



GREEN
CLIMATE
FUND

Application Documents for Submissions of Applications for Accreditation

GCF/B.08/06

5 October 2014

Meeting of the Board

14-17 October 2014

Bridgetown, Barbados

Agenda item 6 (e)

Recommended action by the Board

It is recommended that the Board:

- (a) Take note of the information presented in document GCF/B.08/06 *Application Documents for Submissions of Applications for Accreditation*; and
- (b) Adopt the draft decision contained in Annex I to this document.

Application Documents for Submissions of Applications for Accreditation

I. Introduction

1. By its decision B.07/02, paragraph (r), the Board decided to open a call for submissions of accreditation applications from implementing entities (IEs) and intermediaries after the Board's third meeting of 2014, and requested the Secretariat to prepare the relevant application documents for consideration by the Board at its third meeting in 2014.
2. This document presents the content of the application for accreditation to the Green Climate Fund. The application form and application guidance will be developed by the Secretariat based on Annex II of this document. The fit-for-purpose approach to accreditation will be applied in the assessment of applications.
3. It is understood that an applicant entity will submit only one application at a time for accreditation to the Fund.
4. All applications must be completed and submitted in English. All supporting documentation must be in English, or accompanied by an English translation.
5. The applicant entity may provide documentation in support of their application. The Secretariat (at Stage I of the accreditation process) and the Accreditation Panel (at Stage II of the accreditation process) decide whether the supporting documentation submitted by the applicant entity is deemed sufficient.

II. Key sections to be included in the application for accreditation

6. At a minimum, the application for accreditation to the Fund will include the following key sections to be completed by the applicant entity:
 - (a) Application number and processing information;
 - (b) Background and contact information of the applicant entity;
 - (c) Information on the scope of intended activities and estimated contribution requested for an individual project or activity;
 - (d) Basic fiduciary criteria;
 - (e) Applicable specialized fiduciary criteria;
 - (f) Environmental and social safeguards (ESS); and
 - (g) Gender.

III. Application number and processing information

7. Each application for accreditation will automatically be assigned an application number based on the date and time of receipt by the Secretariat to begin Stage I of the accreditation process.

IV. Background and contact information of the applicant entity

8. The section on background and contact information is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

9. At a minimum, the application for accreditation should include the following items related to the background and contact information of the applicant entity:

- (a) Legal name of the applicant entity;
- (b) Institution type, size and core business (e.g. international, regional, national, or sub-national levels, including private sector and other institutions);
- (c) Summary of climate change-related projects or programmes already implemented;
- (d) Registered address of the applicant entity;
- (e) Website of the applicant entity, if applicable;
- (f) First and last names of the primary and secondary contact points of the applicant entity;
- (g) E-mail addresses of the primary and secondary contact points of the applicant entity;
- (h) Telephone numbers of the primary and secondary contact points of the applicant entity; and
- (i) Fax numbers of the primary and secondary contact points of the applicant entity.

V. Information on scope of intended activities and estimated contribution requested for an individual project or activity

10. The section on information on the scope of intended activities and the estimated contribution requested for an individual project or activity is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

11. The application for accreditation will include the following items related to the intended activities to be undertaken and the contribution requested by the applicant entity:

- (a) Type, theme, size and risk level of intended activities to be undertaken using the Fund's resources;
- (b) Estimated maximum contribution amount for a project or activity to be requested from the Fund in US\$ and type(s) of financial instrument(s) for intended activities;
- (c) Sources of additional finance, if applicable, for intended activities;
- (d) Indication of the standards against which the application will be assessed;
- (e) Basic fiduciary standards and ESS; and
- (f) If applicable, specialized fiduciary standard(s).

12. Type refers to sector, for example, energy or transport, etc. Theme refers to, for example, mitigation or adaptation. Size refers to the scale of the intended activities, including the estimated total project or activity costs. Risk level refers to the level of environmental and social risk of the intended projects or activities. The information provided in this section should be estimated and will be used to provide an early indication of the projects and activities that the entity may undertake. The funding proposals submitted after accreditation will need to include concrete information on the projects and activities.

13. The estimated maximum contribution amount for an individual project or activity to be requested from the Fund in US\$ and the type(s) of financial instrument(s) for intended activities refer to the amount of financial resources and types of financial instruments the applicant entity intends to request and apply in the intended activity. The maximum contribution amount for a project or activity will determine the accreditation fees to be paid by the applicant entity, in accordance with the Policy on Fees for Accreditation to the Fund.¹

14. Sources and types of additional finance for intended activities (if applicable) refers to the indication of the sources and types of other finance that may be applied, in addition to the resources from the Fund, and how the sources and types of other finance will be applied.

15. Indication of the standards against which the application will be assessed refers to the requirement for the applicant entity to indicate whether their application is to be assessed against the Fund's basic fiduciary standards and ESS, and, if applicable, specific specialized fiduciary standards (e.g. project management, grant award and/or funding allocation mechanisms, and on-lending and/or blending).

VI. Basic fiduciary criteria

16. The section on basic fiduciary criteria is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

17. The application should demonstrate the following competencies related to the Fund's initial basic fiduciary criteria:

18. Key administrative and financial capacities;

19. Transparency and accountability.

20. The specific key administrative and financial capabilities required for accreditation are related to:

(a) General management and administration;

(b) Financial management and accounting;

(c) Internal and external auditing;

(d) Control frameworks; and

(e) Procurement.

21. The specific capabilities related to the competencies of transparency and accountability required for accreditation are related to:

(a) Disclosure of conflicts of interest;

(b) Code of ethics;

(c) Prevention or handling of financial mismanagement and other forms of malpractice;

(d) Investigations; and

(e) Anti-money laundering and anti-terrorist financing.

¹ To be considered by the Fund as contained in document GCF/B.08/04.

VII. Specialized fiduciary criteria

22. The section on specialized fiduciary criteria is applicable to any applicant entity seeking accreditation for a specific set of specialized fiduciary criteria and is to be completed with the required information and supported with other documentation as necessary.

23. The application should demonstrate the following competencies related to the Fund's initial specialized fiduciary criteria:

- (a) Project management;
- (b) Grant award and/or funding allocation mechanisms; and
- (c) On-lending and/or blending.

24. The specific capabilities related to project management required for accreditation in this area are:

- (a) Project preparation and appraisal (from the concept stage to the full funding proposal);
- (b) Project oversight and control;
- (c) Monitoring and evaluation; and
- (d) Project-at-risk systems and associated project risk management.

25. The specific capabilities related to grant award and/or funding allocation mechanisms required for accreditation in this area are:

- (a) Grant award procedures;
- (b) Transparent allocation of financial resources;
- (c) Public access to information on beneficiaries and results; and
- (d) Good standing with regard to multilateral funding (e.g. through recognized public expenditure reviews).

26. The specific capabilities related to on-lending and/or blending required for accreditation in this area are related to:

- (a) Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable;
- (b) Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources;
- (c) Creditworthiness;
- (d) Due diligence policies, processes and procedures;
- (e) Financial resource management, including analysis of the lending portfolio of the intermediary;
- (f) Public access to information on beneficiaries and results;
- (g) Investment management, policies and systems, including in relation to portfolio management;
- (h) Capacity to channel funds transparently and effectively, and to transfer the Fund's funding advantages to final beneficiaries;
- (i) Financial risk management, including asset liability management; and

- (j) Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk).

VIII. Environmental and social safeguards

27. The section on ESS is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

- (a) The application should demonstrate the following competency related to the Fund's ESS, which is required for accreditation: assessment and management of environmental and social risks and impacts.

28. The specific capability related to the assessment and management of environmental and social risks and impacts required for accreditation is to be able to:

- (a) Develop an environmental and social management system (ESMS) to consistently implement Performance Standards 1-8;² the ESMS includes the following elements:
- (i) A policy;
 - (ii) A process to identify risks and impacts consistent with Performance Standards 1-8;
 - (iii) A management programme that manages mitigation measures and actions stemming from the risks and impacts. The management programme should include an identification process consistent with Performance Standards 1-8;
 - (iv) Organizational capacity and competencies to properly implement Performance Standards 1-8;
 - (v) A monitoring and review programme to ensure completion of mitigation actions; this should facilitate learning and include reporting on the effectiveness of the ESMS; and
 - (vi) External communication channel that facilitates receipt of and response to external inquires.

IX. Gender

29. The section on gender is applicable to all applicant entities seeking accreditation and is to be completed with the required information and supported with other documentation as necessary.

30. The application should demonstrate the following competencies related to the Fund's Gender Policy,³ which are required for accreditation:

- (a) Competencies, policies and procedures to implement the Fund's Gender Policy; and
- (b) Experience in gender and climate change, including a track record of lending to both women and men;

31. If the entity cannot demonstrate the elements mentioned in paragraph 30 (a)–30 (b) above, it should demonstrate willingness to acquire or develop the needed competencies, policies and procedures for gender-sensitive project preparation, design, implementation and reporting.

² Annex III to document GCF/B.07/11.

³ Document GCF/B.08/19.

X. Additional considerations

32. The Accreditation Panel, with the support of the Secretariat, can from time to time and as required call for a review and amend the contents of the application for accreditation to the Fund.
33. The Accreditation Panel, with the support of the Secretariat, will determine the format of the application template containing at a minimum the content identified within this document.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.08/06 *Application Documents for Submissions of Applications for Accreditation*:

Adopts the content of the application for accreditation to the Green Climate Fund set out in Annex II.

Annex II: Content of the application documents for submissions of applications for accreditation to the Green Climate Fund

I. Purpose

1. The purpose of the content of the application for accreditation to the Fund is to define the information required for an applicant entity to complete in order for it to apply for accreditation to the Fund. The application form and application guidance will be developed by the Secretariat based on this document. The fit-for-purpose approach to accreditation will be applied in the assessment of applications.
2. An applicant entity can submit only one application at a time for accreditation to the Fund.
3. All applications must be completed and submitted in English. All supporting documentation must be in English, or accompanied by an English translation.
4. The applicant entity may provide documentation in support of their application. The Secretariat (at Stage I of the accreditation process) and the Accreditation Panel (at Stage II of the accreditation process) decide whether the supporting documentation submitted by the applicant entity is deemed sufficient.

II. Key sections to be included in the application for accreditation

5. At a minimum, the application for accreditation to the Fund should include the following key sections to be completed by the applicant entity:
 - (a) Application number and processing information;
 - (b) Background and contact information of the applicant entity;
 - (c) Information on the scope of intended activities and estimated contribution requested for an individual project or activity;
 - (d) Basic fiduciary criteria;
 - (e) Specialized fiduciary criteria;
 - (f) Environmental and social safeguards (ESS); and
 - (g) Gender.

III. Application number and processing information

6. Each application for accreditation will automatically be assigned an application number based on the date and time of receipt by the Secretariat to begin Stage I of the accreditation process.

IV. Background and contact information of the applicant entity

7. The section on background and contact information is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

8. At a minimum, the application for accreditation should include the following items related to the background and contact information of the applicant entity:

- (a) Legal name of the applicant entity;
- (b) Institution type, size and core business (e.g. international, regional, national, or sub-national levels; public, private, and other institutions);
- (c) Summary of climate change-related projects or programmes already implemented;
- (d) Registered address of the applicant entity;
- (e) Website of the applicant entity, if applicable;
- (f) First and last names of the primary and secondary contact points of the applicant entity;
- (g) Emails of the primary and secondary contact points of the applicant entity;
- (h) Telephone numbers of the primary and secondary contact points of the applicant entity; and
- (i) Fax numbers of the primary and secondary contact points of the applicant entity.

V. Information on scope of intended activities and estimated contribution requested for an individual project or activity

9. The section on information on the scope of intended activities and the estimated contribution requested for an individual project or activity is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

10. The application for accreditation includes the following items related to the intended activities to be undertaken and the contribution requested by the applicant entity:

- (a) Type (sector, such as energy or transport, etc.), theme (e.g. mitigation or adaptation), size (e.g. scale), and risk level (related to environmental and social risk) of intended activities to be undertaken using the Fund's resources. The information provided in this section should be estimated and will be used to provide an early indication of the projects and activities that the entity may undertake. The funding proposals submitted after accreditation will need to include concrete information on the projects and activities;
- (b) Estimated maximum contribution amount for an individual project or activity to be requested from the Fund in US\$ and the type(s) of financial instrument(s) for intended activities. The maximum contribution amount for a project or activity will determine the accreditation fees to be paid by the applicant entity, in accordance with the Policy on Fees for Accreditation to the Fund;¹
- (c) Sources and types of additional finance for intended activities (if applicable), and how the sources and types of other finance will be applied;
- (d) Indication of the standards against which the application will be assessed refers to the requirement for the applicant entity to indicate whether their application is to be assessed against the Fund's basic fiduciary standards and ESS, and, if applicable, specialized fiduciary standards (e.g. project management, grant award and/or funding allocation mechanisms, and on-lending and/or blending).

¹ To be considered by the Fund as contained in document GCF/B.08/04.

VI. Basic fiduciary criteria

11. The section on basic fiduciary criteria is applicable to all applicant entities and is completed with the required information and supported with other documentation as necessary.

12. The application should demonstrate the following competencies and specific capabilities related to the Fund’s initial basic fiduciary criteria as illustrated in the Table 1 below:

Table 1: Competencies and specific capabilities required to comply with the Fund’s initial basic fiduciary standards

| Competency | Areas in which capabilities are required |
|---|--|
| Key administrative and financial capacities | <ul style="list-style-type: none"> • General management and administration • Financial management and accounting • Internal and external auditing • Control frameworks • Procurement |
| Transparency and accountability | <ul style="list-style-type: none"> • Disclosure of conflicts of interest • Code of ethics • Prevention of or handling of financial mismanagement and other forms of malpractice • Investigations • Anti-money laundering and anti-terrorist financing |

VII. Section on specialized fiduciary criteria

13. The section on specialized fiduciary criteria is applicable to any applicant entity seeking accreditation for a specific set of specialized fiduciary criteria and is to be completed with the required information and supported with other documentation as necessary.

14. The application should demonstrate the following competencies and specific capabilities related to the Fund’s initial specialized fiduciary criteria as illustrated in Table 2 below:

Table 2: Competencies and specific capabilities required to comply with the Fund’s initial specialized fiduciary standards

| Competency | Areas in which capabilities are required |
|--|--|
| Project management | <ul style="list-style-type: none"> • Project preparation and appraisal (from the concept stage to the full funding proposal) • Project oversight and control • Monitoring and evaluation • Project-at-risk systems and associated project risk management |
| Grant award and/or funding allocation mechanisms | <ul style="list-style-type: none"> • Grant award procedures • Transparent allocation of financial resources • Public access to information on beneficiaries and results • Good standing with regard to multilateral funding (e.g. through recognized public expenditure reviews) |

| | |
|----------------------------|--|
| On-lending and/or blending | <ul style="list-style-type: none"> • Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable; • Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources; • Creditworthiness; • Due diligence policies, processes and procedures; • Financial resource management, including analysis of the lending portfolio of the intermediary; • Public access to information on beneficiaries and results; • Investment management, policies and systems, including in relation to portfolio management; • Capacity to channel funds transparently and effectively, and to transfer the Fund’s funding advantages to final beneficiaries; • Financial risk management, including asset liability management; • Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk). |
|----------------------------|--|

VIII. Environmental and social safeguards

15. The section on ESS is applicable to all applicant entities and is to be completed with the required information and supported with other documentation as necessary.

16. The application should demonstrate the following competency and specific capabilities related to the Fund’s initial ESS as illustrated in Table 3 below:

Table 3: Competencies and specific capabilities required to comply with the Fund’s initial ESS

| Competency | Areas in which capabilities are required |
|---|---|
| Assessment and management of environmental and social risks and impacts | <p>Develop an environmental and social management system (ESMS) to consistently implement Performance Standards 1-8;² the ESMS includes the following elements:</p> <ul style="list-style-type: none"> • A policy; • A process to identify risks and impacts consistent with Performance Standards 1-8; • A management programme that manages mitigation measures and actions stemming from the risks and impacts. The management programme should include an identification process consistent with Performance Standards 1-8; • Organizational capacity and competencies to properly implement Performance Standards 1-8; • A monitoring and review programme to ensure completion of mitigation actions; this should facilitate learning and include reporting on the effectiveness of the ESMS; • External communication channel that facilitates receipt of and response to external inquiries. |

² Annex III of document GCF/B.07/11.

IX. Gender

17. The section on gender is applicable to all applicant entities and is completed with the required information and supported with other documentation as necessary.

18. The application should demonstrate the following competency and specific capabilities related to the Fund’s Gender Policy,³ which is required for accreditation (see Table 4):

Table 4: Competencies and specific capabilities required to comply with the Fund’s Gender Policy

| Competency | Areas in which capabilities are required |
|------------|--|
| Gender | <p>Demonstrate:</p> <p>(a) Competencies, policies and procedures to implement the Fund’s Gender Policy; and</p> <p>(b) Experience in gender and climate change, including a track record on lending to both women and men;</p> <p>If the entity cannot demonstrate the elements mentioned in paragraph (a) or (b) above, it should:</p> <p>(c) Demonstrate willingness to acquire or develop the needed competencies, policies and procedures for gender-sensitive project preparation, design, implementation, and reporting.</p> |

X. Additional considerations:

19. The Accreditation Panel, with the support of the Secretariat, can from time to time and as required call for a review and amend the content of the application for accreditation to the Fund.

20. The Accreditation Panel, with the support of the Secretariat, determines the format of the application template containing at a minimum the content identified within this document.

³ Document GCF/B.08/19.