
Annex X: Guiding framework for the Fund's accreditation process

I. Background

1. The Fund's accreditation process will be fundamental in ensuring that all sub-national, national, regional and international intermediaries and implementing entities working with the Fund meet all its required best-practice fiduciary principles and standards and environmental and social safeguards, and that these entities are fully aligned with the Fund's objectives and guiding principles.

II. Guiding principles for the accreditation process

2. The guiding principles for the accreditation process aim to ensure that:

- (a) The Fund's fiduciary principles and standards and environmental and social safeguards are consistently in line with international best-practices and standards, and systematically endeavour to reflect the best of the experience and lessons learned by relevant institutions;
- (b) Its governance system, procedures and organizational approach ensure accountability, transparency, fairness and adequate professionalism in the accreditation process; and
- (c) Its modalities pursue rigorous, objective and systematic assessment and review processes while giving due attention to special circumstances of applicant entities, particularly in the context of the direct access modality.

III. Fund's fiduciary principles and standards

3. The Fund's fiduciary principles and standards may distinguish between basic fiduciary criteria and specialized fiduciary criteria, which will reflect the institutional capacities necessary to deliver against the Funds objectives.

3.1 Basic fiduciary criteria

4. The Fund's basic fiduciary criteria refer to the basic institutional capacities that intermediaries, funding entities and implementing entities will meet in relation to:

- (a) Key administrative and financial capacities; and
- (b) Transparency and accountability.

3.2 Specialized fiduciary criteria

5. The Fund's specialized fiduciary criteria refer to the basic institutional capacities that intermediaries, funding entities and implementing entities will meet in relation to:

- (a) Project/programme implementation;
- (b) Funding mechanisms and systems;
- (c) Financial intermediation, blending and structuring; and
- (d) Readiness and preparatory support.

IV. Fund's environmental and social safeguards

6. The Fund's environmental and social safeguards will refer to a set of criteria addressing key environmental and social risks in the implementation of funding activities to be funded by the Fund.

7. These will consider, inter alia:

- (a) Environmental assessment;
- (b) Natural habitats;
- (c) Pest management;
- (d) Indigenous peoples;
- (e) Physical cultural resources;
- (f) Involuntary resettlement;
- (g) Forests;
- (h) Safety of dams;
- (i) Projects in international waterways;
- (j) Projects in disputed areas; and
- (k) Gender mainstreaming.

V. Additional criteria to enhance transparency, effectiveness and efficiency

8. Additional criteria to enhance transparency, effectiveness and efficiency will be aimed at enhancing country-ownership in the context of different capacities and capabilities of countries.

9. The following criteria will be considered, among others, including the GEF value-added criteria, for sub-national, national and regional implementing entities, intermediaries and funding entities:

- (a) No-objection – the application for accreditation has been communicated by the relevant NDA or focal point;
- (b) Legal status – the applicant entity has full legal capacity to become an accredited entity of the Fund.

10. The following criteria will be considered, among others, for all entities seeking accreditation with the Fund:

- (a) Readiness – experience in the intended field of activities;
- (b) Institutional presence and potential for meaningful impact;
- (c) Overall institutional and legal context; and
- (d) General institutional preparedness.

11. These criteria will be continuously monitored in order to reflect the evolving nature of the Fund's requirements and to reflect lessons learned.

VI. Governance

12. The accreditation process will include and be conducted, implemented and supported by the following actors:

- (a) The Board;
- (b) The Secretariat;
- (c) The Independent Technical Advisory Function of the Secretariat;
- (d) External technical experts; and
- (e) Assessment and review teams.

6.1 Role and mandate of the Board

13. As defined by the Governing Instrument, the Board will develop, manage and oversee an accreditation process for all implementing entities based on specific accreditation criteria that reflect the Fund's fiduciary principles and standards and environmental and social safeguards. The Board will therefore be the ultimate decision-making body on accreditation and overall policy guidance on accreditation matters, and will oversee the accreditation process as per the accreditation framework set forth in document GCF/B.05/08.

6.2 Role and mandate of the Secretariat

14. The Secretariat will play a pivotal role in supporting the accreditation procedures and processes, under the overall guidance of the Board and expert advice of the Independent Technical Advisory Function. The Secretariat will be responsible for the following core functions:

- (a) Development and elaboration of criteria for accreditation of sub-national, national, regional and international intermediaries and implementing entities of the Fund;
- (b) Operationalization of the accreditation procedures of the Fund based on the best-practice fiduciary principles and standards and environmental and social safeguards of the Fund, and execution of all necessary and related activities, including the implementation, management and maintenance of supporting systems;
- (c) Overall responsibility, in consultation with the Independent Technical Advisory Function as deemed necessary, for the full design, implementation and execution of assessment and review processes for the operationalization of the accreditation procedures, including the organization of assessment and review teams and engagement of external technical experts;
- (d) Presentation of the outcomes of the assessment and review processes to the Independent Technical Advisory Function for expert endorsement;
- (e) Setting up and managing the teams in charge of the assessment and review of individual applications for accreditation;
- (f) All administrative and logistical arrangements, as well as operational support, for the meetings of the Independent Technical Advisory Function; and
- (g) Implementation, operation and execution of any other functions and/or activities necessary to effectively carry out its responsibilities in the accreditation process.

15. Staff members supporting the accreditation-related functions in the Secretariat will possess necessary competency and professionalism to ensure that all responsibilities listed above are properly fulfilled. The Secretariat will provide for dedicated expertise to support the accreditation process.

6.3 External technical experts

16. External technical experts will be engaged by the Secretariat in the assessment and review of individual applications for accreditation. Independent and recognized professionals or specialized consultancy firms will need to demonstrate experience and expertise in relevant areas in order to qualify as external technical experts.

17. The Secretariat will be responsible for setting up and managing a roster of external technical experts through an open, competitive and transparent selection process, which should strive to ensure availability of relevant competencies and achieve gender and regional balance where possible.

18. The Secretariat will periodically review the roster of external technical experts in consultation with the Independent Technical Advisory Function, as deemed necessary.

19. External technical experts will be compensated in accordance with relevant administrative provisions for contracting external technical support. Consequently, external technical experts will be bound by standard contractual regulations relating to the provision of consultancy services to the Fund.

6.4 Assessment and review teams

20. In order to ensure sound technical expertise, the Secretariat will constitute teams to perform the assessment and review of individual applications for accreditation.

21. Each assessment and review team will be composed of one senior staff member, one professional staff member, one or more external independent experts taken from the roster of external technical experts, and one team assistant. The Secretariat may assign additional professional staff members with relevant expertise from different units within the Secretariat should the Executive Director so decide.

22. The Secretariat will develop and institute standard terms of reference to guide the work of the assessment and review teams, bearing in mind that the team will be responsible for undertaking the in-depth review of all fiduciary standards and environmental and social safeguards of the applicant entity against the Fund's best-practice fiduciary principles and standards and environmental and social safeguards.

23. The Secretariat will be responsible for elaborating the conclusions, recommendations and report of the assessment and review teams on each application for accreditation, and seek expert advice and endorsement, as deemed necessary, from the Independent Technical Advisory Function.

24. Assessment and review teams will be ad-hoc and set up only for the conduct of the assessment and review of a specific application for accreditation. Therefore, termination of each assessment and review team will occur automatically on conclusion of the assessment and review process.

25. Assessment and review teams will be able to consult on a regular basis, or as needed, with the Independent Technical Advisory Function throughout the assessment and review cycle.

6.5 Role and mandate of the Independent Technical Advisory Function

26. The Independent Technical Advisory Function will function as an independent senior expert advisory body of the Secretariat. The scope of its advice will include, inter alia, matters relating to: fiduciary principles and standards and environmental and social safeguards; international and recognized best-practices in accreditation procedures and systems; preparatory support in relation to accreditation with the Fund; and outcomes of in-depth assessment and review of individual applications for accreditation.

VII. Accreditation cycle

27. The accreditation cycle will provide the general context for the detailed definition of the accreditation process. The accreditation process therefore will outline, in a coherent, correlative and sequential manner, the steps, actions and actors that will be followed and included throughout the accreditation cycle.

28. The Secretariat will be responsible, under the overall guidance of the Board, for operationalizing and ensuring appropriate implementation of the accreditation cycle and process.

29. In line with the guiding principles set forth under this framework, the accreditation process will broadly be based on a three-stage cycle, each one intending to address the core elements as follows:

7.1 Stage 1: No-objection and readiness

30. Stage 1 will focus on ensuring country ownership, validating the legal capacity of the applicant entity and assessing its readiness in relation to the Fund's overarching objectives and guiding principles.

7.2 Stage 2: Assessment and review process

31. Stage 2 of the accreditation procedure will contain all necessary provisions to identify the different steps, requirements, actions, inputs and outputs for the in-depth assessment and review of an application for accreditation against the Fund's best-practice fiduciary principles and standards and environmental and social safeguards.

7.3 Stage 3: Final validation and arrangements

32. Stage 3 will conclude the process through the validation and finalization of formal arrangements between the applicant entity and the Fund upon successful completion of Stage 2. This will include validation and registration of payment instructions, conclusion of a memorandum of understanding, and other formal arrangements that may be needed between the applicant entity, the Secretariat and the Trustee.

VIII. Revision of the accreditation framework

33. The accreditation framework will be an evolving process intending to ensure continuous improvement and alignment with international best-practices.

34. The Secretariat will be responsible for proposing to the Board any necessary revision of this framework at any time.