

## Annex II: Interim policy on fees for accredited entities

1. The table below shows the proposed interim fees structure for accredited entities of the Green Climate Fund (GCF). The percentages shown in the table below represent the maximum fees for the size categories.

**Table 1. Schedule of cap on fees applicable to public sector projects/programmes**

Size*	Fee cap % of GCF funding (on grant)
Micro (<USD 10 million)	10%
Small (USD 10–50 million)	9%
Medium (USD 50–250 million)	8%
Large (>USD 250 million)	7%

2. The present value of the fees paid over the life of a loan (disbursement and repayment periods) will be equivalent to the total amount of fees paid for a similar grant-funded project.
3. The fees cap on readiness grants will be 10 per cent.
4. The following services will be covered by the GCF fees:
  - (a) Project or programme implementation and supervision;
  - (b) Project or programme completion and evaluations; and
  - (c) Reporting.
5. The GCF amount approved for a project/programme will not include fees to be paid to the accredited entity.
6. The fees paid to an accredited entity will not duplicate other forms of support provided to the entity, such as technical assistance.
7. Under decision B.09/04, the Board decided that “the financial terms and conditions for non-grant instruments to the public sector, other than concessional loans, will be established on a case-by-case basis. It also decided that all non-grant instruments extended to the private sector shall be determined on a case-by-case basis, taking into consideration Annex III to decision B.05/07 and section III in Annex XIV to decision B.07/06.
8. In line with this, the fees for the private sector and fees for non-grant instruments other than concessional loans to the public sector should be decided on a case-by-case basis.
9. Timing of fees disbursement:
  - (a) Fees on grants will be proportionally disbursed along with each grant instalment; and
  - (b) Fees on loans will be paid semi-annually in advance.

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\* Annex I to decision B.08/02.