

GCF IN BRIEF: ENHANCING DIRECT ACCESS



In 2015, the Board of the Green Climate Fund (GCF) approved a pilot phase to channel climate financing to homegrown organisations in developing countries through the Enhancing Direct Access (EDA) pilot.

The objective of this pilot is to enhance country ownership of projects and programmes through a dedicated access window for GCF's Direct Access Entities (DAEs). These DAEs are sub-national, national or regional, public or private Accredited Entities (AEs) nominated by relevant National Designated Authorities (NDAs) to submit and implement climate finance projects once approved by the GCF Board.

The EDA pilot is characterized by an enhanced devolution of decision making whereby both funding decisions and project oversight take place at the national or regional level. This can be achieved by, for example, establishing a dedicated facility to fund small-scale community projects.

What is the Enhancing Direct Access pilot?

The EDA pilot has been designed to provide DAEs with opportunities to move beyond the financing of individual projects towards a more comprehensive and stakeholder-driven programmatic approach. The EDA pilot differs from other GCF access windows because individual sub-projects neither have to be presented in the funding proposal nor subsequently submitted to GCF for approval. Instead, the decision-making mechanism for such sub-projects is devolved at the country level through pre-approved selection criteria. The composition of decision-making body as well as other features of the EDA pilot should be captured in the funding proposal. Furthermore, the EDA pilot provides flexibility to accommodate a broad range of country conditions and circumstances while the AE maintains the oversight mechanism to ensure effective delivery of funding.

Key advantages of EDA include:

- Enhanced level of country ownership;
- More effective use of financial resources;
- Stronger involvement of local organisations and other stakeholders; and
- Flexible and context-specific approach.

What type of activities are eligible under the EDA pilot?

- EDA pilot proposals can include both adaptation and mitigation activities, under one or more of GCF's result areas.
- EDA pilot proposals should directly support communities or small and medium-enterprises (SMEs) through, for example, small grants or extended lines of credit.
- Activities should target local actors, addressing gender aspects and the needs of vulnerable communities.

Quick facts

as of March 2019

- USD 200 million approved for EDA pilot programme
- The pilot programme aims to fund at least 10 projects, including at least four in LDCs, SIDS, and African states
- Two funding proposals approved to date: FP024 EIF Namibia and FP061 DOE Antigua and Barbuda, Dominica and Grenada

Who can submit projects under the EDA pilot?

- Accredited DAEs can submit funding proposals under the EDA pilot.
- DAEs that are not yet accredited can submit an EDA concept note. However, they should be accredited before the GCF Board considers their funding proposal.
- The EDA pilot structure allows the grant-awarding and on-lending of funds to a subset of sub-national organisations, small communities and grassroots organisations. Therefore, only DAEs accredited for the grant-award function or other allocation mechanisms, such as on-lending and/or blending functions, are eligible to apply for the EDA pilot.

Key features of an EDA pilot

1. Description of the proposed scope of activities and selection criteria	2. Oversight function	3. Multi-stakeholder engagement process	4. Decision-making body
<ul style="list-style-type: none"> • Description should include objectives, type, sector, size, and geographic locations of potential sub-projects. • Objectives and goals of sub-projects should be aligned with GCF's Results Management Framework • Selection criteria for the activities should be consistent with GCF's Initial Investment Framework 	<ul style="list-style-type: none"> • DAEs may select an existing body or establish a new national committee for an oversight function to ensure transparency and accountability • The oversight body may include a country's National Designated Authority (NDA) or focal point and representatives of relevant stakeholders, such as government, private sector, academia or civil society • Functions include the review of reporting by Accredited Entities, periodic field visits, and regular communication with stakeholders and GCF 	<ul style="list-style-type: none"> • DAEs should ensure the inclusion of a wide range of stakeholders, including local actors, such as public institutions, NGOs, community-based organisations, and private enterprises 	<ul style="list-style-type: none"> • The decision-making body, as a dedicated governance structure (e.g., Steering Committee), should be housed and managed by the DAE • The decision-making body should include civil society and private sector representatives and other relevant stakeholders • Responsibilities include decision making on the screening, assessment and selection of specific activities/sub-projects

Example of an approved EDA Pilot

<p>Empower to adapt: creating climate-change resilient livelihoods through community-based natural resource management in Namibia</p> <p>Accredited entity: Environmental Investment Fund of Namibia</p> <p>Executing entities: Ministry of Environment and Tourism, communal conservancies, community forests, supporting organizations</p> <p>GCF funding: USD 10 million grant Beneficiaries: 76,500</p> <p>GCF result areas: health, food and water security, livelihoods of people and communities, ecosystems and ecosystem services</p> <p>Gender benefits</p> <p>This project will enhance the trend of increasing participation by women in community-based organisation decision-making.</p> <p>Project summary:</p> <p>The project will establish a Resilient Grant Facility, which will empower rural communities under a Namibian Community-Based Natural Resource Management (CBNRM) network to increase their resilience to climate change through direct access to climate finance. It comprises a ring-fenced grant facility that will focus on developing and strengthening resilient CBNRM livelihoods through grants in three defined investment areas: climate resilient agriculture, climate resilient infrastructure and ecosystems-based adaptation.</p> <p>Status: Under implementation since July 2017, with USD 7.6 million of GCF funds already disbursed to project activities.</p>

Submit your concept note/funding proposal to: fundingproposals@gcfund.org