Guide to Green Climate Fund Accreditation for Ghana

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The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), through the International Climate Initiative is funding a readiness support programme in 9 countries, including Ghana, implemented by the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Resource Institute (WRI). This guidebook was produced as part of the BMUB funded UNDP/UNEP/WRI readiness support programme for Ghana. The guidebook was written by Courtney Blodgett under the guidance of Barney Dickson and Jesica Andrews. A special thank you is given to the partners in Ghana, the Ministry of Environment, Science, Technology and Innovation and the Ministry of Finance.
Table of Contents

Abbreviations .................................................................................................................. 5
List of figures .................................................................................................................. 6
List of tables .................................................................................................................. 6
1 Introduction .................................................................................................................. 7
2 Accreditation requirements ......................................................................................... 10
   2.1 Fiduciary standards .............................................................................................. 10
      2.1.1 Basic fiduciary standards ............................................................................ 11
      2.1.2 Specialized fiduciary standards ................................................................. 14
      2.1.3 Notes on fiduciary standards ..................................................................... 20
   2.2 ESS and Gender .................................................................................................... 21
      2.2.1 ESS ............................................................................................................. 21
      2.2.2 Gender ....................................................................................................... 25
      2.2.3 Notes on ESS and gender policy .............................................................. 26
   2.3 Readiness .............................................................................................................. 27
3 Key stakeholders in the accreditation process .......................................................... 29
   3.1 National Designated Authority .......................................................................... 29
   3.2 GCF ...................................................................................................................... 30
      3.2.1 Secretariat ................................................................................................. 30
      3.2.2 Accreditation Panel .................................................................................. 30
      3.2.3 Board ......................................................................................................... 30
4 GCF accreditation process .......................................................................................... 31
   4.1 Stage I: Completeness check ............................................................................... 31
      4.1.1 Preparatory steps 1-3 ................................................................................ 32
      4.1.2 Step 1: Confirm receipt of NDA nomination ............................................. 34
      4.1.3 Step 2: Institutional assessment and completeness check ....................... 34
   4.2 Stage II: Review and Decision ............................................................................ 35
      4.2.1 Step 1: Review ........................................................................................... 35
      4.2.2 Step 2: Decision ......................................................................................... 36
   4.3 Stage III: Legal arrangements .............................................................................. 36
Annex 1: Lessons Learned and Final Notes ................................................................. 38
   Lessons Learned regarding the GCF accreditation process ....................................... 38
A note on Fast-track accreditation ................................................................. 39
References ........................................................................................................ 40
Annex 2: Additional resources ......................................................................... 42
Abbreviations

AE ........................................................................................................................................ Accredited entities
ACCF ....................................................................................................................................... African Climate Change Fund
COP ........................................................................................................................................ Conference of Parties
GIZ .......................................................................................................................................... Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
ESS ........................................................................................................................................... Environmental and Social Safeguards
ESMS ......................................................................................................................................... Environmental and Social Management System
EHS ........................................................................................................................................... Environmental, Health and Safety
EU DEVCO .......................................................................................................................... EuropeAid of the European Commission
EE ........................................................................................................................................... Executing Entities
BMZ .......................................................................................................................... German Federal Ministry for Economic Cooperation and Development
BMUB .......................................................................................................................... German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
GEF ........................................................................................................................................... Global Environment Facility
GCF ........................................................................................................................................... Green Climate Fund
IE ........................................................................................................................................... Implementing Entity
I ................................................................................................................................................ Intermediate
IFC ........................................................................................................................................... International Finance Corporation
LDC .......................................................................................................................................... Least Developed Country
MESTI ............................................................................................................................. Ministry of Environment, Science, Technology and Innovation
MoF ......................................................................................................................................... Ministry of Finance
M&E ......................................................................................................................................... Monitoring and Evaluation
NDA ........................................................................................................................................ National Designated Authority
NIE ........................................................................................................................................ National Implementing Entity
OAS ......................................................................................................................................... Online Accreditation System
SIDS ........................................................................................................................................ Small Island Developing States
TAP ........................................................................................................................................... Technical Advisory Panel
UNDP ....................................................................................................................................... United Nations Development Programme
UNEP ....................................................................................................................................... United Nations Environment Programme
UNFCCC ............................................................................................................................. United Nations Framework Convention on Climate Change
USD ........................................................................................................................................ United States Dollar
WRI .......................................................................................................................................... World Resources Institute
List of figures
Figure 1 Accreditation requirements ................................................................. 10
Figure 2 Key roles and functions of NDAs (GCF, 2015b) ............................................. 29
Figure 3 Three stages of accreditation (GCF, 2014a) .................................................... 31
Figure 4 Stage I of the accreditation process .......................................................... 31
Figure 5 Stage II of the accreditation process .......................................................... 35
Figure 6 Stage III of the accreditation process ......................................................... 37

List of tables
Table 1 Accreditation specifications ........................................................................ 7
Table 2 Key administrative and financial capacities basic fiduciary standard information ............................................... 11
Table 3 Transparency and accountability basic fiduciary standard information ......................... 13
Table 4 Project management specialized fiduciary standard information .......................... 15
Table 5 Grant award and/or funding allocation mechanisms specialized fiduciary standard information 16
Table 6 On-lending and/or blending specialized fiduciary standard information .................. 17
Table 7 8 performance standards and objectives ....................................................... 22
Table 8 Funding proposal risk categories .................................................................. 23
Table 10 Requirements for the ESMS low risk projects/programmes (C/I-3) ....................... 24
Table 11 Gender capacities required ...................................................................... 25
Table 12 GCF Gender Policy objectives (GCF, 2015a) .................................................. 26
Table 13 Accreditation fees (GCF, 2014c) .................................................................. 33
1 Introduction

The Green Climate Fund (GCF) is an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC). The GCF was established in 2011 by a decision made by the 16th Conference of Parties (COP) to the UNFCCC. The GCF became operational in May 2014; its headquarters are located in Songdo, South Korea. Funds from the GCF are to be used to implement climate change mitigation and resilience projects/programmes.

The funds from the GCF will flow directly to Accredited Entities (AEs) for project/programme\(^1\) implementation. AEs can be sub-national, national, regional and international entities which are public, private or non-governmental. AEs are accredited by the GCF Board (hereafter known as “the Board”) following a rigorous accreditation process.

This guidebook is intended for sub-national or national organisations applying for accreditation from the GCF. It should be noted that although the intended audience is sub-national and national AEs, much of the guidance can be applied to AEs of all levels.

One of the key components of the design of the GCF is that it allows for direct access. Amongst climate funds, direct access has only been included in the design of the Adaptation Fund and, to a lesser extent, the Global Environment Facility (GEF). Other climate funds provide exclusively for “international access”, which allows for the provisions of funds to a recipient country via international entities. Direct access allows for fund transfer directly to recipient countries (e.g. Ghana) via sub-national, national or regional AEs. One of the goals of incorporating direct access into the design of the GCF is to increase country ownership. The accreditation of national AEs\(^2\) is therefore an essential component for the success of the GCF direct access design component.

The requirements which need to be met in order for an entity to be accredited are stringent and applicants must provide detailed proof of compliance with the requirements. The stringency of the accreditation process helps to ensure that AEs will manage direct funds appropriately and in alignment with the GCF’s objectives. AEs must meet fiduciary and environment and social safeguards (ESS) which are described in Chapter 2 of this guidebook.

Taking into consideration that certain AEs may have different needs and capacities, the GCF provides for a “fit-for-purpose” accreditation approach. The fit-for-purpose approach allows AEs who will implement smaller, financially simpler and less environmentally and socially risky project/programmes to meet less stringent or fewer accreditation requirements. AEs are therefore accredited to implement activities of certain specifications; the three accreditation specifications are provided in Table 1.

Table 1 Accreditation specifications

<table>
<thead>
<tr>
<th>Specification</th>
<th>Explanation</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Projected costs of the</td>
<td>• Micro (United States Dollar [USD]) 0 - 10</td>
</tr>
</tbody>
</table>

\(^1\) A project is comprised of one activity while programmes are comprised of overarching framework which includes numerous activities under the framework.

\(^2\) GCF AEs were previously called Implementing Entities (IE). The GCF shifted terminology as of June 2015.
Financial activity

| Financial activity | Shapes how the entity will operate using the Fund’s resources | Currently, project management, awarding of grants and/or allocating other funding mechanisms, on-lending, blending of GCF funds with funds from other sources, undertaking equity investments, and providing guarantees |

Level of environmental and social risk

<table>
<thead>
<tr>
<th>Level of environmental and social risk</th>
<th>The maximum level of environmental and social risk of its intended projects:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Category A (high risk)</td>
</tr>
<tr>
<td></td>
<td>• Category B (medium risk)</td>
</tr>
<tr>
<td></td>
<td>• Category C (low risk)</td>
</tr>
</tbody>
</table>

Further information about the three specifications is provided in Chapter 2.

The first AEs were accredited by the GCF in April 2015; the second round of accreditation occurred in July 2015. There is, as of July 2015, a total of 20 AEs: five national, four regional and 11 international. Of the five national AEs, three are African national AEs:

- Centre de Suivi Ecologique (Senegal)
- Environmental Investment Fund (Namibia)
- Ministry of Natural Resources (Rwanda).

A number of the regional AEs are eligible to undertake activities in Ghana:

- Acumen Fund, Inc. (based in the United States of America with an office in Accra)
- Africa Finance Corporation (based in Nigeria; Ghana is a member nation).

International AEs are also eligible to undertake activities in Ghana.

This guidebook aims to facilitate the accreditation process for sub-national and national AEs in Ghana. The first part of the guidebook, Chapter 2, provides information and insight into the requirements which need to be met by the national AE applicant. These requirements fall into two main categories: 1) fiduciary standards and 2) ESS and gender. The second part of the guidebook, Chapter 3, details the process of accreditation. The accreditation process is a three stage process. The process begins with preparatory steps to enable the submission of the GCF Accreditation Application Form by the applicant. Once the GCF Accreditation Application Form has been submitted by the applicant, Stage I begins. Stage I is comprised of a completeness check by the GCF Secretariat of the application and supporting documents. Stage II is includes a review of the application by the Accreditation Panel and a decision by the GCF Board about the application. Stage III is comprised of putting in place the necessary legal arrangements between the national AE and the GCF.

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3 Specialized fiduciary standards additional to those currently existing may be developed.
The majority of information included in this guidebook is taken from GCF produced documents. The tables in Section 2.1 are based on the guidance included in the GCF Accreditation Application Form found on the GCF Operations Manual website, available at: http://www.gcfund.org/operations/resource-guide.html. The GCF Accreditation Application form should always be referred to by national AE applicants for full details. The information provided in this guidebook is summarized; additional important details, particularly in regards to examples of documents which support the national AE applicant’s application, are included in the application form.
2 Accreditation requirements

To become accredited with the GCF, a sub-national or national entity must successfully conclude the accreditation process described in Chapter 3. In order to successfully conclude the process, a sub-national or national entity seeking accreditation (hereafter known as the “national AE applicant”) must demonstrate compliance with the requirements described in this chapter.

Accreditation requirements fall into three categories, as seen in Figure 1. The categories are: basic fiduciary standards; specialized fiduciary standards; and environmental and social safeguards (ESS). The requirements for basic fiduciary standards and ESS, including gender, must be met by all national AE applicants. Specialized fiduciary standards requirements are optional; national AEs applicants elect for which specialized fiduciary standards they will pursue accreditation. Being accredited in basic fiduciary standards allows national AEs a limited amount of freedom of options for the use of funds for project/programme implementation. Being accredited for specialized fiduciary standards allows national AEs to undertake project management activities and to use financial mechanisms.

This chapter will first provide information about fiduciary standards. It will then provide information about ESS and gender requirements. Finally, it will provide information about readiness programmes which may facilitate national AE applicants to meet the fiduciary standards and ESS requirements.

2.1 Fiduciary standards

As part of the fit-for-purpose accreditation approach, fiduciary standards are divided into two categories, basic and specialized. Basic fiduciary standard requirements must be met by all national AEs
applicants. Specialized standards are required to be met only by national AEs applying for accreditation in one or more of the areas of specialization.

### 2.1.1 Basic fiduciary standards

The basic fiduciary standards are 1) key administrative and financial capacities and 2) transparency and accountancy. Table 2 and Table 3 present details about the basic fiduciary standards, including: the underlying principles of the two standards; the areas of competence which fall under the standards; a summary of the required capacity associated with each area of competence; and examples of supporting documents. The examples of supporting documents are taken from in the GCF Accreditation Application Form (GCF, 2015e). The GCF Accreditation Application Form must be consulted for further details, particularly in regards to the specifics of the supporting documents.

**Table 2 Key administrative and financial capacities basic fiduciary standard information**

<table>
<thead>
<tr>
<th>Area of competence</th>
<th>Summary of required capacity</th>
<th>Examples of supporting documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>General management and administrative capacities</td>
<td>• Clear structure of who does what/ is responsible for what&lt;br&gt;• Planning and budgeting ability</td>
<td>• Organizational chart&lt;br&gt;• List of internal oversight bodies/committees&lt;br&gt;• Document describing the entity’s processes for setting long term and short term objectives&lt;br&gt;• Copy of current strategic/medium term plan&lt;br&gt;• Copy of the previous 1 year and current year’s annual plans and budgets&lt;br&gt;• Document describing how the entity’s long and short term plans, objectives and budgets enable the entity to achieve its mission&lt;br&gt;• Brief write up on processes/ procedures and responsibilities for monitoring and reporting on progress made in attainment of set objectives&lt;br&gt;• 2 annual or half-yearly reports containing periodic evaluation of achievement of organisational objectives</td>
</tr>
<tr>
<td>Financial management</td>
<td>• Preparation and reporting</td>
<td>• Financial Statements for the past 3 years&lt;br&gt;• Brief details of the Financial Information Systems</td>
</tr>
<tr>
<td><strong>and accounting</strong></td>
<td>• Copies of recent reports prepared as a part of the entity’s Financial Information System</td>
<td></td>
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<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Internal and external audit</strong></td>
<td>• Independent and functional internal and external auditing structures in place</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Terms of Reference for the external audit for the years for which the audit reports have been provided</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Schedule/dates of meetings of the Audit Committee held over the past 2 years</td>
<td></td>
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<tr>
<td></td>
<td>• Agenda and minutes of the past 2 Audit Committee meetings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Internal Audit policy.charter/terms of reference which are formally approved by management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Evidence that the internal audit function is carried out in accordance with internationally recognized standards</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Brief details of the structure of the internal audit function</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Copy of internal audit procedures/manual</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Internal Audit plans for each of the past 3 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Status of execution of the past 3 years’ internal audit plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Sample of internal audit reports in the past 3 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Brief details of the process to monitor and assess the overall effectiveness of the internal audit functions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Complete external audit reports, including management letters, for the past 3 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Status of action taken in respect of all the observations/recommendations contained in the external and internal audit reports of the past 3 years</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Control frameworks</strong></th>
<th>Documented processes in place to ensure:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• objectives are achieved</td>
</tr>
<tr>
<td></td>
<td>• operations are effective</td>
</tr>
<tr>
<td></td>
<td>• financial risks are assessed and managed</td>
</tr>
<tr>
<td></td>
<td>• proper financial management is carried out</td>
</tr>
<tr>
<td></td>
<td>• Financial control policy</td>
</tr>
<tr>
<td></td>
<td>• Financial control procedures</td>
</tr>
<tr>
<td></td>
<td>• The above policies and procedures should provide evidence of/demonstrate the following:</td>
</tr>
<tr>
<td></td>
<td>i) A control framework that includes clearly defined roles</td>
</tr>
<tr>
<td></td>
<td>ii) 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</td>
</tr>
<tr>
<td></td>
<td>iii) Existence of a documented payment and disbursement system</td>
</tr>
<tr>
<td></td>
<td>• The applicant should provide recent reports/documents/information as evidence of its effective implementation of the Internal Control Framework</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Procurement</strong></th>
<th>• Copy of the entity’s Procurement Policy / Rules / Regulations /Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Detailed procurement procedures, which include details of composition and role of various committees</td>
</tr>
<tr>
<td></td>
<td>• System/procedures for oversight/review/audit of the entity’s procurement function</td>
</tr>
<tr>
<td></td>
<td>• Procedures for controlling procurement by third parties or Executing Agencies undertaking projects financed by the entity</td>
</tr>
<tr>
<td></td>
<td>• Copy of the Procurement dispute resolution process</td>
</tr>
</tbody>
</table>
As evidence of compliance with the established policies and guidelines, the following documents/information should be provided:

i) 2 sets of documents pertaining to large procurements undertaken in the past 3 years

ii) A sample of procurement oversight/audit reports, both for the entity and Executing Agencies

iii) Data on procurement complaints handled in the past 3 years along with brief details of sample cases and their closure

### Table 3: Transparency and accountability basic fiduciary standard information

<table>
<thead>
<tr>
<th>Basic fiduciary standard</th>
<th>Summary of required capacity</th>
<th>Examples of supporting documents</th>
</tr>
</thead>
</table>
| Code of ethics           | • Ethical standards in place and communicated | • Code of Ethics  
• 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  
• Brief description of the system for oversight of the Ethics Function |
| Disclosure of conflicts of interest | • Mandatory disclosure of conflicts of interest policy established | • Financial disclosure policy or other documented policy statement which defines possible, actual, perceived or apparent conflicts of interest  
• Conflict of interest review and resolution procedures  
• Demonstration of practice, through sample statements of annual disclosure of interest statements by employees or disclosure in respect of specific cases/instances  
• 2 actual examples of conflict of interest cases that were identified/reported and how these were dealt with |
| Preventing financial mismanagement | • Accessing financial resources from national and international sources experience  
• Policy of zero tolerance for | • 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 |
fraud, financial mismanagement and other forms of malpractice implemented

• 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

Investigations

• Independent and objective investigation function for allegations of fraud and corruption implemented
• 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
• In case the organisation’s investigation function is linked to an outside investigation system, please provide the following information:
  i) Details of the outside system including key procedures and authority levels
  ii) 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

Anti-money laundering and anti-terrorist financing policies

• Adequate control and procedures which enable “Know your customer” due diligence established
• Anti-money laundering and anti-terrorist financing policy
• “Know your customer” 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

2.1.2 Specialized fiduciary standards

<table>
<thead>
<tr>
<th>Basic fiduciary standards</th>
<th>Specialized fiduciary standards</th>
<th>ESS</th>
</tr>
</thead>
</table>

National AE applicants can select, at their own discretion, to apply for zero, one, two or three\(^4\) of the specialized fiduciary standards. The specialized fiduciary standards are: 1) project management 2) grant award mechanisms and 3) on-lending and/or blending.

Table 4, Table 5, and Table 6 present information about the three specialized fiduciary standards: the areas of competence of the standard; the specific capacity required for each standard; and examples of

\(^4\) In the future, there may be more than three specialized fiduciary standards and applicants may apply for any combination of the available standards.
supporting documents, as seen in the GCF Accreditation Application Form. The underlying principles for the project management specialization are presented; underlying principles for grant award mechanisms and on-lending and/or blending have not been provided by the GCF. The GCF Accreditation Application Form must be consulted for further details, particularly about the specifics of information to be included in the supporting documents.

**Table 4** presents information about the project management specialized fiduciary standard.

**Table 4 Project management specialized fiduciary standard information**

<table>
<thead>
<tr>
<th>Area of competence</th>
<th>Summary of required capacity</th>
<th>Examples of supporting documents</th>
</tr>
</thead>
</table>
| Project identification, preparation and appraisal | • Identification and design of projects/programmes track record  
• Process for project appraisal documented | • Project preparation guidelines/framework  
• Project appraisal guidelines / framework  
• Policy or other document that outlines the entity's risk assessment procedures/ framework  
• Framework/ guidelines/ procedures for undertaking quality review during project preparation and appraisal process  
• 3 examples of project appraisals undertaken in the past 3 years (preferably climate change mitigation or adaptation projects) |
| Project oversight and control | • Project implementation oversight capacity  
• Reporting ability | • Copy of the entity's operational manual/procedures covering preparation of project implementation plans  
• 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 |
| Monitoring and evaluation (M&E) | • Monitoring capability  
• Evaluating ability | • Policy and/or other documents outlining the entity's M&E function |
Table 5 presents information about the grant award and/or funding allocation mechanisms specialized fiduciary standard.

| Project-at-risk systems and related project risk management capabilities | Independent evaluation body in place | 3 sample M&E reports relating to monitoring during project implementation which demonstrate entity’s capacity to:  
i) undertake effective M&E in accordance with its policies and procedures  
ii) undertake analysis of project expenditure compared to the project budget and a brief explanation of major variances  
iii) 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  
• 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 |

Table 5 Grant award and/or funding allocation mechanisms specialized fiduciary standard information

| Grant award procedures | Process to recognize problems in place  
• System to mitigate problems functional | 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 |

| Grant award procedures | Procedures for a transparent, well document process to award grants established  
• Authorised decision making body exists | 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

<table>
<thead>
<tr>
<th>Public access to information on beneficiaries and results</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Policies/guidelines to provide public grant award information are established</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Copy of policies/guidelines for providing information to the public regarding the entity’s grant decisions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Evidence of publication of grant award results for the last 3 grants/programmes/projects</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transparent allocation of financial resources</th>
<th>Systems in place to:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• undertake sufficient due diligence of grant proposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• recover funds, if necessary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• prevent misuse of funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• undertake M&amp;E</td>
<td></td>
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</tr>
<tr>
<td>• suspend, reduce or terminate grants in the event of non-compliance</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Copy of documented framework/system for undertaking due diligence, including procurement procedures</td>
<td></td>
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<tr>
<td></td>
<td>• Copy of entity’s policies and procedures for undertaking M&amp;E of grants, along with reports as evidence of monitoring of implementation of 3 projects in the past 3 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Copy of policies and procedures relating to suspension, reduction, termination and recovery of grants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• If the entity has 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, provide a brief description of the policies/system and evidence of its implementation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Good standing for financial requirements with regard to multilateral funding (e.g. through recognized public expenditure reviews)</th>
<th>• Track record of handling multilateral funds is proven</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Policies relating to external audit of the entity’s grant award activities. 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.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6 presents information about the on-lending and/or blending specialized fiduciary standard.

**Table 6 On-lending and/or blending specialized fiduciary standard information**

<table>
<thead>
<tr>
<th>On-lending and/or blending</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area of competence</td>
<td>Summary of required capacity</td>
<td>Examples of supporting documents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable</th>
<th>• Official document from a regulator/licensing body allowing for on-lending</th>
<th>• 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</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources</td>
<td>• On-lending or blending using international or multilateral resources experience</td>
<td>• Data for the last 3 years in respect of funds for on-lending and blending received from different international and multilateral funding sources • 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</td>
</tr>
<tr>
<td>Creditworthiness</td>
<td>• Lending capacity</td>
<td>• 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</td>
</tr>
<tr>
<td>Due diligence policies, processes and procedures</td>
<td>• On-lending and/or blending credibility mechanisms in place</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</td>
</tr>
<tr>
<td>Financial resource management, including analysis of the lending portfolio of the intermediary</td>
<td>• Control procedures to analyse the lending portfolio of the intermediary established</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>
</tr>
<tr>
<td>Public access to information on</td>
<td>• Systems and provisions for the</td>
<td>• Copy of entity’s policies/guidelines for providing information to the public regarding its decisions</td>
</tr>
</tbody>
</table>
| beneficiaries and results | general public to access information about the project established | 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) |
|---------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------|
| Investment management, policies and systems, including in relation to portfolio management | • Sound investment management systems in place | • 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 |
| Capacity to channel funds transparently and effectively, and to transfer the Green Climate Fund’s funding advantages to final beneficiaries | • Transparent fund channeling systems established | • Brief description of systems/ procedures/ practices which provide requisite assurance that the funds provided by the entity are channeled transparently and used effectively  
• Examples of reports from the past 3 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 |
| Financial risk management, including asset liability management | • Financial risk management capacity | • Procedures  
• 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 |
| Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk) | • Treasury function and operational function link exists | • 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 |
2.1.3 Notes on fiduciary standards

Box 1 provides a number noteworthy points regarding demonstration of compliance with basic and specialized fiduciary standards.
Box 2 provides potential challenges and solutions\(^5\) regarding demonstration of compliance with the fiduciary standards.

Box 1 Fiduciary standards noteworthy points

**Noteworthy points**

- Numerous (minimum of 2-3) pieces of evidence of implementation/practice of policies/procedures is required
- Track record of at least three years is required
- Proof of management support of policies is necessary
- Evidence of feedback from a variety of stakeholders (e.g. auditors) is needed
- Emphasis is placed on transparency and wide communication
- Prior experience implementing climate change projects is preferred
- Being accredited in only basic fiduciary standards allows for only a limited scope of activities
  - As of July 2015, all AEs are accredited in the basic fiduciary standards and a minimum of the project management specialized fiduciary standard

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\(^5\) Information about challenges and solutions is adapted from the GIZ document *Experiences from GIZ’s climate finance readiness work* (GIZ, 2015).
2.2 ESS and Gender

2.2.1 ESS

The interim GCF ESS is comprised of 8 “performance standards” with which the national AE applicant must demonstrate compliance; the performance standards are areas of environmental and social consideration. The stringency of requirements for the ESS relevant policies/systems/structures that the national AE applicant are required to have in place is based on the level of potential ESS risk associated with the projects/programmes that are to be implemented. The level of potential ESS risk falls into one of three categories: a) high b) medium and c) low.

---

6 The GCF will develop its own ESS PS within 3 years of the commencement of operation.
During the accreditation process, the national AE applicant will specify the level of expected potential project/programme risk. The applicant must then provide proof of policies/systems/structures that are detailed and complex enough to minimize the applicable level of risk and a track record of having dealt with this level of risk. These policies/systems/structures fall under an overarching Environmental and Social Management System (ESMS) which the national AE applicant must have established/establish.

ESS performance standards


The 8 ESS performance standards and the objectives of the standards can be found in Table 7. Of the 8 performance standards, the first standard is an institutional level standard: assessment and management of environmental and social risks and impacts. The remaining seven standards are project/programme level standards.

Table 7 8 performance standards and objectives

<table>
<thead>
<tr>
<th>Standard #</th>
<th>Performance standard</th>
<th>Objectives</th>
</tr>
</thead>
</table>
| 1          | Assessment and management of environmental and social risks and impacts | • Identify funding proposal’s environmental and social risks and impacts  
• Adopt mitigation hierarchy: anticipate, avoid; minimize; compensate or offset  
• Improve performance through an ESMS  
• Engagement with affected communities or other stakeholders throughout funding proposal cycle. This includes communications and grievance mechanisms |
| 2          | Labour and working conditions | • Fair treatment, non-discrimination, equal opportunity  
• Good worker–management relationship  
• Comply with national employment and labour laws  
• Protect workers, in particular those in vulnerable categories  
• Promote safety and health  
• Avoid use of forced labour or child labour |
| 3          | Resource efficiency and pollution | • Avoid, minimize or reduce project-related pollution  
• More sustainable use of resources, including energy and water  
• Reduced project-related greenhouse gas emissions |

7 The IFC performance standard can be viewed at: http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09adf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES
Community health, safety & security

- To anticipate and avoid adverse impacts on the health and safety of the affected community
- To safeguard personnel and property in accordance with relevant human rights principles

Land acquisition & involuntary resettlement

- Avoid/minimize adverse social and economic impacts from land acquisition or restrictions on land use:
  1. Avoid/minimize displacement
  2. Provide alternative project designs
  3. Avoid forced eviction
- Improve or restore livelihoods and standards of living
- Improve living conditions among displaced persons by providing:
  1. Adequate housing
  2. Security of tenure

Biodiversity conservation & sustainable management of living natural resources

- Protection and conservation of biodiversity;
- Maintenance of benefits from ecosystem services;
- Promotion of sustainable management of living natural resources;
- Integration of conservation needs and development priorities.

Indigenous people

- Ensure full respect for indigenous peoples
  1. Human rights, dignity, aspirations
  2. Livelihoods
  3. Culture, knowledge, practices
- Avoid/minimize adverse impacts
- Sustainable and culturally appropriate development benefits and opportunities
- Free, prior and informed consent in certain circumstances

Cultural heritage

- Protection and preservation of cultural heritage
- Promotion of equitable sharing of cultural heritage benefits

**ESS risk categories**

There are three ESS risk categories, as seen in [Table 8](#) Error! Reference source not found.(GCF, 2014d). The national AE applicant must determine, prior to the accreditation process, the level of expected ESS risk of the projects/programmes that the applicant will be implementing.

**Table 8 Funding proposal risk categories**

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

The ESMS of the national AE applicant is the framework under which policies/systems/structures which aim to minimizing the environmental and social risks associated with the performance standards sit. The ESMS is comprised of a set of management processes and procedures which help the national AE to identify, analyze, control and reduce the adverse environmental and social impacts of activities under projects/programmes.

Within the national AE applicant’s ESMS, 6 areas of competence which must be demonstrated by the applicant. These areas of competence include:

- Policy
- Identification of risks and impacts
- Management programme
- Organizational capacity and competency
- Monitoring and review
- External communications.

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

In order to limit the length of this guidebook, only the ESMS capacity requirements for the low risk (C/I-3) projects/programmes are presented here, in Table 9. Requirements for medium and high risk projects/programmes can be found in the GCF Accreditation Application Form.

**Table 9 Requirements for the ESMS low risk projects/programmes (C/I-3)**

<table>
<thead>
<tr>
<th>Area of competence</th>
<th>Specific Capacity Required for C/I-3</th>
<th>Examples of Supporting Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESMS for low level of risk: An ESMS is required. 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 provided in the rows below.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Policy

<table>
<thead>
<tr>
<th>Identification of risks and impacts</th>
<th>Not required</th>
<th>A process that screens projects/programmes against PS1-8 and is able to consistently confirm the risk category</th>
</tr>
</thead>
</table>

| Management programme | 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 impacts), and designate roles responsible for implementing the programme | If needed due to unanticipated risks or impacts arising after screening, a description of the process and organizational capacity to manage E&S risk |

| Organizational capacity and competency | 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 | Organizational chart of where designated staff members who make categorization decisions sit in the organization and reporting lines |

| Monitoring and review | Moderate monitoring of projects/programmes to ensure that there have been no scope changes or unanticipated impacts or risks requiring mitigation and management | Description of project monitoring process |

| External communications | 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 | Written process or procedures describing external communications system • Location of system (website, etc.) • Register of inquiries/complaints and responses from the past 1 year |

### 2.2.2 Gender

The national AE specific capacity requirements in terms of gender are listed Table 10. The meeting of these requirements enables national AEs to help the GCF achieve the objectives of the GCF Gender Policy. The four objectives of the Gender Policy can be seen in Table 11.

**Table 10 Gender capacities required**

<table>
<thead>
<tr>
<th>Specific capacity required</th>
<th>Examples of Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrate competencies, policies and procedures to</td>
<td>• Extract from entity’s operational policies and procedures relating to gender</td>
</tr>
</tbody>
</table>
implement the GCF’s Gender Policy (see Error! Reference source not found.)

| Demonstrate experience with gender and climate change, including a track record of lending to both men and women | • Examples of 2 activities (e.g. projects/programmes undertaken, on-granting, on-lending, etc.) that specifically target women among beneficiaries
• Evidence to show that the entity’s activities (e.g., projects/programmes undertaken, on-granting, on-lending, etc.) have non-discriminatory practices in terms of benefits and remuneration for both men and women employees |

Table 11 GCF Gender Policy objectives (GCF, 2015a)

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

2.2.3 Notes on ESS and gender policy

Noteworthy points on ESS and gender policy requirements can be seen in Box 3 and potential challenges and solutions can be seen in Box 4.

Box 3 Gender policy requirements noteworthy points

Noteworthy points

• A comprehensive ESMS is required
• External and transparent communication systems are required
• Registry of inquires/complaints and their responses from the past year needs to be made available
• Gender policies must be established
• Evidence of non-discriminatory practices is required

Box 4 Gender policy requirements potential challenges and solutions
2.3 Readiness

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

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

The German Federal Ministry for Economic Cooperation and Development (BMZ) is funding a readiness programme implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and KfW. The programme is working in 10 countries, as well as a regional program in the Caribbean. Ghana is not one of the countries included in the programme but the programme will be producing generic information, such as an ESS toolkit, which may be useful for Ghanaian national AE applicants. Further information is available at http://www.bmz.de/en/zentrales_downloadarchiv/themen_und_schwerpunkte/klima/Climate_Finance_Readiness_Programme.pdf.

National AE applicants may be eligible for readiness support from the African Development Bank African Climate Change Fund (ACCF). Eligible beneficiaries include African governments, non-governmental
3  **Key stakeholders in the accreditation process**

This section serves to provide information about the key stakeholders involved in the accreditation process which is detailed in Section 4. There are two key stakeholders in the accreditation process, in addition to the national AE applicant. These stakeholders are: 1) the National Designated Authority (NDA); 2) the GCF, including the Board, Secretariat and Accreditation Panel.

### 3.1 National Designated Authority

The NDA is the national GCF focal point in Ghana, and all countries. The NDA should: “ensure that activities supported by the Fund align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in line with national needs” (GCF, 2015b). The NDA in Ghana is the Ministry of Finance (MoF). The scope of the role of the NDA, i.e. the MoF, can be seen in Figure 2.

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**Figure 2 Key roles and functions of NDAs (GCF, 2015b)**

To further detail the 5 key roles of the NDA:

- **Provide broad strategic oversight aligned to Ghana’s national priorities**: Ensure that project/programmes are aligned with national development documents such as the Ghana National Climate Change Policy and Strategy, Vision 2020, Ghana Shared Growth and Development Agenda.
- **Convene national stakeholders including public, private and civil society stakeholders**: Help to organize stakeholder workshops to raise awareness about the GCF and to gather input regarding the design of GCF projects/programmes.
- **Provide nomination letters for direct access AEs**: All national AE applicants must request and acquire letters of nomination in order to be eligible to begin the GCF accreditation process.
• **Implement process to approve projects/programmes and grant letters of no-objection for projects/programmes:** The MoF serves as the catalyst for implementing the process to engage stakeholders to discuss the project/programme design provide feedback to the AE on the design, and, upon approval, grant letters of no-objections.

• **Provide leadership on the deployment of readiness and preparatory support funding in the country:** The MoF will receive readiness support and may facilitate the provision of readiness support to other stakeholders.

The main role of the NDA in the accreditation process is to provide a letter of nomination for the national AE applicant. Further information about the role of the NDA can be found in the GCF Operations Manual available at [http://www.gcfund.org/operations/resource-guide.html](http://www.gcfund.org/operations/resource-guide.html).

### 3.2 GCF

There are three key actors within the GCF who are involved in the accreditation process: the Secretariat, the Accreditation Panel and the Board.

#### 3.2.1 Secretariat

The Secretariat is the main point of contact with the GCF for the national AE applicant throughout the accreditation process. The Secretariat communicates feedback from the Board and Accreditation Panel to the national AE. In addition, the Secretariat performs a completeness check, following the submission of the GCF Accreditation Application Form by the national AE applicant. Further details about the role that the Secretariat plays in the accreditation process can be found in Section 4.1 of this guidebook.

The Secretariat is to be comprised of approximately 50 people and has four divisions: Country Programming; Mitigation and Adaptation; Private Sector Facility; and Chief Finance Officer and Support Services (GCF, 2014b). The Secretariat is based at GCF headquarters in Songdo, South Korea.

#### 3.2.2 Accreditation Panel

The Accreditation Panel is an independent technical panel comprised of six senior expert members, with balanced representation between developing and developed countries and appropriate range of expertise. The Accreditation Panel may invite senior expert observer members, on an ad-hoc or regular basis, to participate at sessions where no confidential information will be discussed. The Accreditation Panel assesses the accreditation application in Stage II of the accreditation process, as described in Section 4.2.

#### 3.2.3 Board

The Board has 24 members, composed of an equal number of members from developing and developed country Parties. Each Board member has an alternate member, with alternate members entitled to participate in the meetings of the Board only through the principal member, without the right to vote, unless they are serving as the member. During the absence of the member from all or part of a meeting of the Board, his or her alternate serves as the member. The Board makes the final decision on accreditation, based on the guidance provided by the Accreditation Panel. Decisions by the Board are made at Board meetings which are held three times per year. Further details about the Board decision-making are described in Section 4.2.
4  GCF accreditation process

The GCF accreditation process is a three stage process, as seen in Figure 3. The following sections will provide the details of the three stages, followed by noteworthy points and lessons learned about accreditation. The accreditation process is considered to start once the necessary steps have been taken to submit the completed GCF Accreditation Application Form to the GCF Secretariat. Accreditation applications can be received by the Secretariat on a rolling basis i.e. there are no established deadlines.

The entire accreditation process for a national AE is expected to be completed within six months after submission of all the required documentation (GCF, 2014c). For eligible entities, the fast-track accreditation process is expected to be completed three months after submission of all the required documentation. There are no entities in Ghana eligible for fast-track accreditation, as explained in Section 0.

The GCF aims to improve efficiency and reduce the time required to complete the accreditation process (GCF, 2014c).

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

Details about the three stages will be provided in the following sections.

4.1  Stage I: Completeness check

Stage I of the accreditation process is demonstrated in Figure 4 and explained below.

Figure 4 Stage I of the accreditation process
Stage I of the accreditation process is comprised of a series of three Stage I preparatory steps followed by two main steps.

**4.1.1 Preparatory steps 1-3**

The **first preparatory step is to request an Online Accreditation System (OAS) account**. National AE applicants must send an official letter signed by a duly authorized official of the entity with the names and email addresses of persons to whom the Fund is permitted to release OAS account information (including a username and initial password) to the GCF. This letter should be accompanied by documentation acceptable to the Fund evidencing the authority of the signatory. The letter and documentation shall be submitting via email to: accreditation@gcfund.org. Details about starting an account in the OAS and the details of the system can be found in the OAS User Guide available at [http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/GCF_OAS_User_s_Guide_v1.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/GCF_OAS_User_s_Guide_v1.pdf).

Once the account has been opened, the national AE applicant then submits via the OAS the GCF Accreditation Application Form along with the letter of nomination by the NDA. As of July 2015, the Ghana NDA, the MoF, is still developing its official process for granting letters of nomination. An interim process, to allow for granting of initial letters of nomination, will be used in advance of the official process being institutionalized. **The submission of the GCF Accreditation Application form and letter of nomination comprise preparatory step 2.**

In regards to the confidentiality of information provided in the GCF Accreditation Application, the GCF has an approved Interim Information Disclosure Practice available at [http://gcfund.net/fileadmin/00_customer/documents/pdf/Interim_Information_Disclosure_Practice.pdf](http://gcfund.net/fileadmin/00_customer/documents/pdf/Interim_Information_Disclosure_Practice.pdf). The Interim Information Disclosure Practice document states: When providing information to the Fund,
applicant will be responsible for clearly identifying any document or part thereof or any other type of information which they deem to be confidential. This identification is done just before final submission of the GCF Accreditation Application Form. Applicants are required to provide a list of the submitted materials which should be kept confidential by the GCF. It is suggested that the applicant take note of confidential materials as they upload their application so the list is complete by the time the applicant reaches the final submission page. Fund will not disclose information which it has accepted from the implementing entities on a confidential basis, especially the information made available to the Fund as part of the accreditation process (GCF, 2013).

The third preparatory step is payment of the accreditation fees. Once the Secretariat receives the application through the OAS, the Secretariat will send the national AE applicant confirmation of receipt of submission and an invoice for accreditation fees. Accreditation fees are charged based on 1) the financial capacity category (i.e. micro, small, medium or large project/programme scope) and if the accreditation fiduciary standard is basic or specialized. Fee exemptions are made for certain AEs. Details about fees are provided in Table 12.

Table 12 Accreditation fees (GCF, 2014c)

<table>
<thead>
<tr>
<th>Financial capacity category</th>
<th>Threshold: Total projected costs at the time of application, irrespective of the portion that is funded by the GCF</th>
<th>Fee Level for accreditation application for undertaking activities related to Basic Fiduciary Standards and ESS</th>
<th>Fee Level for accreditation application for undertaking activities related to each Specialized Fiduciary Standard</th>
<th>Other Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>≤ USD 10 million for an individual project or activity</td>
<td>Subnational and national entities in developing countries (e.g. Ghana) including small island developing states (SIDS) and least developed countries (LDCs): no fee All other entities: USD 1,000</td>
<td>USD 500 each</td>
<td>Other fees may apply if the application is reviewed by the Secretariat or Accreditation Panel more than twice. The amount of the fee is to be determined on a case-by-case approach by the Secretariat.</td>
</tr>
<tr>
<td>Small</td>
<td>&gt;USD 10 million and ≤ USD 50 million for an individual project or activity</td>
<td>SIDS and LDCs: no fee Subnational and national entities in developing countries other than SIDS and LDCs (e.g. Ghana): USD 3,000 All other entities: USD 5,000</td>
<td>USD 1,000 each</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>&gt; USD 50 million and ≤ USD 250</td>
<td>USD 10,000</td>
<td>USD 3,000 each</td>
<td></td>
</tr>
</tbody>
</table>
Fees are non-refundable, even if an applicant fails to receive accreditation.

In cases where the Accreditation Panel needs to review the application more than twice (see Section 3.2 for more information about the Accreditation Panel review), due to lack of completeness in the information or clarity in the documentation provided, additional fees will be determined on a case-by-case approach by the Secretariat.

4.1.2 Step 1: Confirm receipt of NDA nomination
Step 1 of Stage I begins following the pre-steps detailed above. Step I is comprised of the GCF confirming receipt of the NDA nomination. During this step, the GCF Secretariat will reach out to the MoF, to confirm that the national AE applicant was nominated. This serves to double-check country engagement in the accreditation process.

4.1.3 Step 2: Institutional assessment and completeness check
The institutional assessment and completeness check is an initial assessment completed by the Secretariat. The Secretariat assesses the information submitted through the OAS by the national AE applicant. The Stage I assessment identifies gaps in the application form. The assessment deems the status on each item in the application as “done” or “not done” and includes remarks which indicate “complete”, “pending” or “information not satisfactory.” In both the Stage I and Stage II assessments, all of the key components of the accreditation application form are assessed. These key components are:

1. Background and contact information of the applicant
2. Information on the ways in which the institution and its intended projects/programmes will contribute to furthering the objectives of the GCF
3. Information on the scope of intended projects/programmes and estimated contribution requested for an individual project or activity within a programme
4. Basic fiduciary criteria
5. Applicable specialized fiduciary criteria
6. ESS
7. Gender.

Following the review of the national AE applicant’s application, the Secretariat will most likely request clarifications/further information from the national AE applicant. National AE applicants should be prepared for a significant number of clarification requests from the Secretariat. There may be multiple feedback rounds during Stage I.
The checklist used by the Secretariat in the Stage I assessment is available at [http://www.gcfund.org/fileadmin/00_customer/documents/Operations/GCF_Check_List_Stage_I_Secretariat.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Operations/GCF_Check_List_Stage_I_Secretariat.pdf).

Once a national AE applicant has successfully passed the institutional assessment and completeness check, the applicant’s application is forwarded from the Secretariat to the Accreditation Panel.

### 4.2 Stage II: Review and Decision

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

**Figure 5 Stage II of the accreditation process**

#### 4.2.1 Step 1: Review

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

In Step 1a, the Accreditation Panel assesses the application and the information provided during Stage I. Technical experts may also be utilized during the Stage II assessment. The checklist used by the Accreditation Panel for Stage II assessments is available at [http://www.gcfund.org/fileadmin/00_customer/documents/Operations/GCF_Check_List_Stage_II_Accreditation_Review.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Operations/GCF_Check_List_Stage_II_Accreditation_Review.pdf). The Stage II assessment evaluates key criteria for each item in the application.
checklist, with the assessment resulting in a “yes” or “no” evaluation. Remarks/observations by the Accreditation Panel are also recorded in the checklist.

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

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

4.2.2 Step 2: Decision

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

Box 5 Noteworthy points about the accreditation process

Noteworthy points

- The accreditation process takes approximately 6 months from the point of when all documentation is complete. If documentation submitted is incomplete, the process may take significantly longer
- NDA support must be demonstrated
- If the Accreditation Panel needs to review the application more than twice, additional fees may be required
- Conditional accreditation approvals may be granted

4.3 Stage III: Legal arrangements
Stage III of the accreditation process can be seen in Figure 6. Stage III is comprised of two steps: 1) validation of payment instructions and 2) finalization and signature of the accreditation master agreement.

**Figure 6 Stage III of the accreditation process**

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

Step 2 of Stage III is the finalization and signature of the Accreditation Master Agreement, the legal agreement between the GCF and national AE. The accreditation master agreement sets out the general terms and conditions of the services to be rendered by the entity for the Fund under its accreditation. The Accreditation Master Agreement defines the relationship between the Fund and the national AE, including the roles of each and how each will carry out its responsibilities with regard to the extent and scope of its accreditation. The Accreditation Master Agreement may include a wide scope of provisions, as seen in Annex XI of the *Decisions of the Board – Ninth Meeting of the Board* (GCF, 2015a) available at [http://www.gcfund.org/fileadmin/00_customer/documents/MOB201503-9th/23_-_Decisions_of_the_Board_-_Ninth_Meeting_of_the_Board__24_-_26_March_2015_20150416_fin.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/MOB201503-9th/23_-_Decisions_of_the_Board_-_Ninth_Meeting_of_the_Board__24_-_26_March_2015_20150416_fin.pdf).

The signing of the Accreditation Master Agreement is the final step of the accreditation process. The accreditation of the national AE is valid for a fixed term of five years or less, depending on the terms of accreditation. The Board will decide whether an entity is to be re-accredited, based on an assessment which will be conducted by the Secretariat and the Accreditation Panel.
Annex 1: Lessons Learned and Final Notes

Lessons Learned regarding the GCF accreditation process

The following box highlights lessons learned about the accreditation process for ease of reference.

Box 6 Lessons learned about accreditation

Lessons learned

- **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
  - Early conversations with a variety of stakeholders may facilitate project/programme implementation

- The capacity need for 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**.
  - **Institutional capacity** can be a major challenge during accreditation. National AE applicants may need to be prepared to update existing policies/procedures or create new ones. This **may require significant time and costs**.

- Designing during the accreditation process the initial project/programme to be submitted by the national AE allows for the proposal approval process to begin quickly, following accreditation
  - National AEs should be aware that even if the AEs are accredited, project/programme funding proposals are not automatically accepted. Proposals must be high quality and well aligned with national development plans and the objectives of the GCF.
A note on Fast-track accreditation
While no national entities in Ghana are eligible for fast-track accreditation, it is still useful to reference the following guidance. Fast-track accreditation is allowed for entities which meet both of the below criteria:

1) The entity was accredited by one or more of the following funds by 17 October 2014:
   a) GEF
   b) AF

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

Under the fast-track accreditation process, entities which meet both of the above criteria need to complete the accreditation form to address gaps specific to entities accredited with the GEF, AF and EU DEVCO. The fast-track accreditation process will take approximately three months.
References


Annex 2: Additional resources

GCF Accreditation Application Form: http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/Accreditation_Application_form_Version_1.0_final_with_examples_of_supporting_documents_May_2015_.pdf

GCF Accreditation webpage: http://www.gcfund.org/operations/accreditation.html


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