicative assessment factors) seek to provide clarity on how the sub-criteria can be assessed.

The methodology used for calculating the indicators and values should be provided. The funding proposal can complement quantitative indicators with qualitative ones. However, not all indicators are applicable to all activities, and funding proposals are to focus only on those relevant to the proposal, country context and GCF priorities on which the project/programme focuses.

![Figure 11: GCF Investment Criteria and their definitions (source: GCF, 2014)](image)

Investment criterion 1: Impact potential

The funding proposal should specify the climate mitigation and/or adaptation impact of the proposed project or programme. The GCF’s Investment Framework has four core indicators to which every funding proposal should respond. These core indicators should be based on supporting evidence for the project/programme, if possible from evidence gathered from pre-feasibility or feasibility studies.
The two core indicators for impact potential are:

- Mitigation core indicator: total t CO2eq to be avoided or reduced per annum; and,
- Adaptation core indicator: expected total number of direct and indirect beneficiaries and number of beneficiaries relative to total population (e.g. total lives to be saved from disruption due to climate-related disasters).

In addition to the core indicators above, specific values for other indicators may be provided by the funding proposal as necessary. Examples of qualitative indicators include the degree to which the proposed activity avoids lock-in of long-lived, high-emission infrastructure (mitigation) or long-lived, climate-vulnerable infrastructure (adaptation).

**Figure 12: Elements of the mitigation core indicators (source: Acclimatise, Green Climate Fund Proposal Toolkit 2017)**

**Figure 13: Elements of the adaptation core indicators (Acclimatise, Green Climate Fund Proposal Toolkit 2017)**
Investment criterion 2: Paradigm shift potential

To demonstrate the paradigm shift potential of the project or programme, the funding proposal should demonstrate the extent to which the proposed activity can catalyse impact beyond a one-off project/programme investment, by emphasising and providing evidence for as many as possible of the following paradigm shift factors:

- **Potential for scaling-up and replication (e.g. multiples of initial impact size) for both mitigation and adaptation**: Present specific values for scaling-up and replication (e.g. a local private sector bank able to promote mitigation measures by offering soft loans to women-led SMEs to make their businesses energy efficient or to generate clean energy from renewable sources). A funding proposal with a high potential for scaling-up, for example an early warning system for an individual province that can be scaled up to several surrounding provinces, should present a concrete plan to do so. A funding proposal with high replication potential, for example a hydroelectric power station in a region with several potential sites identified in a supporting technical study, should also present specific replication opportunities that can be explored;

- **Potential for knowledge and learning**: Highlight any potential for knowledge sharing or learning at project or institution level. For example, if the project or programme will generate useful lessons learned, a plan should be elaborated that specifies how those lessons can then be captured and shared with other individuals, projects or institutions, including through the monitoring and evaluation of the project/programme;

- **Contribution to the creation of an enabling environment**: Provide the arrangements that ensure long-term and financially sustainable continuation of key outcomes and activities. In cases where the planned activities do not generate financial reflows, a thorough explanation of long-term financial sustainability is needed. A funding proposal can also highlight the aspects of market development and transformation in which the project/programme creates new markets and business activities at the local, national or international levels. If the project or programme addresses or eliminates systematic barriers to low-carbon and climate-resilient solutions, or changes incentives by reducing costs and risks, these aspects may be highlighted;

- **Contribution to the regulatory framework and policies**: If the project or programme advances national/local regulatory or legal frameworks and is expected to bring significant benefits in this regard, please elaborate. Of particular interest is the shifting or alignment of incentives to promote investment in low-emission or climate-resilient development, and/or the mainstreaming of climate change considerations into policies and regulatory frameworks at all decision-making levels; and,

- **Innovation**: Describe any innovative ideas or elements, such as fostering new market segments, creation of business models and/or the development or adoption of new technologies. As innovation is context-specific, the funding proposal should specify the circumstances in which the innovation takes place.
Investment criterion 3: Sustainable development potential

To demonstrate the sustainable development potential of the proposed project or programme, the funding proposal should describe the expected environmental, social and health, and economic co-benefits, as well as the gender-sensitive development impact, which will aim to reduce gender inequalities in climate change impacts. These co-benefits and wider positive impacts may be drawn from an economic analysis of the proposed activities and can be strengthened with more qualitative factors.

- **Economic co-benefits:**
  - Total number of jobs created
  - Amount of foreign currency savings
  - Amount of government’s budget deficits reduced

- **Environmental co-benefits:**
  - Improved air quality
  - Improved soil quality
  - Improved biodiversity

- **Social co-benefits:**
  - Improved access to education
  - Improved regulation or cultural preservation
  - Improved health and safety

- **Gender co-benefits:**
  - Proportion of men and women in jobs created
Investment criterion 4: Needs of the recipient

To demonstrate the needs of the recipient, the funding proposal should describe the scale and intensity of vulnerability to climate change within the country and beneficiary groups, and elaborate on how the project/programme addresses the needs identified. Examples include the following:

- **Vulnerability of the country and beneficiary groups** (adaptation only): Describe the scale and intensity of exposure to climate risks for the beneficiary country and groups, which could include the exposure of people, social or economic assets, or capital to risks derived from climate change. Exposure could be expressed in terms of population size and/or social or economic assets or capital, including relevant gender-disaggregation indicators;

- **Economic and social development level of the country and affected population**: Describe the level of social and economic development (including income level) of the country and target population. Examples of the target population may include minorities, disabled, elderly, children, female heads of households, indigenous peoples or others;

- **Absence of alternative sources of financing**: Describe the barriers that have created the lack of alternative funding sources for the project/programme; and,

- **Need for strengthening institutions and implementation capacity**: Describe the opportunities to strengthen institutional and implementation capacity in relevant institutions.

![Figure 16: Elements comprising the needs of recipient (Acclimatise, Green Climate Fund Proposal Toolkit 2017)](image)

Investment criterion 5: Country ownership

To demonstrate country ownership of the proposed project or programme, the funding proposal should ensure that activities to be financed by the GCF align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in line with national priorities. In particular, the funding proposal should demonstrate that the project or programme is
coherent and aligned with the national climate strategy and action plan, and how its objectives are aligned with the priorities identified in national climate policies and action plans.

Under this investment criterion, the funding proposal should also provide the following:

- **A brief description of the capacity of the AEs or EEs to deliver the project**: This should include a detailed overview of the AE or EE and the respective roles these entities will play. The track record and relevant experience of the entities in similar or relevant project/programme circumstances should be provided; and,

- **A description of a stakeholder engagement process** including feedback received from all relevant stakeholders.

**Figure 17: Elements comprising country ownership (Acclimatise, Green Climate Fund Proposal Toolkit 2017)**

**Investment criterion 6: Efficiency and effectiveness**

To demonstrate efficiency and effectiveness of the proposed project/programme, the funding proposal should conduct an economic and financial analysis making the case for strong cost effectiveness and financial soundness (i.e. value for money). The funding proposal should demonstrate the following as relevant:

- **Cost-effectiveness and efficiency**: How the proposed financial structure (funding amount, financial instrument, tenor and term) is adequate and reasonable in order to achieve the project/programme’s objectives, including addressing existing bottlenecks and/or barriers. How the structure provides the appropriate concessionality to make the proposal viable, without crowding out private and other public investment;

- **Co-financing, leveraging and mobilised long-term investments** (mitigation only): For mitigation projects/programmes, the co-financing ratio (total amount of the GCF’s investment as percentage of total project costs) should be provided. For projects/programmes that may not leverage a significant level of up-front co-financing, the funding proposal may instead
demonstrate a significant level of indirect or long-term low-emission investment mobilised as a result of the proposed activities;

- **Financial viability**: The economic and financial rate of return (with and without the GCF’s support). Other financial indicators, including the debt service coverage ratio, may be provided as applicable. A description of the financial soundness in the long term beyond the GCF’s intervention, as well as the GCF’s financial exit strategy in case of private sector operations, should also be included; and,

- **Application of best practices**: How the best available technologies and/or best practices are considered and applied, including if applicable any innovations, modifications or adjustments that are made based on industry best practices.

**Key efficiency and effectiveness indicators** (mitigation only).

- Estimated cost per t CO2eq to total investment cost divided by the expected lifetime of emission reductions; and,

- Expected volume of finance to be leveraged by the proposed project/programme and as a result of the GCF’s financing, disaggregated by public and private sources.

![Figure 18: Elements comprising efficiency and effectiveness (Acclimatise, Green Climate Fund Proposal Toolkit 2017)](image)

7.3. GCF’s Results Management Framework

The GCF’s Results Management Framework (RMF) defines the elements of a paradigm shift towards low-carbon, climate-resilient, country-driven development pathways within individual countries and across the GCF’s activities. It includes two key elements: the logic model and the Performance Measurement Framework (PMF).
Logic model:

The logic model demonstrates how inputs and activities are converted to changes in the form of results achieved at the project/programme, country, strategic impact and paradigm shift levels. Figure 19 shows the levels of the logic model and indicates the estimated time required to achieve the relevant results from the time of project inception. Generally speaking, the attribution of funded activities to results achieved becomes increasingly difficult as one moves from inputs to results achieved at the paradigm shift level.

In other words, the logic models for adaptation and mitigation represent the results chain and the theory of change. In the funding proposal, the logic model is reflected in the log frame (Section H of the funding proposal template) which will enable the funding proposal to demonstrate a long-term vision in the changes and impacts to be achieved through the project.

Figure 19: Six levels of logic models (Acclimatise, Green Climate Fund Proposal Toolkit 2017)
Performance Measurement Framework:

The PFM is the performance measurement system intended to monitor the GCF’s results at the project, programme and aggregate portfolio levels. It includes a set of indicators that measure progress towards intended results based on the paradigm-shift objective, GCF-level impacts, and project/programme outcomes outlined in the GCF’s mitigation and adaptation logic models.
8. What support is available to seek accreditation and how to access it?

8.1. What is readiness support?

The Readiness and Preparatory Support Programme (referred to as the Readiness Programme) was established by the GCF to enhance country ownership and build the capacity (or ‘readiness’) of national entities of accessing to the GCF.

The main objectives of the Readiness Programme are to:
- Strengthen country capacity;
- Engage stakeholders in consultative processes;
- Realise direct access;
- Provide access to finance; and
- Mobilise the private sector.

As such, financial resources can be accessed through the NDA to support in the following areas:
- Establishment and strengthening of the NDA;
- Development of a country’s strategic framework, including the preparation of country programmes and concept notes;
- Support to prospective sub-national or national entities seeking accreditation and to DAEs to upgrade their accreditation category and develop project and programme pipelines; and,
- Formulation of national adaptation plans and/or other adaptation planning process, including national adaptation plans.

The implementation of activities can be undertaken by:
- The country’s NDA; or
- Delivery partner/s (DPs) (under the oversight of the NDA).

While the funding can be managed by the NDA or a delivery partner, all readiness funding requests must be initiated by the NDA.

DPs are selected by the NDA to implement activities approved under the Readiness Programme. These are in charge of: development of readiness request proposals; implementation and supervision; fiduciary management; progress reporting; and project completion and evaluation. Delivery partners may be AEs or other institutions assessed to meet the financial management capacities requirements of the GCF. Delivery partners can be international, regional, national and sub-national, public, private or non-governmental institutions, well-versed in readiness activities as their delivery partners. The NDA has the flexibility to work with multiple DPs for its readiness projects.

Resources may be provided in the form of grants or technical assistance. Any developing country can access these resources, although the GCF aims at allocating 50 per cent of the readiness support resources to particularly vulnerable countries, including LDCs, SIDS and African States.
The Readiness Programme provides:

- Up to USD 1 million per country per year. Of this amount, the NDA may request up to USD 300,000 per year to help establish or strengthen the NDA to deliver on the GCF’s requirements. Within this amount, a maximum of USD 100,000 can be used for NDA-led stakeholder meetings; and,
- Up to USD 3 million per country for the formulation of national adaptation plans and/or other adaptation planning processes.

Within these caps, countries may submit multiple requests based on the needs of the country.

8.2. What support is available to support accreditation?

Under the Readiness Programme, readiness support is available to prospective national entities seeking accreditation and to existing direct access entities to develop project and programme pipelines as follows:

- Fast-track accreditation support for eligible entities; Eligibility for the fast track depends on the following criteria:
  - The entity was accredited by one or more of the following: GEF, AF, or DG DEVCO; and,
  - The entity is in full compliance with the relevant accreditation requirements of the fund(s) they are accredited to: GEF’s Minimum Fiduciary Standards and Minimum Standards on Environmental and Social Safeguards, AF’s fiduciary standards, EU DEVCO’s fiduciary standards.
- Awareness raising of accreditation processes and standards (e.g. fiduciary, environment and social safeguards, and gender);
- Institutional gap analyses; and,
- Developing personalised capacity building plans to address identified gaps.

8.3. How to submit a request for readiness support?

There are five main stages to receive readiness support.

![Diagram of readiness support stages](image)

Figure 20: Steps to submit a readiness support. The timeline should be considered as indicative, as it is dependent on a number of factors such as: the GCF workload and existing pipeline. (source: Acclimatise NDA toolkit 2017)

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7 under the pillar assessment for (i) internal control system, (ii) accounting system, (iii) independent external audit, (iv) rules and procedures for grants, (v) procurement and (vi) sub delegation.
It should be noted that readiness proposals are reviewed, approved and disbursed on a quarterly basis. This aims to streamline subsequent monitoring and disbursements.

1. Submit a readiness proposal

A country can submit a readiness proposal for one of the areas mentioned above, by completing the readiness proposal template [http://www.greenclimate.fund/documents/20182/104167/Readiness_Proposal_Template.docx/887fe4e5-283a-468e-a624-ebd15bd8f0f0]. The proposal should be completed by the NDA or focal point (with support from their DP where relevant) and submitted to countries@gcfund.org

If the DP is not accredited to the GCF, a Financial Management Capacity Assessment (FMCA) questionnaire [http://www.greenclimate.fund/documents/20182/104167/Financial_Management_Capacity_Assessment_Template.docx/5328f652-cf6e-44ab-b115-ae081be805fb] should be completed and submitted with the proposal.

2. Review of the readiness proposal

The GCF Secretariat reviews the submitted proposal and the FMCA where applicable. During the review GCF Secretariat may request the NDA or focal point to provide additional information, and may also propose revisions. The NDA or focal point will submit a revised final proposal.

3. Legal arrangements and first disbursement

Following the approval, legal arrangements are concluded in the form of a grant agreement between the GCF and the grant recipient, including the Standard Conditions [http://www.greenclimate.fund/documents/20182/104167/Standard_Conditions_for_Readiness_and_Preparatory_Support_Grants.pdf/5cb7fcfe-372e-42d9-9a22-b006fe1b7228].

To make the grant agreement effective, a legal opinion [http://www.greenclimate.fund/documents/20182/104167/GCF_Opinion_Requirement_Readiness.docx/007ecca-a4f4e-510e5bed41a8] on the agreement needs to be communicated to the GCF Secretariat.


Alternatively, approved proposals may also be covered under executed Readiness Framework Agreements with delivery partners.
The GCF Secretariat will notify the NDA or focal point (and the grant recipient, if this is not the NDA or focal point) on the effectiveness of the legal arrangements. When the legal arrangements come into force and effect, the GCF Secretariat disburse the first tranche of funding.

8.4. Implementation, monitoring and reporting

The activities included in the readiness proposal will be implemented in line with the agreed work plan and budget. A financial management system should be maintained, with separate accounts (i.e. bank account or ledger) and records for readiness support.

Following the agreed schedule, the grant recipient will report to GCF against the work plan, budget, and agreed targets. It will also report on potential revisions or adaptations to the implementation plans.

Financial statements should be prepared in accordance with consistently applied accounting standards, audited on an annual basis by reputable independent auditors, and furnished to the GCF Secretariat in accordance with the reporting requirements set in the grant agreement. The reports submitted to the GCF Secretariat will be disclosed on the GCF website in accordance with the GCF interim disclosure policy.

8.5. Completion and grant closure

Towards the end of the readiness grant implementation period, the GCF Secretariat and the grant recipient evaluate achievements and progress, and eventually agree on the next steps. When relevant, the GCF will proceed to close the readiness grant.
9. Once accredited, what are the monitoring, evaluation and reporting requirements to fulfil as a GCF Accredited Entity?

The AE is primarily responsible for the M&E of their funded projects or programmes, and will report accordingly to the GCF.

Monitoring and evaluation requirements for the project or programme include:
- log frame and identification of indicators in the funding proposal
- annual performance reports from the project or programme
- interim and final evaluations at the project or programme level.

At the project funding proposal stage, the AE should indicate the activities, outputs, outcomes and results to be achieved in relation to the results areas of the RMF and the mitigation and adaptation PMFs. The AE should provide indicators at activity and output levels and report on the PMF indicators at outcome and impact levels. The GCF Secretariat will undertake second-level monitoring by requesting the AEs to report regularly on the indicators mentioned above and other relevant project performance indicators. In addition, during the mid-term reviews it will be verified that the AE has performed the required oversight on activities under the monitoring plans of projects financed by the GCF. These include, among other things, periodic supervision missions, audit reviews and multi-stakeholder engagement.

Reporting requirements for the project implementation and post-implementation period are presented in Table 13.

| Table 13: Reporting requirements (source: Acclimatise GCF proposal toolkit 2017) |
|-----------------------------|---------------------------------|-----------------------------|
| **Report**                  | **Description**                  | **Timing / Frequency**      |
| Quarterly financial reports | These should provide dates and amounts disbursed for each funded activity and compliance with financial covenants. | During the implementation period | Quaterly |
| Semi-annual progress reports| These should include a narrative report (with supporting data as needed) on implementation progress based on the log frame submitted in the funding proposal and considerations on the ongoing performance of the project/programme against the GCF Investment Framework criteria, including updates on the indicators and a report on ESS as well as gender. The report should align with the modalities set out in the GCF RMF and its PMFs for adaptation and mitigation, as amended and updated from time to time. | During implementation and post-implementation periods | Semi-annual |
| Interim evaluation report and final evaluation report for each funded activity | These assess the performance of the funded activity against the GCF investment framework criteria, including financial/economic performance, as part of the project/programme efficiency and effectiveness criteria. | Mid-point evaluation during implementation and final report at project completion |
Beyond the standard reporting requirements for a stand-alone project, a programme should also include additional programme-level reporting. For example, the AE may report on experience gained and lessons learned from the design and implementation of the programme and how well the programme is achieving added value beyond what a collection of standalone projects would have achieved.
10. What’s next?

Once prospective accredited entities obtain a better understanding of the GCF accreditation requirements, they can move forward with their application. **The full application form** includes examples of supporting documents, and provides an overview of the information that must accompany an application for accreditation:

{http://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231}

They can also complete the **online accreditation self-assessment tool** on the GCF website that outlines the minimum requirements that an entity must meet before it can be accredited to receive funding from the GCF. This tool can help prospective entities do an early assessment to determine if their organisation is ready to start the accreditation process of the GCF and help identify any obvious gaps, with additional guidance provided on the GCF requirements and standards if they wish to initiate the accreditation process:

{http://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool}

Prospective candidates are finally encouraged to express their interest in seeking accreditation to the GCF, to the NDA, Uzhydromet.
11. Frequently Asked Questions about GCF accreditation

Question 1: Who is eligible to submit a funding proposal to the GCF?

Answer 1: Only AEs are eligible to submit funding proposals to the GCF. AEs can be private, public, non-governmental, sub-national, national, regional and international.

Question 2: What is “enhancing direct access”?

Answer 2: Enhancing Direct Access (EDA) further extends the principles of direct access. Direct access allows national entities to get accredited under the GCF and access funding without going through multilateral agencies.

EDA aims to further enhance country ownership of projects and programmes by devolving decision making on funding at country level, thereby allowing greater involvement and input from impacted stakeholders. EDA is designed to provide an opportunity for AEs and countries to move beyond the financing of individual, bankable projects towards a more comprehensive, stakeholder driven programmatic approach, which is based on transparent criteria that are aligned with the GCF’s investment criteria and results management framework.

In 2016, the GCF issued a first request for proposals, for a pilot phase to enhance direct access. Countries participating in the Enhancing Direct Access pilot are required to exercise oversight on the activities to ensure transparency. Unlike the traditional direct access modality, there will be no submission of individual projects or programmes to the GCF because decision-making for the funding of specific pilot activities will be devolved to the country level.

For more information on EDA, please see the “Enhancing Direct Access (EDA) – Frequently Asked Questions” published by the GCF.

Question 3: Can local NGOs access the GCF?

Answer 3: Yes. Local organisations can access the GCF in two ways:

- Apply for accreditation, after nomination by the NDA.
- Work with an existing AE, for example serving as EE of joint projects or programmes.

Further information how to become accredited is provided in an online guide (GCF 101) including a set of frequently asked questions, and on the GCF website.

Question 4: How long does the accreditation process take?

Answer 4: Becoming accredited for direct access is a long and difficult process, taking nine months on average, while in many cases it takes longer, depending on the size, scope and level of risk.
**Question 5: What does FT stand for?**

**Answer 5:** Fast track - for entities already accredited under other financial mechanisms of the UNFCCC (Adaptation Fund, GEF, and EU DEVCO).

**Question 6: Should I go for the accreditation?**

**Answer 6:** 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 application form with the required supporting documentation and the Stage I checklist in detail before committing substantial resources.

**Question 7: Can we change the levels of accreditation under the “fit for purpose” approach?**

**Answer 7:** 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.

**Question 8: What kind of input and capacities does the accreditation process require?**

**Answer 8:**

- 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.

- 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.

**Question 9: What kind of evidence should we provide?**

**Answer 9:**

- The GCF accreditation form provides examples of supporting documentation that a candidate entity could submit. See: [https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231](https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231)
• 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.

• 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.

Question 10: Do you recommend a participative approach?

Answer 10: 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.

Question 11: When should a candidate entity prepare and submit a project / programme to the GCF?

Answer 11: 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 funding proposals are highly detailed and require substantial upfront investment.

Question 12: Being accredited is a guarantee of acceptance of all submitted projects / programmes?

Answer 12: Entities should be aware that even if the entity is accredited, project/programme funding proposals are not automatically approved. Funding proposals must be high quality and well aligned with national priorities and the objectives of the GCF.

Questions 13: Why does GCF use AEs?

Answer 13: GCF recognises that individual organisations possess the type of specialist knowledge and experience that can be best utilised to mobilise climate finance on the ground. That is why GCF works through a wide range of AEs to channel its financial resources to climate change projects and programmes. AEs can be private, public, non-governmental, sub-national, national, regional and international. The use of AEs is set out in the GCF Governing Instrument, the central institutional guide for all of the GCF’s activities.
Question 14: Can an AE also be the NDA/focal point?

Answer 14: A NDA has a very different role from that of an AE. A NDA acts as the interface between each developing country and the GCF. They ensure country ownership by providing broad strategic oversight of GCF’s activities in their country, serve as the point of communication with the GCF, and ensure that investments are aligned with local needs and planning. AEs are responsible for channelling GCF resources to particular programmes and projects. GCF accredits DAEs that work at the sub-national or national level, as well as organizations working at regional and international levels. AEs can also be governmental or non-governmental, and public or private in nature.

Normally the roles of NDA and AEs are distinct and separate. However, in some cases NDAs may seek to also become AEs to the GCF. The GCF Secretariat can advise on best practices in this area.

Question 15: Do organisations need to have climate funding proposals to be considered by GCF before seeking accreditation?

Answer 15: No. While not a requirement, however, GCF advises applicants to have well-thought out funding proposals as their accreditation applications will be assessed on the type of projects and programmes they intend to bring forward for GCF funding consideration.

Question 16: How are applicants for GCF accreditation assessed?

Answer 16: The accreditation process assesses whether applicants are capable of strong financial management and of safeguarding funded projects and programmes against any unforeseen environmental or social harm.

A wide range of organizations can become AEs. That is why GCF has introduced a “fit-for-purpose” system to scale them differently according to their capacities and how they address the climate finance needs of different countries.

While the scope of accreditation vary, all entities need to meet a number of basic standards. These are based on:

- Basic fiduciary standards;
- ESS; and,
- Gender.

Basic fiduciary standards set the baseline for appropriate financial management. This includes being able to demonstrate that financial inputs and outputs are properly accounted for, reported, and administered transparently in accordance with relevant regulations and laws, and with due accountability. Information about an organization’s overall administration and management must be available, consistent, reliable, complete and relevant. Accreditation applicants must also be able to display a track record in effectiveness and efficiency.
**GCF’s interim ESS** are drawn from the performance standards set by the IFC, an international body which works with the private sector in developing countries. The eight PS are:

- Assessment and management of environmental and social risks and impacts;
- Labour and working conditions;
- Resource efficiency and pollution prevention;
- Community health, safety and security;
- Land acquisition and involuntary resettlement;
- Biodiversity conservation and sustainable management of living natural resources;
- Indigenous peoples; and,
- Cultural heritage.

The accreditation process assesses the applicant’s capacity and commitment to maintain an ESMS at an institutional level (PS 1). Later, while reviewing accredited entity funding proposals, the GCF Secretariat will check how the entity follows its environmental and social management system to take action that matches specific issues relating to PS 2 to 8.

**GCF’s Gender Policy and Action Plan** is based on guidance by the United Nations Framework Convention on Climate Change (UNFCCC) supporting gender equality, equity and sensitivity. More detailed information about GCF’s approach to gender and climate change is available here.

The accreditation process assesses the capacity of applicants in terms of addressing gender – responsive systems at both the institutional and project/programme level. While reviewing funding proposals submitted by Accredited Entities, the GCF Secretariat checks how gender considerations are translated into specific actions to meet gender – related standards set out in the accreditation process and assesses whether projects/programmes submitted by AEs are consistent with approaches outlined in GCF’s Gender Policy and Action Plan.

**Question 17: What is GCF’s fit for purpose accreditation?**

**Answer 17:** GCF’s innovative fit-for-purpose approach to approving organizations to become AEs recognizes their broad range of activities and capacities. Entities vary from small government and non-government groups managing activities of a few million dollars or less to large multilateral development banks funding activities ranging from hundreds of millions of dollars.

Fit-for-purpose is a tiered accreditation system which classifies applicant entities based on the nature of their organizations and the intended scale, nature and risks of their proposed climate finance activities.

Therefore, accreditation applicants implementing or intermediating projects and programmes with little environmental and social risks and impacts are not required to have the same environmental and social management systems in place as compared to those handling higher levels of such risks.
The fit-for-purpose accreditation review is based on:

- Proposed project and programme activity size;
- Fiduciary standards; and,
- E&S risk category.

Proposed project and programme activity size is divided into four categories.

- Micro: maximum GCF contribution of up to and including USD 10 million;
- Small: maximum GCF contribution of above USD 10 million and up to and including USD 50 million;
- Medium: maximum GCF contribution of above USD 10 million and up to and including USD 250 million; and,
- Large: GCF contribution of above USD 250 million.

An entity accredited for a particular size category could submit a funding proposal for GCF consideration where the total costs for the project are within the maximum size category. (For example, an entity accredited for medium could submit a funding proposal that falls within the micro, small or medium size category, but not large).

There are three types of specialized fiduciary standards. These standards allow an AE to undertake an activity by performing the specific fiduciary function related to the standard.

- Project management: This assesses the capacity of the applicant to manage, supervise and oversee the overall project or programme, either directly or indirectly through executing entities;
- Grant award and/or funding allocation mechanisms: This assesses the capacity of the applicant to disburse GCF funds as an intermediary through a competitive and transparent grant award process; and,
- On-lending/blending: This assesses the capacity of the applicant to carry out intermediate funding by providing loans, blending different instruments and resources, undertaking equity and/or providing guarantees.

Applicants are also assessed how well they can manage environmental and social risks and impacts, based on their track record. Categories are divided into no or minimal risk, medium risk and high risk. These categories also take into account whether the applicant will manage projects or intermediate GCF resources through the awarding of grants, on-lending, blending, undertaking of equity investments or providing guarantees.

For projects and programmes managed by an AE, the E&S risk level can be:

- Category A: Activities with potential significant adverse E&S risks and/or impacts that are diverse, irreversible, or unprecedented;
- Category B: Activities with potential mild adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; and,
- Category C: Activities with minimal or no adverse E&S risks and/or impacts.
Projects and programmes involving investments through financial intermediation functions (grant award or on-lending/blending) or through delivery mechanisms involving financial intermediation, should refer to the following E&S risk levels:

- **High level of intermediation (Intermediation 1, I-1):** When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse E&S risks and/or impacts that are diverse, irreversible, or unprecedented;
- **Medium level of intermediation (I-2):** When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse E&S risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented; and,
- **Low level of intermediation (I-3):** When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse E&S impacts.

**Question 18:** Is it possible for AEs to upgrade their accreditation type?

**Answer 18:** Yes. An AE can apply to include any additional capacities it has developed over time. This will then increase its fit-for-purpose accreditation type. This allows it to seek GCF funding for projects and programmes at a higher financial level than its current classification.

The AE may apply through the OAS by creating a new application seeking for an upgrade of its relevant functions.

**Question 19:** How long is the entity accredited for?

**Answer 19:** Five years. GCF is currently working on ways to assess AEs for re-accreditation.

**Question 20:** How long does accreditation take?

**Answer 20:** The GCF Secretariat and the Accreditation Panel aim to decide within six months after receiving necessary and complete documentation whether to recommend an application to the GCF Board. If organizations also apply for readiness support, this process may take longer.

The GCF Secretariat and the Accreditation Panel aims to make a decision within three months for organisations meeting fast-track requirements. These are organizations that have already been accredited by the GEF, Adaptation Fund and DG DEVCO.

**Question 21:** How much does accreditation cost?

**Answer 21:** National and subnational applicants in SIDS and LDCs are able to receive waivers of some accreditation fees when seeking accreditation for micro and small size categories of projects.
Accreditation fees are based on the total projected costs of the proposed climate finance project or activity within a programme at the time of the application. There are four categories which refer to the total projected costs of the activity, irrespective of the portion that is funded by GCF:

- **Micro**: Up to and including a threshold of USD 10 million for an individual project or activity. The fee level for this threshold will be USD 1,000 for the basic fiduciary standards and USD 500 for each specialized fiduciary standard;
- **Small**: Above USD 10 million and up to and including USD 50 million for an individual project. The fee level for this threshold will be USD 5,000 for the basic fiduciary standards and USD 1,000 for each specialized fiduciary standard;
- **Medium**: Above USD 50 million and up to and including USD 250 million for an individual project or activity. The fee level for this threshold will be USD 10,000 for basic fiduciary standards and USD 3,000 for each specialized fiduciary standard; and,
- **Large**: Above USD 250 million for an individual project or activity. The fee level for this threshold will be USD 25,000 for basic fiduciary standards and USD 7,000 for each specialised fiduciary standard.

**Question 22: Are some organizations prioritised for accreditation?**

**Answer 22**: Yes. In 2017, applications during Stage I will be checked by the GCF Secretariat in accordance with the GCF Board’s decision to prioritise applications from:

- National Direct Access Entities;
- Entities in the Asia-Pacific and Eastern European regions;
- Private sector entities, in particular those in developing countries, seeking a balance of diversity of entities in line with decisions B.09/07, paragraph (g) and decision B.10/06, paragraph (h);
- Entities responding to requests for proposals issued by the GCF, for example including a pilot phase for enhancing direct access; a pilot programme to support micro-, small-, and medium-sized enterprises; and a pilot programme to mobilize resources at scale in order to address adaptation and mitigation;
- Entities seeking fulfilment of conditions for accreditation; and
- Entities requesting upgrades.

**Question 23: What is the Accreditation Panel?**

**Answer 23**: The Accreditation Panel provides independent advice to the GCF Board about individual applications for accreditation. It is made up of six senior experts, evenly balanced by representation from developed and developing countries. Members of the Accreditation Panel serve for three years. Accreditation Panel members provide specialised knowledge on a range of issues feeding into accreditation decisions, including good practice in fiduciary principles and standards, ESS, and recognized good practice in accreditation procedures. They can also consult with other relevant experts when necessary.
Question 24: How can I contact GCF to find out more about accreditation?

Answer 24: Please direct enquiries to: accreditation@gcfund.org

Question 25: What if your entity lacks a track record?

Answer 25: Entities may meet most of the accreditation criteria, but lack the track record that shows they successfully and consistently implement them successfully. This includes track records in project management and managing E&S risks. This may also occur where an entity has recently developed a policy and has had insufficient time to generate evidence of its successful implementation. In such cases, the Accreditation Panel may recommend to the Board that the entity be accredited but with additional conditions attached, such as:

- More frequent reporting requirements; and,
- Evidence of policy implementation before being able to receive GCF project/programme funds.

The Accreditation Panel will determine on a case-by-case basis the appropriate recommendations or conditions for each entity where they have a limited track record. The Accreditation Panel may also recommend that an entity be accredited for less risky, less complex and/or smaller scale project and fiduciary activities. Entities can always upgrade their accreditation status at a later date.

Question 26: Can your entity upgrade its accreditation status?

Answer 26: In the event that an entity has been accredited for certain fiduciary standards, project and programme size, and E&S risks, which inhibit them from undertaking intended climate change activities, they may wish to re-apply for accreditation of upgraded capacities.

Entities can upgrade their accreditation status at any time, once they have generated sufficient policies and experience to demonstrate their compliance. Upgrading entities will go straight to Stage 2 of the accreditation process, where the additional capacities will be analysed by the Accreditation Panel, unless the entity wishes to commence at Stage 1 in order to undergo a readiness support assessment for the newly proposed accreditation standards.

Question 27: What if your entity is accredited with another fund?

Answer 27: Entities who meet the fiduciary, environmental and social principles and standards comparable to those of the GCF’s standards are eligible for ‘fast-track’ accreditation, with a shortened Stage 2. This is available for all entities accredited under the GEF, Adaptation Fund and EU-DEVCO.

Importantly, not all of the GCF’s required standards are covered by these three funds. Such entities will also be subject to a gap analysis, to identify which accreditation standards may still need to be developed.
12. References

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (2017), Climate Finance Readiness Programme (CF Ready), Frequently Asked Questions about Green Climate Fund Proposal Development


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