

Annex XXVI: Re-accreditation process for accredited entities

1. In decision B.07/02, paragraph (a), the Board adopted the initial guiding framework for the GCF accreditation process. The accreditation term for an accredited entity (AE) is five years.¹ The accreditation term begins upon completion of the three-stage institutional accreditation process; that is, when the signed accreditation master agreement (AMA) entered into between GCF and an AE becomes effective.²

2. The GCF initial monitoring and accountability framework³ identifies the monitoring and reporting requirements applicable to AEs at both the institutional and the project/programme levels. At the institutional level, AEs are required to report during the term of their accreditation on their continued compliance with the standards for GCF accreditation, which includes annual self-assessments conducted by the AE and a midterm accreditation review conducted by GCF.

3. An AE will need to seek re-accreditation to GCF in order to maintain its status as an AE or its status as an AE will lapse at the end of its accreditation term. A risk-based approach will apply to the re-accreditation of AEs at the end of their accreditation term. No later than six months prior to the end of the accreditation period, the AE may submit an application either for re-accreditation in the same categories as before, or for accreditation in higher categories (i.e. upgrade).

I. Standards for re-accreditation

4. The general objective of the initial guiding framework for the GCF accreditation process⁴ is to enable a coherent integration of the GCF fiduciary principles and standards, environmental and social safeguards (ESS) standards and Gender Policy⁵ with the GCF accreditation process and its related operational systems and procedures, including the organizational structure and governance system dedicated to supporting it.

5. The following standards, which are assessed as a part of the accreditation process, will be assessed under the re-accreditation process.

1.1 Fiduciary principles and standards

6. The GCF fiduciary principles and standards distinguish between basic fiduciary criteria, which are applicable to all applicants, and specialized fiduciary criteria, which will reflect the institutional capacities necessary to deliver against the GCF objectives and in accordance with the scope of responsibilities entrusted to the AE. The specialized fiduciary standards include those for project management, grant award and/or funding allocation mechanisms and on-lending and/or blending (for loans, equity and/or guarantees).

7. The GCF fiduciary principles and standards to be applied in the re-accreditation assessment include:

- (a) Initial fiduciary principles and standards (decision B.07/02);
- (b) Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21);

¹ Decision B.11/10, annex I, paragraph 6, states, "The accreditation of an entity to the GCF is valid for a fixed term of five years or less, depending on the terms of accreditation, in accordance with decision B.10/07."

² Decision B.23/11, paragraph (a).

³ Decision B.11/10, paragraph (a).

⁴ Decision B.07/02.

⁵ Decision B.09/11.

- (c) Anti-Money Laundering and Countering the Financing of Terrorism Policy (decision B.18/10);
- (d) Standards for the Implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy (decision B.23/15);⁶
- (e) Policy on Prohibited Practices (decision B.22/19);⁷ and
- (f) Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (decision B.23/16).⁸

1.2 Environmental and social safeguards

8. The GCF Environmental and Social Policy,⁹ the interim ESS standards (including regarding indigenous people),¹⁰ the Information Disclosure Policy¹¹ regarding requirements to disclose environmental and social (E&S) information for category A/intermediation 1 and category B/intermediation 2 projects/programmes, and the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment¹² will be applied in the re-accreditation assessment.

9. The GCF ESS standards contain the requirements that, in cases where there may be environmental and/or social risks and impacts, AEs must ensure that the executing entities they oversee and manage comply with the GCF ESS standards in relation to projects and programmes supported financially by GCF.

10. The GCF ESS standards comprise eight standards with the first one (performance standard 1: assessment and management of E&S risks and impacts) applying to all AEs seeking to become re-accredited.

11. Performance standard 1 establishes the importance of:

- (a) Integrated assessment to identify the E&S impacts, risks and opportunities of funding proposals;
- (b) Effective community engagement through the disclosure of project-related information and consultation with local communities on matters that directly affect them; and

⁶ Decision B.23/15, paragraph (b), requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best way to integrate the Anti-Money Laundering and Countering the Financing of Terrorism Policy in the interim fiduciary standards and present to the Board a proposal for its consideration in 2019 as a matter of urgency. A proposal on integration has yet to be presented to the Board for its consideration. After adoption by the Board of the revised initial fiduciary standards, the accreditation process may be amended to reflect them.

⁷ The Policy on Prohibited Practices adopted in decision B.22/19 replaces the General Policy on Prohibited Practices adopted by the Board in decision B.12/31, paragraph (h).

⁸ Decision B.23/16, paragraph (b), requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best ways to update and amend, as appropriate, the requirements placed on Accredited Entities in the relevant standards, safeguards and policies of GCF so as to integrate the obligations set out in the policy. A proposal on the update or amendment has yet to be presented to the Board for its consideration. After adoption by the Board of either the revised initial fiduciary standards, ESS standards or Gender Policy, the accreditation process may be amended to reflect them.

⁹ Decision B.19/10.

¹⁰ Decision B.07/02.

¹¹ Decision B.12/35.

¹² Decision B.23/16, paragraph (b), requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best way to update and amend, as appropriate, the requirements placed on Accredited Entities in the relevant standards, safeguards and policies of GCF so as to integrate the obligations set out in the policy. A proposal on the update or amendment has yet to be presented to the Board for its consideration. After adoption by the Board of either the revised initial fiduciary standards, ESS standards or Gender Policy, the accreditation process may be amended to reflect them.

- (c) AE management of E&S performance throughout the life of the funded project or programme.
12. Performance standards 2–8 establish objectives and requirements to avoid and minimize and, where residual impacts remain, compensate/offset the risks and impacts to workers, affected communities and the environment. While all relevant E&S risks and potential impacts should be considered as part of the assessment, performance standards 2–8 describe potential E&S risks and impacts that require particular attention.
13. Performance standards 2–8 will be utilized in a modular way as needed. Where environmental or social risks and impacts are identified, the AE is required to manage them in accordance with the GCF ESS standards through the relevant executing entity or entities that the AE oversees and manages.

1.3 Gender

14. The ability of the AE to meet the principles contained in the Gender Policy will be assessed during the re-accreditation process. AEs will be required to have policies, procedures and competencies in place with which to implement the Gender Policy. At the project/programme level, the AE will be responsible for implementing the Gender Policy as it relates to the GCF-approved project/programme through in-country project identification and implementation, as well as for results reporting. The application of the GCF guidelines on the initial socioeconomic and gender assessments and GCF ESS standards as they relate to the project/programme is mandatory.
15. In addition, applicants and AEs must apply the principles contained in the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment.¹³

II. Approach to the re-accreditation and process

16. The approach to and scope of re-accreditation, applying the fit-for-purpose approach to accreditation, and pursuant to the initial guiding framework for the GCF accreditation process, includes:
- (a) Process: the accreditation process, consisting of three main stages, as contained in section V of annex I to decision B.07/02. For AEs that are accredited under the direct access modality, the nomination from the national designated authority or focal point will remain valid for the re-accreditation process;
- (b) Standards for re-accreditation assessment: the standards for GCF accreditation in section I above. Any new or amended standards as contained in section I above adopted by the Board during the five-year accreditation period of an AE will be assessed at the institutional level during the re-accreditation review of the AE. However, this does not preclude the applicability of such standards to funding proposals, as may be required in accordance with GCF policies;
- (c) Conditions of initial accreditation: in the context of re-accreditation the status of accreditation conditions from the initial accreditation of the AE should be considered;

¹³ Decision B.23/16, paragraph (b), requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best ways to update and amend, as appropriate, the requirements placed on Accredited Entities in the relevant standards, safeguards and policies of GCF so as to integrate the obligations set out in the policy. A proposal on the update or amendment has yet to be presented to the Board for its consideration. After adoption by the Board of either the revised initial fiduciary standards, ESS standards or Gender Policy, the accreditation process may be amended to reflect them.

- (d) Timing to apply for re-accreditation: no later than six months prior to the end of the accreditation period;
- (e) Fees for re-accreditation: no fees for re-accreditation shall be charged if the AE is seeking re-accreditation for the same or lower scope of accreditation it was originally accredited for (e.g. the same size category, fiduciary criteria and E&S risk category). In cases where the AE is applying for an upgrade in its accreditation scope, the AE shall pay fees for the upgraded scope of accreditation minus the fees already paid for the existing accreditation scope, in line with the policy on fees for accreditation of GCF;¹⁴
- (f) Scope of review:
- (i) Reports relating to the performance of the AE over the previous five years, including whether concept notes and funding proposals were submitted and reports on the GCF-funded activities;¹⁵
 - (ii) Risk flags incurred by the projects, AE or country over the previous five years;¹⁶
 - (iii) Report on participatory monitoring and review submitted by the national designated authority or focal point, if available, related to the GCF-funded projects/programmes undertaken by the AE within the country;¹⁷
 - (iv) For international access entities, reports on their support to direct access entities to strengthen capacities of, or otherwise support, potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of GCF in order to enhance country ownership;¹⁸ and
 - (v) The Secretariat and Accreditation Panel's assessment of the extent to which the overall portfolio of activities of the AE beyond those funded by GCF has evolved during the accreditation period, in order to advance the goal of GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development;¹⁹
- (g) Reviewers: the Secretariat and the Accreditation Panel, in accordance with the process identified in the accreditation framework;
- (h) Output: recommendation to re-accredit or not to re-accredit by the Secretariat and the Accreditation Panel. The scope of accreditation recommended by the Accreditation Panel may be:
- (i) No change (same accreditation categories the AE was originally accredited for);
 - (ii) Upgrade (new accreditation categories compared with those the AE was originally accredited for); or
 - (iii) Downgrade (lower accreditation category than the AE was originally accredited for); and

¹⁴ Decision B.08/04.

¹⁵ Decision B.11/10.

¹⁶ Decision B.11/10.

¹⁷ Decision B.11/10, particularly annex I, paragraph 15.

¹⁸ In decision B.10/06, paragraph (i), the Board decided that "all international entities, as an important consideration of their accreditation application, shall indicate how they intend to strengthen capacities of, or otherwise support, potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of the Fund in order to enhance country ownership and that they report annually on these actions".

¹⁹ Paragraph 35 of the GCF monitoring and accountability framework.

- (i) Decision-making: the Board will decide whether an entity is to be re-accredited and for which criteria, based on the assessment conducted by the Secretariat and the Accreditation Panel.²⁰
17. If re-accredited, the new accreditation term shall commence on the date of the effectiveness of the amended AMA, taking into account the decision on re-accreditation.
18. The Secretariat may issue a one-time extension to the accreditation term by a period of six months if further time is required to complete the re-accreditation review process and consideration by the Board, provided that the AE has submitted the complete re-accreditation application no later than six months prior to the end of its accreditation term. During this extended period, the AE shall not be able to submit any new funding proposals to GCF for consideration.
19. If an AE does not wish to seek reaccreditation or its accreditation term lapses, the AE will no longer be able to present new funding proposals to GCF for consideration. If such an AE also has approved GCF projects/programmes for which there are Funded Activity Agreements (FAAs) in place, the entity shall continue to implement said Funded Activities as per the FAA.
20. The following principles will be applied in the re-accreditation process (see the figure below):
- (a) The extent of assessment related to institutional capacities is ordered from the highest level of assessment to the least, as follows:²¹
- (i) Accreditation;
 - (ii) Re-accreditation;
 - (iii) Midterm review by GCF;²² and
 - (iv) Annual self-assessments by AEs;²³
- (b) Any assessment of institutional compliance with GCF accreditation requirements following the initial accreditation assessment (e.g. annual self-assessments, midterm accreditation review and re-accreditation) should focus on the changes in the institutional systems, policies, procedures and capacities that impact the ability of the AE to undertake its role and responsibilities as an AE and meet its obligations as per the AMA;
- (c) The re-accreditation process and midterm accreditation review should build upon the institutional compliance assessments previously reported by the AEs and conducted by GCF in order to minimize overlap in the periodic reviews and reduce the burden for both AEs and GCF in the re-accreditation process; and
- (d) For applications for re-accreditation for the same accreditation scope as the initial accreditation, taking into account paragraph 16(b) above, only new track records during the accreditation term should be subject to review. For re-accreditation applications that include an application for a new accreditation scope, the accreditation assessment of the new accreditation scope will be treated as an upgrade application and be assessed in its entirety (i.e. not only focusing on changes, because the new scope has never been assessed).

²⁰ Decision B.10/07, paragraph (c).

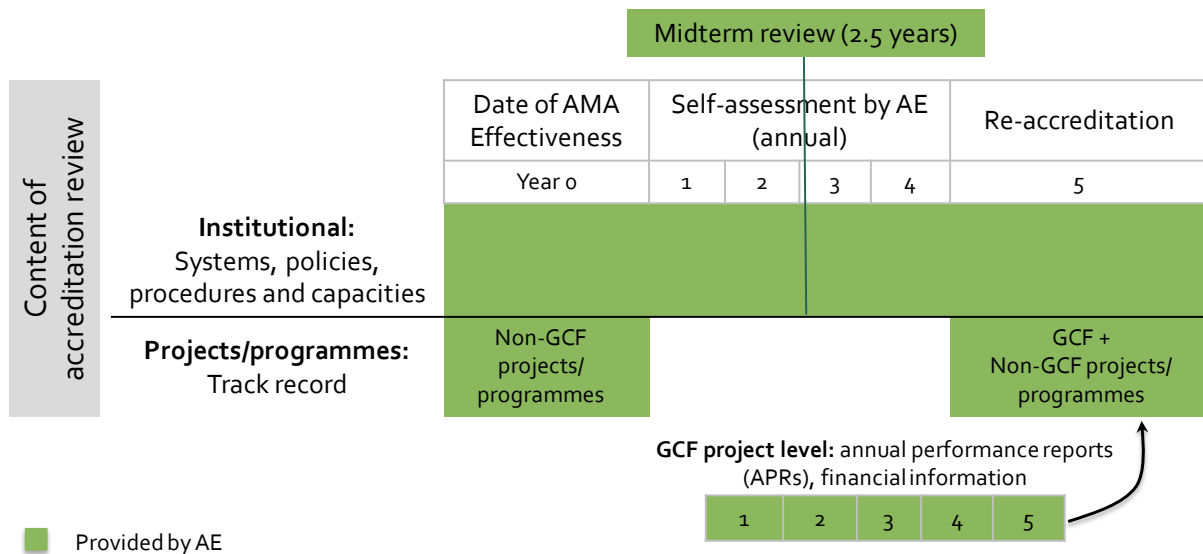
²¹ Unless otherwise agreed in effective AMAs.

²² Decision B.11/10.

²³ Decision B.11/10.



Approach to level of due diligence for institutional accreditation and re-accreditation



Abbreviation: AE = accredited entity.

21. The indicative approach to paragraph 16 above is as follows:
 - (a) Year 1: the AE provides its annual self-assessment using the GCF annual self-assessment template covering the period from year 0 to year 1, indicating whether there have been any changes in institutional systems, policies, procedures and capacities that impact its ability to undertake the role and responsibilities of an AE and obligations as per its AMA with GCF. If there are no changes, the AE would report this. If there are changes, further information should be provided by the AE in order for GCF to assess whether such changes impact its status as an AE;
 - (b) Year 2: the same as (a) above, but focusing on changes during the period from year 1 to year 2;
 - (c) Midterm review at approximately 2.5 years: GCF conducts its review on the basis of information already provided by the AE in the year 1 and year 2 self-assessments, and any changes since year 2 reported by the AE in the GCF midterm review template;
 - (d) Year 3: the same as (a) and (b) above, but focusing on changes during the period from year 2 (or midterm review) to year 3;
 - (e) Year 4: the same as (d) above, but focusing on changes during the period from year 3 to year 4; and
 - (f) Year 5 (six months prior to the end of the fifth year): the AE applies for re-accreditation focusing on changes during the period from year 4 to year 5.
22. In cases where the annual self-assessment is not required but the midterm review and re-accreditation are, at the time of the midterm review of these AEs, any changes in the institutional systems, policies, procedures and capacities of the AE that impact its ability to undertake the role and responsibilities of an AE and obligations as per its AMA with GCF for the period between year 0 and year 2.5 would be assessed. At the time of re-accreditation, such changes for the period between year 2.5 and year 5 would be assessed.

III. Upgrades in accreditation scope

23. The accreditation of additional institutional capacities (e.g. upgrade in accreditation scope) can be done at any time and as soon as the AE considers itself ready to pursue such an upgrade in its accreditation. The accreditation process for the upgrade will then focus only on the new capacities to be reviewed and not on all the other capacities already accredited.

24. The table below outlines indicative approaches for different scenarios regarding the status quo or changes in the accreditation scope (see also para. 16(d) above):

Indicative approach to re-accreditation scenarios concerning changes in accreditation scope

Compared with initial accreditation	Case A: no change to accreditation scope <ul style="list-style-type: none"> Original = PM Re-accreditation = PM 	Case B: change in accreditation scope <ul style="list-style-type: none"> Original = PM Re-accreditation = PM and GA 	Case C: change in original accreditation and accreditation scope ^a <ul style="list-style-type: none"> Original = PM Re-accreditation = PM and GA
Initial accreditation			
Accreditation criteria	Same	Change	Change
1. Systems, policies, procedures and capacities	Same	<ul style="list-style-type: none"> Same for PM New for GA 	<ul style="list-style-type: none"> Change in PM New for GA
2. Track record	Change (GCF + non-GCF (in the absence of GCF) projects/programmes)	Change (GCF + non-GCF (in the absence of GCF) projects/programmes)	Change (GCF + non-GCF (in the absence of GCF) projects/programmes)
Re-accreditation			
Scope of the re-accreditation assessment	Focus on new track record (GCF + non-GCF (in the absence of GCF) projects/programmes), including project performance reviews and risk flag reporting	<ul style="list-style-type: none"> For the same criteria (PM), focus on new track record (GCF + non-GCF (in the absence of GCF) projects/programmes), including project performance reviews and risk flag reporting For new criteria (GA), check (1) systems, policies, procedures and capacities and (2) track record (e.g. new accreditation application for GA, treated as an upgrade) 	<ul style="list-style-type: none"> For the same criteria (PM), focus on change compared with the original in (1) systems, policies, procedures and capacities and (2) new track record (GCF + non-GCF (in the absence of GCF) projects/programmes), including project performance reviews and risk flag reporting For new criteria (GA), check (1) systems, policies, procedures and capacities and (2) track record (e.g. new accreditation application for GA, treated as an upgrade)
Additional items to be assessed during re-accreditation	<ul style="list-style-type: none"> IAE intent to support DAEs Extent to which the AE's overall portfolio of activities beyond 	<ul style="list-style-type: none"> IAE intent to support DAEs Extent to which the AE's overall portfolio of activities beyond those funded by GCF has 	<ul style="list-style-type: none"> IAE intent to support DAEs Extent to which the AE's overall portfolio of activities beyond those funded by GCF has



Compared with initial accreditation	Case A: no change to accreditation scope <ul style="list-style-type: none"> • Original = PM • Re-accreditation = PM 	Case B: change in accreditation scope <ul style="list-style-type: none"> • Original = PM • Re-accreditation = PM and GA 	Case C: change in original accreditation and accreditation scope^a <ul style="list-style-type: none"> • Original = PM • Re-accreditation = PM and GA
	those funded by GCF has evolved in the direction of GCF goals	evolved in the direction of GCF goals	evolved in the direction of GCF goals

Abbreviations: DAE = direct access entity, GA = specialized fiduciary standard for grant award and/or funding allocation mechanisms, IAE = international access entity, PM = specialized fiduciary standard for project management.

^a Accreditation scope as in: maximum financing size category; environmental and social safeguards risk category; geographic scope (national/regional).