Annex XIV: Progress report on the review of the accreditation framework

I. Introduction

1. This document presents a progress report on the review of the accreditation framework and development of potential other modalities for institutions to work with the GCF, in response to decision B.18/04, paragraph (a), wherein the Board decided to commence the review of the accreditation framework. For the purposes of the current analysis, all projects and programmes that have been approved since the first consideration of funding proposals by the Board in November 2015 through to 31 December 2017 are included. The analysis does not consider what has occurred to a project or programme after approval. An analysis of post-approval (i.e. signing of the Funded Activity Agreement, disbursements, implementation, monitoring, reporting, etc.) will be included in the full review to be presented at the twentieth meeting of the Board.

2. The full review of accreditation by an independent third party is expected to include a review of the accreditation framework and the process to operationalize it, as well as the broader scope of the partnership between the GCF and an Accredited Entity (AE), and consultations with stakeholders, and will be presented to the Board at a future meeting of the Board.

II. Programming

2.1 Approved proposals

3. Since the first consideration of funding proposals by the Board in November 2015 at its eleventh meeting and up to 31 December 2017, the GCF has approved 54 funding proposals from 24 AEs totalling USD 2.65 billion[1] to support projects/programmes to be implemented in 73 developing countries, including small island developing States, least developed countries and Africa.[2] This GCF funding will leverage an estimated USD 6.55 billion in co-financing, is expected to benefit 161.9 million people with increased resilience to climate change, and aims to reduce an estimated 1.147 billion tonnes of carbon dioxide equivalent.

4. In terms of geographic distribution, 39 per cent of approved projects are in Africa, 35 per cent in Asia Pacific, 19 per cent in Latin America and the Caribbean, 4 per cent in Eastern Europe, and 3 per cent multi-regional. Of the resources committed, 31 per cent is for adaptation projects, 40 per cent is for mitigation projects and 29 per cent is for cross-cutting activities. In terms of GCF financing allocated by sector: 50 per cent is for public sector projects/programmes and 50 per cent for private sector. By number of number of projects/programmes, 40 or 74 per cent are public sector, 14 or 26 per cent are private sector. The most common risk-level is Category B projects (30 projects or 56 per cent) and the most common size is Medium (23 projects or 43 per cent) followed by Small (16 projects or 30 per cent).

5. Direct access AEs account for 13 per cent of the total financing committed, whereas international access AEs account for 87 per cent. In terms of number of approved projects and

[1] Figure includes funding proposals approved in Euros. Exchange rate: EUR 1 = USD 1.19474313, from the United Nations Operational Rates of Exchange, effective at 31 December 2017.
One approved project has lapsed as of 23 October 2017, thus the total number of funding proposals to be implemented is 53 projects from a total of 23 AEs totaling USD 2.637 billion versus the 54 that have been approved totaling 2.65 billion.

[2] Further information on the GCF portfolio of approved projects and programmes is available at <http://www.greenclimate.fund/what-we-do/portfolio-dashboard>.

programmes, 26 per cent or 14 projects/programmes are approved by direct access AEs and 74 per cent or 40 projects/programmes are by international access AEs.

6. The GCF offers a diversity of financial instruments, including grants, loans, guarantees and equity. In terms of financial instruments, 44 per cent of total resources committed are as grants, 40 per cent as loans, 1 per cent as guarantees and 15 per cent as equity.

7. Table 1 below provides a further breakdown of the approved portfolio's focus against the GCF's results areas and financial instrument.[3]

Table 1: Number of approved projects that address GCF results areas by financial instrument (as at 31 December 2017)[a]

GCF Results Area	Financial Instrument					Total
	Grants	Senior Loans	Equity	Grants and Senior Loans	Grants and Equity	
Energy access and power generation	3	3	2	6	3	17
Low emission transport	1	0	0	0	0	1
Buildings, cities, industries and appliances	2	0	1	4	1	8
Forestry and land use	5	0	1	0	1	7
Vulnerable people and communities	28	0	2	1	2	33
Health, well-being, food and water security	19	0	2	2	2	25
Infrastructure and built environment	14	1	0	3	0	18
Ecosystem services	13	0	0	0	1	14

[a] This analysis was conducted for the 54 approved GCF projects. However, most projects target more than one result, which is why the total value exceeds 54.

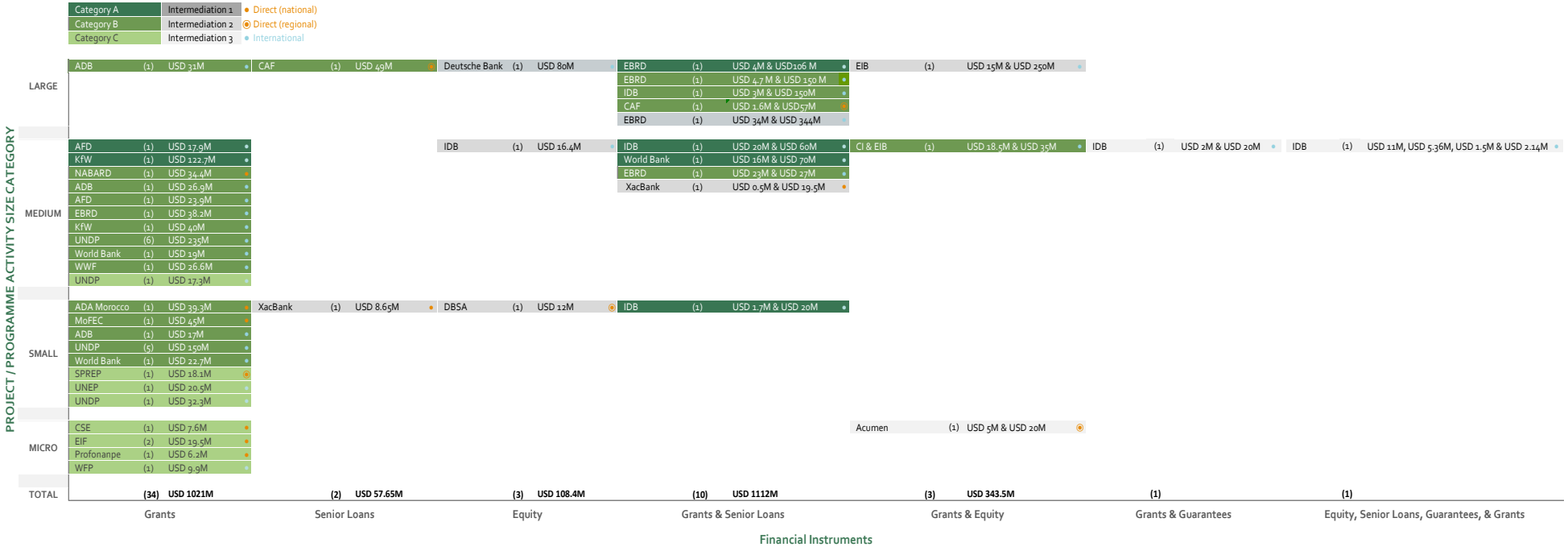
8. Given the early stage of GCF's operations, the overall portfolio is quite diverse, and countries have availed themselves of the different financial instruments (56 per cent of financing approved is non-grant), financing sizes and environmental and social risk levels available through the GCF. Moreover, the portfolio is split almost evenly between the public and private sector. Twenty-four AEs have a total of 54 projects approved and these entities represent a wide-range of organizations including direct access national and regional entities, development banks, investment banks, equity funds, United Nations specialized agencies and non-governmental organizations. The strength of having such a wide-range of AEs working with countries to design and implement projects is that they provide not only greater choice, but also a diversity in the type of project that can be undertaken using GCF resources (e.g. micro-sized

[3] One approved project has lapsed as of 23 October 2017, thus the total number of funding proposals to be implemented is 53 projects from a total of 23 AEs. The approved project (FP029 from DBSA) is included in this analysis to include all projects and programmes that have met the GCF requirements for funding.

grant award programme to smallholder farmers, business loan programme for small and medium-sized enterprises, etc.).

9. While the GCF has successfully approved a diverse portfolio to date, there are areas for improvement. International access AEs account for 74 per cent of projects approved and 87 per cent of total financing committed. It is not surprising that they have been early movers as they generally have more financial and human capacity, a longer history of implementing projects, extensive experience in designing climate change projects, and a broader reach than national or regional organizations. They also tend to have the capacity to implement larger projects/programmes with higher environmental and social risks and using non-grant instruments (see figure 4 below).

Figure 4: Approved projects by accredited entity, financial instrument, size and environmental and social risk-level (as at 31 December 2017)[a]



[a] Numbers shown in parenthesis represent the total number of approved projects/programmes. Values shown in USD are the GCF financing amount and do not include co-financing. Size categories are the total projected costs for the project or programme activity, inclusive of GCF financing and any co-financing. One approved project (FP029 from DBSA) has lapsed as of 23 October 2017, thus the total number of funding proposals to be implemented is 53 projects from a total of 23 AEs totalling USD 2.637 billion.

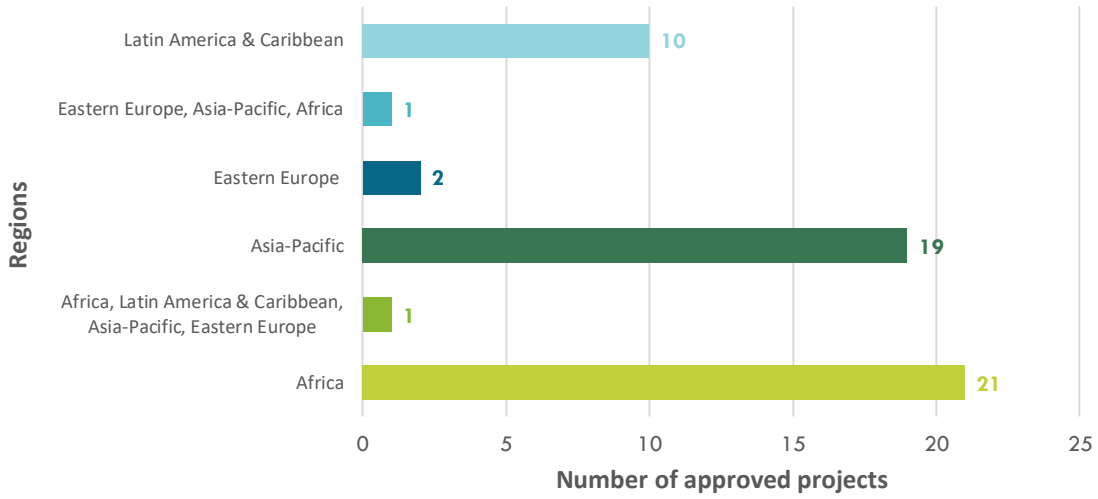
Abbreviations: Acumen = Acumen Fund, Inc., ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AFD = Agence Française de Développement, CAF = Corporación Andina de Fomento, CI = Conservation International Foundation, CSE = Centre de Suivi Ecologique, DBSA = Development Bank of Southern Africa, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, EIF = Environmental Investment Fund of Namibia, IDB = Inter-American Development Bank, KfW = Kreditanstalt für Wiederaufbau, MoFEC = Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, NABARD = National Bank for Agriculture and Rural Development, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, SPREP = Secretariat of the Pacific Regional Environment Programme, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, WFP = World Food Programme, World Bank = International Bank for Reconstruction and Development and International Development Association, WWF = World Wildlife Fund, Inc., XacBank = XacBank LLC.

10. **Supporting financial and private sector entities through the direct access modality could open the door for countries to utilize a broader set of financial instruments, mitigate and manage various environmental and social risks levels, compared to minimal or no risk only, and financing size to channel climate finance directly to recipient countries.** XacBank LLC (XacBank), provides an example of a national commercial bank that is utilizing loans to create a renewable energy and energy efficiency market for micro-, small- and medium-sized enterprises in-country. This would also provide an opportunity to shift the paradigm in the way organizations conduct business by strengthening the fiduciary, environmental, social and gender systems and standards of financial and private sector entities in developing countries, while promoting the scaling up of private sector investment flows for climate finance. Furthermore, regional direct access AEs may be able to bridge the capacity gap seen in the accreditation scope between some national and international AEs.

11. It should be noted however, that micro and small-size projects can also be powerful catalysts for change and that these potentially lower environmental and social risk, grant-driven projects may be well-suited for local actors to further build their institutional capacity and manage larger funds. To channel larger amounts of funding in this direction, supporting entities that can manage projects under the RFPs for Enhanced Direct Access and Micro- and Small-Enterprises, as well as the Simplified Approval Process can serve accelerate funding though direct access entities for specific outcomes. To achieve these results would require a more nimble and efficient approach in the way the funding proposals submitted by potential entities under this approach and the entities themselves are assessed.

12. Figures 5 to 7 provide the breakdown by region, environmental and social risk level, and size category for all approved projects.[1]

Figure 5: Number of approved projects by geographic region



[1] One approved project (FP029 from DBSA) has lapsed as of 23 October 2017, thus the total number of funding proposals to be implemented is 53 projects from a total of 23 AEs totaling USD 2.637 billion versus the numbers analyzed here which include all 54 approved projects.

Figure 6: Number of approved projects by environmental and social risk level

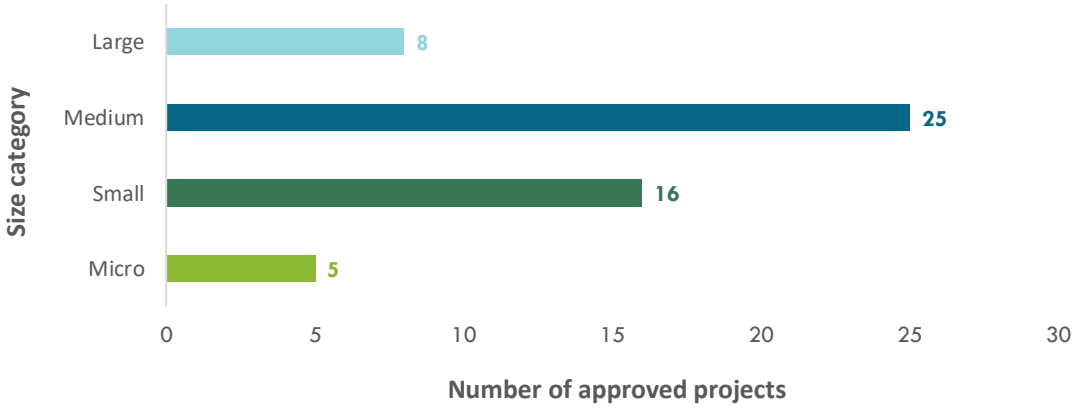
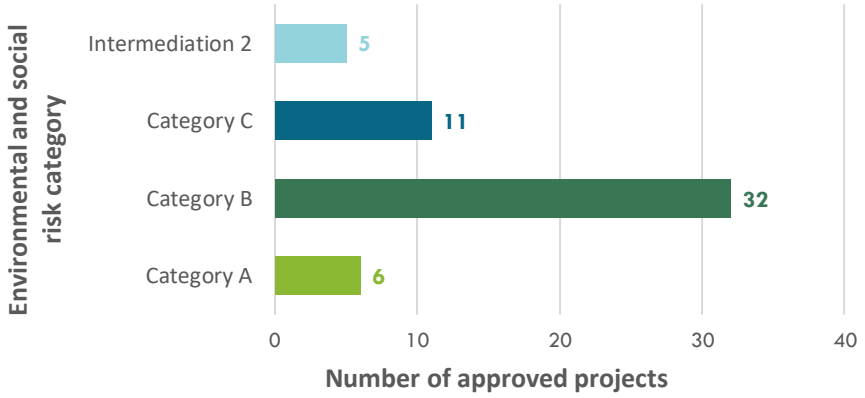


Figure 7: Percentage of approved projects by size category



2.2 Project and programme pipeline

13. In line with the strategic plan for the GCF, the Secretariat is working with AEs in order to update or develop entity work programmes aligned with country programmes.[2] Bearing in mind that the project pipelines provided by AEs in their EWP do not always overlap with pipelines indicated in the Country Programmes, the Secretariat continues its work to identify the gaps and to better align EWPs with Country Programmes through several activities. This includes improving guidance and support structures to ensure quality of Country and Entity Work Programmes. This is being done through iterative dialogues with countries and AEs, in particular, through structured dialogues as well as more focused discussions with AEs on the importance of GCF's country-driven approach and how AEs need to align their potential pipelines to reflect country priorities.

14. The Secretariat is also trying to engage more upstream (examples are missions taken to Africa, Caribbean, Asia Pacific, and Eastern Europe in 2017), to provide the guidance to countries on potential direct access entities they could nominate that are a more strategic fit for delivering on their country priorities. This type of upstream engagement aims to convene NDAs and potential direct access entities, including from the private sector. It is anticipated that such engagement would yield better alignment of programming with country priorities because of the nomination of entities whose unique strengths and advantages would be better-positioned

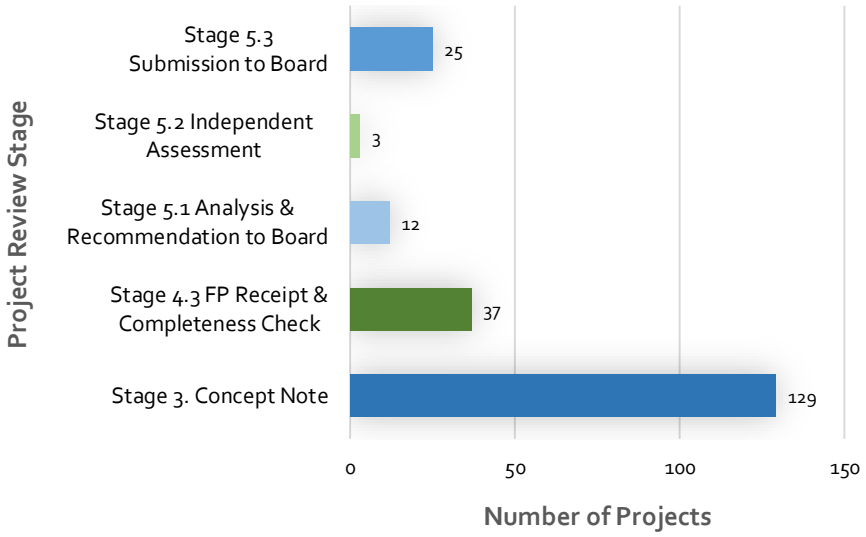
[2] The Secretariat, in line with decision B.13/10, paragraph (c), reported to the Board on the development of 46 EWP briefs in document GCF/B.19/35/Add.01 (general distribution) titled "Consolidated Country and Entity Work Programmes – Addendum I: Compilation of Country Programmes completed by countries" and related addenda GCF/B.19/35/Add.02, Add.03 and Add.04 (limited distribution).

to deliver on the country's priorities. If this level of engagement could be instigated upstream, the downstream pipeline of projects/programmes would address the country's priorities in a more coherent way through the alignment of country programming with entity programming activities.

15. As a part of the entity work programmes, AEs provide information on the potential pipeline of projects and programmes they seek GCF funding for. Forty-four AEs (75 per cent) have an active pipeline with the GCF, including 129 active concept notes and 67 active funding proposals that have been submitted.

16. As of 31 December 2017, a total of 245 funding proposals and concept notes have been submitted to the GCF. Out of these, 196 submitted funding proposals and concept notes or 80 per cent are active, whereas 42 or 20 per cent are inactive. Out of the active projects, 129 are concept notes. Figure 8 below provides a break-down of projects by GCF review stage.

Figure 8: Number of projects by GCF review stage



Abbreviations: FP = funding proposal.

17. Out of the 200 active submissions, 69 are funding proposals and 131 are concept notes:

(a) Direct access AEs have submitted 45 funding proposals and concept notes (23 per cent), comprising 29 from national entities and 16 from regional entities (see figure 9 below);

(b) The total number of active submissions from international access AEs is 134 funding proposals and concept notes or 67 per cent of active submissions:

(i) Five international access AEs have submitted 54 per cent of the current active pipeline (72 funding proposals and concept notes) (see figure 10 below); and

(ii) International access AEs other than the Asian Development Bank, Food and Agriculture Organization of the United Nations, United Nations Development Programme, United Nations Environment Programme and International Bank for Reconstruction and Development and International Development Association (World Bank) have submitted 62 funding proposals and concept notes; and

(iii) The remaining 21 active submissions were submitted by an NDA or focal point without an AE.

Figure 9: Percentage of active project concept notes or funding proposals by access modality

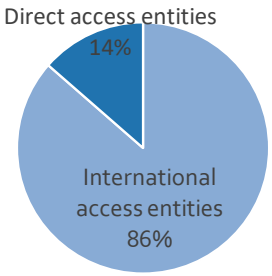
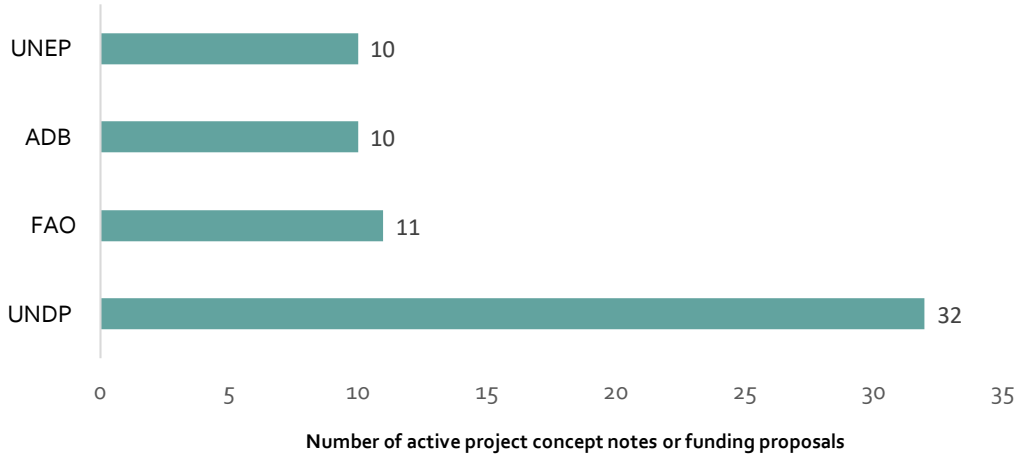


Figure 10: Number of active project concept notes or funding proposals by five top international AEs



Abbreviations: ADB = Asian Development Bank, FAO = Food and Agriculture Organization of the United Nations, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme and World Bank = International Bank for Reconstruction and Development and International Development Association.

18. Although currently 54 per cent of all AEs are direct access entities, the number of funding proposals and concept notes submitted through the direct access modality lags significantly behind those submitted through international AEs. This may be due to aforementioned reasons, including capacity constraints or lack of track record to manage larger size projects/programme activities, higher E&S risks, and different financial instruments; focus of activities on a particular country or sub-region; focus on specific thematic areas or types of activities; etc. Thus, one of the ways to increase the share of GCF resources channelled through direct access entities is to expand the pool and provide them with opportunities to bring one-off or a small number of projects only. Over time, with more direct access AEs accredited and accredited for higher accreditation types, the composition of the project/programme pipeline will change. However, it is important to examine ways to accelerate the accreditation process and to ensure that countries have the opportunity to explore all the options the GCF has to offer, taking into account a balance between upholding GCF standards through accreditation and project due diligence processes and accessing GCF resources through different modalities.

19. There are currently 13 AEs that have yet to submit a project to the GCF. Out of the 13, seven were accredited within the last two Board meetings (seventeenth and eighteenth Board meetings held in July and October 2017, respectively), and are in the process of developing their entity work programmes and potential pipeline for submission to the GCF. There are however, six entities that have been accredited for over a year and have yet to submit even a project concept. One of these entities is an international accredited entity that has been accredited for close two-years (21 months). The remaining six are regional or national direct access entities

and have been accredited for over a year (accredited at the fourteenth or fifteenth Board meetings in October and December 2016, respectively).

20. Given the lengthy process for accreditation, one approach to accelerate access to finance is for the GCF to encourage applicant AEs to prepare potential proposals so once an accreditation decision takes place proposals can be submitted with little delay. There are currently three national entities that are in the accreditation pipeline that have already submitted concept notes to the GCF. It may be useful to follow-up on this sample to see if the submission of project concepts while an entity is still in the accreditation process will lead to faster project approval upon accreditation.

21. Table 2 below provides information on the number of concept notes or funding proposals submitted by entities that have not been accredited. With a targeted call for projects, as evident in the response to RFPs thus far, a project-specific assessment approach is better-suited to allow for the GCF to engage with such entities, rather than through the accreditation process that focuses more on assessing the overall capability of an entity through its institution-wide systems to programme on a portfolio basis.

Table 2: Pipeline of active concept notes or funding proposals from non-accredited entities

RFP and SAP	Number of active concept notes or funding proposals submitted by non-accredited entities	Number of non-accredited entities that have submitted the concept notes or funding proposals
EDA	4	4
MSME	12	12
MFS	19	20 [a]
SAP	13	13
Total	**48**	**49**

[a] One concept note was submitted jointly by an AE and a non-AE.

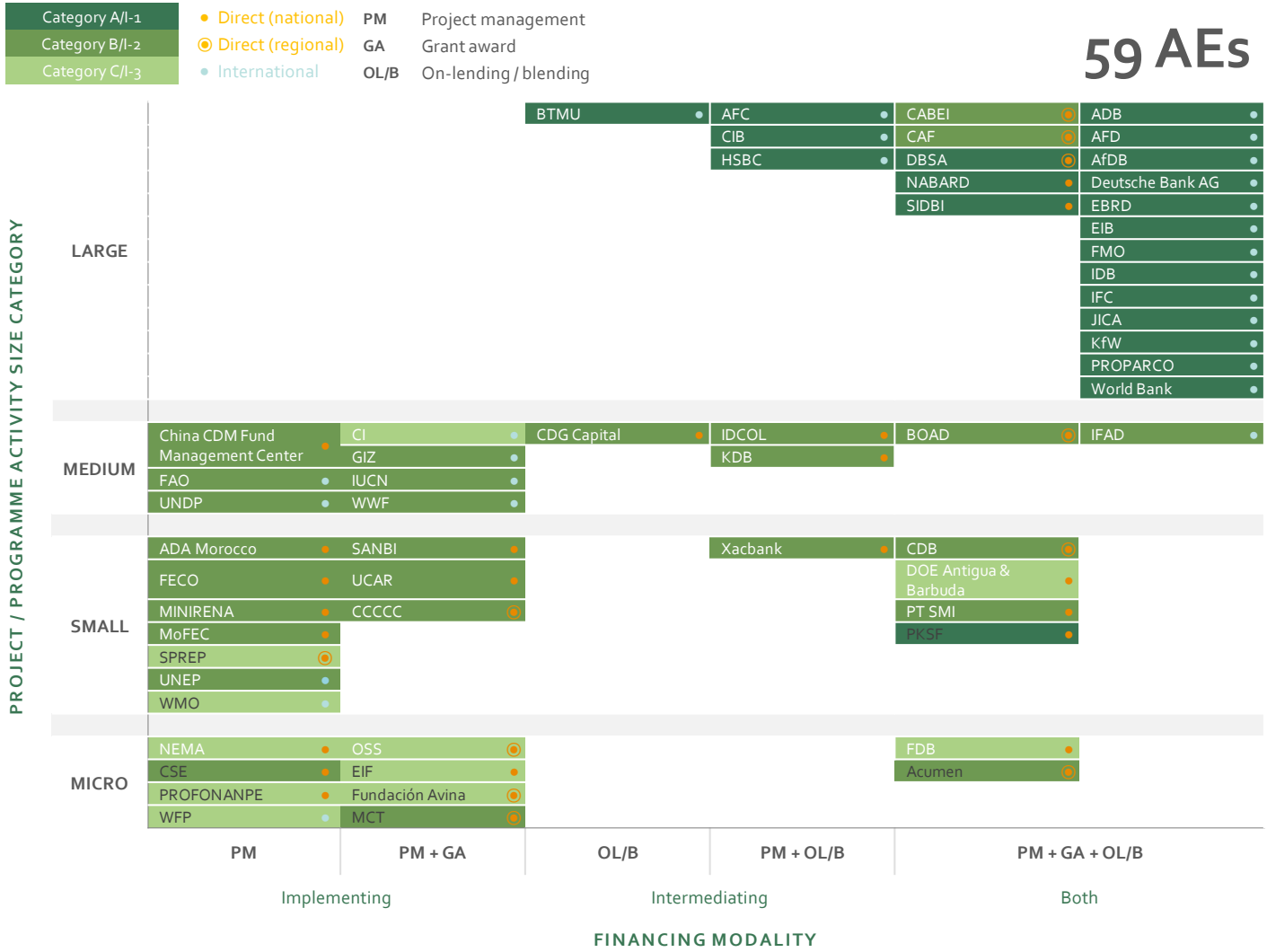
22. The RFP approach also demonstrates that while countries may have the desire to implement interventions within a particular area, they do not necessarily have an AE to work with that aligns with the content area and the necessary accreditation type. An accreditation process coupled with an RFP approach can help catalyze investment in a particular area, but matching the investment area, country and AE can be difficult. An option is to consider a project-specific assessment approach, whereby an entity that is suited for a particular project could go through an assessment focused on the entity's capability to undertake the particular project versus an entire institution-wide assessment that would provide the maximum scope for a project/programme activity within which the entity could operate on a portfolio basis in partnership with the GCF (e.g. the current accreditation process).

III. Partners

3.1 Portfolio of GCF accredited entities

23. Since the opening of the call for applications for accreditation on 17 November 2014 and up to 31 January 2018, 59 organizations, including national, regional and international, public and private sector entities, have been accredited as partners of the GCF. A mapping of the 59 AEs and their accreditation scope (e.g. financing modalities, size category and environmental and social risk category) are shown in figure 11 below.

Figure 11: Mapping of GCF's Accredited Entities and their accreditation scopes (as at 31 January 2018)



Abbreviations: Acumen = Acumen Fund, Inc., ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AFC = Africa Finance Corporation, AFD = Agence Française de Développement, AfDB = African Development Bank, BOAD = Banque Ouest Africaine de Développement (West African Development Bank), BTMU = Bank of Tokyo-Mitsubishi UFJ, Ltd., CABEI = Central American Bank for Economic Integration, CAF = Corporación Andina de Fomento, CCCCC = Caribbean Community Climate Change Centre, CDB = Caribbean Development Bank, CDG Capital = CDG Capital S.A., China CDM Fund Management Center = China Clean Development Mechanism Fund Management Center, CI = Conservation International Foundation, Crédit Agricole CIB = Crédit Agricole Corporate and Investment Bank, CSE = Centre de Suivi Ecologique, DBSA = Development Bank of Southern Africa, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, DOE Antigua and Barbuda = Department of Environment of Antigua and Barbuda, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, EIF = Environmental Investment Fund of Namibia, FAO = Food and Agriculture Organization of the United Nations, FECO = Foreign Economic Cooperation Office, Ministry of Environmental Protection of China, FDB = Fiji Development Bank, FMO = Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, HSBC = HSBC Holdings plc and its subsidiaries, IDB = Inter-American Development Bank, IDCOL = Infrastructure Development Company Limited, IFAD = International Fund for Agricultural Development, IFC = International Finance Corporation, IUCN = International Union for Conservation of Nature, JICA = Japan International Cooperation Agency, KDB = Korea Development Bank, KfW = Kreditanstalt für Wiederaufbau, MCT = Micronesia Conservation Trust, MINIRENA = Ministry of Natural Resources of Rwanda, MoFEC = Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, NABARD = National Bank for Agriculture and Rural Development, NEMA = National Environment Management Authority of Kenya, OSS = Sahara and Sahel Observatory, PKSF = Palli Karma-Sahayak Foundation, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, PROPARCO = Société de Promotion et de Participation pour la Coopération Economique, PT SMI = PT Sarana Multi Infrastruktur, SANBI = South African National Biodiversity Institute, SIDBI = Small Industries Development Bank of India, SPREP = Secretariat of the Pacific Regional Environment Programme, UCAR = Unidad para el Cambio Rural (Unit for Rural Change) of Argentina, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, WFP = World Food Programme, WMO = World Meteorological Organization, World Bank = International Bank for Reconstruction and Development and International Development Association, WWF = World Wildlife Fund, Inc., XacBank = XacBank LLC.

24. The GCF is also aiming to have adequate coverage by region and financial instrument. Table 3 below provides insight, from a regional perspective, on the coverage and range of options that a region has available to it when engaging the GCF. This information is important, because from the perspective of the countries served by the GCF, what is key to their capacity to use the GCF effectively are the number, quality and diversity of partners available to implement GCF projects/programmes.

Table 3: Range of options for partnering with the GCF per region: potential number of entities accredited in each type of capacity, cumulative (as at 31 January 2018)

Region	Fiduciary functions[a]					E&S risk category[a]			Size of an individual project or activity within a programme[b]	
	Project management[c]	Providing grants, including through grant award and/or funding allocation[d]	Blended finance			A	B	C	Micro and small sizes	Medium and large sizes
			Loans	Equity	Guarantees					
Africa	22	21	19	16	18	16	32	38	38	26
Latin America and the Caribbean	13	22	17	15	15	16	27	33	33	23
Asia- Pacific	13	20	19	17	18	14	30	37	37	26
Eastern Europe	8	13	11	10	11	12	18	21	21	18
SIDS	13	23	17	15	16	17	28	33	33	23
LDCs	22	21	19	16	18	16	32	38	38	26

Abbreviations: E&S = environmental and social, LDCs = least developed countries, SIDS = small island developing States.

[a] Annex I to decision B.07/02 (annex I to document GCF/B.07/11).

[b] Annex I to decision B.08/02 (annex I to document GCF/B.08/45).

[c] The specialized fiduciary standard for project management is contained in annex II to decision B.07/02, available at <http://www.greenclimate.fund/documents/20182/319135/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd>. Project management underlying principles are: ability to identify, formulate and appraise projects or programmes; competency to manage or oversee the execution of approved funding proposals (including those financed through grants), including the ability to manage executing entities or project sponsors and to support project delivery and implementation; and capacity to consistently and transparently report on the progress, delivery and implementation of the approved funding proposal.

[d] The specialized fiduciary standard for grant award and/or funding allocation mechanisms is contained in annex II to decision B.07/02, available at <http://www.greenclimate.fund/documents/20182/319135/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd>. Specific capacities for grant award and funding allocation mechanisms of grants in the context of programmes require: transparent eligibility criteria and an evaluation process; a grant award decision and procedures; public access to information on beneficiaries and results; transparent allocation and implementation of financial resources; and a good standing with regard to multilateral funding.

25. From figure 11 above, it is evident that international access AEs predominantly accredited to implement projects of larger sizes, higher environmental and social risks and utilizing a wide-range of financial instruments. To date, there are only three regional direct access entities, CAF, CABEI and DBSA, that have a similar accreditation scope thus limiting the

kinds of activities countries can undertake through direct access entities. **This clear gap for national institutions, as well as for regional entities under the direct access modality, could potentially be overcome through the development of a partnership model – for example partnering a national commercial bank with an environmental non-governmental organization, or partnering a national public sector entity with a private sector entity.** Under such an approach, each organization's strengths could be optimized where one could handle channelling large volumes of funds while the other could assess, monitor and mitigate E&S risks, thereby allowing for the project/programme overall to be safeguarded in a manner consistent with GCF's fiduciary, environmental, social and gender standards.

26. Despite the broad accreditation scope of international access AEs, they have tended not to utilize their full scope. For example, 25 approved projects from international access AEs access only grants from the GCF, with seven of these being medium-sized projects with Category B (medium) environmental and social risks. On the other hand, the few direct access entities that have been accredited with specialized fiduciary standards for on-lending/blending have utilized their accreditation scope, such as with CAF and XacBank utilizing senior loans, and DBSA and Acumen utilizing equity financing.

IV. Pipeline of applicants

4.1 Implementing the prioritization of entities

27. In decision B.14/08, paragraph (d), the Board decided that future accreditation decisions by the Board should aim to bring forward AEs that fill the mandate on balance, diversity, coverage and ability to advance the objectives of the GCF. To that end, in paragraph (d)(i) of the same decision, the Board requested the AP and the Secretariat to establish a prioritization of entities applying for accreditation, and prioritized in 2016 and 2017 a list of entities, not listed in any particular order of priority, including national direct access entities. In decision B.18/04, paragraph (c), the Board decided to extend the prioritization of entities applying for accreditation in accordance with decision B.14/08, paragraph (d)(i), until the end of the nineteenth meeting of the Board.

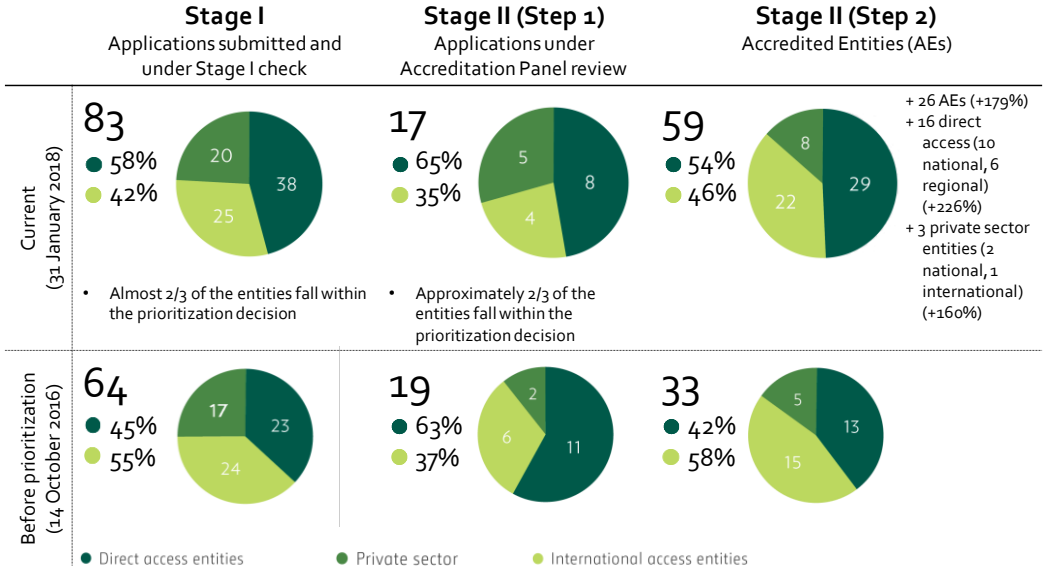
28. Additionally, with a view to increasing the efficiency of the accreditation process, the Board requested for the development of various policy documents on modalities for the use of third-party evidence, and potential fast-track accreditation related to the Adaptation Fund's environmental and social and gender policies for Board consideration, and a review of the fiduciary standards.

29. Since 14 October 2016 (date of decision B.14/08) and up to 31 January 2018, the application by the Secretariat and the Accreditation Panel of the Board decision to prioritize certain entities in the pipeline has resulted in the following, also shown in figure 12 below:

(a) Fifteen of the 21 entities (71 per cent) that have completed Stage I since decision B.14/08, and up to 31 January 2018 are direct access entities. Five of the 21 entities are private sector entities; and

(b) Fourteen of the 18 entities (78 per cent) that have been recommended by the AP following completing Stage II (Step 1) and that have been accredited by the Board in Stage II (Step 2) are direct access entities and two are private sector entities.

Figure 12: Comparison of the accreditation pipeline prior to the Board prioritization decision B.14/08, paragraph (d)(i) and current accreditation pipeline following implementation of the Board decision



4.2 Pipeline of entities seeking to become GCF partners

30. Document GCF/B.19/14 "Status of accreditation matters" contains information on the pipeline of applicants seeking to become GCF partners, particularly the number of entities, type of entity by access modality (e.g. direct or international access), indication of whether the entity is a public or private sector entity, and the various stages of accreditation the applicants are in. Additionally, the document contains a breakdown of direct access entities nominated by NDAs and focal points by geographic region, as well as on direct access entities that have been supported through the GCF Readiness and Preparatory Support Programme for institutional gap assessments and action plans to prepare for accreditation. The GCF's current accreditation framework allows for any entity nominated by a recipient country to apply for accreditation. While the intention for such an approach is to encourage country ownership and country-drivenness, the current framework may inadvertently lead to a country nominating entities simply because they believe the entity will meet the GCF's accreditation standards or nominating any entity that expresses interest. **To drive more country-driven programming, it may prove to be more effective if a country links the entities it nominates directly to its GCF Country Programme given that the role of the AE is to design and implement projects/programmes that address country needs and priorities in addressing climate change, including public sector and private sector entities.**

31. Currently, 24 out of 59 AEs (41 per cent) have projects approved,[67] 22 AEs (37 per cent) have submitted at least one concept note or funding proposal, and 13 AEs (22 per cent) have yet to submit a concept note or funding proposal. Aligning accreditation nominations or the accreditation consideration to either a portfolio of projects or a specific project may help countries accelerate their access to GCF finance. This may also help countries better identify organizations – whether they be direct or international access – that are better suited to manage an entire portfolio of projects/programmes over several years (an implementing entity or intermediary) versus those organizations that are better suited to undertake a specific project

[67] One approved project has lapsed as of 23 October 2017, thus the total number of funding proposals to be implemented is 53 projects from a total of 23 AEs totaling USD 2.637 billion.

or a particular component or outcome within a broader project/programme (an executing entity). Given that the role and responsibility of the AE is to undertake overall management, implementation and supervision of activities financed by the GCF (e.g. implementing entity or intermediary), the accreditation process is designed to assess capabilities and track record of entities in serving as implementing entities or intermediaries for climate finance activities, not executing entities.