Decisions of the Board – Tenth Meeting of the Board, 6-9 July 2015

GCF/B.10/17
21 July 2015

Meeting of the Board
6-9 July 2015
Songdo, Republic of Korea
Agenda Item 33
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Decisions of the Board –
Tenth Meeting of the Board, 6-9 July 2015

Agenda item 1: Opening of the meeting

1. The Co-Chairs opened the meeting on 6 July 2015.

Agenda item 2: Adoption of the agenda and organization of work

2. The Board adopted the agenda as set forth in document GCF/B.10/01/Rev.01 Agenda:
   1. Opening of the meeting
   2. Adoption of the agenda and organization of work
   3. Adoption of the report of the ninth meeting
   4. Report on activities of the Co-Chairs
   5. Report on activities of the Secretariat
   6. Reports from committees and panels
   7. Status of the Initial Resource Mobilization process
   8. Level of concessional terms for the public sector
   9. Brief guideline on the application of the case-by-case provisions in the financial terms and conditions of the Fund’s instruments
   10. Additional modalities that further enhance direct access: Terms of reference for a pilot phase
   11. Selection process and terms of reference for the heads of the accountability units: Recommendations of the Appointment Committee
   12. Consideration of accreditation proposals
   13. Initial monitoring and accountability framework for accredited entities (progress report)
   14. Report on the implementation of legal and formal arrangements with accredited entities
   15. Recommendations for further accrediting national, regional and private sector entities (progress report)
   16. Initial risk management framework: Methodology to determine and define the Fund’s risk appetite
   17. Appointment of experts of the independent Technical Advisory Panel
   18. Progress report on the readiness and preparatory support programme
   19. Country ownership
   20. Further development of the initial proposal approval process
   21. Recommendations from the Private Sector Advisory Group to the Board of the Green Climate Fund
   22. Template for the bilateral agreement on privileges and immunities
23. Decision-making procedures for the Board in the absence of consensus
24. Policies on ethics and conflicts of interest
25. Methodology for decisions taken in between meetings
26. Strategic plan for the Fund
27. Items for consideration at the eleventh meeting of the Board
28. Further consideration of the initial term of Board membership
29. Investment Framework: Applying scale in the assessment of funding proposals
30. Fourth report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change
31. Date and venue of the following meeting of the Board
32. Other matters
33. Report of the meeting
34. Closure of the meeting

**Agenda item 3: Adoption of the report of the ninth meeting**

3. The Board adopted the following decision:

**DECISION B.10/01**

The Board, having reviewed document GCF/B.09/24/Drf.01 Draft Report of the Ninth Meeting of the Board, 24-26 March 2015:

(a) **Requests** the Secretariat to revise the draft report of the ninth meeting to reflect the amendments suggested by the Board;

(b) **Adopts** the report of the ninth meeting of the Board contained in document GCF/B.09/24 on the understanding that it includes the decisions of the ninth meeting of the Board and the amendments suggested by Board members; and

(c) **Agrees** to publish the report on the Fund's website (document GCF/B.09/24 Report of the Ninth Meeting of the Board, 24-26 March 2015).

**Agenda item 4: Report on activities of the Co-Chairs**


**Agenda item 5: Report on activities of the Secretariat**

5. The Board took note of document GCF/B.10/Inf.03 Report on Activities of the Secretariat and of oral reports as given by the Executive Director and representatives of the Secretariat; and provided comments and guidance accordingly.

**Agenda item 6: Reports from committees and panels**

6. The Board took note of document GCF/B.10/Inf.04 Report from Committees and Panels and its addendum Add.01, and provided guidance to the Committees and Panels. The Board also took note of the verbal reports from the Accreditation Committee, the Accreditation Panel, the
Appointment Committee, the Ethics and Audit Committee, the Investment Committee, the Private Sector Advisory Group, and the Risk Management Committee.

**Agenda item 7: Status of the Initial Resource Mobilization process**

7. The Board adopted the following decision:

**DECISION B.10/02**

The Board, having reviewed document GCF/B.10/Inf.09 Status of the Initial Resource Mobilization Process:

(a) Takes note of the information presented in document GCF/B.10/Inf.09 Status of the Initial Resource Mobilization Process;

(b) Welcomes the progress made by those countries that have converted their pledges to the Green Climate Fund (the Fund) into fully executed contribution agreements/arrangements; and

(c) Urges other contributing countries to confirm their pledges to the Fund in the form of fully executed contribution agreements/arrangements.

**Agenda item 8: Level of concessional terms for the public sector**

8. The Board adopted the following decision:

**DECISION B.10/03**

The Board, having reviewed document GCF/B.10/06 Level of Concessional Terms for the Public Sector:

Requests the Risk Management Committee, with the support of the Secretariat, to present a revised document on this matter for the Board’s consideration at its twelfth meeting.

**Agenda item 9: Brief guideline on the application of the case-by-case provisions in the financial terms and conditions of the Fund’s instruments**


**Agenda item 10: Additional modalities that further enhance direct access: Terms of reference for a pilot phase**

10. The Board adopted the following decision:

**DECISION B.10/04**

The Board, having considered document GCF/B.10/05 Additional Modalities that Further Enhance Direct Access: Terms of Reference for a Pilot Phase:

(a) Approves the terms of reference for a pilot phase enhancing direct access to the Green Climate Fund (the Fund) as contained in Annex I to this document;
(b) Requests the Secretariat, under the guidance and oversight of the Accreditation Committee and in consultation with relevant stakeholders and the independent Technical Advisory Panel, to prepare and launch a request for proposal for countries, in accordance with Annex I hereto (Request for Proposal), through their national designated authorities or focal points and public media;

(c) Recalls that access to Fund resources will be through accredited entities. As such, nominated entities must be accredited by the Fund, in respect of the Fund’s fit-for-purpose approach, prior to the review by the Board of their pilot proposals;

(d) Requests the Secretariat to publish the pilot proposals on the Fund’s website at least 21 calendar days before the first day of the meeting at which they will be presented to the Board for approval;

(e) Also requests the Secretariat and the independent Technical Advisory Panel to undertake the assessment of pilot proposals received in response to a request for proposal from countries in accordance with the Fund’s initial proposal approval process;¹ and the initial investment framework and to provide recommendations on pilots to be approved with the initial aim of providing up to US$ 200 million for at least 10 pilots, including at least four pilots to be implemented in small island developing States, the least developed countries and African States; and

(f) Further requests the Secretariat to report back to the Board on the progress made on this request for proposal at the twelfth meeting of the Board.

**Agenda item 11: Selection process and terms of reference for the heads of the accountability units: Recommendations of the Appointment Committee**

11. The Board adopted the following decision:

**DECISION B.10/05**

The Board having taken note of the information presented in document GCF/B.10/09 Selection Process and Terms of Reference of the Heads of the Accountability Units: Recommendations of the Appointment Committee:

(a) Endorses the selection process, as set out in Annex II to this document;

(b) Takes note of the indicative timeline encompassing the entire selection process, as set out in Annex III to this document;

(c) Endorses the terms of reference of the recruitment firm, as set out in Annex IV to this document;

(d) Agrees to appoint a recruitment firm via an in-between meetings decision with an invitation to approve the decision within a period of one week;

(e) Approves a budget for the selection process of the accountability units, including the costs of the recruitment firm;

(f) Decides that the remuneration levels of the heads of the three accountability units will be comparable to the salary levels of equivalent roles in other specialized global funds;

(g) Requests the Secretariat to provide a comparison of salary levels for comparable positions at other specialized global funds;

¹ Decision B.07/03.
Also requests the Appointment Committee to provide additional recommendations on the salary levels for consideration by the Board at its eleventh meeting;

Decides that the heads of the units will be offered performance-based contracts;

Requests the Appointment Committee to develop the performance criteria and measurement procedure for approval by the Board via an in-between meetings decision before the twelfth meeting of the Board;

Adopts the terms of reference of the Head of the Independent Evaluation Unit in accordance with decision B.09/14, paragraph (c), as set out in Annex V to this document;

Also adopts the terms of reference of the Head of the Independent Integrity Unit in accordance with decision B.09/14, paragraph (c), as set out in Annex VI to this document;

Further adopts the terms of reference of the Head of the Independent Redress Mechanism in accordance with decision B.09/14, paragraph (c), as set out in Annex VII to this document; and

Agrees to amend the terms of reference of the Independent Redress Mechanism, as set out in Annex V to decision B.06/09, to make the position of the Head of Independent Redress Mechanism a full-time post.

Agenda item 12: Consideration of accreditation proposals

The Board adopted the following decision:

DECISION B.10/06

The Board, having considered document GCF/B.10/03 Consideration of Accreditation Proposals and after further exchange with the Accreditation Panel (AP):

Takes note with appreciation of the in-depth assessment conducted by the AP contained within the relevant annexes for the following applicants:

Applicant 008 (APL008) is the Environmental Investment Fund of Namibia (EIF), as contained in Annex VIII;

Applicant 009 (APL009) is the Ministry of Natural Resources of Rwanda (MINIRENA), as contained in Annex IX;

Applicant 010 (APL010) is the National Bank for Agriculture and Rural Development (NABARD), as contained in Annex X;

Applicant 011 (APL011) is the Corporación Andina de Fomento (CAF), as contained in Annex XI;

Applicant 012 (APL012) is the Caribbean Community Climate Change Centre (CCCCC), as contained in Annex XII;

Applicant 013 (APL013) is the Africa Finance Corporation (AFC), as contained in Annex XIII;

Applicant 014 (APL014) is Deutsche Bank AktienGesellschaft (Deutsche Bank AG), as contained in Annex XIV;

Applicant 015 (APL015) is the Agence Française de Développement (AFD), as contained in Annex XV;

Applicant 016 (APL016) is the Conservation International Foundation (CI), as contained in Annex XVI;
(x) Applicant 017 (APL017) is the European Bank for Reconstruction and Development (EBRD), as contained in Annex XVII;

(xi) Applicant 018 (APL018) is the Inter-American Development Bank (IDB), as contained in Annex XVIII;

(xii) Applicant 019 (APL019) is the United Nations Environment Programme (UNEP), as contained in Annex XIX; and

(xiii) Applicant 020 (APL020) is the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) (together as “World Bank”, as contained in Annex XX;

(b) Also takes note that the Board exercised its discretion and best judgement in reliance on the information furnished by the AP;

(c) Accredits APL008, APL009, APL010, APL011, APL012, APL013, APL014, APL015, APL016, APL017, APL018, APL019 and APL020 pursuant to paragraph 45 of the Governing Instrument for the Green Climate Fund (the Fund), and subject to, and in accordance with, the assessment, including any conditions and recommendations, by the AP as contained in the relevant annexes for each of the applicant entities and reiterated in Annex XXII;

(d) Decides that the Board shall continue to exercise its discretion and best judgement in future accreditation decisions;

(e) Requests the Secretariat to track and report on the fulfilment of conditions of accreditation on a regular basis;

(f) Takes note that, pursuant to decision B.08/03, paragraph (k), the Secretariat in consultation with the AP, is proposing that the eligibility to apply under the fast-track accreditation process be extended to those entities listed in Annex XXI;

(g) Decides that those entities referred to in Annex XXI are also eligible to apply under the fast-track accreditation process for the Fund’s standards in accordance with decision B.08/03, paragraph (e), for Global Environment Facility agencies, decision B.08/03, paragraph (f), for entities accredited by the Adaptation Fund, and decision B.08/03, paragraph (g), for entities under the Directorate-General for Development and Cooperation – EuropeAid of the European Commission;

(h) Also decides that, recalling decision B.06/06 and pursuant to decision B.09/07, paragraph (g), the Secretariat will actively support applications for accreditation received from subnational, national and regional public and private sector entities in order to ensure a balance of diversity, including between entities under the direct access and international access modalities, in the list of entities being considered for accreditation by the Board;

(i) Further decides that, recalling decision B.08/03, 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;

(j) Reaffirms that information on how the entity will contribute to the mandate of the Fund and any information considered material, particularly information with potential reputational risks to the Fund, shall be provided in the recommendation of the AP to the Board;

(k) Requests the Secretariat, as part of the information disclosure policy to be considered by the Board at its eleventh meeting, in consultation with relevant stakeholders, to develop a proposal to increase the transparency of the accreditation process, including the
modalities for the disclosure of the names of applicant entities and/or those recommended by the AP to the Board for accreditation;

(i) Decides that, recalling decision B.09/08, the accreditation master agreement, to be signed between the Fund and each accredited entity, shall define the relationship between the Fund and the entity, including the roles of each and how each will carry out its responsibilities, under those arrangements, with regard to the extent and scope of its accreditation;

(m) Requests the Secretariat to address through the accreditation master agreement or other relevant documents, including the risk management framework, any conflict of interest, potential conflict of interest and reputational risks which may arise from the relationship between the Fund and its accredited entities reflecting generally accepted international standards;

(n) Also requests the Secretariat to present relevant policies addressing fraud, corruption and other prohibited practices, and policies addressing anti-money laundering and countering the financing of terrorism issues, taking into account relevant Board decisions and international best practices and standards adopted in decision B.07/02, for consideration by the Board no later than its eleventh meeting;

(o) Authorizes the Executive Director to recruit a fiduciary compliance specialist with anti-money laundering and countering financing of terrorism skills;

(p) Decides that, in accordance with the disclosure policies of the Fund:

(i) The Secretariat will submit a document on the consideration of accreditation proposals, including the AP’s assessment and recommendations on accreditation and names of the entities, to the Board at least 21 days before the start of the Board meeting;

(ii) Board members may provide questions about the entities being recommended for accreditation, in writing, to the Secretariat within one week of the AP’s recommendations being circulated to the Board;

(iii) The Secretariat shall compile questions provided by the Board, and circulate the compilation of questions, verbatim, to the AP and all Board members; and

(iv) The AP shall respond to all questions and provide a compilation of those responses to the Board at the latest one week before the Board meeting. The AP will have sole authority to decide whether or not to make changes to its recommendation in response to feedback from the Board.

(q) Also decides to revise the membership of the Accreditation Committee, as contained in Annex IV to decision B.07/02, to comprise:

(i) Three Board members or alternate members from developing country Parties; and

(ii) Three Board members or alternate members from developed country Parties; and

(r) Requests the Accreditation Committee with the support of the Secretariat to work on a strategy on accreditation for consideration by the Board at its eleventh meeting. The report should examine issues including efficiency, fairness and transparency of the accreditation process, as well as the extent to which current and future accredited entities enable the Fund to fulfil its mandate.
Agenda item 13: Initial monitoring and accountability framework for accredited entities (progress report)

13. The Board adopted the following decision:

**DECISION B.10/07**

The Board, having reviewed document GCF/B.10/Inf.11 Initial Monitoring and Accountability Framework for Accredited Entities (Progress Report):

(a) **Notes** the need for ongoing monitoring of compliance with the Green Climate Fund’s (the Fund) fiduciary standards, environmental and social safeguards, and gender policy;

(b) **Decides** that the accreditation of an entity to the Fund is valid for a fixed term of five years or less, depending on the terms of accreditation;

(c) **Also decides** that the Board will decide whether an entity is to be re-accredited, based on the assessment conducted by the Secretariat and the Accreditation Panel;

(d) **Further decides** that the initial monitoring and accountability framework will focus on compliance with the Fund’s environmental and social safeguards, fiduciary standards, and gender policy, and will comprise at least four compliance checks of the accredited entities and activities financed by the Fund as follows:

(i) Annual self-reporting to the Secretariat by the accredited entity and at any time when an important change in the capacity or any other material aspect of the accredited entity with regard to the Fund’s fiduciary standards, environmental and social safeguards, and gender policy occurs;

(ii) Ad hoc checks by the Secretariat at the level of the accredited entity and/or at the level of the project/programme, when any significant concern of potential non-compliance arises;

(iii) Annual review on a given proportion by number of projects, of the Fund’s portfolio of projects and programmes, where projects and programmes to be reviewed are selected inter alia with consideration of the risk category of the project/programme; and

(iv) A light-touch review of the accredited entity halfway through its five-year accreditation period;

(e) **Requests** the Secretariat to further develop the initial monitoring and accountability framework for consideration by the Board at its eleventh meeting, in particular providing more detail on:

(i) Corrective actions and remedies that can be implemented in cases of non-compliance;

(ii) The implementation of the compliance checks listed in paragraph (d) above and any additional compliance checks that may be identified;

(iii) An early warning system to support ad hoc checks and the annual review of a portion of the Fund’s portfolio;

(iv) Local monitoring (including feedback from a range of stakeholders, including women);

(v) How to process the potential reaccreditation of accredited entities at the end of their five-year accreditation period;
How the initial monitoring and accountability framework will relate to and work with the Fund's accountability units;

Ensuring there are sufficient resources available to the Secretariat to implement the framework;

How the framework will use a risk-based approach, including by leveraging other monitoring processes, to use its resources efficiently;

Reporting on the findings of activities under the monitoring and accountability framework; and

How the national designated authority or focal point can be included in the initial monitoring and accountability framework; and

Also requests the Secretariat, when further developing the initial monitoring and accountability framework, to do so in consultation with the Accreditation Committee and entities accredited by the Fund, and by engaging a wide group of stakeholders, including women through a call for public input.

Agenda item 14: Report on the implementation of legal and formal arrangements with accredited entities

14. This agenda item was not considered by the Board.

Agenda item 15: Recommendations for further accrediting national, regional and private sector entities (progress report)

15. This agenda item was not considered by the Board.

Agenda item 16: Initial risk management framework: Methodology to determine and define the Fund’s risk appetite

16. The Board adopted the following decision:

DECISION B.10/08

The Board, having reviewed document GCF/B.10/07 Initial Risk Management Framework: Methodology to Determine and Define the Fund’s Risk Appetite:

(a) Adopts the risk dashboard and the related categories and subcategories of risk proposed in Annex XXIII to this document;

(b) Also adopts the Fund’s risk appetite methodology as contained in Annex XXIV to this document;

(c) Requests the Secretariat, in consultation with the Risk Management Committee, to prepare for the eleventh Board meeting, a detailed risk register, which shall further define the risk categories and subcategories, as outlined in Annex XXIII to this document;

(d) Also requests the Secretariat, in consultation with the Risk Management Committee, to develop and run scenarios, for the eleventh Board meeting, based on the adopted risk categories and subcategories, for consideration by the Board in the establishment of priorities, targets, tolerances and limits for the different risk categories and subcategories,
as outlined in Annex XXIV to this document and to specify the risks to be addressed by the Fund and other actors such as accredited entities; and

(e) Further requests the Secretariat, in consultation with the Risk Management Committee, to undertake a review of the risk dashboard by the third Board meeting of 2016.

Agenda item 17: Appointment of experts of the independent Technical Advisory Panel

17. The Board adopted the following decision:

DECISION B.10/09

The Board, having reviewed document GCF/B.10/15 Appointment of Experts of the Independent Technical Advisory Panel:

(a) Endorses the nomination by the Investment Committee of the following experts of the independent Technical Advisory Panel for one term:

(i) Mr. Ahsan Uddin Ahmed (Male, Bangladesh);
(ii) Ms. Silvie Kreibiehl (Female, Germany);
(iii) Ms. Claudia Martinez (Female, Colombia); and
(iv) Mr. Jo Yamagata (Male, Japan);

(b) Reaffirms that the work of the independent Technical Advisory Panel will be conducted as per the terms of reference approved in decision B.09/10, paragraph (a);

(c) Also reaffirms that the Panel will comprise six members as per the terms of reference approved in decision B.09/10, paragraph (a), and that the remaining two Panel members will be selected before the twelfth meeting of the Board with due consideration to the United Nations Framework Convention on Climate Change (UNFCCC) roster of experts and to the geographic and specialty coverage, as appropriate;

(d) Decides that the Secretariat, in consultation with the Investment Committee, will conduct a review of the independent Technical Advisory Panel’s effectiveness to be provided to the Board for consideration at its fourteenth meeting. This review will include an assessment of:

(i) Projected demands on the Panel and its associated capacity to assess funding proposals in terms of time commitment and range of technical expertise;

(ii) Any specific gaps in the Panel’s technical expertise that should be filled through the appointment of additional Panel members (including from the UNFCCC roster of experts as appropriate) rather than ad hoc technical support; and

(iii) Costings for the recruitment and employment of such additional Panel members;

(e) Moreover, based on the objectives and guiding principles, and paragraph 70 on expert and technical advice of the Governing Instrument, and on the Panel’s terms of reference as approved in decision B.09/10, paragraph (a), agrees that:

(i) The Panel will, with the help of the Secretariat, draw on technical expertise, particularly including that from, but not limited to, the UNFCCC roster of experts and thematic bodies, as appropriate; and
(ii) The Secretariat should, in line with the Panel’s terms of reference, establish a dedicated roster of experts for the Panel in major mitigation and adaptation areas over time, and to report on progress at the fourteenth meeting of the Board; and

(f) Decides, noting decision 5/CP.19, to include in its annual report to the Conference of the Parties of the UNFCCC information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate.

Agenda item 18: Progress Report on readiness and preparatory support programme


Agenda item 19: Country ownership

19. The Board adopted the following decision:

DECISION B.10/10

The Board, having reviewed document GCF/B.10/Inf.07 Country Ownership, reaffirming that the Green Climate Fund (the Fund) will pursue a country driven approach:

(a) Takes note of the document;

(b) Recognizes the importance of enhancing country ownership, country drivenness and the role that national designated authorities (NDAs)/focal points (FPs) can play in this regard;

(c) Affirms that all efforts should be undertaken to:

(i) Strengthen the key role of NDAs/FPs in the formulation of country programme/project pipelines, the consideration of implementation partners, and financial planning, and enhance capacity, including through the programme on readiness and preparatory support;

(ii) Also strengthen the role of NDAs/FPs in monitoring and providing feedback regarding the impact of Fund operations within countries in terms of the degree to which the Fund’s initiatives add value to national development priorities, building institutional capacity, and promoting a paradigm shift towards low carbon and climate resilient development; and

(iii) Promote a central and leading role of NDAs/FPs in the coordination of the Fund’s engagements within countries while highlighting the importance of the differentiation of roles between the Secretariat, accredited entities and NDAs/FPs in relation to country programming;

(d) Requests the Secretariat to prepare a proposal of guidelines and drawing upon learning experiences and best practices across NDAs/FPs in order to address the aspects outlined in paragraph (c) above for consideration by the Board at its twelfth meeting;

(e) Recognizes that NDAs/FPs should facilitate country coordination and engagement with representatives of relevant stakeholders such as the private sector, academia and civil society organizations and women’s organizations, taking into account the best practice options adopted by the Board in decision B.08/10 and supported as needed by the Secretariat; and
(f) **Reaffirms**, in accordance with decision B.08/11, the readiness and preparatory support programme as a mechanism to enhance country ownership.

**Agenda item 20: Further development of the initial proposal approval process**


**Agenda item 21: Recommendations from the Private Sector Advisory Group to the Board of the Green Climate Fund**

21. The Board adopted the following decision:

**DECISION B.10/11**

The Board, having reviewed document GCF/B.10/16 Recommendations from the Private Sector Advisory Group to the Board of the Green Climate Fund (the Fund):

(a) **Decides**, taking note of the recommendations contained in document GCF/B.10/16, to establish a pilot programme to support micro-, small-, and medium-sized enterprises (MSMEs) and a pilot programme to mobilize resources at scale in order to address adaptation and mitigation;

(b) **Also decides** to allocate over the course of the initial resource mobilization period, in several tranches:

(i) Up to US$ 200 million for the MSME pilot programme; and

(ii) Up to US$ 500 million for the mobilizing resources pilot programme;

(c) **Further decides** that the Board may review the aforementioned amounts when it deems appropriate;

(d) **Requests** the Secretariat, in the implementation of decision B.09/09, paragraph (h), taking note of the Private Sector Advisory Group (PSAG) recommendations as contained in document GCF/B.10/16, to present for the Board’s consideration by no later than the twelfth meeting of the Board the terms of reference for a request for proposal (RFP) for entities to manage the MSME pilot programmes, and the terms of reference for an RFP for entities to mobilize resources at scale, with an aim of launching both RFPs in 2016;

(e) **Decides** that both pilot programmes will be consistent with the objectives and policies of the Fund, including country ownership through the participation of national designated authorities (NDAs)/focal points (FPs), stakeholders and accredited observers, inter alia NDAs/FPs providing non-objection for selected proposals;

(f) **Notes** that the use of RFPs is complementary to, and not a substitute for, proposals submitted to the Fund by accredited entities and NDAs/FPs;

(g) **Also notes** the PSAG recommendation that external support may prove useful and the Secretariat will explore the need to retain external support in order to operationalize the pilot programmes;

(h) **Requests** the Accreditation Committee and the PSAG to present further recommendations on possible measures to support the accreditation of entities with solid track records in supporting MSMEs and in mobilizing resources at scale for the Board’s consideration by no later than its twelfth meeting; and
(i) **Decides** to review the implementation and scale of the initial phase of the MSME pilot programme and the mobilization pilot programme two years from the date on which the RFPs are made.

**Agenda item 22: Template for the bilateral agreement on privileges and immunities**

22. The Board adopted the following decision:

**DECISION B.10/12**

The Board, having reviewed document GCF/B.10/12 Template for Bilateral Agreement on Privileges and Immunities:

(a) **Authorizes** the Executive Director to negotiate and sign, or otherwise develop, taking account of the draft provisions set out in Annex XXV hereto and the domestic legal and policy frameworks of countries, agreements or other appropriate arrangements with countries on the privileges and immunities of the Green Climate Fund (the Fund);

(b) **Also authorizes** the Executive Director to develop additional arrangements to elaborate on the privileges and immunities negotiated or otherwise developed by the Fund and country Parties to address privileges, immunities or exemptions for:

   (i) Conferences or other international meetings of the Fund;
   (ii) Country or regional offices of the Fund, or any permanent presence in a country;
   (iii) Resolution of disputes regarding the application of privileges and immunities of the Fund; and
   (iv) Any other privileges, immunities, or exemptions that the country and the Fund may agree as necessary to protect the Fund and persons associated with the Fund;

(c) **Requests** the Secretariat to report at each meeting of the Board as part of the Secretariat’s activities on any agreements or other appropriate arrangements which have been concluded or implemented;

(d) **Also requests** the Secretariat to implement measures such as insurance, indemnification, or other liability protection to assure that Secretariat staff, Board members and alternates are protected, as appropriate, including while on mission; and

(e) **Further requests** the Secretariat to incorporate in the report to the Conference of the Parties to the United Nations Framework Convention on Climate Change a section on the status of the Fund’s existing privileges and immunities with regard to its operational activities, starting at its twenty-first session and thereafter biennially, consistent with decision 7/CP.20, paragraph 22.

**Agenda item 23: Decision-making procedures for the Board in the absence of consensus**

23. This agenda item was not considered by the Board.

**Agenda item 24: Policies on ethics and conflicts of interest**

24. The Board adopted the following decision:
DECISION B.10/13

The Board, having reviewed document GCF/B.10/13/Rev.01 Policies on Ethics and Conflicts of Interest:

(a) **Adopts** the Policy on Ethics and Conflicts of Interest for External Members of Green Climate Fund Panels and Groups as set out in Annex XXV to this document (the Policy);

(b) **Decides** that, solely in respect of the role of the Independent Integrity Unit (IIU) under the Policy, the Ethics and Audit Committee will fulfil such role on a temporary basis until the IIU shall have become operational;

(c) **Adopts** the Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund Secretariat as set out in Annex XXVII to this document (the Executive Director Policy);

(d) **Decides** to authorize the Ethics and Audit Committee to carry out the responsibilities assigned to it in the Executive Director Policy; and

(e) **Requests** the Ethics and Audit Committee, with the support of the Secretariat, to continue its work on recommended policies on ethics and conflicts of interest for the other Board appointed officials and active observers.

Agenda item 25: Methodology for decisions taken in between meetings

25. This agenda item was not considered by the Board.

Agenda item 26: Strategic plan for the Fund

26. The Board adopted the following decision:

DECISION B.10/14

The Board, having considered agenda item 26 “Strategic plan for the Fund” of document GCF/B.10/01/Rev.01 Agenda:

**Invites** members of the Board to send inputs to the Secretariat by 31 July 2015, in order for the Secretariat to produce a progress report on the strategic plan for consideration by the Board at its eleventh meeting.

Agenda item 27: Items for consideration at the eleventh meeting of the Board

27. The Board adopted the following decision:

DECISION B.10/15

The Board, having reviewed document GCF/B.10/18/Drf.02 Items for consideration at the eleventh meeting of the Board:

**Requests** the Co-Chairs to propose a provisional agenda for the eleventh meeting of the Board in consultation with their respective constituencies before 31 July 2015.
Agenda item 28: Further consideration of the initial term of Board membership

28. The Board adopted the following decision:

DECISION B.10/16

The Board, having reviewed document GCF/B.10/14 Further Consideration of the Initial Term of Board Membership:

(a) Decides that:

(i) Members and alternate members of the Board whose terms expire on 23 August 2015 shall continue in their functions until their successors have been selected;

(ii) Members and alternate members of the Board serving in the capacity of members of the Accreditation Committee, the Risk Management Committee, the Investment Committee and the Private Sector Advisory Group, whose terms expire in 2015 shall continue in their functions until their successors have been selected;

(iii) Representatives of the active observers from accredited civil society organizations and private sector organizations whose terms expire in 2015 shall continue in their functions until their successors have been selected; and

(iv) All of the above are subject to no person continuing in his/her function as part of the initial term after 31 December 2015 or changing the cycle of the terms; and

(b) Requests the Secretariat to further consider the possibility of aligning the term of Board membership to the calendar year and to report back to the Board at its twelfth session.

Agenda item 29: Investment Framework: Applying scale in the assessment of funding proposals

29. The Board adopted the following decision:

DECISION B.10/17

The Board, having reviewed document GCF/B.10/04 Applying Scale in the Assessment of Funding Proposals, and recalling decision B.09/05:

(a) Decides that in applying the scaling pilot, the proposal size is defined as:

(i) Micro proposals: up to and including US$ 10 million in total project size;

(ii) Small proposals: above US$ 10 million and up to and including US$ 50 million in total project size;

(iii) Medium proposals: above US$ 50 million and up to and including US$ 250 million in total project size; and

(iv) Large proposals: above US$ 250 million in total project size;

(b) Also decides that the scaling pilot will apply to all medium and large proposals;

(c) Further decides that in monitoring the effectiveness of the scaling pilot, mitigation proposals will only be compared with mitigation proposals and adaptation proposals will only be compared with adaptation proposals;
(d) **Decides** to recognize country needs and circumstances while applying the scaling pilot, in line with decision B.09/05, paragraph (g); and

(e) **Requests** the Secretariat to review the scaling pilot on an annual basis and to communicate its findings to the Investment Committee and to the Board.

Agenda item 30: Fourth report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

30. The Board adopted the following decision:

**DECISION B.10/18**

The Board, having considered document GCF/B.10/08 Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change:

(a) **Requests** the current Co-Chairs, assisted by the Secretariat, to finalize the Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change (hereinafter referred to as Fourth Report), presented in the Annex XXVIII to this document, taking into consideration the comments made and decisions taken at the tenth meeting, and submit the revised report to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat as soon as possible, but no later than 12 weeks prior to the twenty-first session of the Conference of the Parties (COP21), in accordance with decision 7/CP.20, paragraph 23;

(b) **Also requests** the current Co-Chairs, assisted by the Secretariat, to issue and submit to the UNFCCC secretariat an addendum to the Fourth Report after the eleventh meeting of the Board and before COP 21; and

(c) **Decides** to adopt an annual reporting period running from 1 August up to and including 31 July of the following calendar year for the report of the Green Climate Fund to the Conference of the Parties, starting with the next annual report to the Conference of the Parties.

Agenda item 31: Date and venue of the following meeting of the Board

31. The Board adopted the following decision:

**DECISION B.10/19**

The Board, having reviewed document GCF/B.10/02 Date and Venue of the Eleventh Meeting of the Board:

(a) **Decides** that its third meeting in 2015 will take place in Zambia from 4 to 6 November 2015, with dates to be further confirmed; and

(b) **Requests** the Secretariat to pursue its consultations with Zambia with a view to concluding the required agreement and to making the necessary arrangements.

Agenda item 32: Other matters

32. This agenda item was not considered by the Board.
Agenda item 33: Report of the meeting

33. The decisions as adopted and its corresponding annexes are included in this document.

Agenda item 34: Closure of the meeting

34. The meeting was closed on 10 July 2015 at 2:39 a.m.
Annex I: Terms of reference for a pilot phase enhancing direct access to the Green Climate Fund

I. Objective of the pilot phase

1. The objective of the pilot phase for enhancing direct access is to allow for an effective operationalization of modalities with the potential to enhance access by sub-national, national and regional, public and private entities to the Green Climate Fund (the Fund). This will include devolved decision-making to such entities, once accredited, and stronger local multi-stakeholder engagement. The pilot phase will offer the Fund an opportunity to gain experience and additional insights through such an approach.

1. In addition, the pilot phase can also be used to draw lessons learned with regard to:
   (a) Promoting the paradigm shift towards low-emission and climate-resilient development pathways;
   (b) Country coordination and multi-stakeholder engagement, replication and sustainability;
   (c) Governance standards; and
   (d) Targeted readiness support.

2. Learning processes will be supported by a specific monitoring and evaluation plan for each pilot at the country level, where key performance indicators will be specifically designed for this purpose. A final evaluation at the country level and over all pilots will consolidate the lessons learned, allowing scalability and mainstreaming.

3. The pilot phase will be evaluated and lessons learned will lead to potential scaling up. The evaluation timing will be set for assessing mid-term outcomes (two to three years) and longer term impacts and lessons to be learned (five years or more).

II. Steps of the pilot phase

4. Enhancing direct access is necessary mainly because decision-making on the specific projects and programmes to be funded will be made at the national or subnational level,¹ and such direct access is a means by which to increase the level of country ownership² over those projects and programmes. This implies that the screening, assessment and selection of specific pilot activities would be made at the regional, national or subnational level. At the same time, mechanisms will be set up to increase national oversight and multi-stakeholder engagement at the country level.

5. The following steps will be conducted in the pilot phase:
   (a) A call for pilot proposals by the Secretariat;
   (b) The selection and nomination of a prospective accredited entity (e.g. subnational, national or regional entity) through a consultative process by the national designated authority (NDA) or focal point under the direct access modality;
   (c) If not already accredited, application by the prospective entity for accreditation. Access to Fund resources will be through accredited entities. As such, nominated entities must be accredited by the Fund prior to the submission of their pilot proposals to the Board;

(d) The process will follow the accreditation framework, including decisions related to fit-for-purpose and fast-tracking;

(e) Submission of a proposal developed by the accredited entity (or by the prospective accredited entity), in consultation with the NDA or focal point, to the Fund for approval. Unlike the traditional direct access modality, there will be no submission of individual projects or programmes to the Fund because decision-making for the funding of specific pilot activities will be devolved to the country level;

(f) The assessment of each individual pilot proposal received will follow the Fund’s initial approval process;

(g) Legal arrangements between the Fund and the accredited entity for the Fund-approved pilot; and

(h) Decision-making by the entity on the specific pilot activities under the Fund-approved pilot, in consultation with the NDA or focal point, the institution fulfilling the oversight function, and various stakeholders in the multi-stakeholder engagement process.

III. Role of NDAs and focal points

6. The NDA or focal point will have a strong role in the pilot, in consultation with relevant national stakeholders, by:

(a) Communicating the country’s strategic frameworks within which prospective entities will develop pilot proposals;

(b) Inviting and selecting subnational, national and regional entities, from the public and private sectors, to propose pilot proposals for consideration by the Fund;

(c) Nominating the selected entities for accreditation by the Fund; and

(d) Participating in the appraisal of the pilot proposals and subsequently in the monitoring and evaluation of the country pilot in accordance with the Fund’s relevant guidelines.

IV. National oversight and steering function and multi-stakeholder engagement

7. Countries participating in the enhancing direct access pilot phase are required to exercise oversight on the activities to ensure transparency. For this purpose, it is recommended that countries identify an existing institution that will fulfil this role.

8. Oversight and steering activities may include:

(a) A provision of regular strategic guidance regarding the country pilot(s) to the accredited entities;

(b) Review of reporting by the accredited entity;

(c) Periodic field visits; and

(d) Regular communication with relevant stakeholders and the Fund.

9. The oversight function should include the NDA or focal point and representatives of relevant stakeholders, such as government, the private sector, academia or civil society organizations, and women’s organizations.

10. In the elaboration and implementation of the country pilot, countries are expected to consider the criteria included in the Fund’s initial best-practice options for country coordination
and multi-stakeholder engagement, as set out in Annex XIV to decision B.08/10 and the priorities identified in the countries’ climate strategies and action plans.

11. Readiness funding could be provided to support the strengthening or establishment of such processes.

12. Prior to their implementation, details of individual projects or programmes will be made accessible to the public via the websites of the NDA or focal point, and the accredited entity.

13. The Secretariat will provide guidance on the set up and operations of these processes.

V. Type of entities to be involved in implementation

14. NDAs or focal points can nominate an entity for the implementation of the country pilot, such as a public sector institution (development bank, national fund, etc.) or private sector entity (commercial bank, investment fund, etc.) and non-governmental organizations operating at the regional, national or subnational levels.

15. In order to ensure the inclusion of a wide range of stakeholders, the selected entity will work with various types of local actors, especially those addressing the needs of vulnerable communities and gender aspects, which may include public institutions, local bodies, non-governmental organizations, community-based organizations, actors from the informal sector, and private enterprises, particularly small and medium-sized enterprises (SMEs).

16. Interested countries can include a request for readiness support in their pilot proposals, particularly to provide support in multi-stakeholder engagement and the strengthening of oversight mechanisms to enhance accountability and transparency.

VI. Accreditation and the Fund’s standards

17. Entities will have to be accredited before being able to fund activities with the Fund’s resources. They will have to demonstrate compliance with the Fund’s standards in the accreditation process, which includes the assessment of entities’ capabilities, competencies and track records in having and undertaking financial, environmental and social risk mitigation measures. These include the basic fiduciary standards and relevant specialized fiduciary standards for project management, grant award and/or funding allocation mechanisms on-lending and/or blending (for loans, equity, and/or guarantees) through the Fund’s accreditation process, and the Fund’s environmental and social safeguards and Gender Policy. Accredited entities will be accountable for the financial management of activities under the pilot in accordance with the Fund’s policies. Compliance with the Fund’s standards and safeguards will be assessed in accordance with the Fund’s monitoring and accountability framework and its processes and procedures.

18. Compliance with the Fund’s specialized fiduciary standards on grant award and/or funding allocation mechanisms, and on-lending and/or blending may be required depending on the nature of the activities to be undertaken.

19. Readiness support can be provided to assist entities through the accreditation process.

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3 Annex II to decision B.07/02.
4 Annex III to decision B.07/02.
5 Annex XIII to decision B.09/11.
6 Annex III to decision B.07/02.
VII. Type of activities to be considered

20. The country pilots can include both adaptation and mitigation activities that will contribute to one or more of the Fund’s result areas. A gender-sensitive approach in developing the activities of the pilots is recommended in accordance to the Fund’s Gender Action Plan. A significant share of small-scale activities should directly support communities or SMEs through, for example, small-scale grants or extended lines of credit.

21. The entities nominated by the NDA or focal point for accreditation will work through various types of local actors in the development of potential projects and programmes, particularly local intermediaries and those addressing the needs of vulnerable communities, which may include public institutions, non-governmental organizations and private enterprises, especially SMEs.

22. Depending on the type of accreditation of the selected entity and its capacity, Fund resources may be deployed in the form of the following financial instruments in the pilot: grants, loans, equity and guarantees.7

VIII. Indicative content of proposals

23. The proposals should contain the following contents at a minimum:

(a) Background and contact information (including the name of institution or organization proposing the activities, contact information of key person(s), etc.);

(b) A description of the consultation and selection process facilitated by the NDA or focal point of the nominated direct access accredited entity;

(c) A description of the proposed scope of activities, including objectives, type, sectors, size and geographic locations. The pilot’s specific objectives and goals should be aligned with the Fund’s results management framework;8

(d) A description of the approval process and selection criteria for the activities, which should be consistent with the Fund’s initial investment framework and proposal approval process;9

(e) A composition of the decision-making body that will be housed and managed by the entity. The decision-making body should include civil society, the private sector and other relevant stakeholders, and should be sensitive to gender considerations;

(f) A composition of the oversight function, which may include representatives from organizations such as those indicated in Chapter IV of these terms of reference(TOR);

(g) A composition of those with involvement in the multi-stakeholder engagement process. Guidance provided in Chapter IV of this TOR may be referenced;

(h) A time frame of implementation, including start date and duration;

(i) The funding amount to be requested, including the financial instrument (e.g. grant, loan, equity, guarantee);

(j) Risk assessment and management, including assumptions, factors, ratings, and mitigation measures; and

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7 The Board, by decision B.08/12, decided that the Fund will work through accredited entities, who may deploy the resources in approved projects and programmes, by using financial instruments, focusing on grants, concessional loans, equity and guarantees.
8 Document GCF/B.07/04.
9 Document GCF/B.07/06.
(k) Monitoring and evaluation, including logical frameworks, methods, criteria, information to be reported, frequency, responsibilities, means of verification and evaluation plans.

24. Accredited entities are encouraged in the development of their pilot proposals to adopt gender-sensitive and participatory approaches in planning, and monitoring and evaluation so as to assure that the needs of communities are appropriately addressed.

IX. Monitoring, evaluation and timeline of the pilot phase

25. Each of the pilots will report to the Secretariat on the progress of the implementation on an annual basis and when specifically requested.

26. The Secretariat will report to the Board on an annual basis, detailing the progress of the pilot phase based on the reports provided by the accredited entity and NDA or focal point. This will follow the guidance on monitoring, reporting and evaluation initially described in Section 6.2 of the Fund’s results management framework. The monitoring will also follow the initial monitoring and accountability framework for accredited entities of the Fund.

27. Each country pilot will be reviewed by the Fund two years after its approval, and will be evaluated after five years to assess its impact, effectiveness and lessons learned on potential scalability.

28. The overall pilot phase will be evaluated after five years.

29. The monitoring, reporting and evaluation system for the overall pilot phase will be aligned with the standards of the Fund’s results management framework and will be regularly reviewed for improvement once lessons from implementation are made be available. This is aligned with the decisions of the fifth meeting of the Board that recognize that the Fund is a continuously learning institution and will maintain the flexibility to refine its results management framework and indicators.

30. Target groups of projects or programmes and other relevant stakeholders, such as government, the private sector, academia or civil society, will actively participate in monitoring the pilots.

X. Financial volume of the pilot phase

31. The pilot phase will initially aim to provide up to US$ 200 million for at least 10 pilots, including at least 4 pilots to be implemented in small island developing States, the least developed countries and African States. The proposals will be selected on the basis of the Fund’s initial proposal approval process, investment framework and results management framework and will be approved by the Board.

10 As indicated in decision B.08/10, Annex XII, Chapter II.
11 Document GCF/B.07/04.
12 Progress report provided in document GCF/B.10/Inf.10.
13 Decision B.05/03, paragraph (h).
Annex II: Selection process for the Head of the Independent Evaluation Unit, the Head of the Independent Integrity Unit and the Head of the Independent Redress Mechanism

The following steps are proposed for the selection of the heads of the three accountability units, based on the steps followed to hire the Executive Director: ¹

(a) Procurement of a recruitment firm to assist the Committee in its work – expected time needed: 45 working days from publication of the request for proposal;

(b) The Appointment Committee will submit a recommendation to the Co-Chairs for an in-between meetings decision by the Board on the selection of the recruitment firm;

(c) Issuance of an advertisement for the three positions as soon as possible after the tenth meeting of the Board, which will be circulated as widely as possible, including through a notification to all governments (through national designated authorities/focal points and United Nations Framework Convention on Climate Change national focal points) and in leading international journals, with an application deadline of four weeks from the date of issuance of the advertisement;

(d) Review of the applications by the recruitment firm, including: creation of a longlist of 20-25 candidates for each position, followed by more detailed information gathering on the candidates; development of a shortlist of approximately 6-10 candidates for each position; conduct of first interviews with a final interview list of approximately five candidates;

(e) The Committee will make a recommendation of two final candidates for each position for consideration by the Board no later than its twelfth meeting, including a ranking by preference;

(f) The Board, through the Co-Chairs, will make an offer to the selected candidates;

(g) The Co-Chairs will engage with the selected candidates regarding agreement on a performance-based contract; and

(h) Contracts to be signed by the Co-Chairs on behalf of the Green Climate Fund.

¹ Document GCF/B.02-12/08.
## Annex III: Indicative timeline of the entire process on the appointment of the heads of the accountability units

<table>
<thead>
<tr>
<th>Date/Deadline</th>
<th>Content</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.10 (6-9 July 2015)</td>
<td>Document GCF/B.10/09 considered and approved by the Board</td>
<td>Board decision</td>
</tr>
<tr>
<td>By 17 July 2015</td>
<td>Request for proposal for the recruitment firm to be published online</td>
<td></td>
</tr>
<tr>
<td>By 17 August 2015</td>
<td>Receive bids from the recruitment firm</td>
<td></td>
</tr>
<tr>
<td>End of August 2015</td>
<td>Secretariat presents to the Committee a comparison of salary levels for comparable positions at other specialized global funds</td>
<td></td>
</tr>
<tr>
<td>End of September 2015</td>
<td>Board approves the appointment of the recruitment firm based on the recommendation of the Appointment Committee, through an in-between meetings Board decision</td>
<td>In-between meetings</td>
</tr>
<tr>
<td>Early October 2015</td>
<td>Contract with recruitment firm to be signed</td>
<td>Board decision</td>
</tr>
<tr>
<td>B.11 (November 2015)</td>
<td>Board approves the salary of the three heads of the accountability units, based on the recommendation of the Appointment Committee</td>
<td>Board decision</td>
</tr>
<tr>
<td>November 2015 - January 2016</td>
<td>Follow the “selection process” on shortlisting: Review of the applications by the recruitment firm, including: creation of a long-list of 20-25 candidates for each position, followed by more detailed information gathering; development of a short-list of approximately 6-10 candidates for each position; recruitment firm to conduct first interviews with the short-list of candidates (approximately 6-10), creation of a final interview list of five candidates for second-round interviews with the Committee</td>
<td>Appointment Committee oversees the process and will be actively involved when interviewing the final five interview candidates prior to the recommendation to the Board</td>
</tr>
<tr>
<td>January - February 2016</td>
<td>Secretariat to support the Committee in developing the performance criteria and measurement procedure for the heads of units; Board approves the performance criteria and measurement procedure for the heads of units, based on the recommendation of the Appointment Committee, through an in-between meetings Board decision</td>
<td>In-between meetings Board decision</td>
</tr>
<tr>
<td>January - February 2016</td>
<td>The Appointment Committee recommends to the Board the final list of two candidates for each position, by ranking of preference to the Board</td>
<td></td>
</tr>
<tr>
<td>B.12 (March 2016)</td>
<td>The Board appoints the three heads of the accountability units</td>
<td>Board decision</td>
</tr>
</tbody>
</table>
Annex IV: Terms of reference of the recruitment firm

Terms of reference

A. Introduction

1. The Appointment Committee established by the Board will oversee the recruitment process for the heads of three accountability units:
   (a) The Independent Evaluation Unit;
   (b) The Independent Integrity Unit; and
   (c) The Independent Redress Mechanism.

2. It will engage a recruitment firm to provide advisory and administrative support. It is expected that the recruitment process will be completed no later than the twelfth meeting of the Board.

3. The Secretariat will provide the Committee with logistical and administrative support.

4. These terms of reference (TOR) seek to identify a recruitment firm that will assist the recruitment process by undertaking the tasks described in this TOR. The authority to decide on the selection of a recruitment firm rests with the Board.

B. Objective of the assignment

5. The objective of the assignment is to ensure an open, transparent and non-biased recruitment process of the heads of the accountability units, by providing longlists, shortlists and final interview lists of qualified applicants to the Appointment Committee.

C. Scope and focus of the assignment

6. The successful recruitment firm will be responsible for the screening process (longlisting and shortlisting), and for supporting the Appointment Committee in final listing. The Secretariat will maintain oversight over the outsourced recruitment services in order to ensure compliance with the Green Climate Fund's (the Fund's) recruitment policies and procedures.

(a) Job categories to be covered: Head of the following accountability units:
   (i) The Independent Evaluation Unit;
   (ii) The Independent Integrity Unit; and
   (iii) The Independent Redress Mechanism.

(b) Activities to be undertaken by the firm under the direction of the Appointment Committee:

1. Phase I - Attracting and communicating with candidates
   (i) Review the job description of the position and ensure that the selection criteria are properly formulated;
   (ii) Assist in developing and advertising the vacancy notice for the position in appropriate media;
   (iii) Receive and keep record of all applications;
   (iv) Act as the contact point for those seeking information and/or proposing candidates;
(v) Communicate, where appropriate, with the applicants; and
(vi) Proactively approach/contact professionals that could be a good fit in order to seek their interest in applying for the positions or refer the recruitment firm to other potential candidates.

2. Phase II - Supporting the work of the Appointment Committee

• Establishment of the longlist of candidates (20-25) for each position
  (i) Develop a role specification for each position based on the terms of reference of the Heads of the Independent Evaluation Unit, the Independent Integrity Unit and the Independent Redress Mechanism of the Fund with guidance from the Appointment Committee;
  (ii) Review all applications received; and
  (iii) Present to the Appointment Committee for its approval a longlist of 20-25 candidates for each position as well as appropriate background information (that can be gathered without contacting the potential candidates).

• Establishment of the shortlist of candidates (approximately 6-10) for each position
  (i) Interview all individuals on the shortlist of 6-10 candidates for each position, supplemented by information gathering via telephone, videoconference or in person (where appropriate) and by other means;
  (ii) Conduct appropriate reference checks and further screening of all shortlist candidates, and present the Appointment Committee with verbal and written comments; and
  (iii) Assist the Appointment Committee in establishing a final interview list of approximately five candidates that will be evaluated further.

• Establishment of the final interview list of candidates (approximately 5) for each position
  (i) Facilitate the interviews of the five final interviewees, including drafting probing interview questions and scoring templates for the Appointment Committee; and
  (ii) Prepare a report on the minutes of the interviews conducted for consideration by the Appointment Committee in its deliberations.

• Establishment of the final list of candidates (two only) for each position
  (i) Assist the Appointment Committee in establishing the final list of two candidates in order of preference for each position; and
  (ii) Assist the Appointment Committee in preparing a detailed final report to be presented to the Board for decision.

D. Outputs

7. To provide, as a result of the above:
   (a) A longlist of 20-25 candidates for each position;
   (b) A shortlist of candidates for each position;
   (c) A final interview list of candidates for each position;
   (d) Support to the Committee to produce a final list of two candidates for each position;
   (e) Complete data and brief comments on the longlist of 20-25 candidates for each position;
(f) A report on the minutes of the interviews conducted by the recruitment firm for establishing the final interview list of candidates for each position;

(g) Drafting of probing interview questions and scoring templates for the Appointment Committee and preparing a short report on the interviews of the final list of candidates; and

(h) Preparing a detailed final report, in collaboration with the Appointment Committee, on the final list of candidates and the recruitment process.

E. Monitoring and progress controls, including reporting requirements

8. The recruitment firm shall work closely with the Fund’s Human Resources (HR) team. The Appointment Committee, through HR, will provide overall supervision for the assignment.

F. Duration of the consultancy

9. This consultancy is expected to take up to a maximum of six months starting from the date of signature of the contract by both parties, subject to adjustments as required.

10. Negotiation is up to signature of the contract by selected candidates. There will be a performance payment linked to successful appointments by the Board. If a candidate resigns or is let go within one year of taking up his or her role, the recruitment firm will have to find a replacement without charge.
Annex V: Terms of reference of the Head of the Independent Evaluation Unit

Head of the Independent Evaluation Unit

Republic of Korea

Role

The Head of the Independent Evaluation Unit (IEU) will work, pursuant to paragraph 60 of the Governing Instrument, as an operationally independent unit, in accordance with the approved terms of reference of the unit as contained in Annex III to decision B.06/09. The Head will be selected by, and will report to, the Board. He/she will conduct periodic independent evaluations of the Green Climate Fund’s (the Fund’s) performance in order to provide an objective assessment of the Fund’s results and to capture lessons learned, including its funded activities and its effectiveness and efficiency.

The tenure of the Head of the IEU will be for three years, renewable once. The incumbent can be removed only by decision of the Board. The Board may decide to terminate the contract based on the evaluation of the performance of the Head of the IEU in relation to an agreed performance-based contract. His/her conditions of appointment will be decided by the Board upon recommendation by the Appointment Committee. To preserve operational independence, upon termination of service as the Head of the IEU, he/she shall not be eligible for any type of employment by the Fund within one year of the end of his/her appointment. The Head of the IEU will be subject to the Staff Code of Conduct and any applicable policy on ethics and conflicts of interest with the Board or its designee as an oversight body. He or she will be based at the Fund’s headquarters in Songdo, Republic of Korea, and the position will be a full-time one.

Duties and responsibilities

The Head of the IEU will report to the Board and, for administrative purposes only, to the Executive Director and be responsible for:

- Leadership and management of the unit, including the authority to make appointments and manage staff of the unit;
- Conducting or managing, by contracting consultants, evaluations using as much as possible internally generated data streams and analytical outputs, and applying evaluation standards and practice in accordance with best international practice and standards. The use of technical expert panels or similar mechanisms may be appropriate, as recommended in the case of the Global Environment Facility by the peer review of its evaluation function. The Head of the IEU will ensure that evaluation team members do not have conflicts of interest with respect to the activities in whose evaluation they will be involved;

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1 The Head of the IEU will carry out the functions and responsibilities described in the terms of reference for her/his unit as outlined in Annex III to decision B.06/09, which include, but are not limited to, the functions described in this Annex.
2 Decision B.06/09, Annex III, paragraph 3.
3 In respect of certain overhead functions such as information technology, legal, human resources, etc. (excluding performance review).
• Making recommendations to improve the Fund’s performance, in the light of the unit’s evaluations, including in particular to the Fund’s performance indicators and its results management framework;

• Attesting to the quality of the Fund’s self-evaluations conducted by the Secretariat;

• Synthesizing and sharing the findings and lessons learned from the unit’s evaluations with key internal and external audiences in order to inform decision-making by the Board and the Executive Director, as well as among accredited entities;

• Proposing a budget for meeting the annual expenses of the unit, to ensure its financial independence, which will be considered and approved by the Board;

• Proposing detailed guidelines and procedures governing the work of the IEU to be approved by the Board. The procedures will be updated as necessary and approved by the Board so as to always ensure that the procedures allow for the work of the IEU to be carried out efficiently and in a cost-effective manner while meeting best international standards;

• Participating actively in relevant evaluation networks in order to ensure that the IEU is at the frontier of results, evaluation and learning practice and that it benefits from relevant initiatives undertaken by other evaluation units;

• Establishing close relationships with the independent evaluation units of the accredited entities of the Fund, and seeking to involve them in their activities and to share learning wherever feasible and appropriate;

• Providing recommendations to accredited entities on how to design projects/programmes and monitoring of those activities so as to improve the ability of the IEU to provide quality evaluation of the Fund’s activities;

• Defining the independent evaluation policy contributing to the Fund’s knowledge management process;

• Developing and updating the independent evaluation policy of the Fund, as reiterated in Annex IX to decision B.08/07;

• The independent evaluation work is separate from the day-to-day monitoring and evaluation (M&E) work of the Secretariat as per paragraph 23 (j) of the Governing Instrument;

• In addition to synthesizing the findings and/or lessons learned, disseminating/communicating results with relevant audiences;

• Developing plans to ensure that evidence informs learning across the Fund;

• Establishing close relationships with the equivalent units of the accredited entities in order to avoid duplication of their respective activities, and sharing lessons learned to ensure continuous learning;

• Providing evaluation reports to the Conference of the Parties to the United Nations Framework Convention on Climate Change for the purposes of periodic review of the Financial Mechanism of the Convention; and

• Preparing and submitting periodic progress reports to the Board, as and when required, and an annual report that will also be disseminated to the public.

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<sup>4</sup>Annex IX to decision B.08/07.
Required experience and qualifications

- An advanced university degree in law, economics, development studies, climate change or a related field (Masters or higher);
- Relevant professional experience, including at least seven years at senior management level;
- Demonstrated expertise in project and programme evaluation;
- Good organizational skills;
- Expert experience in drafting detailed guidelines and procedures;
- Experience in setting up and executing a budget;
- Proven analytical skills with creative solutions to challenges;
- Demonstrated experience in prioritizing multiple assignments, meeting tight deadlines, and a willingness to be flexible with minimal staff in a fast-paced environment;
- Exceptional relationship and communication management skills;
- Exceptional interpersonal skills with the ability and personality to work collaboratively, accept responsibility and motivate colleagues;
- A demonstrated strong track record in leading the recruitment and development of a team;
- Sensitivity to political, and respect for cultural, factors;
- Fluency in English is essential; knowledge of another United Nations language is an advantage;
- Experience in, or working with, developing countries;
- Good knowledge/experience of relevant independent evaluation networks and the broader M&E landscape;
- Experience in leading and managing a diverse team with a broad range of technical skills;
- Experience in drafting and delivering evidence plans that are aligned with and support organizational learning;
- Strong project management skills;
- Strong gender skills and experience in order to embed gender within all evaluations of the Fund; and
- Enjoy an impeccable reputation of honesty and integrity and be widely respected and regarded for his/her competence and expertise.

Applications from women and nationals of developing countries are strongly encouraged.
Annex VI: Terms of reference of the Head of the Independent Integrity Unit

Head of the Independent Integrity Unit

Republic of Korea

Role

The Head of the Independent Integrity Unit (IIU) will work, pursuant to paragraph 68 of the Governing Instrument, in accordance with the approved terms of reference of the unit as contained in Annex IV to decision B.06/09. The Head will be selected by, and will report to, the Board or its designee. The Head will work with the Secretariat at its headquarters in Songdo, Republic of Korea, to investigate allegations of fraud and corruption and other prohibited practices (coercive and collusive practices, abuse, conflict of interest and retaliation against whistle-blowers) in line with best international practices and in close coordination or cooperation with relevant counterpart authorities. The IIU will enjoy independence in the exercise of its responsibilities; and in order to conduct an investigation, it will have full access to all relevant Green Climate Fund (Fund) documents and data, including electronic data. During the course of its work, the IIU will need to work closely with the Secretariat. The IIU will actively participate in relevant networks of integrity department/units to ensure that it is at the frontier of relevant practice and that it benefits from initiatives undertaken by the integrity units of other international organizations. The IIU will establish close relationships with the integrity units of the accredited entities, endeavour to work with them and rely on them as much as possible. However, it will not be precluded from conducting its own investigations.

The tenure of the Head of the IIU will be for three years; renewable once. In order to ensure the independence of the office, the incumbent may not be removed from office during his/her term, except for malfeasance or mental incapacitation. The Board may decide to terminate the contract based on the evaluation of the performance of the Head in relation to an agreed performance-based contract. The Head of the IIU shall not be eligible for any type of employment by the Fund within one year of the end of his/her appointment. The Head of the IIU will be subject to the Staff Code of Conduct and any applicable policy on ethics and conflict of interest with accountability to the Board.

Duties and responsibilities

The Head of the IIU will report to the Board and, for administrative purposes only, to the Executive Director and be responsible for:

- Leadership and management of the unit, including the authority to make appointments and manage staff of the unit;
- Serving as the point of contact for all alleged and suspected incidents of integrity violation, as defined in these terms of reference, including fraud and corruption, involving any Fund activity, including actions by its staff members, corporate

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1 The Head of the IIU will carry out the functions and responsibilities described in the terms of reference for his/her unit as outlined in Annex IV to decision B.06/09, which include, but are not limited to, the functions described in this Annex.

2 Decision B.06/09, Annex IV, paragraph 21.

3 In respect of certain overhead functions such as information technology, legal, human resources, etc. (excluding performance review).
procurement by the Fund, and activities (including projects and programmes) using Fund resources directly or indirectly;

- Proposing a policy for cross-debarment with peer organizations to mutually enforce each other’s debarment actions, with respect to the four harmonized sanctionable practices, i.e., corruption, fraud, coercion and collusion;
- Registering all complaints and reviewing them to determine whether they fall under the authority of the IIU;
- Proposing a budget for meeting the annual expenses of the unit to ensure its financial independence;
- Proposing detailed guidelines and procedures governing the work of the IIU to be approved by the Board. The procedures to be followed will be in a cost-effective manner while meeting best international standards;
- Adopting appropriate procedures to determine whether an integrity violation has occurred;
- Examining and determining the veracity of alleged or suspected integrity violations against accredited entities, project executing entities, contractors, consultants, service providers or other external stakeholders, or against the Fund’s staff members; reporting the unit’s investigative findings to the Secretariat and/or the Ethics and Audit Committee (EAC), and making recommendations, as appropriate, that are derived from the unit’s findings;
- With reference to complaints regarding any activities using Fund resources directly or indirectly or in connection with corporate procurement, providing the Secretariat with advice on remedial actions;
- With reference to the staff of the Fund, investigating allegations of staff misconduct, involving violations of the Staff Code of Conduct; cooperating and coordinating with the Executive Director in the conduct of investigations; and reporting the unit’s findings to the Executive Director for decision on disciplinary actions;
- With reference to the Executive Director, bringing to the attention of the Co-Chairs and the Ethics and Audit Committee the findings on any investigation involving misconduct or integrity violations;
- In consultation with the Executive Director and other designated officials of the Fund, developing policies, procedures and controls in order to mitigate the opportunities for integrity violations in the Fund’s activities, including activities implemented through accredited entities, to ensure that all staff, external stakeholders and accredited entities adhere to the highest integrity standards; and documenting all investigative findings and conclusions;
- Developing policies for Board approval so as to address anti-corruption and counter the financing of terrorism;
- Providing the Ethics and Audit Committee with the information that the Committee may reasonably request for it to fulfil its role pursuant to its terms of reference, in particular concerning the issues of Board conflicts of interest, confidentiality and ethics;
- Reporting to the Board on the unit’s activities, including summary investigative findings and any remedial action decided upon by the EAC in the case of external stakeholders, or by an accredited entity;
- Establishing close relationships with the equivalent unit of the accredited entities in order to avoid duplication of their respective activities, and sharing lessons learned to ensure continuous learning;
In collaboration with the Secretariat and the Executive Director, promoting awareness of the Fund’s integrity standards, including to all accredited entities and executing entities;

Consulting and collaborating with multilateral funds, international finance institutions and other relevant parties so as to share experience and insight on how best to address integrity violations;

Coordinating with relevant national and international counterpart authorities during the investigation of alleged or suspected integrity violations, when considered appropriate and authorized by the Secretariat;

Considering and recommending for Board approval, the participation in arrangements between multilateral funds and international financial institutions on integrity matters; and

Preparing and submitting an annual report to the Board, summarizing the unit’s activities.

**Required experience and qualifications**

- An advanced university degree in law or a related field (Masters or higher);
- Relevant professional experience, including at least seven years at senior management level;
- Good organizational skills;
- Expert experience in drafting detailed guidelines and procedures;
- Experience in setting up and executing a budget;
- Proven analytical skills with creative solutions to challenges;
- Demonstrated experience in prioritizing multiple assignments, meeting tight deadlines, and a willingness to be flexible with minimal staff in a fast-paced environment;
- Exceptional relationship and communication management skills as well as strong skills in handling communication;
- Exceptional interpersonal skills with the ability and personality to work collaboratively, accept responsibility and motivate colleagues;
- A demonstrated strong track record in leading the recruitment and development of a team;
- Strong gender skills, sensitivity to political, and respect for cultural, factors;
- Fluency in English is essential; knowledge of another United Nations language is an advantage;
- Experience and a proven track record in conducting integrity investigations and leading an integrity unit; and
- Enjoy an impeccable reputation of honesty and integrity and be widely respected and regarded for his/her competence and expertise.

Applications from women and nationals of developing countries are strongly encouraged.
Annex VII: Terms of reference of the Head of the Independent Redress Mechanism

Head of the Independent Redress Mechanism

Republic of Korea

Role

The Head of the Independent Redress Mechanism (IRM) will work pursuant to paragraph 69 of the Governing Instrument, in accordance with the approved terms of reference of the unit as contained in Annex V to decision B.06/09. The Head of IRM will receive complaints related to the operation of the Fund and will evaluate and make recommendations on the complaints received. The IRM is not intended to be a court of appeal or a legal/adjudicating mechanism. It is a mechanism within the Fund that will address the reconsideration of funding decisions in accordance with decision 5/CP.19, annex, paragraphs 6–10. The IRM will be open, transparent and easily accessible. It will also address any grievances and complaints submitted by communities and people who have been directly affected by adverse impacts through the failure of a project or programme funded by the Green Climate Fund (the Fund) in order to implement the Fund's operational policies and procedures, including its environmental and social safeguards.

The tenure of the Head of the IRM will be for three years; renewable once. He/she will be based at the Fund’s headquarters in Songdo, Republic of Korea. The position will be a full-time one. His/her conditions of appointment will be decided by the Board upon recommendation by the Appointment Committee.

In order to ensure the independence of the office, the incumbent may not be removed from office during his/her term, except for malfeasance or mental incapacitation. The Board may decide to terminate the contract based on the evaluation of the performance of the Head in relation to an agreed performance-based contract. His/her conditions of appointment will be decided by the Board upon recommendation by the Appointment Committee. The Head of the IRM shall not be eligible for any type of employment by the Fund within one year of the end of his/her appointment. He or she will be subject to the Staff Code of Conduct and any applicable policy on ethics and conflicts of interest with the Board or its designee as an oversight body.

Duties and responsibilities

The Head of the IRM will be responsible to the Board for all substantive work. However, for administrative purposes only, he/she will report to the Executive Director, and be responsible for:

- Leadership and management of the unit, including the authority to make appointments and manage staff of the unit;
- Addressing the reconsideration of funding decisions in accordance with decision 5/CP.19, annex, paragraphs 6–10;

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1 The Head of the IRM will carry out the functions and responsibilities described in the terms of reference for his/her unit as outlined in Annex V to decision B.06/09, which include, but are not limited to, the functions described in this Annex.
2 Decision B.06/09, Annex V, paragraph 11.
3 Decision B.06/09, paragraph 16.
4 In respect of certain overhead functions such as information technology, legal, human resources, etc. (excluding performance review).
• Proposing a budget for meeting the annual expenses of the unit, to ensure its financial independence;

• Proposing detailed guidelines and procedures governing the work of the IRM to be approved by the Board. The procedures to be followed will be iterative, whereby expeditious and cost-effective redress of grievances and resolution of complaints can be facilitated;

• Treating all stakeholders in a fair and equitable manner. While ensuring transparency and fairness, the IRM will be cost-effective, efficient and complementary to other supervision, audit, quality control, monitoring and evaluation, and independent evaluation systems of the Fund as well as those of accredited entities;

• Following international best practices;

• Dealing with grievances or complaints filed by communities and people who have been directly affected by adverse impacts through the failure of the project or programme funded by the Fund in order to implement the Fund’s operational policies and procedures, including its environmental and social safeguards, or the failure of the Fund or its accredited entities to follow such polices;

• Establishing close relationships with the equivalent unit of the accredited entities in order to avoid duplication of their respective activities, and sharing lessons learned to ensure continuous learning;

• Making recommendations to the Board after allowing the necessary time for Management to provide response to inputs to make changes to operational policies and procedures. Both IRM findings and Management's response will be concomitantly submitted to the Board;

• Monitoring whether the decisions taken by the Board following IRM recommendations have been implemented; and

• Preparing and submitting periodic progress reports to the Board, as and when required, and an annual report that will also be disseminated to the public.

Required experience and qualifications

• An advanced university degree in law, environment, social development, development studies, economics or a related field (Masters or higher);

• Relevant professional experience, including at least seven years at senior management level;

• Good organizational skills;

• Experience working in human rights;

• Experience working with social and environmental safeguards and standards used by international organizations which can be applied in a variety of settings;

• Experience working with vulnerable and indigenous communities and evidence of strong gender skills;

• Expert experience in drafting detailed guidelines and procedures associated with the adverse impacts arising from the implementation of projects;

• Experience in setting up similar accountability units, including hiring staff and formulating a budget;
Demonstrated experience in prioritizing multiple assignments, meeting tight deadlines, and a willingness to be flexible with minimal staff in a fast-paced environment;

- Exceptional relationship and communication management skills;
- Exceptional interpersonal skills with the ability and personality to work collaboratively, accept responsibility and motivate colleagues;
- A demonstrated strong track record in leading the recruitment and development of a team;
- Strong gender skills, sensitivity to political, and respect for cultural, factors;
- Fluency in English is essential; knowledge of another United Nations language is an advantage;
- Experience and a proven track record in dealing with grievances or complaints made by affected communities in relation to investments made by international organizations;
- Enjoy an impeccable reputation of honesty and integrity and be widely respected and regarded for his/her competence and expertise; and
- Proven analytical skills with creative solutions to challenges.

Applications from women and nationals of developing countries are strongly encouraged.
Annex VIII: Accreditation assessment of Applicant 008 (APL008)

I. Introduction

1. Applicant 008 (APL008) is a national entity and an environmental fund located in a developing country in Africa. It was established with a mandate of being a sustainable source of funding for the development and implementation of environmentally sustainable development projects and programmes in partnership with both public and private sector organizations. The applicant was officially established in 2001, and began operations in 2011. The results of its activities overlap with the results areas of the Green Climate Fund (the Fund) in the areas of natural resource management, green technology and low carbon development, nature-based tourism, and capacity-building. Building on its experience, the applicant seeks accreditation to the Fund in order to maximize the impact of the climate change and mitigation projects and programmes it implements whilst promoting social and economic benefits.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 16 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund's fit-for-purpose approach:

   (a) **Access modality**: Direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application;

   (b) **Track**: Normal track;

   (c) **Size of project/activity within a programme**: Micro;¹

   (d) **Fiduciary functions**:²

      (i) Basic fiduciary standards;

      (ii) Specialized fiduciary standard for project management; and

      (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms;

   (e) **Environmental and social (E&S) risk category**: Medium risk (Category B/Intermediation 2 (I-2)).³

II. Accreditation assessment

3. The applicant has been assessed against the Fund's standards by the Accreditation Panel (AP).

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¹ As per Annex I to decision B.08/02, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US$ 10 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”. 
4. As a part of this assessment, the AP has consulted the applicant's website and third-party websites to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. The applicant has, in its formative years, worked towards establishing a governance and oversight structure to a standard that would facilitate the scaling up of its activities. While developing this structure, the applicant has taken on board lessons learned and continues to work on gaps that have been identified as a result of its operations. In this respect, it has recognized the necessity for an internal audit function and recently procured the services of an internationally recognized auditing firm to provide this function on an outsourced basis. The applicant is also implementing a new information technology system in order to address gaps in its control framework, and confirmation of its successful implementation should be reported to the Fund once its functionality is fully operational.

6. The financial statements of the applicant are audited annually and prepared in accordance with accepted international financial reporting standards.

7. The entity has a procurement policy in the form of procedural guidelines, which it is in the process of redrafting for alignment across its operations. Moreover, this document intends to achieve alignment with national laws.

8. Furthermore, it is noted that the entity's sustainability is limited by the extent of its initial capitalization and the extent to which progress is made on accessing sources of revenue to sustain its operations. This has been recognized by the applicant and steps to address this have been included as part of its five-year strategic plan.

9. APL008 partially meets the Fund's basic fiduciary standards related to key administrative and financial capacities, and where gaps exist the process to close them is at an advanced stage of completion.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

10. The applicant fully meets the basic fiduciary standards with respect to transparency and accountability. It has both a code of ethics and disclosure of interest policy and these have been communicated to its staff. APL008 also has a complaints mechanism transparently visible on its website and, based on feedback from the applicant, no complaints have been received via this portal. The complaints portal would benefit from terms of reference and clarity on how the complaint would be escalated within the organization.

11. It has provided information on three instances of potentially fraudulent acts and corrective actions have been implemented in these cases. The establishment of the internal audit function should be leveraged so as to identify gaps and recommend the preventative measures to employ so as to avoid their potential future occurrence.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

12. APL008 substantially meets the Fund’s requirement for the specialized fiduciary standard on project management. It has detailed policies, procedures and processes to provide for a direct project management role, which involves the management of a project from inception to completion. However, implementation of a project management function across a large portfolio of relatively small grants is impaired due to a lack of human resources, and measures to address the gap are being tested.
2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

13. The applicant has a transparent procedure for awarding grants and has provided some information on its website in this regard. Internally, it has developed a template for screening proposals, which are processed by management and referred to a panel of technical experts for review and recommendation to the Board. APL008, however, does not have a stand-alone grant policy and procedure, but the relevant information is contained in its operations manual and other documents. The applicant would benefit from the development of a single document to clearly delineate this part of its operations.

14. It should be noted that the applicant additionally has developed a fiduciary standard for its grantees.

15. APL008 is assessed in respect of its procedures to directly manage grants, and is found to substantially meet the standard.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

16. The applicant did not apply for assessment against this standard at this time. However, it has commenced on a process of on-lending with a local bank and is piloting this approach. The scope of the lessons learned should ideally encompass this programme for potential future accreditation against this standard.

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

17. APL008 is a young institution with its environmental and social safeguards (ESS) experience just developing. Many of its policies have been recently put in place, and capacity to implement them will be evident in the coming years. The applicant is introducing new models for financing environmental conservation and enterprises, but most projects funded/financed by the applicant have no or minimal environmental risks.

18. The applicant only partially meets the requirement on E&S policy in relation to medium E&S risk Category B/I-2. It has a new E&S policy that was approved in late 2014, but this is still being implemented within the institution and operationalized in projects conducted with its partner organizations. The policy shows consistency with the Fund’s ESS, and provides a comprehensive approach to E&S risks and impacts. Prior to having an E&S policy, APL008 followed the national laws and regulations on environmental management within the country that it operates; this policy mainly addresses environmental assessments and an official environmental clearance certificate for certain types of projects. The applicant has no track record of implementing projects with medium risk characteristics.

19. Commensurate with the fit-for-purpose accreditation approach and the nature of Category C/I-3 as being of minimal to no environmental and social risk, an E&S policy within an institutional environmental and social management system is not required for the Category C/I-3 level of risk. The applicant, however, does have an E&S policy that includes overall E&S policy principles, four safeguards, a project screening tool, and provisions on monitoring and reporting. The applicant meets this requirement in relation to minimal to no E&S risk Category C/I-3.
2.2.2 Section 6.2: Identification of risks and impacts

20. The applicant partially meets the Fund's ESS with respect to this requirement in relation to medium E&S risk Category B/I-2, but fully meets the requirement with respect to minimal to no E&S risk Category C/I-3. The new E&S policy provides guidelines for screening and categorization of projects. The guidelines have been tested internally, but since APL008 has not yet funded a medium E&S risk level project, it has no experience with E&S impact assessments or in developing mitigation measures for medium level projects. The project documentation it provided indicates that projects are small in size and fall under minimal to no E&S risk Category C/I-3 in accordance with the Fund's ESS. It is recommended that the applicant institutionalizes the screening guidelines and builds experience in screening and categorizing the projects that it considers for funding. The applicant should seek assistance from experts or external parties in order to develop capacity to ensure that the projects they fund have minimal or no E&S risks.

2.2.3 Section 6.3: Management programme

21. The applicant partially meets the Fund's ESS with respect to this requirement for a management programme in the context of medium E&S risk Category B/I-2, however, it fully meets the requirement with respect to minimal to no E&S risk Category C/I-3. In the last two years, APL008 has developed new manuals and frameworks to address E&S issues. However, as the applicant only has experience in funding or implementing projects with minimal or no E&S risk thus far, it is unable to offer evidence of a functioning programme for managing higher E&S risk projects throughout the project cycle.

2.2.4 Section 6.4: Organizational capacity and competency

22. The applicant does not meet this requirement in relation to medium E&S risk Category B/I-2, but does meet it for minimal to no E&S risk Category C/I-3. It is a young and relatively small organization, with limited staff. Although it has assigned responsibility for environmental and social safeguards, it has not filled all positions that are required in order to ensure that the required environmental and social policy is implemented. APL008 is recommended to fill the positions related to E&S with competent staff, and to pursue its plans to develop the organization's E&S capacity to implement the new E&S policy.

2.2.5 Section 6.5: Monitoring and review

23. The applicant partially meets this requirement in relation to medium E&S risk Category B/I-2. Monitoring and review of projects is guided by APL008’s operational manual and a monitoring and evaluation (M&E) framework as well as the new E&S policy. Project M&E reports that have been assessed indicate a need for consistency in the reporting format, and lack of experience with medium E&S risk level projects is again noted. However, it is noted that the applicant has recruited an M&E officer, whose remit includes monitoring and review of E&S performance. This is deemed sufficient for projects with minimal to no E&S risks and impacts, and APL008 is found to meet this requirement in the context of this category. It is recommended that the applicant consistently implements the monitoring and review procedures set out in its policies and procedures.

2.2.6 Section 6.6: External communications

24. The applicant meets the requirement for external communications in relation to medium E&S risk Category B/I-2. It has established a communications policy, a complaints and feedback procedure, as well as a disclosure policy. The applicant has submitted a log of queries and complaints received to date, which indicates that the mechanism is operational.
2.3 Gender

25. The applicant has experience with gender considerations in climate change projects, although its policy/charter has only been recently formalized. For a young institution, its gender programme is still being developed, but progress in this area is recognized. APL008 has provided evidence of project experience where women are key beneficiaries or engaged in projects in a meaningful manner. Given the recent adoption of the charter, the applicant still needs to include the principles of the charter in its procedures.

III. Conclusions and recommendation

3.1 Conclusions

26. Following its assessment, the AP concludes the following in relation to the application:

(a) The applicant partially meets the requirements of the Fund’s basic fiduciary standards and substantially meets the requirements for the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and/or funding allocation mechanisms. In order to fully meet the requirements of the Fund’s basic fiduciary standards, the applicant is required to:

(i) Undertake an initial internal audit of its operations. The items to be addressed in the internal audit should include:

1. A sample review of three grant awards, including contractual arrangements for risk, assessed against its procedures;
2. Confirmation that its procurement practice complies with national law; and
3. A review of the new information technology control framework;

(ii) Submit the internal audit plan for the next financial year, 2016;

(iii) Submit internal audit reports annually for three consecutive financial years starting with the financial year 2016;

(iv) Submit the revised procurement policy and procedures.

In order to fully meet the requirements of the Fund’s specialized fiduciary standard for grant award and/or funding allocation mechanisms, the applicant is required to:

(v) Publish information on its grant award mechanism and process on its website;

(b) It is recommended that the applicant continues to develop its grant mechanism, including the compilation of a process and procedure manual that incorporates all the mechanism’s elements.

(c) The applicant does not fully meet the requirements of the Fund’s interim ESS in relation to the medium E&S risk Category B/I-2 against which the applicant is seeking accreditation. However, it does fully meet the requirements for minimal to no E&S risk Category C/I-3. It is recommended that the applicant seeks to deepen its knowledge of the Fund’s interim ESS while further developing its E&S management system in order to support a potential future upgrade of its accreditation for medium E&S risk level Category B/I-2; and

(d) APL008 meets the gender requirements, with both a new gender policy and experience in taking into account gender considerations in climate change projects. It is
recommended that the applicant includes the principles of its new gender charter in its internal procedures manuals.

3.2 Recommendation on accreditation

27. The AP recommends, for consideration by the Board, the applicant (APL008) for accreditation as follows:

(a) **Accreditation type:**

   (i) **Size of an individual project or activity within a programme:** Micro;

   (ii) **Fiduciary functions:**

        1. Basic fiduciary standards;
        2. Specialized fiduciary standard for project management; and
        3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms;

   (iii) **Environmental and social risk category:** Minimal to no risk (Category C/I-3);  

(b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions listed below. The AP will thereafter assess whether the conditions have been met to the satisfaction of the Fund. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes.

   (i) The applicant shall meet the requirements indicated in paragraph 26 (a) (i), (ii), (iv) and (v) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant; and

   (ii) The applicant shall meet the requirements indicated in paragraph 26 (a) (iii) on an annual basis for the three consecutive years, starting with the financial year 2016. This condition is not required to be met prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant.

28. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 27 above, and agrees to the recommendation.

3.3 Additional remarks

29. The applicant is encouraged to seek readiness and preparatory support to assist it with:

   (a) Meeting the conditions identified in paragraph 27 (b) above; and

   (b) Undertaking the recommendations in paragraph 26 (b)–(d) above.

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4 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”. 

Annex IX: Accreditation assessment of Applicant 009 (APL009)

I. Introduction

1. Applicant 009 (APL009) is a national entity, specifically a public sector ministry, located in a least developed country in Africa which is responsible for environment, climate change and natural resources management at the local and national levels. The applicant, in partnership with national stakeholders, has a strategy in place to support national development goals, particularly in green growth, climate resilience, and the sustainable management and consumption of natural resources. The applicant’s goal is to provide solutions to the environmental and resource challenges faced, including the imbalance between population and natural resources that has serious impacts on sectors such as agriculture, energy, infrastructure, land, water resources and forestry, in achieving national long-term sustainable development. Currently, the applicant has a climate change project portfolio of approximately US$ 120 million, which includes activities such as reducing vulnerability to extreme climate and weather events through the implementation of relevant priority adaptation measures. Accreditation to the Green Climate Fund (the Fund) will be an opportunity for the applicant to continue to drive sustainable development and green growth as envisaged in its national strategies and to scale up its climate change projects and programmes, but will also be a platform for it to support other developing countries in developing and implementing their national climate change strategies.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 18 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in May 2015. The applicant has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

   (a) **Access modality**: Direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application;

   (b) **Track**: Fast-track under the Adaptation Fund;

   (c) **Size of project/activity within a programme**: Small;¹

   (d) **Fiduciary functions**:²

      (i) Basic fiduciary standards; and

      (ii) Specialized fiduciary standard for project management; and

   (e) **Environmental and social (E&S) risk category**: Medium risk (Category B/Intermediation 2 (I-2)).³

¹ As per Annex I to decision B.08/02, “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 10 million and up to and including US$ 50 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as an accredited entity of the Adaptation Fund. Its application has been assessed against the Fund’s standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant’s website and third-party websites to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.4, investigation function, have been met by way of fast-track accreditation.

7. Regarding item 4.2.4, the applicant provided information regarding the national public sector legal framework that regulates its internal audit function, the investigation of financial mismanagement, the public procurement processes and the sanction mechanisms to be imposed in cases of financial mismanagement. Additionally, it provided information regarding the results of internal audits and procurement reviews so as to demonstrate the application of the framework. The applicant provided information that confirms the presence of a framework for the review and assurance of proper financial management at the national level, as well as its application at the applicant’s level. However, this does not demonstrate that the Fund’s fiduciary standard concerning transparency and accountability has been fully met by the applicant.

8. The applicant’s investigation function is mainly performed by its internal audit department and only partially complies with the Fund’s standard in the following aspects:

(a) The public availability of the terms of reference of its audit functions;
(b) The presence of an independent internal audit function;
(c) The presence of an audit committee at the applicant level, mandated by its national law;
(d) The availability of a legal framework with a clear procedure for managing incidents once detected by the internal audit function; and
(e) A clear procedure for applying sanctions when wrongdoing is demonstrated;

9. However, the audit function does not provide a clear procedure for receiving and managing complaints and there is no procedure in place for periodically reporting investigation case trends (i.e. distinct from periodic audit reports).

2.1.3 Section 5.1: Specialized fiduciary standard for project management

10. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.
2.1.4 **Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

11. The applicant did not apply for assessment against this standard at this time.

2.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

12. The applicant did not apply for assessment against this standard at this time.

2.2 **Environmental and social safeguards**

2.2.1 **Section 6.1: Policy**

13. The applicant is guided by the country's overarching E&S laws in which it is located; these are further supplemented by legislation covering specific sectors and guidelines for environmental assessments. The guidelines, having been institutionalized for almost a decade, have facilitated the establishment of the current environmental and social management system (ESMS). The ESMS encompasses:

(a) Project impact assessments;

(b) Public consultation; and

(c) Monitoring and evaluation of a project over its life cycle.

14. Moreover, as evidence of implementing these laws and guidelines, the applicant provided information on its work with a number of international financing institutions on projects that covered aspects contained in the subsequent Sections 2.2.2 to 2.2.6 below.

15. These laws are found to be partially aligned with the Fund’s environmental and social safeguards (ESS). However, in order to determine the gaps at the project level (performance standards 2-8), if any, an equivalence assessment of the country's legal framework would have to be undertaken. It is recommended that the applicant consider undertaking such an assessment with respect to projects and programmes funded by the Fund in order to further the development and application of ESS within the country.

2.2.2 **Section 6.2: Identification of risks and impacts**

16. The applicant, as required by law, undertakes an environmental impact assessment (EIA) process for all projects regardless of the risk category, before authorization for its implementation is obtained. The EIA process assesses environmental and socioeconomic risks and impacts. The applicant demonstrated experience in assessing a range of risk categories.

2.2.3 **Section 6.3: Management programme**

17. APL009 has an agency within its organization that was established by law to oversee the implementation of policy. It oversees the EIA process which includes, where relevant, mitigation plans supplemented by an environmental management plan.

2.2.4 **Section 6.4: Organizational capacity and competency**

18. The applicant, given the cross-cutting nature of its projects, has an agency within its organization to coordinate the capacity and competency for implementation. For large and complex projects, a unit that is resourced with skills and competencies drawn from other public sector entities and departments is formed to manage the project. This process has been successfully applied in projects, but resource constraints are recognized as a risk, given the
mobility of suitably qualified staff. This qualification, however, does not detract from the applicant meeting the Fund's ESS for this item.

2.2.5 Section 6.5: Monitoring and review

19. It has various cross-cutting review structures spanning public sector entities and departments and is also mandated to report on such reviews by law. Monitoring and review forms an integral part of the applicant's EIA process and covers the project life cycle, including the operational and decommissioning phases where applicable. Moreover, the process anticipates a dual project monitoring role by the developer of the project and the affiliated agency or decentralized authority.

2.2.6 Section 6.6: External communications

20. The applicant holds public hearings in the EIA process and also has a comprehensive website that facilitates the communication of its activities. The website has a mechanism through which the public can make contact and a central secretariat to assign actionable items to the responsible person.

2.3 Gender

21. APL009 has a national constitution that states its commitment to ensuring equal rights. Moreover, a gender monitoring office ensures that fundamental principles are adhered to by way of its monitoring and supervision role. The principles of gender equality have also been codified in laws relating to land tenure amongst others. Gender considerations form part of the key development indicators of departments and ministries.

22. The applicant provided information on gender-related competencies, and examples of projects and research where it jointly worked with other entities, including civil society, in furthering gender parity. Furthermore, gender-based priorities are evidenced and resourced where the promotion of gender and family matters are entrenched at the ministerial level.

III. Conclusions and recommendation

3.1 Conclusions

23. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant substantially meets the requirements of the Fund's basic fiduciary standards and specialized fiduciary standard for project management. In order to fully meet the Fund's basic fiduciary standards, improvements relating to the investigation function for the purpose of transparency and accountability (item 4.2.4 of the application for accreditation) are required as described below:

(i) Publishing on its website, the instructions and appropriate forms through which to log a complaint;

(ii) Preparing quarterly reports on case trends and maintaining a formal record of all complaints received; and

(iii) Submitting a report of the incidents recorded to its Office of the Ombudsman for investigation on a monthly basis;
(b) The applicant partially meets the requirements of the Fund’s interim ESS in relation to the medium E&S risk Category B/I-2. In its assessment, the AP judges that whereas the entity has a wide-ranging ESMS (performance standard 1), it has limited experience in applying the full scope of project-specific performance standards 2 to 8. The applicant is recommended to consider undertaking an equivalence assessment of the country's legal framework with respect to the Fund's project-specific performance standards 2 to 8, which would apply to projects and programmes funded by the Fund. The applicant is required to:

(i) Use external support, including from co-financiers, acceptable to the Fund, to help to prepare projects or programmes that invoke any of performance standards 2 to 8; and

(c) The applicant has demonstrated that it has policies, procedures and competencies, which are found to be consistent with the Fund’s gender policy, and has also demonstrated that it has experience with gender consideration in the context of climate change activities.

3.2 Recommendation on accreditation

24. The AP recommends, for consideration by the Board, the applicant (APL009) for accreditation as follows:

(a) **Accreditation type:**

(i) **Size of an individual project or activity within a programme:** Small (including micro);

(ii) **Fiduciary functions:**

   1. Basic fiduciary standards; and

   2. Specialized fiduciary standard for project management;

(iii) **Environmental and social risk category:** Medium risk (Category B/I-2) (including lower risk (Category C/I-3))4; and

(b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes.

(i) The applicant shall meet the requirements indicated in paragraph 23(a) (i–iii) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant; and

(ii) The applicant shall meet the requirement in paragraph 23(b) (i) above in respect of any project/programme funded by the Fund that invokes any of performance standards 2-8 until a mid-term review during the five-year accreditation period is undertaken for the purposes of determining the applicant’s competency in meeting the Fund’s ESS at the project level.

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4 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

25. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 24 above, and agrees to the recommendation.

3.3 Additional remarks

26. The applicant may wish to seek readiness and preparatory support to assist it with:

(a) Meeting the conditions identified in paragraph 24 (b) above; and

(b) Undertaking the recommendation made in paragraph 23 (b) above. The outcome of this assessment could rule out the necessity for the condition contained in paragraph 24 (b) (ii).
Annex X: Accreditation assessment of Applicant 010 (APL010)

I. Introduction

1. Applicant 010 (APL010) is a national financial institution with a total balance sheet of over US$ 40 billion located in a developing country in the Asia–Pacific region. It has the mandate of promoting sustainable agriculture and rural development through innovative, sustainable and equitable agriculture and rural prosperity by providing financial and technical support. It has built partnerships with other national entities, financial institutions and non-governmental organizations in order to implement innovative ideas through loans, guarantees, blended finance and other structures in the areas of agriculture, natural resources management, fisheries, rural livelihood improvement, renewable energy and micro finance among others. Almost one-third of its cumulative disbursements are related to climate change adaptation and mitigation activities. The applicant seeks accreditation to the Green Climate Fund (the Fund) in order to continue implementing its climate change adaptation and mitigation projects and programmes, which are well aligned with the Fund’s results areas, particularly food and water security, forestry and landscape management, enhancing livelihoods and ecosystem services. Leveraging its long-standing partnerships and experience, APL010 intends to undertake low-emissions and climate-resilient sustainable development that reduces the impacts of climate change.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 11 February 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. It has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

(a) **Access modality**: Direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application;

(b) **Track**: Fast-track under the Adaptation Fund;

(c) **Size of project/activity within a programme**: Large;¹

(d) **Fiduciary functions**:²

(i) Basic fiduciary standards;

(ii) Specialized fiduciary standard for project management;

(iii) Specialized fiduciary standard for grant award and/or funding allocation; and

(iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(e) **Environmental and social (E&S) risk category**: Medium risk (Category B/Intermediation 2 (I-2)).³

¹ As per Annex I to decision B.08/02, "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”. 
II. Accreditation assessment

3. The applicant is eligible for and applied under, the fast-track accreditation process as an accredited entity of the Adaptation Fund. Its application has been assessed against the Fund’s standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As part of this assessment, the AP has consulted the applicant’s website, third-party websites and an international organization that the applicant has collaborated with over many years to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.4, investigation function, have been met by way of fast-track accreditation.

7. Regarding item 4.2.4, the applicant provided evidence in support of its investigation function, for which there are three channels of reporting. In the first instance, it has accepted the national legal framework for reporting and managing the process associated with investigations. This is a well-structured and resourced mechanism, the information on which is fully detailed on its website and fully meets the Fund’s standards. Secondly, there is an internal channel which is contained in the staff rules and provides for an internal disciplinary process. Finally, the website also provides for receiving and tracking complaints.

8. The applicant has provided information in respect of cases reported and actions taken.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

9. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanism

10. The applicant, an Apex institution, has significant grant operations across a diverse set of sectors and demonstrates knowledge and innovation in this area of its operations. Its grant schemes are transparently published on its website. Moreover, its product offering spans a variety of instruments with a wide reach.

11. In addition to the diversity mentioned above, APL010 has a well-established track record for grant awards under dedicated programmes that have been designed in conjunction with international development financing institutions (DFIs). This programmatic approach has

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4 According to the Consultative Group to Assist the Poor, an Apex institution is defined as “a second tier or wholesale organization that channels funding (grants, loans, guarantees) to multiple microfinance institutions (MFIs) in a single country or region. Funding may be provided with or without supporting technical services”. Available at <https://www.cgap.org/sites/default/files/CGAP-Donor-Brief-Apex-Institutions-in-Microfinance-Jul-2002.pdf>.
produced meaningful results and the capacity thus developed can be leveraged for its effectiveness and broad impact.

12. These programmes and associated procedures have been structured with sustainability in mind. Significant engagement and involvement of communities is maintained during the implementation of the projects supported under these programmes. Systems and processes for awarding grants are defined per programme and include, amongst others, results frameworks, procurement procedures, reporting and monitoring and responsibilities. Moreover, the applicant has a technical assistance capacity that further supplements its activities.

13. Information in respect of the programme and the role of the applicant is publically displayed at the project site and project progress is reported within communities via local structures.

14. For components of the programme that have a large concentration of projects, dedicated implementing units are established in order to supplement the monitoring and implementation. Evaluations, including ex-post evaluations are undertaken so as to ensure that projects are sustainably maintained. In order to ensure good governance, external audits on the use of funds form a key component of fiduciary oversight.

15. Grants for programmes are not managed in isolation, but as part of a blended portfolio of loans and grants. The grants provided under these programmes are leveraged for their effectiveness in support of structuring projects where funds are most needed. Eligibility criteria include an assessment of affordability as a means of reducing risk within a well-defined programme.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

16. The applicant has a substantial balance sheet, which, in addition to its proven track record in managing its resources, provides support for its lending programme that includes commercial paper and bond issuance. APL010’s audited financial statements are published annually and its financial metrics have provided for an ‘AAA’ national rating by an internationally recognized rating agency.

17. The applicant has a significant track record in respect of on-lending and blending of a size that it is seeking accreditation for. The approach for its operations with DFIs has been an integrated one where a sustainable financial model is derived by integrating sources and financing types, and the sharing of risk. Here the emphasis is also on a programmatic approach. Sound financial principles, including credit quality, a balanced portfolio approach and good governance characterize the operations of these programmes. Evidence regarding the applicant’s good standing with DFIs has been provided and verified by the AP.

18. In operationalizing the programmes, the applicant’s processes include the selection of project executing agencies which are chosen for their ability to implement projects and a sound financial track record evidenced by audit reports.

19. The applicant has a number of board and management committees with well-defined roles and responsibilities and includes an investment committee, a risk management committee, an audit committee, and an asset and liability committee. These committees meet frequently and are guided by the policies and procedures documented for their purpose. Ongoing activities in respect of programmes are published on a quarterly basis on the applicant’s website and are reported in its annual financial statements.

20. APL010 has, at a macro level, a significant number of policies and procedures that govern its operations. Its loan policy is significantly detailed and provides for credit risk assessments of its counterparts and covers all products in its portfolio.
2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

21. The applicant is in the process of preparing an environmental and social safeguards (ESS) policy which provides for an environmental and social management system (ESMS) that includes processes for:

(a) The identification of impacts and risks of projects;
(b) Monitoring and reporting; and
(c) Community engagement and participation.

22. APL010 intends to submit its newly drafted policy to its board for consideration and approval at its next meeting. The policy will apply to projects and programmes where resources from DFIs and other multilateral sources such as the Fund are applied. The applicant has recently acquired some experience in applying E&S principles to programmes implemented with DFIs. These programmes are ring-fenced with specific E&S and fiduciary guidelines. The draft policy, when approved by the applicant’s board, will fully meet the Fund’s ESS. In addition to addressing the Fund’s ESS, the policy also addresses issues related to gender equity and access, as well as equity and the protection of human rights. In preparing its policy and reflecting on its future implementation, the applicant has recognized the capacity constraints it may encounter and to this end, the policy provides for resources to support its implementation on a cost-recovery basis.

2.2.2 Section 6.2: Identification of risks and impacts

23. The policy provides for an assessment of E&S risks and impacts of the applicant’s operations. It also provides for a categorization of projects and programmes based on the scale, nature and severity of E&S risks and impacts that may arise from its operations.

2.2.3 Section 6.3: Management programme

24. The policy provides for a management programme that will ensure that environmental management plans are prepared and employed in managing mitigation measures and actions stemming from the E&S risk and impact identification process, and unanticipated impacts.

2.2.4 Section 6.4: Organizational capacity and competency

25. The applicant has competency within its structures to undertake the tasks associated with an ESMS, though given the extent of its operations this is limited. Having recognized this gap, APL010 is, in collaboration with a DFI, is in the process of developing a detailed capacity-building programme which includes the development of ESS procedures. Moreover, in addition to its existing ESS competencies, it has drafted a job description for an environmental officer who will oversee, at a strategic level, the applicant’s ESS responsibilities as envisaged by the draft policy.

2.2.5 Section 6.5: Monitoring and review

26. The policy will require that executing agencies establish monitoring procedures to review progress and compliance with the E&S obligations of the applicant’s operations, in addition to outlining the role of the applicant in supervising the executing entities. Monitoring and evaluation of mitigation measures and actions is addressed in the policy.
2.2.6 Section 6.6: External communications

27. The policy proposes a disclosure and consultative process as anticipated in the standard and in this regard it has a significant track record in disseminating information both on its website and at the sites of the executing entities in which it has funded projects. Additionally, project results are substantially detailed in its annual results reports and it produces information booklets and brochures for distribution to the general public. The applicant’s website contains a significant amount of information in respect of its operations and also provides for external communications both for general contact and for grievances.

2.3 Gender

28. The applicant is preparing a gender policy in addition to including gender equity as a standard in its ESMS. This innovative approach codifies a gender approach in the environmental and social impact assessment for medium E&S risk projects. The standard encompasses that women and men are treated equitably, receive comparable benefits and do not suffer disproportionately from operations that the applicant implements. The applicant has demonstrated a track record of supervising gender specific projects and has the in-house competencies.

29. APL010 has demonstrated a track record of gender specific programmes that have been targeted to remove gender barriers and for purposes of climate change adaptation. The applicant provided evidence of facilitating the social and financial empowerment of women in the projects that it has implemented.

III. Conclusions and recommendation

3.1 Conclusions

30. Following its assessment, and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans and guarantees;

(b) Having drafted an E&S policy, which is pending approval by its board, and having worked towards codifying procedures under its programmes with DFIs, the applicant substantially meets the requirements of the Fund’s interim ESS in relation to the medium E&S risk Category B/I-2. It is required that the applicant’s board:

(i) Approve the environmental and social safeguards policy, and communicate the policy and procedures within the organization as well as to its executing entities;

(c) The applicant has demonstrated that it has competencies in the implementation of a gender policy in addition to demonstrating the ability to apply gender-sensitive approaches to climate change adaptation projects and programmes. It is required that the applicant:

(i) Develop a gender policy in line with the Fund’s gender policy to be applied in projects and programmes funded by the Fund.
3.2 Recommendation on accreditation

31. The AP recommends, for consideration by the Board, the applicant (APL010) for accreditation as follows:

(a) Accreditation type:
   (i) **Size of an individual project or activity within a programme:** Large (including micro, small and medium);

(ii) **Fiduciary functions:**
   1. Basic fiduciary standards;
   2. Specialized fiduciary standard for project management;
   3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
   4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(iii) **Environmental and social risk category:** Medium risk (Category B/I-2) (including lower risk (Category C/I-3)); and

(b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition. The AP will thereafter assess whether the condition has been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The condition is:

(i) The applicant shall meet the requirements indicated in paragraph 30 (b) (i) and (c) (i) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant.

32. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 31 above, and agrees to the recommendation.

3.3 Additional remarks

33. The applicant is encouraged to seek readiness and preparatory support to assist it with:

(a) Meeting the conditions identified in paragraph 31 (b) above.

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5 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
Annex XI: Accreditation assessment of Applicant 011 (APL011)

I. Introduction

1. Applicant 011 (APL011) is a regional financial institution established in the late 1960s, located in the Latin American and Caribbean regions and focuses on the promotion of sustainable development and green economies in over 15 countries in the region through supporting the technical and financial structuring of projects. It offers a wide variety of financial products and services, including loans, equity and guarantees. The applicant's partnerships with public and private sector organizations have allowed it to play an active role in the promotion of projects and programmes that generate environmental benefits and to address climate change impacts. Over US$ 800 million has been invested in green energy and greenhouse gas emissions mitigation projects. Such projects have focused on energy efficiency, renewable energy solutions, sustainable transport and climate change adaptation through disaster risk reduction and ecosystem services. APL011 seeks accreditation to the Green Climate Fund (the Fund) in order to continue developing climate change projects and programmes together with its partners that will reduce the impacts of climate change in its region.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 17 March 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded at the end of May 2015. The applicant has applied to be accredited for the following parameters under the Fund's fit-for-purpose approach:

   (a) **Access modality**: Direct access, regional. The applicant received three national designated authorities or focal points nominations for its accreditation application;

   (b) **Track**: Fast-track under the Adaptation Fund;

   (c) **Size of project/activity within a programme**: Large;

   (d) **Fiduciary functions**:  
      (i) Basic fiduciary standards;
      (ii) Specialized fiduciary standard for project management;
      (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
      (iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

   (e) **Environmental and social (E&S) risk category**: High risk (Category A/Intermediation 1 (I-1)).

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1 As per Annex I to decision B.08/02, "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme".

2 Decision B.07/02.

3 As per Annex I to decision B.07/02, Category A is defined as "Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented" and Intermediation 1 is defined as "When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".
II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as an accredited entity of the Adaptation Fund. Its application has been assessed against the Fund’s standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant’s website and Standards & Poor’s credit rating of the applicant as additional sources of information to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities is considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.4, investigation function, has been met by way of fast-track accreditation.

7. Regarding item 4.2.4, the applicant is assessed to meet the Fund’s basic fiduciary standards in this respect. APL011 provided a set of guidelines for ethical behaviour, and procedures to handle complaints/inquiries regarding possible ethics cases. It also provided evidence of cases that have been processed and closed in the past three years. The guidelines and contact mechanism are available to all employees through the entity’s intranet, and contact information for filing complaints with its ethics committee of management is available on the entity’s website. In cases were the complaints are related to projects that the applicant participates in or that are related to financial mismanagement, the ethics committee will refer the case to another committee formed by four high ranking officers who will analyse the case and recommend a course of action to the entity’s Executive President.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

8. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

9. The applicant has emphasized that it is seeking accreditation for grant awards and/or funding allocation mechanisms to further enhance its capacity to provide technical assistance on climate change matters in its region of operation. APL011 states that it is limited in its ability to maintain a physical presence in every country of the region; therefore, it considers technical assistance funding as a viable mechanism by which to enhance the scope and impact of its climate change efforts. The strategy proposed is to provide support for the enhancement of climate change expertise at the local level through national capacity-building.

10. Within the context of the applicant’s strategy, grants are defined as a funding allocation mechanism that will provide resources in order to fund technical assistance initiatives. The applicant has well-established and transparent processes for evaluating, selecting and awarding
technical assistance funding based on the capacity-building needs of the particular countries within its region.

11. In order to ensure efficient management of the technical assistance funds, the applicant has established a dedicated unit to manage all technical assistance fund awards. The process to assess, select, award and monitor technical assistance funding is defined in the applicant’s manual for managing special funds and in its guidelines for preparing and undertaking technical cooperation operations. The policies in place clearly define activities eligible for technical assistance, clear selection processes and criteria, levels of authorization required for disbursement and eligible expenses (items subject to funding).

12. Taking into consideration the applicant’s emphasis on funding allocation mechanisms for technical assistance, it complies with the Fund’s specialized fiduciary standard for grant award and/or funding allocation mechanisms.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

13. The applicant has over 25 years of experience of working with international sources of funds for on-lending and blending.

14. It has investment grade credit ratings from the three major global rating agencies, which highlight the applicant’s sound financial position.

15. The applicant has contributed over US$ 800 million to green energy and the mitigation of greenhouse gas emission projects, and financing for other green projects. These projects were funded mainly through loans, however technical assistance funding, concessional loans and equity instruments were also utilized as funding mechanisms.

16. APL011’s credit manual provides guidance on effective credit management policies. It includes guidance on credit origination (including due-diligence assessment), monitoring and evaluation, and problem loan management. The quality of the applicant’s loan portfolio management guidelines is evidenced by an external credit rating report, which highlights the quality of its loan portfolio.

17. Considering its controls, management practices and experience with on-lending and blending operations, the applicant meets the Fund’s specialized fiduciary standard for on-lending and/or blending related to loans, equity and guarantees.

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

18. The applicant has considerable experience with environmental and social safeguards (ESS) implementation across a wide spectrum of projects and E&S risk categories. Its overarching environmental policy is well established, while technical guidelines continue to be strengthened and updated. It established an environmental strategy in 2007, which describes the guiding axis, principles, methodologies and objectives of the applicant’s environmental activities. The strategy describes 14 ESS, which are in line with the Fund’s ESS, except for some aspects of performance standard 2 on labour and working conditions. The applicant provided substantial documentation demonstrating its experience in various aspects of project-specific performance standards 2 to 8 in the projects which it finances.

2.2.2 Section 6.2: Identification of risks and impacts

19. APL011’s operations are guided by an environmental and social management system (ESMS) that is supported by an E&S risk matrix and a geographical information system utilized
from the very early stages of project origination. The E&S matrix accommodates the characteristics of the proposed project as well as the sensitivity of the environment (physical and social) in which it is located. Whereas the geographical information system is a tool that assists in the identification of sensitive or vulnerable geographic areas. The applicant's E&S risk categorization system is comparable to that used by Fund. APL011 presented a brief paper comparing its risk categorization system with that used by the Fund. The applicant has also presented documentation related to its projects showing different risk categories (from low to high), evidencing its significant experience in managing projects with different E&S risk characteristics.

2.2.3 **Section 6.3: Management programme**

20. The applicant’s E&S strategy document has been elaborated in a set of guidelines and manuals that ensure sound practices from project origination to ex-post evaluation. The guidelines also ensure that executing entities provide the necessary human resource and budget allocations to implement E&S mitigation plans. The guidelines also call for the incorporation of contractual conditions in loan agreements. Project documentation demonstrates the application of the system, including project E&S reports and environmental audit reports.

21. However, there is a new draft guideline (consolidated blueprint on E&S) that has not been finalized nor approved. This is expected to take place by October 2015. The applicant needs to ensure the finalization of the guideline, approval of the consolidated blueprint and its institutionalization in the organization and its executing entities.

2.2.4 **Section 6.4: Organizational capacity and competency**

22. The applicant’s E&S management system is handled by its environment and climate change division, the director of which reports to senior management (Executive President). The division is divided into three units, with one unit (with seven officers) being responsible for ensuring that environmental and social safeguards are adhered to. While the other units are in charge of green business programmes (forestry and biodiversity) and climate change programmes (adaptation and mitigation). A manual that describes the operational modality of the division was provided. The curricula vitae provided for technical staff indicate sound competency in this field.

23. APL011 has commenced a capacity-building programme for its staff, located in various offices, with the Global Environment Facility (GEF), which covers ESS as well as gender mainstreaming. The schedule for the training courses was provided, showing that courses are planned for 2015, 2016 and 2017, to cover all of the GEF’s Minimum Standards on Environmental and Social Safeguards topics.

2.2.5 **Section 6.5: Monitoring and review**

24. The applicant’s guidelines and manuals establish a continuum of actions for the monitoring and review of E&S risk and impact management. At the formalization stage, the applicant ensures that loan agreements clearly state the executing entity’s obligations for E&S mitigation and monitoring. One obligation is for the executing entity to engage external experts/auditors in order to verify compliance with requirements established in the project’s E&S studies or documents, licences and loan agreements. At the project implementation phase (administration and disbursement phase), verification of E&S compliance is conducted through field visits, which result in a technical criteria document that highlights findings to be followed up by the executing entity. Samples of reports were provided as evidence that the monitoring and review system is functioning.
25. For the GEF projects, the applicant has indicated that it will apply a GEF project management manual, which describes a results-based management approach and a performance measurement framework to be applied to projects prior to completion. The framework is intended to improve decision-making, transparency and accountability. For each project, performance indicators are developed to measure the achievement of outputs, outcomes and targets. Quarterly or biannual reports, as well as mid-term and final evaluation reports are to be publicized on the applicant’s website. Additionally, the applicant has stated that its GEF portfolio will undergo an external audit in order to determine the applicant’s compliance to GEF ESS requirements as well as its own. As no GEF projects have been implemented, there were no audit reports submitted for this assessment.

26. The project documentation indicates some inconsistency, however, in the practice of monitoring and follow-up of actual environmental impacts and risks. It is expected that the new consolidated blueprint will play an important role in strengthening the applicant’s ESMS and performance.

2.2.6 Section 6.6: External communications

27. The applicant has set up a grievance and complaint response mechanism for GEF projects, and an ethics committee to receive complaints and reports on possible fraud activities or acts of corruption related to projects from other sources (non-GEF). The method for contacting the applicant regarding any such complaints or grievances is provided on the applicant’s website.

2.3 Gender

28. The applicant has recently published guidelines on gender equity that follow up on a gender agenda from 2013. APL011 has established a gender affairs committee comprising senior officers, and has assigned an executive to be responsible for implementing and mainstreaming the strategy, and monitoring and reporting on gender outcomes. It also has a gender action plan that provides a preliminary framework for mainstreaming gender into its operations. The applicant does, however, lack a track-record on gender and climate change, and is encouraged to build up its project and programme experience in line with its guidelines and action plan.

III. Conclusions and recommendation

3.1 Conclusions

29. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees. The applicant’s current investigations structure could be enhanced by the implementation of a formal independent investigations function that integrates the investigative functions currently undertaken by the ethics committee and the special committee that investigates cases of financial mismanagement;

(b) APL011 substantially meets the requirements of the Fund’s interim ESS in relation to high E&S risk Category A/I-1. The applicant is required to:
(i) Ensure that the project-specific performance standard 2 is fully aligned with the Fund’s ESS when it is applied in projects, and to strengthen its monitoring and review of E&S risks and impacts, as part of its ESMS; and

(ii) Approve by senior management the consolidated blueprint for E&S management and to communicate the blueprint within the organization and to its executing entities; and

(c) The applicant has demonstrated that it has policies, procedures and competencies which are found to be consistent with the Fund’s gender policy.

3.2 Recommendation on accreditation

30. The AP recommends, for consideration by the Board, the applicant (APL011) for accreditation as follows:

(a) **Accreditation type:**

(i) **Size of an individual project or activity within a programme:** Large (including micro, small and medium);

(ii) **Fiduciary functions:**

1. Basic fiduciary standards;
2. Specialized fiduciary standard for project management;
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(iii) **Environmental and social risk category:** High risk (Category A/I-1) (including lower risk (Category B/I-2 and Category C/I-3)); and

(b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition. The AP will thereafter assess whether the condition has been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The conditions are:

(i) The applicant shall meet the requirements indicated in paragraph 29 (b) (i-ii) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant.

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4 As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

5 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
31. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 30 above, and agrees to the recommendation.

3.3 Additional remarks

32. The applicant is encouraged to seek readiness and preparatory support to assist it with:

(a) Meeting the conditions identified in paragraph 30 (b) (i) above.
Annex XI: Accreditation assessment of Applicant 012 (APL012)

I. Introduction

1. Applicant 012 (APL012) is a regional entity whose work is focused on small island developing States in the Caribbean and on improving the region’s framework for and activities that address climate change. Key activities that the applicant engages in with its member states include raising awareness on climate change, building capacity to analyse climate change impacts across various sectors, and identifying adaptation and mitigation opportunities; developing and implementing mitigation and adaptation projects in the region; and providing policy advice and support during events such as the international climate change negotiations. The applicant has built strong relationships with institutions across the region and internationally in order to deliver effective solutions and projects. Over the next five years, it will manage climate change projects and programmes in the region of almost US$ 50 million, including in areas that they already have experience in: early warning systems, water and energy security, agriculture and food security, resilient health-care facilities, climate-resilient buildings, and ecosystem-based adaptation. APL012 seeks accreditation to the Green Climate Fund (the Fund) to undertake and scale up both mitigation and adaptation projects across the region in order to drive a paradigm shift in the region’s development patterns.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 26 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

(a) **Access modality**: Direct access, regional. The applicant received a national designated authority or focal point nomination for its accreditation application;

(b) **Track**: Normal track;

(c) **Size of project/activity within a programme**: Small;\(^1\)

(d) **Fiduciary functions**:\(^2\)

(i) Basic fiduciary standards;

(ii) Specialized fiduciary standard for project management; and

(iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

(e) **Environmental and social (E&S) risk category**: Minimal to no risk (Category C/Intermediation 3 (I-3));\(^3\)

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\(^1\) As per Annex I to decision B.08/02, “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 10 million and up to and including US$ 50 million for an individual project or an activity within a programme”.

\(^2\) Decision B.07/02.

\(^3\) As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

II. Accreditation assessment

3. The applicant has been assessed against the Fund’s standards by the Accreditation Panel (AP).

4. As a part of this assessment, the AP has consulted the applicant’s website and third-party websites to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. The applicant is a small organization with approximately 45 employees. It has an established financial management system commensurate with the scale of its historical activities and modalities of engagement with partners. In anticipation of accreditation to the Fund and recognizing that certain gaps exist in its internal control framework, it has already embarked on a process to fill these gaps.

6. The organization is funded by some of its member states, as well as by international (multilateral and bilateral) organizations and is supervised by a board of governors. It further sustains its operations with fee income realized from its project management role. In addition, its board recently established operational committees.

7. The applicant provided its business plan for 2013-2018, and its financial manual to demonstrate that it has a consistent and formal process by which to set financial objectives and to ensure that the chosen objectives support and align with the mission of the organization.

8. APL012's financial statements have been prepared and audited in accordance with internationally accepted accounting practices. The management letters and reports prepared by the external auditor recommended that the applicant strengthen its internal control framework.

9. In accordance with an external audit recommendation, an audit committee of the applicant's board has been established and includes three independent members in its composition. The audit committee has stated that it would provide a report on its work by the organization's next board meeting.

10. The applicant does not have an internal audit function with a track record of being implemented, however, an internal audit charter and terms of reference for the internal audit committee have recently been approved by its board. Moreover, a contractual agreement with an internationally recognized entity for providing internal audit services has been established.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

11. The ethics provisions of the applicant’s organization are regulated by the staff code of conduct that has been communicated throughout the organization, and which clearly defines the conduct expected of the organization and its employees. This code of conduct is supported by the declaration of the conflict of interest. The only currently functioning committee of the board is the finance committee, however, this will be addressed at the applicant’s next board meeting, at which it is intended to establish an ethics committee.

12. The applicant maintains a complaints portal on its website and provides for complaints of a general nature as well as for project-related complaints. It has a well-structured complaints procedure with terms of reference and provides for the registering of a complaint.
13. APL012 is in the process of establishing a "know-your-customer" mechanism to trace electronic transfers as part of the applicant's anti-money laundering and anti-terrorist financing procedure.

2.1.3 **Section 5.1: Specialized fiduciary standard for project management**

14. In addition to the gaps mentioned in paragraph 5 above, the applicant has undertaken an extensive exercise to codify its practices in respect of existing project management practices undertaken. Moreover, these practices have been aligned and cross-referenced to other project-related procedures and manuals. Although these codified procedures are recent, the experience and historical practices over the last decade substantially mirror what is contained in these documents.

15. The applicant has a strong track record as further evidenced by a sample of project appraisals undertaken in the past three years, including activities that promote climate change adaptation and mitigation objectives developed in cooperation with a wide range of multilateral and bilateral funding institutions.

16. Financial resources for projects with partners have been ring-fenced and accounted for separately in accordance with international standards.

17. Based on the information provided, it is assessed that the current documented practice of project preparation, appraisal, monitoring and quality review is appropriate for the small-scale project size that the applicant is applying for, and has been documented noting the applicant's aspirations for growth.

2.1.4 **Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

18. The applicant allocates its resources based on a transparent system where proposals are received and assessed on an ongoing basis. This process is regulated by project-specific management procedures, including grants provided for technical assistance at the project preparation stage in conjunction with the project development process.

19. The decisions on grant allocation are taken by authorized parties in the organization and grant disbursement is regulated by the organization's project due diligence procedures. The payments are undertaken in accordance with the grant contract agreements and are closely monitored by the project management function and donor organizations.

20. The applicant has developed a stand-alone grant framework together with a partner organization that meets the Fund's standard where specific calls for proposals are anticipated for specific climate-related activities. The grant allocation procedure contains provisions for calls for proposals, criteria for exclusion, eligibility, selection and awards, as well as procurement procedures. This reflects the applicant's emerging role as an implementing entity applying its own standards to all of its projects and programmes rather than applying those of different donors on a project-by-project basis.

2.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

21. The applicant did not apply for assessment against this standard at this time.
2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

22. The applicant indicated in its application that it is applying for assessment against the minimal to low E&S risk (Category C/I-3), which by definition, contains minimal to no environmental and/or social risks or impacts. The environmental and social management system (ESMS) required for Category C/I-3 is relatively simple, and will not need to include all of the ESMS elements required for higher risk categories. While the applicant applied for Category C/I-3, its ESMS and E&S policy are commensurate with the medium E&S risk Category B/I-2, as further detailed in the sections below. Moreover, the applicant has provided information on its track record with regard to the number of successfully developed and implemented projects categorized as having a medium E&S risk level.

23. APL012 developed and codified a comprehensive ESMS, which is fully aligned with the requirements of the Fund's environmental and social safeguards (ESS) for Category B/I-2. The new E&S standards and policy within the applicant’s ESMS have recently been approved. This policy is an update of the existing policies and practices that the applicant has already applied in projects and programmes. Given its regional status the applicant recognizes that there may be differences in the country level requirements and the Fund’s standards, but it would apply the latter to projects and programmes funded by the Fund and this has been reflected in its E&S policy.

24. The E&S policy contains the provisions for E&S risk categorization that is consistent with the Fund’s interim ESS, as well as provisions for the management programme, organizational competence, monitoring and review, stakeholder engagement, grievance mechanism and gender equality.

2.2.2 Section 6.2: Identification of risks and impacts

25. The applicant’s ESMS includes an assessment process that is commensurate with the E&S risk and the scale of the project it would be financing. It provides for a process of categorization, stakeholder consultation and management of the projects throughout its life cycle. The applicant’s processes for identifying E&S risks and impacts are fully aligned with the requirements of the Fund’s ESS with respect to medium E&S risk Category B/I-2.

2.2.3 Section 6.3: Management programme

26. The recently approved E&S policy contains provisions for mitigation and performance improvement measures, and actions that address the identified E&S risks and impacts of the project. While the E&S policy codifies existing practices, projects have not yet been started or implemented using the new policy since its approval. The applicant has presented a strong track record on undertaking E&S assessments with respect to the medium E&S risk projects that it already undertakes prior to the approval of its E&S policy.

2.2.4 Section 6.4: Organizational capacity and competency

27. The applicant has demonstrated a strong organizational capacity and competency with regard to E&S aspects. It provided information on the qualifications of the staff members who will facilitate the implementation of the ESMS. The records provide evidence that the designated E&S specialists have significant experience, skills and knowledge in developing and assessing the projects of a medium E&S risk category. These resources will further supplement the well-documented standards and policy of the applicant. This fully meets the requirements of the Fund’s ESS with respect to medium E&S risk Category B/I-2.
2.2.5 Section 6.5: Monitoring and review

28. APL012 works with national authorities to monitor project impacts and projects are subject to the monitoring and review process outlined in the E&S policy. The specific scope and schedule of monitoring and inspections would be prepared for the specific project in accordance with the E&S policy. This fully meets the requirements of the Fund’s ESS with respect to medium E&S risk Category B/I-2.

2.2.6 Section 6.6: External communications

29. The applicant has a well-developed website that contains a significant amount of information on the projects it developed, as well as on the environmental and social risk assessment tools it has applied. In addition, the site provides contact information for the general public. Moreover, provision is made for complaints from the public regarding projects and other matters. This fully meets the requirements of the Fund’s ESS with respect to medium E&S risk (Category B/I-2).

2.3 Gender

30. APL012 is in the process of developing its gender policy and has provided its outline of the same. Some competence in gender-related aspects has been gained through conducting projects and programmes that target women among other beneficiaries. However, capacity-building assistance following the approval of the gender policy is recommended. The applicant appears to intend to incorporate gender and climate change issues in its project assessment processes.

III. Conclusions and recommendation

3.1 Conclusions

31. Following its assessment, the AP concludes the following in relation to the application:

(a) The applicant partially meets the requirements of the Fund’s basic fiduciary standards and fully meets the requirements for the specialized fiduciary standard for project management and specialized fiduciary standard for grant award and/or funding allocation mechanisms. In order to fully meet the requirements of the Fund’s basic fiduciary standards, the applicant is required to:

(i) Adopt, through its audit committee, the audit charter as its frame of reference;

(ii) Submit its internal audit plan for the next financial year, 2016;

(iii) Submit internal audit reports annually for three consecutive financial years, starting with the financial year 2016; and

(iv) Establish a “know-your-customer” procedure as part of its anti-money laundering and anti-terrorist financing procedure;

(b) APL012 may wish to institutionalize the grant award procedure developed with one of its partner institutions;

(c) The applicant fully meets the requirements of the Fund’s interim ESS in relation to minimal to no E&S risk Category C/I-3, which it applied for, as well as the medium E&S risk Category B/I-2; and
(d) APL012 has demonstrated experience in climate change projects that take gender aspects into account, however, it should further work on developing its gender policy and strengthening its competencies in gender-related issues. The applicant is required to:

(i) Adopt a gender policy consistent with the Fund's gender policy to be applied in projects and programmes funded by the Fund.

3.2 Recommendation on accreditation

32. The AP recommends, for consideration by the Board, the applicant (APL012) for accreditation as follows:

(a) Accreditation type:

(i) **Size of an individual project or activity within a programme**: Small (including micro);

(ii) **Fiduciary functions**:  
1. Basic fiduciary standards;  
2. Specialized fiduciary standard for project management; and  
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms;

(iii) **Environmental and social risk category**: Medium risk (Category B/I-2)\(^4\) (including lower risk Category C/I-3); and

(b) **Conditions**: The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The conditions are:

(i) The applicant shall meet the requirements indicated in paragraph 31(a) (i), (ii) and (iv) and 31(d) (i) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant; and

(ii) The applicant shall meet the requirements indicated in paragraph 31(a) (iii) on an annual basis for three consecutive years, starting with the financial year 2016. This condition is not required to be met prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant.

33. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 32 above, and agrees to the recommendation.

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\(^4\) As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”. 
3.3 Additional remarks

34. The applicant is encouraged to seek readiness and preparatory support to assist it with:

(a) Meeting the conditions identified in paragraph 32 (b) above; and

(b) Undertaking the recommendations in paragraph 31 (b) above.
Annex XIII: Accreditation assessment of Applicant 013 (APL013)

I. Introduction

1. Applicant 013 (APL013) is a regional entity established through a public–private partnership to serve Africa, particularly providing financing solutions to address infrastructural needs in the region. With the view of achieving its mandate, the applicant has established strategic partnerships with other regional financial institutions that also prioritize development and the financial impact of their investments. The applicant has an investment portfolio worth about US$ 2 billion, and a track record of making climate change adaptation and mitigation investments that enhance livelihoods through renewable energy generation (e.g. hydropower and wind), sustainable transport and low-emissions projects, by employing equity and loans. Leveraging its well-established partnerships and successful track record in the African region, the applicant seeks accreditation to the Green Climate Fund (the Fund) in order to continue, through instruments such as loans, equity and guarantees, to implement projects that address the region’s infrastructural gaps whilst promoting low-emission and climate-resilient development pathways.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 2 February 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

   (a) **Access modality**: International access;
   
   (b) **Track**: Normal track;
   
   (c) **Size of project/activity within a programme**: Large;
   
   (d) **Fiduciary functions**:  
      (i) Basic fiduciary standards;
      (ii) Specialized fiduciary standard for project management; and
      (iii) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
   
   (e) **Environmental and social (E&S) risk category**: High risk Category A/Intermediation 1 (I-1).

II. Accreditation assessment

3. The applicant has been assessed against the Fund’s standards by the Accreditation Panel (AP).

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1 As per Annex I to decision B.08/02, “large” is defined as “total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme”.

2 Decision B.07/02.

3 As per Annex I to decision B.07/02, Category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and Intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

4. As a part of this assessment, the AP consulted the applicant’s website and a variety of reliable, robust third-party websites as part of the assessment process.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. The applicant’s executive management committee is responsible for assessing its financial performance and financial risk. This oversight is operationalized through subcommittees of management, such as the asset and liability committee, the risk committee, the valuation committee and the investment committee.

6. The audit and compliance committee of APL013’s board oversees the internal audit function, thus ensuring independence and effective execution of the internal audit responsibilities, which are operationalized in documented audit plans.

7. The applicant demonstrated that it has a reliable financial reporting function, which is supported by the required technological platform. It prepares yearly financial statements in accordance with the International Financial Reporting Standards. In addition to the appropriate preparation of required financial statements, the applicant has a system of management reports that ensure the availability of information for effective decision-making.

8. It demonstrated that it has a mature internal control system. Furthermore, it has implemented board-sanctioned policies and operating procedures to ensure that operations are carried out efficiently, and that inherent risks are mitigated effectively. The applicant’s internal control framework relies on clearly established responsibilities assigned to divisional and departmental managers, and on the oversight responsibilities of the risk management department and the internal audit department.

9. The applicant has a procurement manual, which governs its internal procurement practices and procurement in respect of projects where it is agreed that the applicant’s procurement processes will be used. Controls are in place to provide assurance that the procurement function has appropriate oversight.

10. APL013 has a well-defined payment and disbursement system to ensure that appropriate controls are in place. These controls are based on a suitable segregation of functions and are supported by the required technology.

11. The applicant’s code of ethics establishes the professional conduct expected of all staff members, including the disclosure of conflicts of interest.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

12. Regarding the applicant’s investigation function, its chief internal auditor reports periodically to the audit and compliance committee and to the chief executive officer on key control issues, including fraud risks. The investigation function is adequate for receiving and processing internal complaints, however no mechanisms are in place to receive third-party complaints.

13. Furthermore, there is an ethics phone line, which is independently operated by a large international audit firm, to enable the applicant’s staff to report any form of misconduct, which is subsequently investigated by executive management.

14. The applicant has an approved anti-money laundering and countering the financing of terrorism policy (AML/CFT policy). This policy mandates that “know-your-customer” (KYC) due diligence be undertaken for all the applicant’s executing entities. The KYC questionnaire is
standardized and included in the AML/CFT policy. The applicant does not execute electronic payments on behalf of third parties, nor does it accept deposits from the public, and this significantly reduces potential AML/CFT risks.

2.1.3 **Section 5.1: Specialized fiduciary standard for project management**

15. APL013 applies a structured and effective project management process for all the projects in which it invests. Its project approval process includes an initial eligibility assessment, a preliminary investment proposal and a final investment proposal. The final investment proposal is reviewed and approved by the risk committee.

16. The applicant’s investment committee monitors and evaluates project performance periodically, based on standardized reports that include assessments of the projects’ key performance indicators, compliance with financing agreement covenants, risk factors, mitigation actions and key follow-up items.

17. The applicant engages independent external technical advisers for both project assessment, and monitoring and evaluation (M&E).

18. To ensure that project M&E activities are appropriately prioritized, the applicant’s risk management unit manages a project risk rating mechanism. This mechanism assigns a watch status or downgrades the rating of projects, where necessary.

2.1.4 **Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

19. The applicant did not apply for assessment against this standard at this time.

2.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

20. The applicant’s capacity for managing on-lending and/or blending activities is validated by its successful issuance of securities in the international Eurodollar market. The successful completion of the approval, registration and issuance process, and furthermore the market acceptance of these securities (as demonstrated by investor demand) provide external validation of the adequacy of the applicant’s financial management capacity.

21. APL013 received an international investment grade credit rating from a leading international rating agency for both the applicant’s general credit risk and for the risk specific to the securities that it issued in the international financial markets.

22. The applicant has demonstrated a strong on-lending track record. It has secured credit facilities in excess of US$ 1 billion from both development finance institutions (DFIs) and global commercial banks. The applicant’s on-lending framework and capacity consists of incorporating the applicable requirements of the credit facilities into its robust and detailed project identification, appraisal and monitoring processes.

23. It’s on-lending and/or blending effectiveness is supported by the structured approach to project assessment and approval previously described. Project approval by the investment committee provides clear guidelines for on-lending and/or blending activities for loans and equity investments.

24. The applicant’s credit risk policy provides guidance for the entire investment process, including origination, technical assistance, appropriate financial structure, appropriate funding sources (including debt and/or equity) and final approval. Compliance with the applicant’s credit risk guidelines is ensured by the required investment committee approval.

25. APL013 has financed projects that are aligned with the Fund’s objectives, such as renewable energy projects, including a hydroelectric power plant and a wind power farm. In
these projects, the applicant demonstrated its ability to finance jointly with both private banks and DFIs.

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

26. The applicant has, over the past two years, systematically implemented an environmental and social management system (ESMS), which is strategically derived from its overarching environmental and social policy. The policy’s key principles are typical of a private sector organization that invests across a diverse set of infrastructure asset classes.

27. Over the course of implementing its ESMS, the applicant has worked with external experts and an international development finance institution to develop and codify its policies and procedures, the process of which culminated in approval by its board of its policy and ESMS in the first quarter of 2015.

28. APL013 has a policy and manual that guides its environmental and social safeguards (ESS) approach. While both documents were recently board-approved, the principles of the policy have been piloted over the past year and were subjected to an audit based on key performance indicators. With the implementation of the policy, the applicant intends to adhere to international standards and international best practice in the assessment and management of E&S risks. The policy is being implemented under the guidance of its risk department at an executive level.

29. The key principles of the policy have been developed to:

(a) Reflect the applicant’s stated intent in respect of its management of E&S risk. This recognizes the necessity to identify, manage, monitor and mitigate, on an ongoing basis, E&S risks across all areas of its business activities;

(b) Accommodate flexibility where the applicant is a lender participating in project finance transactions; and

(c) Require its E&S standards to apply from the commencement of its participation in the project or provide for an adoption of its E&S standards over time where the project’s financing structure (e.g. equity or project development) and project itself necessitates this approach.

30. This fit-for-purpose approach described above has been considered the most effective tool by which to facilitate the applicant’s participation in markets where E&S standards are in various stages of development. Moreover, it has ensured that the governance structure used to affect the desired ESS outcome is firmly entrenched in its processes. The applicant has recognized that its sphere of influence in respect of E&S standards may differ from project to project and its level of participation; therefore, to mitigate E&S risk, it has codified a structured and pragmatic approach.

31. The applicant’s policy also provides for an exclusion list.

2.2.2 Section 6.2: Identification of risks and impacts

32. The applicant’s standards in respect of the identification of risks and impacts fully meet the Fund’s ESS and in order to establish this practice, the applicant’s E&S risk identification, assessment and management has been integrated and codified into its entire investment process from feasibility phase to exit. Implementation of the policy is the responsibility of the risk department at an executive level.
Moreover, the applicant has acquired a tool for the E&S risk categorization of projects, which includes detailed guidelines for the identification and categorization of E&S risks and impacts. The applicant fully meets the Fund’s ESS in this regard.

2.2.3 Section 6.3: Management programme

APL013 has recognized that E&S risk identification in the early due diligence phase is key to ensuring that management of E&S risks and impacts are adequately provided for in its management programme. For all high E&S risk Category A/I-1 projects, the assistance of an external expert is mandatory. The applicant’s ESS is a reportable item in all its investment committee decisions and the applicant has codified the management of E&S risk in all stages of project development and/or project operations. Training material has been developed and the ESMS procedures and processes have been communicated to its entire staff.

2.2.4 Section 6.4: Organizational capacity and competency

The applicant’s executive risk officer (ESMS manager) maintains responsibility for the organization’s adherence to its policy and ESMS. A suitably qualified ESMS officer is responsible for the day-to-day implementation of its ESMS. The ESMS manager takes the lead on matters relating to planning, implementation, developing, educating, training and liaising with internal and external stakeholders. In addition to its in-house competency, the applicant will, for all high E&S risk Category A/I-1 projects, employ the services of an external expert to assist with the implementation of the ESMS process as envisaged in its manual.

2.2.5 Section 6.5: Monitoring and review

APL013 has codified the monitoring and reporting mechanism in great detail in its ESMS, and the roles and responsibilities involved are sufficiently documented with clear requirements for site visits, including the designation of the persons concerned. It has prepared thorough reporting templates and reporting on its ESS is mandatory, including to its investment committee. High E&S risk Category A/I-1 projects receive specific emphasis in this regard. The applicant has developed an audit protocol for the purpose of internal audit.

2.2.6 Section 6.6: External communications

The applicant has published its policy on its website and highlights E&S responsibilities in its annual report. External communications, in general, are the responsibility of its vice-president of communications, however the applicant does not make provision for receiving external communications on its website. Communication from external parties would normally be sent to a general website address and all such information is generally kept for a period of 12 months.

2.3 Gender

The applicant does not have a gender policy applied at an investment level. It does, however, provide for the equal treatment for all its employees across all of its operations as part of its staff policy.
III. Conclusions and recommendation

3.1 Conclusions

39. Following its assessment, the AP concludes the following in relation to the application:

(a) The applicant substantially meets the requirements of the Fund’s basic fiduciary standards and fully meets the requirements for the specialized fiduciary standard for project management and the specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees. It is recommended that the applicant complement its investigations function with a mechanism, such as a link on its website, in order to receive and process third-party complaints that arise from projects financed by the applicant;

(b) The applicant substantially meets the requirements of the Fund’s interim ESS in relation to the high E&S risk Category A/I-1. Having incorporated the fundamental elements of a well-managed ESMS and policy in its business operations, it is recommended that the applicant seek external assistance so as to further develop its E&S policy and its application as appropriate for the type of activities for which it will seek finance from the Fund; and

(c) While the applicant has demonstrated that it is an equal opportunity employer as far as its own operations are concerned, it has not provided evidence that gender considerations, consistent with the Fund’s gender policy, are part of its investment policies or procedures. It is required that the applicant:

(i) Develop a gender policy consistent with the Fund's gender policy to be applied in projects and programmes funded by the Fund.

3.2 Recommendation on accreditation

40. The AP recommends, for consideration by the Board, the applicant (APL013) for accreditation as follows:

(a) Accreditation type:

(i) **Size of an individual project or activity within a programme**: Large (including micro, small and medium);

(ii) **Fiduciary functions**:

1. Basic fiduciary standards;

2. Specialized fiduciary standard for project management; and

3. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
(iii) **Environmental and social risk category:** High risk (Category A/I-1) (including lower risk (Category B/I-2\(^4\) and Category C/I-3\(^5\));

(b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The condition is:

(i) The applicant shall meet the requirements indicated in paragraph 39 (c) (i) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant.

41. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 40 above, and agrees to the recommendation.

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\(^4\) As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

\(^5\) As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
Annex XIV: Accreditation assessment of Applicant 014 (APL014)

I. Introduction

1. Applicant 014 (APL014) is an international commercial bank with extensive experience and a presence in Africa, Latin America and the Asia-Pacific and Caribbean regions. The applicant has a well-established track record in implementing private sector investment opportunities in climate change adaptation and mitigation. In particular, it has managed investment funds which have been used in sustainable development initiatives in the areas of renewable energy, energy efficiency and agriculture, all of which overlap with the results area of the Green Climate Fund (the Fund). In the past year, the applicant has financed renewable energy projects worth EUR 4.3 billion, which includes investing EUR 1 billion of its own capital. Bringing with it its progressive experience, the applicant seeks accreditation to the Fund in order to contribute to the Fund’s objectives by mobilizing funds through a variety of instruments, including loans, equity and guarantees, for implementing scalable, innovative climate change adaptation and mitigation projects, including through local small and medium-sized enterprises in developing countries. By leveraging its global partnerships, the applicant offers the Fund a unique opportunity through which to raise additional resources from private sector sources, under diverse modes of engagement, such as structured joint financing arrangements and specialized investment funds.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 28 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

(a) **Access modality**: International access. While not required, the applicant additionally received a national designated authority or focal point nomination for its accreditation application;

(b) **Track**: Normal track;

(c) **Size of project/activity within a programme**: Large;¹

(d) **Fiduciary functions**:²

(i) Basic fiduciary standards;

(ii) Specialized fiduciary standard for project management;

(iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

(iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(e) **Environmental and social (E&S) risk category**: High risk (Category A/Intermediation 1 (I-2)).³

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¹ As per Annex I to decision B.08/02, "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category A is defined as "Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented" and Intermediation 1 is defined as "When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".
II. Accreditation assessment

3. The applicant has been assessed against the Fund’s standards by the Accreditation Panel (AP).

4. As a part of this assessment, the AP has consulted the website of the United Nations Environment Programme Financial Initiative (of which the applicant is a member), as well as the websites of specialized investment funds in which multilateral financial institutions have invested with the applicant, as sources of third-party evidence.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. The applicant has a well-established organizational and corporate governance structure which demonstrates and assures that key administrative and financial capacities are in place. It has internal control systems appropriate for the size and scope of the organization. Evidence has been provided for a clear definition of internal control roles and responsibilities of business and oversight units and their effective functioning.

6. At the executive level, there is a clear definition of the organizational units and an appropriate segregation of functions among the different departments, including an independent internal audit function.

7. APL014 has implemented the required technology to provide timely information for the effective management of risk, and for internal, regulatory and external reporting. This ensures that the applicant has appropriate management oversight and control over its activities.

8. The applicant’s internal control framework is designed based on the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission, as per the Fund’s basic fiduciary standards. The responsibilities for following specific internal controls and detailed procedures are clearly defined.

9. Its external auditor certified that the International Financial Reporting Standards (IFRS) are adhered to, as per the Fund’s basic fiduciary standards. The adherence to IFRS guarantees that periodic, complete, timely and accurate financial statements and information are available. Furthermore, the external auditor confirmed that the review of the applicant’s financial statements has not led to any reservations.

10. APL014, as a global organization, has mature and well-developed procurement processes that ensure appropriate controls to prevent mismanagement and ensure cost efficiency. The applicant’s global procurement organization is responsible for all third-party expenditure on goods and services. Utilizing the global organization's processes ensures that there is business and budget approval for all procurement activities. The following policies provide additional guidance for procurement activities: the code of ethics, the anti-fraud policy, and the organization's sustainability principles.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

11. The applicant has published a code of business conduct and ethics that is communicated throughout the organization, which clearly defines the conduct expectations of the organization and applies to every staff member.

*Available at <http://www.unepfi.org/>.
12. APL014 has an established policy of zero tolerance for fraud, financial mismanagement and other forms of malpractice by staff members and other parties associated with the applicant. Its code of business conduct and ethics supports this policy. Furthermore, the applicant has implemented policies that ensure the proper management of resources in a financial institution. Additionally, it has a published investigation policy, which is enforced by an independent investigations unit.

13. The applicant is committed to the highest standards of anti-money laundering (AML) and countering the financing of terrorism (CFT). Moreover, as a global organization, it is subject to several advanced AML/CFT regulations. Therefore, the applicant has developed advanced mechanisms for AML/CFT. However, recent history of regulatory fines evidences deficiencies in assuring entity-wide compliance with the required guidelines. The applicant can benefit from improving the mechanism to assure compliance with the applicable guidelines and regulations.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

14. APL014’s processes for project identification, preparation and appraisal are defined in the context of new product development, with both applicant-wide guidelines, and product specific requirements, incorporated in the defined processes. Project identification, preparation and appraisal are based on a mature project screening process, a comprehensive due diligence process and clearly defined approval authorities.

15. When a new product involves project management, a framework by which to manage the associated risks is developed. This framework assigns clear roles and responsibilities to adequately manage projects and will ensure compliance with applicant-wide internal risk management policies and external regulatory requirements.

16. To monitor and evaluate projects, the applicant utilizes three main tools:
   (a) A project plan established at the beginning of each fiscal year (the business plan includes annual budgets and specific performance targets);
   (b) Key performance indicators to ensure that the project is attaining the desired results; and
   (c) Specialized reports to evaluate project performance.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

17. The applicant is seeking accreditation for grants and/or funding allocation mechanisms in order to enhance specific products that it offers through the provision of technical assistance support.

18. The funding allocation processes established by the applicant assign the responsibility for overseeing these funds to a technical assistance (TA) manager who is responsible for receiving and processing TA requests, which are approved by a TA committee. For each assignment, the TA committee approves the respective scope of work, budget and the procurement method, before the TA facility manager can start disbursement.

19. The applicant has experience in managing alternative funding mechanisms in the form of grants on behalf of external donors.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

20. The applicant has demonstrated, as evidenced by its track record, that it has developed the capacities required in order to appropriately engage in on-lending and/or blending
operations, as well as equity investments and issuing guarantees. It has the policies, procedures, managerial skills and experience to effectively manage external funds.

21. As a global financial institution, subject to regulatory requirements in different jurisdictions and aligned with sound banking practices, the applicant has implemented the processes and procedures, enabled by an advanced technological platform, to provide assurance of effective control (at a global level) over the external funds it receives.

22. The applicant’s processes for financial and risk management, as well as its due-diligence processes, are well developed and supported by a strong technological infrastructure and well-defined investigation and audit functions.

23. The applicant has been rated with an investment grade rating by all three major rating agencies (Moody’s, Standard & Poor’s and Fitch).

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

24. The applicant has an overarching risk principles framework, which includes E&S principles. This is underpinned by additional policies and procedures that provide more granularity, especially with regard to high-risk sectors, and guide staff in decision-making. The applicant has experience in implementing the Fund’s environmental and social safeguards (ESS) on a variety of projects and has committed to continuing this practice on all projects financed by the Fund.

2.2.2 Section 6.2: Identification of risks and impacts

25. APL014’s risk principles framework defines the risk criteria under which projects are to be elevated for additional review and decision. This policy is supported by operational guidelines which provide further instruction to the applicant’s staff on how to identify risks and impacts, and templates, checklists and tools so as to ensure consistent practice.

26. The applicant’s E&S risk categorization system is comparable to that used by the Fund. The initial categorization is assigned by the relevant business unit and is also reviewed and verified through a system of checks.

2.2.3 Section 6.3: Management programme

27. The applicant has documented the processes, tools and templates in place in order to guide staff to systematically manage E&S risks and impacts at the institutional and investment levels. At the institutional level, E&S risk management is embedded in the overall risk management function and is supported by checks and balances which can escalate E&S risk review. The sustainability control function and the audit function also evaluate E&S risk on a portfolio basis to identify emerging trends in order to better provide advice to the business unit and to update the E&S management system (ESMS) and supporting tools, as needed.

28. At the investee level, business unit staff may be supported by the sustainability control function or by a regional independent external compliance adviser to assist with E&S risk identification and mitigation development and management. Support to the investee may include technical assistance to establish an ESMS within the investee’s organization in order to ensure that the investee can manage identified risks and impacts, and implement the time-bound environmental and social action plan established for the investment, if applicable.
2.2.4 **Section 6.4: Organizational capacity and competency**

29. The applicant has recently updated its sustainability training such that all business unit staff who are in charge of implementing the applicant’s ESMS at the investment level are trained on: sustainability trends; sustainability across various industry sectors, types of executing entities and ESMS; and knowledge-sharing through case studies. The business unit staff are supported organizationally both by regional consultants and by internal staff in the sustainability control function who report to a managing director and group sustainability officer.

2.2.5 **Section 6.5: Monitoring and review**

30. The applicant has a mature mechanism for monitoring and reviewing safeguard implementation in its operations. All project aspects are reviewed on a quarterly basis, annual monitoring of reporting requirements is embedded in investment legal requirements and site supervision visits are conducted. Moreover, key performance indicators are included in monitoring reports to ensure that investment impact reaches beneficiaries.

2.2.6 **Section 6.6: External communications**

31. APL014 has an external communication mechanism that allows the public to make comments or ask questions via its website. In addition, a written protocol is applied to individual investment funds so as to ensure that these funds have an external communications channel, which includes designating a responsible person to address the complaints or grievances received.

2.3 **Gender**

32. The applicant does not have a specific gender policy. At the institutional level, its commitment to gender-related matters is captured across a number of documents, which include diversity guidelines, a hiring policy, and a procedural commitment to monitoring and fostering female representation in senior management and the wider workforce which is supported by training programmes. At the investment level, through the application of the Fund’s ESS, gender benefits will accrue but it does not have a focused investment strategy for gender or perform a gender assessment or project screening for gender sensitivity on investment projects.

III. **Conclusions and recommendation**

3.1 **Conclusions**

33. Following its assessment, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees. However, the applicant is required to:

(i) Provide the Fund, through the Secretariat, with a letter of comfort executed by the appropriate authority within the applicant entity stating that it is taking the necessary actions to strengthen its internal controls related to compliance with relevant regulations, including, but not limited to, risk management,
management of operational risk and anti-money laundering and countering the financing terrorism; and

(ii) Provide the Fund, through the Secretariat, with its annual reports that disclose information on regulatory compliance.

(b) It fully meets the requirements of the Fund’s interim ESS in relation to the high E&S risk Category A/I-1; and

(c) While the applicant has demonstrated that it has elements contained within its existing and applied policies and procedures consistent with the Fund’s gender policy, it is required that the applicant:

(i) Develop a gender policy consistent with the Fund’s gender policy to be applied in projects and programmes funded by the Fund.

3.2 Recommendation on accreditation

34. The AP recommends, for consideration by the Board, the applicant (APL014) for accreditation as follows:

(a) Accreditation type:

(i) **Size of an individual project or activity within a programme**: Large (including micro, small and medium);

(ii) **Fiduciary functions**:  
1. Basic fiduciary standards;  
2. Specialized fiduciary standard for project management;  
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and  
4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(iii) **Environmental and social risk category**: High risk (Category A/I-1) (including lower risk (Category B/I-2 and Category C/I-3));

(b) **Conditions**: The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The conditions are:

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5 As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

6 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

(i) The applicant shall meet the requirements indicated in paragraph 33 (a) (i) and (c) (i) above prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant; and

(ii) The applicant shall meet the requirements indicated in paragraph 33 (a) (ii) on an annual basis. This condition is not required to be met prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant.

35. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 34 above, and agrees to the recommendation.
Annex X: Accreditation assessment of Applicant 015 (APL015)

I. Introduction

1. Applicant 015 (APL015) is a public international financial institution established several decades ago. The applicant’s mandate is to contribute to social and economic development through sustainable and inclusive growth, enhancing livelihoods and natural resource management. With operations in more than 90 developing countries across all regions, including the least developed countries and small island developing States, the applicant is actively engaged in climate change mitigation and adaptation actions across all sectors. The applicant made a commitment of almost US$3 billion to climate finance last year, employing a range of financial instruments. The applicant has delivered projects and programmes in renewable energy, energy efficiency, public transport, disaster risk management in urban areas and water resources management, improving livelihoods and well-being, adaptive agriculture and forestry. The applicant seeks accreditation with the Green Climate Fund (the Fund) to utilize its experience in project delivery by offering support to national priorities in climate resilient development pathways. The applicant also seeks to promote direct access to climate finance by strengthening the institutional capacities of national and regional entities.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 23 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund's fit-for-purpose approach:

(a) **Access modality**: International access;

(b) **Track**: Fast-track under the Directorate-General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO);

(c) **Size of project/activity within a programme**: Large;¹

(d) **Fiduciary functions**:²

(i) Basic fiduciary standards;

(ii) Specialized fiduciary standard for project management;

(iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

(iv) Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and

(e) **Environmental and social (E&S) risk category**: High risk (Category A/Intermediation 1 (I-1)).³

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¹ As per Annex I to decision B.08/02, "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and Intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

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II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as an EU DEVCO entity. Its application has been assessed against the Fund's standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As part of this assessment, the AP has consulted the applicant’s website, the applicant's credit rating by Standards & Poor and websites of international development funds that partner with the applicant as a means of gaining additional information to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.5, Anti-money laundering and anti-terrorist financing, have been met by way of the fast-track accreditation.

7. Regarding item 4.2.5, the applicant is a regulated financial institution subject to banking regulations and supervision in all matters pertaining to anti-money laundering and countering the financing of terrorism (AML/CFT). The regulations place a legal obligation on the applicant to undertake the necessary due diligence before entering into a business relationship with an executing entity, and to verify the executing entity is not involved in money laundering or terrorism financing during the course of such a business relationship. The applicant has a comprehensive framework in place for ensuring compliance with the applicable banking regulations, and its policies and procedures for AML/CFT are set out in circulars which are widely disseminated throughout the institution. The applicant does not receive deposits from the general public, thus reducing the exposure to money laundering and terrorism financing risks.

8. The applicant provides training on AML/CFT to all of its employees, including those in its country offices. The applicant carries out "know-your-customer" due diligence checks on all prospective and existing executing entities to assure compliance with its AML/CFT policies.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

9. The information provided by the applicant entity demonstrates a solid track record and experience in project management. The entity has robust policies, procedures and frameworks to guide its operations in all stages of the project cycle: identification, preparation, appraisal, and monitoring and evaluation (M&E).

10. The applicant provided key operational policies and procedures, as well documents that demonstrate compliance with and effective use of these policies and procedures. The entity exercises adequate oversight and control over the operations it finances, including the oversight of preparations for project implementation plans, budgets and the utilization of project funds.

11. Functioning M&E capacities based on recognized international M&E standards are in place, demonstrated through project M&E reports.
12. The applicant’s disclosure policy of wide dissemination of M&E reports to the public is adequately implemented.

13. The applicant has demonstrated strong project risk assessment capabilities, guided by sound risk assessment policies and procedures, including procedures for the development and implementation of mitigation strategies for addressing the identified risks.

2.1.4 **Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

14. As per paragraph 3 above, the specialized fiduciary standard concerning grant award and/or funding allocation mechanisms is considered to have been met by way of fast-track accreditation.

2.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

15. The applicant provides on-lending or blended finance by raising capital funds and blending them with international donor funds. The strategy of blending these two sources of funds allows the applicant to implement the financing strategy best able to meet the specific needs of the beneficiaries in the countries in which it operates. The concessional funds provide enhancements to the financial structures (i.e. technical cooperation, interest rate subsidies and investment grants) benefiting the recipients of the blended loans and have proven an effective mechanism for attracting additional investors.

16. The applicant has well-established on-lending and blending policies and procedures that provide assurance of its capacity. Furthermore, as a regulated institution, the applicant is subject to supervision by the national regulators; this provides additional assurance regarding the effective management of on-lending and blending operations.

17. The applicant has demonstrated that it has thorough due-diligence processes in place, as well as an effective monitoring function for all of its on-lending and blending operations.

18. The applicant has a centralized risk management function that is responsible for assessing, monitoring and controlling risks. This risk management function provides assurance of the effectiveness of, and compliance with, the established risk guidelines. Furthermore, the applicant is subject to external audits by national audit entities.

19. The applicant has an established information disclosure policy that assures relevant information is disclosed to its stakeholders. Evidence of information disclosure demonstrating the applicant’s commitment to transparency and accountability was provided.

20. The applicant provided information on the funds it raises from financial markets, as well as funds it manages on behalf of international development finance institutions. This demonstrates that the applicant is able to effectively manage the funds it receives.

2.2 **Environmental and social safeguards**

2.2.1 **Section 6.1: Policy**

21. The applicant has developed and implemented a comprehensive E&S policy framework, which includes economic, sustainability, environmental and social principles, as well as thematic E&S standards. This framework is applied in all of its operations during the 2012-2016 period. As a part of this framework, the applicant has a strategic E&S policy supported by project-specific E&S procedures, methodological guides, checklists, risk assessment tools and plans that the applicant uses in its operations. The E&S standards are fully consistent with the Fund’s environmental and social safeguards (ESS).
22. Moreover, the applicant has developed a carbon footprint tool to apply to its projects, a strategy on the issuance of green bonds and impact assessment tools for climate change mitigation projects.

23. The applicant is in the process of developing a new overarching E&S policy framework document for the period following 2016. The policy is expected to be available at the end of 2015.

2.2.2 Section 6.2: Identification of risks and impacts

24. The applicant’s E&S risk management procedure contains the principles and provisions for assessing, managing and monitoring the E&S risks of its operations, including projects it directly finances, programmes financed through multiple sources, and financial intermediation of projects. The procedure is supported by the corresponding methodological guide and tool for E&S risk classification. The E&S risk categorization system regulated by the procedural framework and applied by the applicant at the organizational level, is fully consistent with the Fund’s interim ESS.

25. Each project categorized as having high (category A/I-1) or medium (Category B/I-2) E&S risks is required to undergo a comprehensive E&S impact assessment study. The entity also presented several examples of sustainable development projects of high and medium risk that are screened and categorized against the E&S risk criteria using the risk assessment tools.

2.2.3 Section 6.3: Management programme

26. The applicant’s ESS are managed through clearly established procedures and assignment of roles. The applicant operates a formal mechanism in order to manage E&S risks and impacts throughout the project preparation and implementation stages. The applicant assigns responsibilities for the project appraisal, due diligence and risk mitigation strategy, as well as monitoring progress and compliance with the applicant’s ESS standards.

27. The applicant has a clear organizational structure with respect to E&S management. The E&S team is dedicated to identifying E&S risks and impacts at all stages of the project cycle, confirming a project’s E&S categorization and reviewing relevant safeguard reports.

2.2.4 Section 6.4: Organizational capacity and competency

28. The applicant has demonstrated a strong organizational capacity based on the experience and competence of staff members working in the division supporting the project E&S assessment and evaluation. The designated technical specialists are responsible for identifying E&S risks and impacts at all stages of the project cycle, confirming a project’s E&S categorization and reviewing relevant safeguard reports.

29. Moreover, the applicant has developed and implemented training programmes on their E&S policy and methodological framework for new staff. It also has started a web-based training session for staff in its country offices, and plans to run this training twice a year.

2.2.5 Section 6.5: Monitoring and review

30. The entity maintains monitoring and review procedures for E&S safeguards at both the individual project level and the programme level. The monitoring plan is developed on the basis of the E&S impact assessment for each individual project/programme. Monitoring includes tracking progress in the implementation of mitigation measures and achievements. Monitoring reports from executing entities are recorded and the applicant’s project managers perform quality reviews of the reports.
31. Supervision of the projects is undertaken by the E&S division specialists, who assess the implementation of E&S mitigation measures. The applicant, in cooperation with executing entities, also performs ex-post evaluations aimed at measuring the effectiveness of the risk mitigation measures.

2.2.6 **Section 6.6: External communications**

32. Stakeholder consultation is part of the applicants’ E&S approach to ensure that various stakeholders, including government, local authorities, associations, non-governmental organizations, etc., have been informed and involved in project design and implementation. The applicant is in the process of approving and establishing a formal complaints mechanism. The mechanism is expected to be deployed in late 2015. The applicant has, however, provided examples of projects where external stakeholder communications were received and addressed.

2.3 **Gender**

33. The applicant has a well-developed gender policy and experience in undertaking gender initiatives for gender equality and women’s empowerment. The applicant implemented a strategic document that outlines its commitment to gender quality and equity, and the need to allocate resources to both climate change mitigation and adaptation activities. The applicant has gender specific indicators. Moreover, it has developed a training programme in order to strengthen internal capabilities on gender-related issues for its staff members. The applicant has two specialists with gender-related competencies and experience. Evidence of the gender policy implementation was supported by a number of illustrative examples in climate change adaptation, microfinance, education, and health and livelihood improvement.

III. **Conclusions and recommendation**

3.1 **Conclusions**

34. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans and guarantees;

(b) The applicant fully meets the requirements of the Fund’s interim ESS in relation to the high E&S risk Category A/I-1. The AP recommends that the applicant finalize the implementation of its stakeholder response mechanism and make the contact information for submitting and registering a complaint publically available on its website; and

(c) The applicant has demonstrated that it has policies, procedures and competencies found to be consistent with the Fund’s gender policy, and has also demonstrated that it has experience with gender consideration in the context of climate change activities.

3.2 **Recommendation on accreditation**

35. The AP recommends, for consideration by the Board, the applicant (APL015) for accreditation as follows:
(a) **Accreditation type:**

(i) **Size of an individual project or activity within a programme:** Large (including micro, small and medium);

(ii) **Fiduciary functions:**

1. Basic fiduciary standards;
2. Specialized fiduciary standard for project management;
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
4. Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and

(iii) **Environmental and social risk category:** High risk (Category A/I-1) (including lower risk (Category B/I-2^4 and Category C/I-3^5)); and

(b) **Conditions:**

None.

36. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 35 above, and agrees to the recommendation.

3.3 **Additional remarks**

37. The applicant is currently developing a new ESS procedural framework for the period following 2016 and is requested to submit it to the Fund when it is ready.

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^4 As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

^5 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
Annex XVI: Accreditation assessment of Applicant 016 (APL016)

I. Introduction

1. Applicant 016 (APL016) is a non-profit organization that operates internationally in over 30 countries across six continents with a wide range of partners in order to empower societies to responsibly and sustainably care for nature for the well-being of humanity. It has built strong relationships with communities, governments, academia, foundations, civil society organizations and the private sector in order to deliver innovative nature-based solutions for climate change mitigation and adaptation. In developing countries, it partners with the host country government institutions, research or academic institutions, as well as indigenous peoples’ organizations. With global private corporations, the applicant has developed a track-record of improving the sustainability of business operations. Key activities include reducing deforestation, improving agricultural practices, protecting natural ecosystems to serve as carbon sinks, and developing standards for effective mitigation and adaptation activities. It has leveraged over US$ 100 million for ‘debt-for-nature’ swaps and has raised over US$ 30 million for a carbon fund. The applicant seeks to scale up its impact on combating climate change by delivering more climate action on the ground, providing accessible and science-based tools for decision makers, and mobilizing a network of major corporations as well as ensuring the involvement of all stakeholders.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 12 February 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded at the end of May 2015. APL016 has applied to be accredited for the following parameters under the Green Climate Fund’s (the Fund’s) fit-for-purpose approach:

(a) Access modality: International access;
(b) Track: Fast-track under the Global Environment Facility (GEF)
(c) Size of project/activity within a programme: Medium;
(d) Fiduciary functions:
   (i) Basic fiduciary standards;
   (ii) Specialized fiduciary standard for project management; and
   (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
(e) Environmental and social (E&S) risk category: Minimal to no risk (Category C/Intermediation 3 (I-3)).

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1 As per Annex I to decision B.08/02, “medium” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 50 million and up to and including US$ 250 million for an individual project or an activity within a programme”.

2 Decision B.07/02.

3 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF agency. Its application has been assessed against the Fund's standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant's website and a programme website as additional sources of information, to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.5 of the application, Anti-money laundering and anti-terrorist financing policies, have been met by way of fast-track accreditation.

7. Regarding item 4.2.5, the applicant fully meets the requirements of the basic fiduciary standards related to anti-terrorist financing and anti-money laundering. The applicant has policies which are based on the United States of America’s Patriot Act and Executive Order 13224 Policy, and has demonstrated the use of tools that support the enforcement of the policies.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

8. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

9. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant demonstrates experience in implementing grant programmes, by serving as a GEF agency and managing a fund for critical ecosystems, both of which have requirements and procedures consistent with those of the Fund.

10. The applicant also demonstrates regular monitoring of grantees and provides public access to information on the progress of individual projects. The entity has provisions for an annual independent external audit of its grant award activities and has suitable procedures for the suspension, reduction or termination of a grant in the event of a beneficiary failing to comply with its obligations.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

11. The applicant did not apply for assessment against this standard at this time.
2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

12. Commensurate with the fit-for-purpose accreditation approach and with the nature of Category C/I-3 as being minimal to no environmental and social risk, an E&S policy within an institutional environmental and social management system (ESMS) is not required for the Category C/I-3 level of risk. However, the applicant has developed and enforced environmental and social policies that ensure its projects and programmes meet the safeguard principles it has set. APL016 enforces a policy to only support and implement projects that contribute to environmental sustainability and human well-being. In the area of social safeguards, the applicant established an overarching social policy in the mid-1990s, with various components added more recently. Additionally, it has long-standing policies and tools that address, for example, human rights, indigenous peoples, vulnerable groups, gender and involuntary resettlement. The applicant provided evidence that such standards and tools have been applied and enforced in its projects and programmes.

2.2.2 Section 6.2: Identification of risks and impacts

13. The applicant has a project screening form that is assessed to be consistent with the Fund’s environmental and social safeguards (ESS). The screening form is part of the E&S framework that the applicant uses for its activities under the GEF, and, if accredited, will be applied in any projects and programmes approved by the Fund. The applicant provided evidence that the screening mechanism is implemented for its GEF-funded projects. In addition, for its non-GEF-funded projects, APL016 demonstrates an operational system for identifying E&S risks and impacts at the project level and for the identification of mitigation measures.

2.2.3 Section 6.3: Management programme

14. If accredited, projects and programmes funded by the Fund will be managed by the same division established to manage the applicant’s GEF-funded projects. The E&S management framework for this division specifies the roles and responsibilities of the applicant as well as its executing entity (entities) with respect to ESS throughout the project cycle. The management framework is assessed to meet the requirements of the Fund’s ESS.

2.2.4 Section 6.4: Organizational capacity and competency

15. The applicant provided an overall organizational chart for the entity, which shows the position of the division managing its GEF-funded projects. The division is led by a senior officer, and staffed by competent individuals such as technical and safeguards leads, policy and compliance leads as well as finance leads. The division also has access to expertise in other divisions within the organization, should a project need additional support regarding a specific safeguard issue or performance standard. The applicant meets the Fund’s ESS for this item.

2.2.5 Section 6.5: Monitoring and review

16. APL016 has demonstrated that projects/programmes and portfolios managed by the applicant undergo monitoring and evaluation on a regular basis, as described in its E&S management framework. In an effort to strengthen the monitoring and review of its GEF-funded projects, the applicant has developed a new evaluation policy intended to evaluate the contribution of its actions in achieving the applicant's goals. If accredited, this would similarly apply to projects and programmes funded by the Fund.
2.2.6 **Section 6.6: External communications**

17. At the institutional level, the applicant adopted a code of ethics, and operates an ethics hotline through a separate website managed by an independent service that is certified as a safe harbour. There is sufficient information to confirm that such a mechanism is operational and uses sound procedures for handling complaints and grievances received.

18. The applicant adopted an accountability and grievance mechanism aimed at ensuring appropriate measures for the receipt of and timely response to complaints from parties affected by the implementation of its GEF-funded projects. If accredited, the applicant will apply this mechanism in projects and programmes funded by the Fund. Under this mechanism, APL016 has not received any grievances or complaints in the last three years.

2.3 **Gender**

19. The applicant meets the Fund’s gender requirements. It has a comprehensive gender policy and gender mainstreaming framework as well as a set of implementation guidelines, and has utilized its gender approach in many of its programmes. Gender is addressed in its E&S framework which is applied to its GEF-funded projects. The applicant demonstrates competence and the undertaking of a serious effort in order to integrate gender into all its operations and activities on the ground.

### III. Conclusions and recommendation

3.1 **Conclusions**

20. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management and specialized fiduciary standard for grant award and/or funding allocation mechanisms;

(b) The applicant fully meets the requirements of the Fund’s interim ESS in relation to minimal to no E&S risk Category C/I-3. If accredited, the E&S management framework that was developed for its GEF-funded projects and has been adjusted to meet the Fund’s interim ESS, will be applied to projects and programmes funded by the Fund. For some items, the applicant demonstrates a greater degree of ESMS maturity than is required by the Fund’s interim ESS for Category C/I-3 against which the applicant is seeking accreditation. It is recommended that the applicant seeks to deepen its knowledge and application of the Fund’s interim ESS in order to support a potential future upgrade of its accreditation to the medium E&S risk level Category B/I-2; and

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4 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

5 As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

(c) The applicant has demonstrated that it has policies, procedures and competencies in order to implement its gender policy, and has demonstrated that it has experience with gender considerations in the context of climate change activities.

3.2 Recommendation on accreditation

21. The AP recommends, for consideration by the Board, the applicant (APL016) for accreditation as follows:

(a) Accreditation type:

   (i) **Size of an individual project or activity within a programme:** Medium (including micro and small);

   (ii) **Fiduciary functions:**
        1. Basic fiduciary standards;
        2. Specialized fiduciary standard for project management; and
        3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

   (iii) **Environmental and social risk category:** Minimal to no risk (Category C/I-3); and

(b) Conditions:

   None.

22. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 21 above, and agrees to the recommendation.
Annex XVII: Accreditation assessment of Applicant 017 (APL017)

I. Introduction

1. Applicant 017 (APL017) is an international entity with the mandate to promote transition towards a sustainable, open market economy and to foster innovation. Its work includes project investment, technical assistance, institutional capacity-building, and policy advisory services with a regional focus on Central Asia, south east Mediterranean and Eastern Europe. The applicant’s work is strongly focused on the private sector and micro, small and medium-sized enterprises, and uses a broad range of financing instruments, mainly loans, equity investments and guarantees. The areas of investment for mitigation activities are energy efficiency, infrastructure, the power sector, renewable energy, sustainable energy financing facilities and carbon market development. The areas of investment for adaptation activities are water supplies, water efficiency, hydropower, and coastal and port infrastructure. If accredited, the applicant seeks to support the Green Climate Fund (the Fund's) paradigm shift objective by delivering effective, transformational and innovative mechanisms with sustainable development impact.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 27 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

(a) **Access modality:** International access;

(b) **Track:** Fast-track under the Global Environment Facility (GEF) and the Adaptation Fund;

(c) **Size of project/activity within a programme:** Large;¹

(d) **Fiduciary functions:**²

   (i) Basic fiduciary standards;

   (ii) Specialized fiduciary standard for project management;

   (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

   (iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(e) **Environmental and social (E&S) risk category:** High risk (Category A/Intermediation 1 (I-1)).³

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¹ As per Annex I to decision B.08/02, “large” is defined as “total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and Intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.”
II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF agency and as an accredited entity of the Adaptation Fund. Its application has been assessed against the Fund’s standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant's website and third-party websites to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability have been met by way of fast-track accreditation.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

7. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

8. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant is a well-established organization with long-standing experience in providing development finance and execution of funding allocation to its target countries. Although it does not operate a competitive grant award scheme, the applicant has a mature set of standards and procedures for the allocation of funds for various types of projects and programmes, such as to provide technical assistance to support the implementation of credit lines, projects and energy efficiency audits.

9. The applicant has a track record in implementing its standards and procedures for funding allocation. Specifically, it utilizes donor-funded grants to channel technical assistance and technical cooperation for consultancy assignments. Projects and programmes undertaken by the applicant are identified in partnership with the governments of countries in which the applicant operates.

10. The grant award mechanism implemented by the applicant is transparent with formally documented procedures for assessing grant proposals. The applicant monitors the implementation of funded programme activities, may undertake site visits, and actively supports its executing entities through the provision of counselling and advice.
2.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

11. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for on-lending and/or blending. The applicant has a banking credit process and due diligence procedures and guidelines in place to conduct its financing operations, which comprise donor-funded, commercial and other concessional, typically co-financing activities. It also has a strong track record of accessing multilateral climate finance or concessional loan grant resources typically blended to support projects with a high impact in terms of transition to efficient markets and low carbon development.

12. The applicant conducts financial due diligence before engaging in financing operations of intermediaries and has a project approval and monitoring cycle in place. Monitoring and reporting mechanisms of the subloan portfolios are established to ensure that the credit facilities extended to partner institutions as intermediaries are actually on-lended towards sustainable executing entities/projects on the ground. Teams of experts assist the partner banks in developing, implementing and reporting on subprojects.

13. In addition, APL017 engages in the financing of clean energy projects through participation in multi-donor funds. Thus the applicant blends its commercial financing with grant joint financing and technical assistance in order to increase the affordability and accelerate the implementation of projects.

14. The applicant is ‘AAA’ rated with a stable outlook, which all three major rating agencies recently reaffirmed (Moody’s, Standard & Poor’s and Fitch).

2.2 **Environmental and social safeguards**

2.2.1 **Section 6.1: Policy**

15. The applicant has a well-developed E&S policy, which is published on its website. All relevant staff members with responsibilities for implementing the E&S policy are provided with periodic training on this policy. The day-to-day implementation of the E&S policy lies within the responsibility of an environmental and sustainability department, which has around 50 staff and reports to senior management.

2.2.2 **Section 6.2: Identification of risks and impacts**

16. APL017’s E&S policy and operational procedures are mature and fully implemented. The E&S risk categories under the applicant's process include four categories: Categories A to C and financial intermediaries, which are found to be comparable to that of the Fund's environmental and social safeguards (ESS). The applicant provided an extensive track record of E&S risk identification and categorization. The risk category is tracked across the project pipeline and the number of projects categorized in each category is reported annually in the applicant's sustainability report. The E&S risk categorization for each project is determined by a team of E&S specialists, reviewed by a reviewer and signed off by the E&S department’s management team.

2.2.3 **Section 6.3: Management programme**

17. The applicant’s ESS are managed through clearly established procedures. The applicant operates due diligence mechanisms to manage E&S risks at the project development stage, and assigns responsibilities to its intermediaries in cases of on-lending. The relevant units within the applicant’s organization perform due diligence as well as the monitoring of progress and compliance with its E&S policy.
Section 6.4: Organizational capacity and competency

18. The applicant provided its organizational structure clearly attributing responsibilities for implementing its E&S policy, which are further specified in its E&S procedures. Moreover, it has implemented a training programme to support the roll out of its recently revised E&S policy. To date, the programme has trained a total of 400 staff across various teams and regional offices. This programme is ongoing.

Section 6.5: Monitoring and review

19. The applicant has a mature mechanism for monitoring safeguard implementation and projects. This covers monitoring activities being undertaken by executing entities as well as monitoring those undertaken by the applicant’s staff through the review of reports received, site visits and third-party monitoring information. The project monitoring activities are also described in the annual sustainability reports, which include data on the number of projects visited and Category A project performance ratings, and are published on the applicant’s website.

Section 6.6: External communications

20. The applicant has implemented a public information policy which provides for both disclosure of E&S information as well as the receipt of external communications from the public. The policy sets out the general procedures for handling information requests and the types of information that will typically be provided. Project-related complaints are dealt with separately through an independent project complaints mechanism.

2.3 Gender

21. The applicant has a mature gender policy, and has developed gender initiatives for gender equality and women’s empowerment. The applicant implemented a strategic gender initiative, which was approved in early 2013 and aims to identify and develop projects with either a gender component or a gender focus in order to promote access by women to employment and skills, finance and services. The first report was prepared for the applicant’s board. The applicant established a gender team in 2012, which is responsible for the development, implementation and provision of guidance on gender mainstreaming institutionally across the applicant’s organization. APL017 provided examples of where its gender team developed gender assessments in projects. For example, it developed lending credit lines for women-led small and medium-enterprises so as to contribute to reducing gender gaps in access to finance.

III. Conclusions and recommendation

3.1 Conclusions

22. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees;
(b) The applicant fully meets the requirements of the Fund’s interim ESS in relation to the high E&S risk Category A/I-1; and

(c) The applicant has demonstrated that it has policies, procedures and competencies in place in order to implement its gender policy, which is found to be consistent with the Fund’s gender policy, and has demonstrated that it has experience with gender consideration in the context of climate change activities.

3.2 Recommendation on accreditation

23. The AP recommends, for consideration by the Board, the applicant (APL017) for accreditation as follows:

(a) **Accreditation type:**

   (i) **Size of an individual project or activity within a programme**: Large (including micro, small and medium);

   (ii) **Fiduciary functions:**

      1. Basic fiduciary standards;
      2. Specialized fiduciary standard for project management;
      3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
      4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees);

   (iii) **Environmental and social risk category**: High risk (Category A/I-1) (including lower risk (Category B/I-2,4 and Category C/I-3,5)); and

(b) **Conditions:**

   None.

24. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 23 above, and agrees to the recommendation.

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4 As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

5 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

Annex XVIII: Accreditation assessment of Applicant 018 (APL018)

I. Introduction

1. Applicant 018 (APL018) is an international entity with several decades of experience in promoting poverty reduction, economic growth, private sector development and in fostering regional integration and trade in developing countries in the Latin American and Caribbean region. The applicant has a successful track record in implementing projects and programmes in clean energy, health-care sectors, agricultural development and natural resources management. Last year, the applicant committed nearly US$ 2.5 billion to climate change mitigation and adaptation actions. It has delivered projects and programmes, including the reduction of carbon emissions through low-carbon transport systems, climate-resilient agricultural development, integrated watershed modelling tools and early warning systems. Building on its existing experience, knowledge and strong presence in the region, the applicant seeks accreditation to the Green Climate Fund (the Fund) in order to catalyse the regional impact of its climate change mitigation and adaptation projects and programmes, paying particular attention to vulnerable communities. In addition the applicant seeks to strengthen the institutional capacities of national entities in the region to enable them to access climate finance directly.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 24 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund's fit-for-purpose approach:

(a) Access modality: International access;

(b) Track: Fast-track under the Adaptation Fund. During the review of the application, following information related to eligibility for fast-tracking as a Global Environment Facility (GEF) agency, the applicant was thereafter assessed under fast-track as both a GEF agency and an accredited entity of the Adaptation Fund;

(c) Size of project/activity within a programme: Large;\(^1\)

(d) Fiduciary functions:\(^2\)

(i) Basic fiduciary standards;

(ii) Specialized fiduciary standard for project management;

(iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

(iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(e) Environmental and social (E&S) risk category: High risk (Category A/Intermediation 1 (I-1));\(^3\)

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\(^1\) As per Annex I to decision B.08/02, “large” is defined as “total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme”.

\(^2\) Decision B.07/02.

\(^3\) As per Annex I to decision B.07/02, Category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and Intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

II. Accreditation assessment

3. The applicant is eligible for the fast-track accreditation process as a GEF agency and as an accredited entity of the Adaptation Fund. Its application has been assessed against the Fund’s standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant’s website to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability have been met by way of fast-track accreditation.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

7. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

8. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant has emphasized that it is seeking accreditation for grant awards and/or funding allocation mechanisms to further enhance its capacity to provide technical assistance in its region of operation. The identification and selection of technical assistance support opportunities is aligned with the applicant’s annual programming exercise and identification of country needs.

9. Additionally, the applicant has experience in awarding grants through a public competitive bidding process in which bids are called for, evaluated and awarded in a transparent manner. Examples of such grant award processes were provided.

10. All grants and funding allocations received by the applicant are managed under a single organizational unit within the applicant’s organization in order to ensure proper control and accountability.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

11. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for on-lending and/or blending. The applicant has over 45 years of experience providing financial support in its region of operation. During this period, the applicant has developed processes and procedures so as to manage financial resources.
12. The applicant has an extensive track record in working with international and multilaterals sources of funds, and evidence of the cooperation agreements in which it has participated was provided.

13. It has been rated ‘AAA’ since its inception, and its AAA rated status has been recently reaffirmed by all three major rating agencies (Moody’s, Standard & Poor’s and Fitch).

14. The applicant provided documentation on its on-lending/blending processes and procedures, which provide assurance that it has well-developed capacities for undertaking on-lending and blending operations. The procedures implemented by the applicant, for loans and guarantees include detailed guidelines for initial assessment, due diligence, approval, closing, monitoring and repayment of on-lending/blending operations. The applicant also has procedures in place to ensure that its loan portfolio is monitored for compliance with the guidelines established in its risk framework.

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

15. APL018 has a well-developed E&S policy (approved by its board) and implementation guidelines (approved by senior management), which are available to the public. The applicant’s strategic planning department is responsible for monitoring the performance of its environmental and social safeguards (ESS) compliance. The day-to-day implementation of the E&S policy lies within the responsibility of the environmental safeguards unit, which is responsible for ensuring the environmental viability of projects.

2.2.2 Section 6.2: Identification of risks and impacts

16. The applicant’s E&S policy and operational procedures guide technical staff in identifying risks and impacts through screening and assessment processes. The risk categories under the applicant’s process include four categories: Categories A to C and financial intermediaries, which are found to be comparable to that of the Fund’s interim ESS. The applicant provided a track record showing a consistent implementation of its standards, policies and procedures related to E&S risk identification and categorization. The applicant has its own unit in place that is responsible for conducting due diligence exercises and impact assessments, and designing and supervising risk management and mitigation activities throughout the project cycle.

2.2.3 Section 6.3: Management programme

17. The applicant’s ESS are managed through clearly established procedures. Its management programme requires development and implementation of an E&S management plan for all operations under Categories A and B. For all other operations, an E&S review mechanism has to be applied. Furthermore, the applicant has showcased examples that demonstrate the effectiveness of its E&S management programmes.

2.2.4 Section 6.4: Organizational capacity and competency

18. APL018 provided its organizational structure clearly attributing responsibilities for implementing its E&S policy. In its environment safeguards unit, it has a dedicated unit to ensure that operations follow the applicant’s ESS policies. The unit endorses E&S sustainability standards, provides safeguards training for its own staff and executing entities, and reports on the E&S sustainability of the applicant’s operations. The unit chief reports directly to senior management.
2.2.5 Section 6.5: Monitoring and review

19. The applicant has a mature mechanism for monitoring safeguard implementation and projects. Monitoring is implemented based on internal and external reviews. Projects that do not meet the applicant's performance requirements are required to develop and implement a corrective action plan. Performances are periodically reported on, at least twice a year, to senior management. Evidence of the implementation of the monitoring and review process, including communication of the results to senior management and their reviews, has been evidenced.

2.2.6 Section 6.6: External communications

20. APL018 has an independent consultation and investigation mechanism in place, which provides a formal external communication channel by which to receive and register communications from the public on specific projects or programmes. For comments not related to a specific project or programme, the applicant has established a web-based system through which complaints or grievances can be submitted.

2.3 Gender

21. The applicant has a mature gender policy. To ensure the successful implementation and monitoring of the policy, the applicant approved a three-year gender action plan for operations that is currently being implemented. APL018 has a team of over 25 staff and consultants who focus on gender issues and provide gender mainstreaming support. It has a gender and diversity division in place that is leading the implementation of the gender policy and action plan in coordination with gender focal points in each division and country office. The applicant provided examples of mainstreaming gender in different types of climate change projects. It invests in projects that foster gender equality in the workplace and enable women-led small businesses to reach their full potential. It has developed sector-specific guidelines that facilitate the integration of methods that promote gender equality into interventions on climate change.

III. Conclusions and recommendation

3.1 Conclusions

22. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees;

(b) The applicant fully meets the requirements of the Fund’s interim ESS in relation to the high E&S risk Category A/I-1; and

(c) The applicant has demonstrated that it has policies, procedures and competencies by which to implement its gender policy, which is found to be consistent with the Fund’s gender policy, and has also demonstrated that it has experience with gender consideration in the context of climate change activities.
3.2 Recommendation on accreditation

23. The AP recommends, for consideration by the Board, the applicant (APL018) for accreditation as follows:

(a) **Accreditation type:**

(i) **Size of an individual project or activity within a programme:** Large (including micro, small and medium);

(ii) **Fiduciary functions:**

1. Basic fiduciary standards;
2. Specialized fiduciary standard for project management;
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and

(iii) **Environmental and social risk category:** High risk (Category A/I-1) (including lower risk (Category B/I-2\(^4\) and Category C/I-3\(^5\))); and

(b) **Conditions:**

None.

24. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 23 above, and agrees to the recommendation.

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\(^4\) As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

\(^5\) As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
Annex XIX: Accreditation assessment of Applicant 019 (APL019)

I. Introduction

1. Applicant 019 (APL019) is an international entity whose mandate is to promote sustainable development and prudent use of the global environment. It assists many countries to achieve resilient, low-emission pathways through its flagship programmes in adaptation, forestry, energy efficiency and transition to sustainable development. Its key activities include promoting investment in clean technologies in order to reduce emissions, protecting biodiversity and ecosystems, alleviating poverty, and ecosystem-based adaptation in order to reduce human vulnerability and strengthen resilience to the impacts of climate change. It works with the financial communities to mobilize financial resources for investments in low carbon and climate resilient development; developing climate finance readiness and capacity-building; and undertaking policy and research analysis. The applicant’s climate change portfolio has a total volume of over US$ 400 million. APL019 seeks accreditation to the Green Climate Fund (the Fund) in order to catalyse the use of ecosystem services to achieve a paradigm shift to resilient, green sustainable development by using its vast experience of providing green solutions in both climate change mitigation and adaptation.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 21 January 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in May 2015. It has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

(a) **Access modality:** International access;

(b) **Track:** Fast-track under the Global Environment Facility (GEF) and the Adaptation Fund;

(c) **Size of project/activity within a programme:** Small;¹

(d) **Fiduciary functions:**²

   (i) Basic fiduciary standards; and

   (ii) Specialized fiduciary standard for project management; and

(e) **Environmental and social (E&S) risk category:** Medium risk (Category B/Intermediation 2 (I-2));³

II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF agency and as an accredited entity of the Adaptation Fund. Its application has been

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¹ As per Annex I to decision B.08/02, “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 10 million and up to and including US$ 50 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.


assessed against the Fund's standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant’s website and third-party websites to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability have been met by way of fast-track accreditation.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

7. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

8. The applicant did not apply for assessment against this standard at this time.

2.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending

9. The applicant did not apply for assessment against this standard at this time.

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

10. The applicant has an E&S framework, which includes overarching environmental, social, economic and sustainability principles, as well as thematic E&S standards that are to a large extent consistent with the Fund’s environmental and social safeguards (ESS). Its approach through screening, assessing, planning, disclosing and managing, reporting and evaluating the safeguard risks are an integral part of its project cycle management. The framework also provides the possibility for the use of the safeguards system of the host countries or partners. In certain cases, the applicant may agree with a host country on actions to enhance its capacity, so as to permit the use of the country’s system. The framework also establishes an accountability framework that includes a stakeholder response mechanism. It is widely communicated throughout the institution. All of the key policy documents are available on the applicant’s website.

2.2.2 Section 6.2: Identification of risks and impacts

11. APL019’s E&S framework includes an organizational process for identifying and addressing safeguard risks within the project cycle, including a screening process at the project preparation stage for identifying potential risks and impacts of projects. The applicant’s E&S
standards are largely consistent with the Fund’s interim ESS, however, there are some gaps, specifically related to performance standard 4. If accredited, the applicant has indicated that it will apply the Fund’s interim ESS for any projects and programmes financed by the Fund, and it has already provided an E&S risk identification and categorization template in line with the Fund’s interim ESS for this purpose. This template, as well as related policies and procedures, have yet to be formalized and adopted.

2.2.3 **Section 6.3: Management programme**

12. The applicant has a comprehensive institutional process for managing E&S risk mitigation measures and actions, including a track record of implementing this process. Depending on the E&S risks identified in the screening process, relevant assessment and management tools are applied. Under the new implementation and monitoring requirements, executing entities are required to have safeguard management plans and regular stakeholder consultations on progress, and to disclose the meeting reports. With regards to auditing on institutional management programme effectiveness, there is an independent office for stakeholder safeguard response housed within the organization.

2.2.4 **Section 6.4: Organizational capacity and competency**

13. The applicant has a large number of staff with technical competencies across the environmental and social disciplines, covering all the areas of the Fund’s interim ESS. This includes a dedicated safeguards advisor in the applicant’s gender and social safeguards unit. The applicant is carrying out various awareness-raising efforts within the organization in order to actively inform its staff and promote its E&S policy. A training programme on safeguards application in project cycle management, including the aspects of gender and indigenous peoples, is under preparation with the aim of delivering it to its staff in mid-2015.

2.2.5 **Section 6.5: Monitoring and review**

14. During project implementation, the applicant’s project managers are responsible for ensuring that the actions specified in the safeguard management plans are carried out, for consulting with the affected communities on risk management, and for reporting and disclosing progress in the implementation of the risk management plans. Project mid-term reviews assess whether the environmental, social and economic risks are being managed and monitored, and whether the E&S policy requirements have been complied with. The relevant programme coordinators maintain oversight on the implementation of the E&S framework and conduct an evaluation across the organization of the implementation of its E&S framework on a periodic basis. The applicant’s senior management assesses and decides on actions related to the E&S framework, strategies, approaches and capacity gaps.

2.2.6 **Section 6.6: External communications**

15. The applicant’s E&S framework establishes an accountability framework that includes a stakeholder response mechanism. This mechanism will facilitate the resolution of stakeholder concerns and address stakeholder responses to environmental and social management performance. It elaborates on the scope, requirements and procedures for filing complaints and addressing disputes. The contact information and procedures for filing a complaint will be available to the public on the organization’s website.
2.3 Gender

16. The applicant has a well-developed gender strategy and its gender policy and procedures are assessed to be consistent with the Fund's requirements. Moreover, in 2014, the applicant approved its policy and strategy for gender equality and the environment. It also uses a mechanism that provides a system-wide policy on gender equality and the empowerment of women, on the basis of six key factors. Based on its participation in projects via grant award, the applicant has demonstrated its experience in undertaking gender considerations with respect to its climate change activities. These include projects specifically targeting women and girls and those promoting clean cookstoves.

III. Conclusions and recommendation

3.1 Conclusions

17. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards and specialized fiduciary standard for project management;

(b) The applicant substantially meets the requirements of the Fund’s interim ESS in relation to the medium E&S risk Category B/I-2. It has an overarching E&S framework procedure in place and an E&S risk identification system that it plans to use. However, some gaps exist between the applicant's E&S policies and the Fund's interim ESS, specifically related to performance standard 4. The applicant is required to:

(i) Adopt specific policies and procedures to address performance standard 4 of the Fund’s ESS in order to undertake a project/programme that bears risks contained in performance standard 4;

(c) The AP recommends the applicant to finalize the implementation of its stakeholder response mechanism and to make the contact information for submitting and registering a complaint publically available on its website; and

(d) The applicant has demonstrated that it has policies, procedures and competencies, which are found to be consistent with the Fund’s gender policy, and has also demonstrated that it has experience with gender consideration in the context of climate change activities.

3.2 Recommendation on accreditation

18. The AP recommends, for consideration by the Board, the applicant (APL019) for accreditation as follows:

(a) Accreditation type:

(i) **Size of an individual project or activity within a programme**: Small (including micro);
(ii) **Fiduciary functions:**

1. Basic fiduciary standards; and
2. Specialized fiduciary standard for project management; and

(iii) **Environmental and social risk category:** Medium risk (Category B/I-2) (including lower risk (Category C/I-3)); and

(b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition. The AP will thereafter assess whether the condition has been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The condition is:

(i) The applicant shall meet the requirements indicated in paragraph 17 (b) (i) above prior to the first disbursement by the Fund for an approved project/programme that bears risks contained in performance standard 4.

19. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 18 above, and agrees to the recommendation.

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4 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
Annex XX: Accreditation assessment of Applicant 020 (APL020)

I. Introduction

1. Applicant 020 (APL020) is an international organization with a strong global presence and mandate to reduce poverty by promoting sustainable economic development. The applicant works in partnership with developing countries through national governments in order to support the coordinated delivery of its projects and programmes in various sectors and through the use of various financial instruments, including grants, loans and guarantees. Over the past few years, the applicant has provided over US$ 30 billion in finance for climate change related activities globally. It is engaged in climate change mitigation across all sectors and regions. Its work in mitigation covers renewable energy generation, energy efficiency and access, forestry and sustainable transport projects and programmes. In addition, it has supported the least developed countries, small island developing States and other vulnerable countries in climate change adaptation by financing projects in disaster risk reduction and ecosystem services in sectors such as fisheries and water resources management. Bringing with it its experience in climate change mitigation and adaptation programming, and utilizing its knowledge and delivery infrastructure to enhance direct access to climate finance by developing countries, the applicant seeks accreditation to the Fund.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 10 February 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded in June 2015. The applicant has applied to be accredited for the following parameters under the Fund’s fit-for-purpose approach:

   (a) **Access modality:** International access;

   (b) **Track:** Fast-track under the Global Environment Facility (GEF) and the Adaptation Fund;

   (c) **Size of project/activity within a programme:** Large;¹

   (d) **Fiduciary functions:**²

      (i) Basic fiduciary standards;

      (ii) Specialized fiduciary standard for project management;

      (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

      (iv) Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and

   (e) **Environmental and social (E&S) risk category:** High risk (Category A/Intermediation 1 (I-1)).³

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¹ As per Annex I to decision B.08/02, “large” is defined as “total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US$ 250 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per Annex I to decision B.07/02, Category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and Intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.
II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF agency and as an accredited entity of the Adaptation Fund. Its application has been assessed against the Fund's standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant's website and third-party websites to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 Section 4.1: Basic fiduciary standards: Key administrative and financial capacities

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities is considered to have been met by way of fast-track accreditation

2.1.2 Section 4.2: Basic fiduciary standards: Transparency and accountability

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability has been met by way of fast-track accreditation.

2.1.3 Section 5.1: Specialized fiduciary standard for project management

7. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

2.1.4 Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms

8. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant is a well-established organization with several decades of experience in providing development finance to developing countries. The total financing envelope under these arrangements is in the range of billions of United States dollars. The applicant has various projects in almost all sectors, mostly co-financed and generally does not engage in stand-alone projects with third-party resources.

9. Grant resources are sourced from contributions from donor countries and from the applicant's net income. The grant award mechanism implemented by the applicant is transparent with formally documented procedures for assessing and approving grant proposals, as well as for implementation and monitoring. Potential grant funding proposals are identified in partnership with donors and country governments, and are then assessed by a group, including senior management. The applicant monitors the implementation of funded activities, undertakes site visits, and supports beneficiaries through counselling and advice. In accordance with its procedures, the applicant also executes grants from a wide range of trust funds. APL020 provided evidence that it has a substantial track record in implementing its procedures and standards for the allocation of funds.

10. All grants, as well as loans, provided by the applicant are subject to its anti-corruption and anti-fraud policy, which prohibits all forms of corrupt practices. The applicant has the right to investigate all projects that it has financed in the case of credible complaints of corruption during the implementation of the project, including the right to inspect and audit the accounts of the project and the relevant executing entity.
2.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

11. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for on-lending and/or blending. The applicant has a mature set of operational policies for on-lending and blending activities. For on-lending, the provisions for assessments and due diligence for financial intermediaries cover areas of financial performance, governance structure, risk and funds flow. Whether directly or through an intermediary, the applicant typically invests in high-quality assets. Decisions on specific funding activities are made publicly available. Monitoring and evaluation provides information to verify progress made and results achieved, supports learning from experience, and promotes accountability. The applicant conducts financial due diligence during the assessment of the project and of the executing entity, and has an extensive and systematic review process during the project implementation phase involving the recipient government, executing entity and its own staff. APL020 has various management committees in place, which oversee asset and liability, and risk management, and has a robust financial and risk management system.

12. The applicant has a strong track record, experience and capacities for on-lending and blending with resources from its own sources, as well as from international and multilateral sources and global trust funds. Its executing entities cover a large number of developing countries that have received financing in a range of several billions of United States dollars per year. The applicant also provides guarantees as credit enhancements for eligible projects in order to cover risks that the project and its commercial co-financing partners cannot easily absorb or manage on their own.

13. The applicant is an ‘AAA’ rated entity (Fitch) with a superior track record in credit and financial management.

2.2 **Environmental and social safeguards**

2.2.1 **Section 6.1: Policy**

14. The applicant has a well-developed environmental and social safeguards (ESS) policy supplemented by a series of manuals and sourcebooks to guide implementation. The policy requires the applicant to undertake environmental assessments of potential projects and programmes in order to ensure that they are environmentally sound and sustainable, and sets out operational procedures for who and how the policy is implemented. The group to which the applicant belongs also has developed a separate policy that facilitates financing for private-sector-led economic development projects by applying E&S policy standards that are more specific to the private sector.

2.2.2 **Section 6.2: Identification of risks and impacts**

15. The applicant’s E&S policy and operational procedures guide technical staff in identifying E&S risks and impacts through screening and assessment processes. The four risk categories under the applicant’s process are: Categories A to C and financial intermediaries. The applicant utilizes clear procedures and tools for E&S risk categorization, and the approval involves multiple reviews by different parts of the organization. The E&S risks and impacts identification process set out in the environmental assessment document is consistent with performance standard 1 of the Fund’s ESS, and is designed to accommodate performance standards 2 to 8. The E&S risk categorization system outlined in the performance standards for private sector entities is fully consistent with the Fund’s ESS.
2.2.3 Section 6.3: Management programme

16. The applicant's ESS are managed through clearly established procedures and assignment of roles. The applicant operates a formal mechanism in order to manage E&S risks and impacts, and assigns responsibilities to the applicant's relevant units for due diligence as well as the monitoring of progress and compliance with the applicant's safeguard policies. Moreover, APL020 demonstrates that it has a safeguards compliance review mechanism that is followed from the project concept phase to implementation.

17. Additionally, there are internal arrangements to supervise a project's E&S aspects on the basis of the E&S provisions and the executing entity's reporting arrangements as agreed in the project's legal documents.

2.2.4 Section 6.4: Organizational capacity and competency

18. The applicant has a clear organizational structure with respect to E&S management. ESS are integrated into its investment operations, with oversight at the senior management level. Designated technical specialists provide quality control on the proper application of environmental and social safeguards at all levels of the project cycle, review the proper identification of risks and impacts, confirm a project's E&S categorization, and review and clear relevant safeguard documents. Regular training is provided to staff and E&S experts on the E&S policies generally and on specific issues.

2.2.5 Section 6.5: Monitoring and review

19. APL020 has a mature mechanism for monitoring the safeguards' implementation and projects, including through an internal portfolio performance monitoring system. During project implementation, the executing entity is required to report on compliance with measures agreed with the applicant on the basis of the findings and results of the environmental assessment, including implementation of any E&S management plan, as set out in the project documents, the status of mitigating measures, and the findings of monitoring programmes. Safeguard monitoring reports prepared for individual projects are available publically through the applicant's website.

2.2.6 Section 6.6: External communications

20. The applicant demonstrated a functioning external communication system, and inquiries, complaints or issues are registered and duly responded to. External communication is governed appropriately and the management of public input is elaborated in the operational procedures. The policy is outlined on its website. Communities and individuals affected by the applicant's projects may submit complaints regarding a project at any level of the institution, both in country and at its headquarters. The applicant has a corporate grievance redress service that centralizes grievances and ensures that complaints received are promptly reviewed in order to address project-related concerns.

2.3 Gender

21. The applicant has a policy and strategy for mainstreaming gender-responsive actions into its development assistance work. The gender and development policy framework comprises investment policies relevant for investment lending in general, for development policy lending, and for safeguard policies, and each is supported by a designated unit responsible for the coordination and monitoring of implementation and results. The applicant is also committed to incorporating considerations of gender equality in the analysis, content and monitoring of all projects, programmes and country strategies. In addition, in all projects, it
implements gender equality action plans. The applicant has gender experts working at its headquarters as well as in its national offices. It provided evidence of its experience in applying gender approaches, including in climate change related projects and programmes. It also demonstrated the application of its gender policies in various poverty reduction and infrastructure projects.

III. Conclusions and recommendation

3.1 Conclusions

22. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:

(a) The applicant fully meets the requirements of the Fund’s basic fiduciary standards, specialized fiduciary standard for project management, specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans and guarantees;

(b) The applicant is aligned largely with the requirements of the Fund’s interim ESS in relation to the high E&S risk Category A/I-1; and

(c) The applicant has demonstrated that it has policies, procedures and competencies in order to implement its gender policy, which is found to be consistent with the Fund’s gender policy, and has demonstrated that it has experience with gender consideration in the context of climate change activities.

3.2 Recommendation on accreditation

23. The AP recommends, for consideration by the Board, the applicant (APL020) for accreditation as follows:

(a) Accreditation type:

(i) **Size of an individual project or activity within a programme:** Large (including micro, small and medium);

(ii) **Fiduciary functions:**

1. Basic fiduciary standards;
2. Specialized fiduciary standard for project management;
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
4. Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and
(ii) **Environmental and social risk category**: High risk (Category A/I-1), including lower risk (Category B/I-2 and Category C/I-3); and

(b) **Conditions:**

None.

24. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 23 above, and agrees to the recommendation.

### 3.3 Additional remarks

25. The applicant is currently undertaking a review and possible revision of its own ESS and is requested to keep the Fund informed of developments in this respect.

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4 As per Annex I to decision B.07/02, Category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and Intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

5 As per Annex I to decision B.07/02, Category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and Intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.
Annex XXI: Additional entities of other relevant funds for fast-track accreditation eligibility

I. Background

1. In decision B.08/03, paragraphs (e)–(g), the Board decided that entities under the Global Environment Facility (GEF), the Adaptation Fund (AF), and the Directorate-General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO), as contained in Annex V to decision B.08/03, are eligible to apply under the fast-track accreditation process for the Fund’s accreditation requirements identified in relevant paragraphs of the decision.

2. The entities presented below are entities that have been accredited by the GEF, AF and EU DEVCO since 17 October 2014 contained in decision B.08/03.

II. Global Environment Facility

Table 1: Agencies that have been approved by the GEF Accreditation Panel since 17 October 2014

<table>
<thead>
<tr>
<th>Name</th>
<th>Acronym</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundo Brasileiro para a Biodiversidade – Brazil</td>
<td>FUNBIO</td>
</tr>
<tr>
<td>Foreign Economic Cooperation Office – China</td>
<td>FECO</td>
</tr>
<tr>
<td>Development Bank of Latin America</td>
<td>CAF</td>
</tr>
<tr>
<td>Banque Ouest Africaine de Développement</td>
<td>BOAD</td>
</tr>
</tbody>
</table>

3. FUNBIO, FECO, BOAD and CAF have received approval from the GEF Accreditation Panel to progress from Stage II of the GEF accreditation procedure (review by the GEF Accreditation Panel) to Stage III (final stage which involves signing of formal agreements, including the memorandum of understanding (MOU) and financial procedures agreement (FPA) between the GEF and the entity), as per document GEF/C.48/10/Rev.01 and noted by the GEF Council in the Joint Summary of the Chairs, 48th GEF Council Meeting, June 02-04, 2015.

4. Entities must complete Stage III of the GEF accreditation procedure in order to become a fully accredited agency under the GEF.

5. To date, of the four entities, FUNBIO has signed the MOU and FPA in Stage III of the GEF accreditation procedure.

III. Adaptation Fund

Table 2: Adaptation Fund – National implementing entities since 17 October 2014

<table>
<thead>
<tr>
<th>Name</th>
<th>Acronym</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundación NATURA</td>
<td>Fundación NATURA</td>
<td>Panama</td>
</tr>
<tr>
<td>Micronesia Conservation Trust</td>
<td>MCT</td>
<td>Micronesia</td>
</tr>
</tbody>
</table>

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2 Available at <https://www.adaptation-fund.org/national-implementing-entities>.
6. MCT was accredited by the AF Board, subject to two conditions per the AF Board’s decision B.25/4.3

IV. EU DEVCO

Table 3: EU DEVCO – National public-sector bodies or bodies governed by private law with a public-service mission (NAs) that have undergone European Union (EU) institutional compliance assessments (pillar assessments) since 17 October 20144

<table>
<thead>
<tr>
<th>Name</th>
<th>Acronym</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agence Française d’Expertise Technique Internationale</td>
<td>AFETI</td>
<td>France</td>
</tr>
<tr>
<td>Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden</td>
<td>FMO</td>
<td>Netherlands</td>
</tr>
</tbody>
</table>

7. On 23 June 2015, EU DEVCO confirmed to the Secretariat that the NAs listed above have been successfully assessed, meet the requirements of the relevant EU legislation, and are authorized to carry out EU budget implementation tasks without conditions concerning their institutional compliance.

8. As of 1 January 2015, Agence Française d’Expertise Technique Internationale, as listed above, is the result of a merger between two entities, Assistance au Développement des Échanges des Technologies Économiques et Financières (ADEFET) and France Expertise International (FEI). As such, ADEFET and FEI, entities which were identified as fast track eligible in decision B.08/03, are replaced by AFETI in the list.

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4 The list of national public-sector bodies or bodies governed by private law with a public-service mission (NAs) that have undergone EU institutional compliance assessments (pillar assessments) was provided by EU DEVCO to the Secretariat and approved for publication on 23 June 2015.
Annex XXII: List of conditions and recommendations related to the accreditation type of entities recommended for accreditation

1. The table below presents the list of conditions and recommendations concerning the accreditation type of entities recommended for accreditation, as contained in Annexes VIII to XX.

Table 1: List of conditions and recommendations related to the accreditation type of entities recommended for accreditation

<table>
<thead>
<tr>
<th>Applicant number</th>
<th>Conditions and recommendations related to the accreditation type recommended by the Accreditation Panel</th>
</tr>
</thead>
<tbody>
<tr>
<td>APL008</td>
<td>Conditions prior to the first disbursement by the Green Climate Fund (the Fund) for an approved project/programme to be undertaken by the applicant:</td>
</tr>
<tr>
<td></td>
<td>(i) Undertake an initial internal audit of its operations. The items to be addressed in the internal audit should include:</td>
</tr>
<tr>
<td></td>
<td>1. A sample review of three grant awards, including contractual arrangements for risk, assessed against its procedures;</td>
</tr>
<tr>
<td></td>
<td>2. Confirmation that its procurement practice complies with national law; and</td>
</tr>
<tr>
<td></td>
<td>3. A review of the new information technology control framework;</td>
</tr>
<tr>
<td></td>
<td>(ii) Submit the internal audit plan for the next financial year, 2016;</td>
</tr>
<tr>
<td></td>
<td>(iii) Submit the revised procurement policy and procedures; and</td>
</tr>
<tr>
<td></td>
<td>(iv) Publish information on its grant award mechanism and process on its website</td>
</tr>
<tr>
<td></td>
<td>Conditions to be met on an annual basis for the three consecutive years, starting with the financial year 2016:</td>
</tr>
<tr>
<td></td>
<td>Submit internal audit reports annually for three consecutive financial years, starting with the financial year 2016</td>
</tr>
<tr>
<td></td>
<td><strong>Recommendations:</strong></td>
</tr>
<tr>
<td></td>
<td>It is recommended that the applicant continues to develop its grant mechanism, including the compilation of a process and procedure manual that incorporates all the mechanism’s elements;</td>
</tr>
<tr>
<td></td>
<td>It is recommended that the applicant seeks to deepen its knowledge of the Fund’s interim environmental and social safeguards (ESS) while further developing its environmental and social (E&amp;S) management system in order to support a potential future upgrade of its accreditation for medium E&amp;S risk level Category B/I-2</td>
</tr>
</tbody>
</table>

<p>| APL009           | Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant: |
|                  | (i) Publishing on its website, the instructions and appropriate forms through which to log a complaint; |
|                  | (ii) Preparing quarterly reports on case trends and maintaining a formal record of all complaints received; and |
|                  | (iii) Submitting a report of the incidents recorded to its Office of the Ombudsman for investigation on a monthly basis |
|                  | <strong>Other conditions:</strong> |
|                  | (iv) Use external support, including from co-financiers, acceptable to the Fund, to help to prepare projects or programmes that invoke any of performance standards 2 to 8 |
|                  | <strong>Recommendations:</strong> |
|                  | The applicant is recommended to consider undertaking an equivalence assessment of the country’s legal framework with respect to the Fund’s project-specific performance standards 2 to 8, which would apply to projects and programmes funded by the Fund |</p>
<table>
<thead>
<tr>
<th>Applicant number</th>
<th>Conditions and recommendations related to the accreditation type recommended by the Accreditation Panel</th>
</tr>
</thead>
</table>
| APL010           | Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant:  
(i) Approve the environmental and social safeguards policy, and communicate the policy and procedures within the organization as well as to its executing entities;  
(ii) Develop a gender policy in line with the Fund’s gender policy to be applied in projects and programmes funded by the Fund  |
|                  | APL011  
Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant:  
(i) Ensure that the project-specific performance standard 2 is fully aligned with the Fund’s ESS when it is applied in projects, and to strengthen its monitoring and review of E&S risks and impacts, as part of its environmental and social management system (ESMS); and  
(ii) Approve by senior management the consolidated blueprint for E&S management and to communicate the blueprint within the organization and to its executing entities  |
|                  | APL012  
Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant:  
(i) Adopt, through its audit committee, the audit charter as its frame of reference;  
(ii) Submit its internal audit plan for the next financial year, 2016;  
(iii) Establish a “know-your-customer” procedure as part of its anti-money laundering and anti-terrorist financing procedure; and  
(iv) Adopt a gender policy consistent with the Fund’s gender policy to be applied in projects and programmes funded by the Fund  
Conditions to be met on an annual basis for the three consecutive years, starting with the financial year 2016:  
Submit internal audit reports annually for three consecutive financial years, starting with the financial year 2016.  |
|                  | APL013  
Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant:  
(i) Develop a gender policy consistent with the Fund’s gender policy to be applied in projects and programmes funded by the Fund  
Recommendations:  
It is recommended that the applicant complement its investigations function with a mechanism, such as a link on its website, in order to receive and process third-party complaints that arise from projects financed by the applicant;  
Having incorporated the fundamental elements of a well-managed ESMS and policy in its business operations, it is recommended that the applicant seek external assistance so as to further develop its E&S policy and its application as appropriate for the type of activities for which it will seek finance from the Fund  |
|                  | APL014  
Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant:  
(i) Provide the Fund, through the Secretariat, with a letter of comfort executed by the appropriate authority within the applicant entity stating that it is taking the necessary actions to strengthen its internal controls related to compliance with relevant regulations, including, but not limited to, risk management, management of operational risk and anti-money laundering and countering the financing of terrorism; and  
(ii) Develop a gender policy consistent with the Fund’s gender policy to be applied in projects and programmes funded by the Fund  
Other conditions:  
(iii) Provide the Fund, through the Secretariat, with its annual reports that disclose information on regulatory compliance  |
<table>
<thead>
<tr>
<th>Applicant number</th>
<th>Conditions and recommendations related to the accreditation type recommended by the Accreditation Panel</th>
</tr>
</thead>
</table>
| APL015           | **Recommendation:** The AP recommends that the applicant finalize the implementation of its stakeholder response mechanism and make the contact information for submitting and registering a complaint publically available on its website  
**Requests:** The applicant is currently developing a new ESS procedural framework for the period following 2016 and is requested to submit it to the Fund when it is ready |
| APL016           | **Recommendation:** It is recommended that the applicant seek to deepen its knowledge and application of the Fund’s interim ESS in order to support a potential future upgrade of its accreditation to the medium E&S risk level Category B/I-2 |
| APL017           | None |
| APL018           | None |
| APL019           | **Conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the applicant:**  
(i) Adopt specific policies and procedures to address performance standard 4 of the Fund’s ESS in order to undertake a project/programme that bears risks contained in performance standard 4  
**Recommendations:** The AP recommends the applicant to finalize the implementation of its stakeholder response mechanism and to make the contact information for submitting and registering a complaint publically available on its website |
| APL020           | **Requests:** The applicant is currently undertaking a review and possible revision of its own ESS and is requested to keep the Fund informed of developments in this respect |
Annex XXIII: Proposed risk dashboard and related categories and subcategories of risk

1. Table 1 summarizes the definition of the eight risk categories and 28 subcategories to be monitored.

Table 1: Risk categories and subcategories to be tracked

<table>
<thead>
<tr>
<th>Category</th>
<th>Subcategory</th>
<th>Source of risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>Climate impact &amp; results</td>
<td>Failure to deliver the expected transformative mitigation and adaptation climate impact as defined by the Green Climate Fund’s objectives, investment criteria and the results management framework</td>
</tr>
<tr>
<td></td>
<td>Concentration</td>
<td>Concentration on a limited number or types of AEs or geographies that fail to generate the required balance in mitigation/adaptation; pipeline of projects/programmes</td>
</tr>
<tr>
<td></td>
<td>Portfolio management</td>
<td>Failure to build an optimal portfolio of projects/programmes as defined by the Fund’s initial results management framework</td>
</tr>
<tr>
<td></td>
<td>Accountability</td>
<td>Failure of governance to enable and make timely decisions in corporate affairs or to respond to COP guidance</td>
</tr>
<tr>
<td></td>
<td>Country ownership</td>
<td>Failure to develop a portfolio of projects and programmes that is fully aligned with country priorities and strategies; that fosters the involvement of local actors; and that is consistent with the country's debt sustainability framework</td>
</tr>
<tr>
<td>Reputational</td>
<td>Business practices</td>
<td>Events or issues that have a material adverse effect on the Fund’s credibility in developing countries or with contributors, AEs or civil society</td>
</tr>
<tr>
<td></td>
<td>Unexpected shocks</td>
<td>Adverse publicity that occurs as a result of fraud, implementation failure or other types of shocks related to the Fund’s operations</td>
</tr>
<tr>
<td></td>
<td>AE and other party activities</td>
<td>Adverse publicity that occurs as a result of activities of AEs, or of other parties involved in projects/programmes that are not related to the Fund, or from their failure to disclose relevant information</td>
</tr>
<tr>
<td>Operational</td>
<td>AE and other party risk</td>
<td>Failure of AEs to comply with the Accreditation Master Agreement, including the information disclosure component. Lack of AE implementation capacity leading to lack of or slow disbursement; Failure of other parties involved in the Fund’s projects and programmes to comply with their respective agreements with the Fund</td>
</tr>
<tr>
<td></td>
<td>Fiduciary</td>
<td>Failure of the Fund to effectively exercise its fiduciary duty due to: (a) Failure of internal controls in administrative and operational procedures; (b) Failure to effectively monitor risks and take appropriate mitigation measures; (c) Poor management of AEs, executing entities or NDAs; and (d) Internal or external fraud</td>
</tr>
<tr>
<td></td>
<td>Staffing</td>
<td>Operational failures, losses and other disruptions arising from the Fund’s staffing model, including staff numbers and external consultants as well as problems with recruitment, retention, succession planning, and integrity and morale among the Fund’s staff</td>
</tr>
<tr>
<td></td>
<td>Business disruption</td>
<td>Disruption of business due to catastrophic events or system failures (hardware, software, telecommunications, wars)</td>
</tr>
<tr>
<td>Category</td>
<td>Subcategory</td>
<td>Source of risk</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Legal</td>
<td>Legislative</td>
<td>Failure by the Fund, AEs or executing entities to implement legislative or regulatory requirements related to the Fund’s operations or engagement in situations where governing laws or rules are ambiguous or untested</td>
</tr>
<tr>
<td></td>
<td>Contractual</td>
<td>Use of defective contracts that expose the Fund to disputes and losses</td>
</tr>
<tr>
<td></td>
<td>Non-contractual</td>
<td>The Fund, AEs or executing entities fail(s) to keep to the spirit, as well as the letter, of non-contractual law: for example, infringement of third-party intellectual property rights</td>
</tr>
<tr>
<td>Compliance</td>
<td>External</td>
<td>Failure to comply with the standards and codes of conduct that are set by international law and the host countries in which the Fund invests</td>
</tr>
<tr>
<td></td>
<td>Internal</td>
<td>Failure of staff or board members to comply with the standards and codes of conduct that are set by the Fund itself through its policies and procedures</td>
</tr>
<tr>
<td>Performance</td>
<td>Temporal</td>
<td>Failure of AEs or executing entities to respect tenors and/or schedules pertaining to financial obligations or the execution of projects/programmes</td>
</tr>
<tr>
<td></td>
<td>Monetary</td>
<td>Failure of AEs and executing entities to honour financial obligations (repayment of principal, interest, fees and/or expected return on equity) in a timely manner. This includes credit risk; counterparty risk; equity risk; and political risk including nationalization, expropriation, convertibility and transferability</td>
</tr>
<tr>
<td></td>
<td>Investment criteria</td>
<td>Failure of AEs or executing entities to adhere to the investment criteria results to which they committed themselves</td>
</tr>
<tr>
<td></td>
<td>Concentration</td>
<td>Failure to sufficiently diversify the portfolio of AEs and/or investments such that a material adverse event related to a restricted number of AEs and/or projects would have a portfolio threatening impact on the Fund</td>
</tr>
<tr>
<td>Funding</td>
<td>Conversion</td>
<td>Failure to convert pledges into contributions in a timely manner</td>
</tr>
<tr>
<td></td>
<td>Encashment</td>
<td>Expected payments in cash and promissory payments, or the encashment of promissory notes, do not materialize within the expected time frame</td>
</tr>
<tr>
<td></td>
<td>Rellow</td>
<td>Expected reflows to the Fund from the project portfolio do not materialize within the expected time frame</td>
</tr>
<tr>
<td></td>
<td>Concentration</td>
<td>Failure to sufficiently diversify the portfolio of contributors such that a material adverse event related to one or a few key contributors would give rise to a Fund-threatening liquidity or solvency situation</td>
</tr>
<tr>
<td>Market</td>
<td>FX</td>
<td>Foreign exchange risk</td>
</tr>
<tr>
<td></td>
<td>Interest rate</td>
<td>Changes in interest rates such as investment losses in the liquid portfolio managed by the Interim Trustee</td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td>Timing mismatch between the cash inflows and cash outflows leading to a shortage in the ability of the Fund to face its payment obligations</td>
</tr>
</tbody>
</table>

Abbreviations: AE = accredited entity, COP = Conference of the Parties, FX = foreign exchange, H = high, M = medium, L = low.

2. The risk dashboard where the risk categories and subcategories will be monitored is presented in Table 2.
Table 2: Risk dashboard

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Category</th>
<th>Subcategory</th>
<th>Priority (VH/H/M/L)</th>
<th>Key performance metric</th>
<th>Triggers</th>
<th>Flag</th>
<th>Corrective action plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-financial risk</td>
<td>Strategic</td>
<td>Climate impact &amp; results</td>
<td>TBD</td>
<td>TBD</td>
<td>• Target TBD</td>
<td>TBD in cases of flags</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Concentration</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Portfolio management</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
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</table>

Abbreviations: AE = accredited entity, FX = foreign exchange, H = high, M = medium, L = low, TBD = to be determined.

a. Noting that for financial risks, a quantified scale would need to be developed reflecting expected potential losses.

3. The Secretariat is to further define each subcategory when working on developing the risk registry in consultation with the Risk Management Committee.
Annex XXIV: Risk appetite methodology

1. The proposed risk appetite methodology (RAM) for the Green Climate Fund (the Fund) consists of the following five steps:

I. Agreement on risk categories and subcategories

2. The RAM begins with agreement by the Board on the risk categories and subcategories that will be tracked and modelled. These are provided in Annex XXIII to this document.

II. Agreement on a risk dashboard

3. The risk dashboard consists of regular snapshots of the Board-agreed risk categories and subcategories that will be tracked by the Secretariat, the Risk Management Committee and the Board. The structure of the risk dashboard is provided in Annex XXIII to this document, and consists of the level of priority of each risk subcategory, the key performance metric(s), the triggers (target and limit), the flag and the corrective action plan – if any.

III. Development of scenarios

4. A series of scenarios that pertain to these risk categories will be analysed in consultation with the Risk Management Committee in order to identify the risk targets, tolerances and limits. These scenarios should take into account all the key risks faced by the Fund. Based on the scenarios, the Secretariat, in consultation with the Risk Management Committee, is thereafter to propose to the Board the relevant key performance metric(s) by which to measure tolerance and limit as well as the related target.

5. The Secretariat, in running the risk scenarios, will also assign a priority level (high/medium/low) to risk subcategories, which will be derived from their probability of occurrence and predicted impact on the Fund should they occur.

6. A risk subcategory's probability of occurrence can be categorized as follows:
   (a) High – Highly likely to occur within the next 12 months;
   (b) Somewhat likely – Would not be surprising if it occurred within the next 24 months;
   (c) Somewhat unlikely – Would be surprising if it occurred within the next 24 months; and
   (d) Low – Highly unlikely to occur within the next 24 months.

7. A risk subcategory’s impact in the event that it occurs can be categorized as follows:
   (a) High – A material adverse impact that could impede the franchise's ongoing viability and/or its ability to meet its strategic objectives;
   (b) Somewhat disruptive – An adverse impact that would be disruptive to the Fund’s viability and/or its ability to meet its strategic objectives;
   (c) Somewhat non-disruptive – A relatively contained adverse impact that could impact the Fund’s financials and/or its ability to meet its strategic objectives by up to 10 per cent; and
   (d) Low – Minimal and contained impact.

8. Table 1 below illustrates how different combinations of probability of occurrence and impact in the event of different occurrence yield priorities.
9. For example, a risk subcategory with a high priority of occurrence that would have a high impact in the event of occurrence would be deemed a high priority.

Table 1: Priority grid

<table>
<thead>
<tr>
<th>Occurrence probability</th>
<th>Impact</th>
<th>(1) Low</th>
<th>(2) Somewhat non-disruptive</th>
<th>(3) Somewhat disruptive</th>
<th>(4) High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (1)</td>
<td>Low priority</td>
<td>Low priority</td>
<td>Low priority</td>
<td>Medium priority</td>
<td></td>
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<tr>
<td>Somewhat unlikely (2)</td>
<td>Low priority</td>
<td>Low priority</td>
<td>Medium priority</td>
<td>Medium priority</td>
<td></td>
</tr>
<tr>
<td>Somewhat likely (3)</td>
<td>Low priority</td>
<td>Medium priority</td>
<td>High priority</td>
<td>High priority</td>
<td></td>
</tr>
<tr>
<td>High (4)</td>
<td>Medium priority</td>
<td>Medium priority</td>
<td>High priority</td>
<td>Very high priority</td>
<td></td>
</tr>
</tbody>
</table>

10. Risk subcategories that are deemed to have medium or high priorities and for which the key performance metric has breached the target shall be tagged with a red flag on the dashboard so as to solicit a management action plan and attention by the Board.

IV. Agreement on risk targets, tolerances, and limits and development of a risk appetite statement

11. Based on the risk scenarios already developed, the Secretariat will present a proposed set of risk targets as well as their respective tolerances and limits to the Board for consideration and adoption. Subsequently, the Secretariat will work with the Risk Management Committee on preparing a risk appetite (RA) statement for consideration by the Board. Upon approval of the RA statement – as well the targets, tolerances and limits – credit and investment manuals and software can be developed in order to embed the risk framework into the day-to-day management of the Fund.

V. Risk reporting

12. As a last step, the Secretariat will integrate targets, tolerances and limits into the risk dashboard and risk register based on the risk monitoring and reporting management system adopted by the Board under the initial financial risk management framework (decision B.07/05). This reporting will be the basis for continuous review and updating of the Fund’s RA and risk management practices. The Fund would need to conduct risk control and self-assessment, a process of identification, assessment, effective internal control and action plans related to high-risk events, in a timely manner, in order to ensure the robustness of the risk framework. Such periodic reporting from the Secretariat will enable the Board to review the evolution of the risk borne by the Fund and to make any necessary adjustments.
Annex XXV: Draft provisions for privileges and immunities

Article * Purpose

To enable the Green Climate Fund (the Fund) to effectively fulfil its purpose and carry out the functions entrusted to it, the status, immunities, exemptions and privileges set forth shall be accorded to the Fund in the territory of [country].

Article * Legal Status

The Fund shall possess full juridical personality and, in particular, full capacity to:

(a) Contract;
(b) Acquire, and dispose of, immovable and movable property; and
(c) Institute legal proceedings.

Article * Immunity from Judicial Proceedings

1. The Fund shall enjoy immunity from every form of legal process, except in cases arising out of or in connection with the exercise of its powers to borrow money, to guarantee obligations, or to buy and sell or underwrite the sale of securities, in which case, action may be brought against the Fund in a court of competent jurisdiction in the territory of a country in which the Fund has its principal or a branch office, or has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities.

2. Notwithstanding the provisions of paragraph 1 of this Article, no action shall be brought against the Fund by [country], or by any agency or instrumentality of [country], or by any entity or person directly or indirectly acting for or deriving claims from [country] or from any agency or instrumentality of [country]. Any dispute regarding the application or interpretation of this agreement will be resolved through mutual consultation.

3. Property and assets of the Fund, shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgement against the Fund.

Article ** Immunity of Assets

Property and assets of the Fund, wheresoever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of taking or foreclosure by executive or legislative action.
Article **  Immunity of Archives

The archives of the Fund, and, in general, all documents and data, in whatever format, including electronic format, belonging to it, or held by it, shall be inviolable, wherever located.

Article **  Freedom of Assets from Restrictions

1. To the extent necessary to carry out the purpose and functions of the Fund effectively, and subject to the provisions of this Agreement and the laws and regulations of [country], all property and assets of the Fund shall be free from restrictions, regulations, controls and moratoria of any nature.

2. Subject to the laws and regulations of [country], the Fund may without being restricted by financial controls, regulations or moratoria of any kind:

(a) Hold funds, gold or currency of any kind and operate accounts in any currency; and

(b) Shall be free to transfer its funds, gold or currency from one country to another, or within any country, and convert any convertible currency held by it into any other convertible currency.

3. In exercising its rights under paragraph 1 of this Article, the Fund shall pay due regard to any representations made by the Government insofar as it is considered that effect can be given to such representations without detriment to the interests of the Fund.

Article **  Privileges for Communications

Official communications of the Fund shall be accorded treatment no less favourable than that accorded to the official communications of international organizations present in [country].

Article **  Immunities and Privileges of Fund Officials

All Board members, alternates, their advisers, officers and employees of the Fund, including experts performing missions for the Fund:

(a) Shall be immune from legal processes with respect to acts performed by them in their official capacity, except when the Fund waives the immunity;

(b) Where they are not local citizens or nationals, shall be accorded the same treatment with respect to immigration requirements, alien registration requirements and national service obligations, and the same facilities as regards exchange regulations, as are accorded by members to the representatives, officials and employees of comparable rank of other international organizations; and

(c) Shall be granted the same treatment in respect of travelling facilities as is accorded by [country] to representatives, officials and employees of comparable rank of other international organizations.

For the purposes of Article **, **, and **, “experts performing missions for the Fund” includes an expert or consultant providing services under contractual arrangement with the Fund, including its monitoring and accountability units and members of Board committees, panels, and working groups.
Article ** Facilitation of Travel

[Country] shall facilitate transit of movement, including through the expedited processing of applications of visas, where required, and where the laws and regulations of [country] allow, for Board members, alternates, their advisers, officers, and employees of the Fund, including experts performing missions for the Fund.

Article ** Exemption from Taxation

1. The Fund, its assets, property, income and its operations and transactions shall be exempt from all taxation and from all customs duties. The Fund shall also be exempt from any obligation for the payment, withholding or collection of any tax or duty.

2. No tax shall be levied on or in respect of salaries or emoluments paid by the Fund to Board members, alternates, their advisers, officers or employees of the Fund, including experts performing missions for the Fund, except for the salaries and emoluments paid by the Fund to citizens or nationals of [country].

3. [Country] shall not levy any tax on any obligation or security issued by the Fund, including any dividend or interest thereon, by whomever held:
   (a) If it discriminates against such obligation or security solely because it is issued by the Fund; or
   (b) If the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Fund.

4. No tax of any kind shall be levied on any obligation or security guaranteed by the Fund, including any dividend or interest thereon, by whomever held:
   (a) Which discriminates against such obligation or security solely because it is guaranteed by the Fund; or
   (b) If the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the Fund.

Article ** Waiver of Immunities, Exemptions and Privileges

The Fund, at its discretion, may waive any of the privileges, immunities and exemptions conferred under this Chapter in any case or instance, in such manner and upon such conditions as it may determine to be appropriate in the best interests of the Fund, taking into account that privileges and immunities are accorded to Board members, alternates, their advisers, officers and employees of the Fund, including experts performing missions the Fund, not for their personal benefit, but in the interest of the effective functioning of the Fund. Consequently, the Fund not only has the right but is under a duty to waive the immunity of Board members, alternates, their advisers, officers and employees of the Fund, including experts performing missions for the Fund, in any case where, in the opinion of the Fund, as the case may be, the immunity would impede the course of justice, and where it can be waived, without prejudice to the purpose for which the immunity is accorded or to the interests of the Fund, as the case may be.
Annex XXV: Policy on ethics and conflicts of interest for external members of the Green Climate Fund panels and groups

I. Scope, purpose and applicability

1. This policy on ethics and conflicts of interest for external members of panels and groups sets out principles and ethical standards for the external members serving on panels and groups established by the Board of the Green Climate Fund (the Fund) in connection with, or having a bearing upon, their status and responsibilities in the Fund. As these members shall assist the Board in conducting its business and in performing its functions, their professional and personal conduct must comply with the ethical standards and procedures set out herein.

2. The Policy is in furtherance of the general principle set out in the Governing Instrument for the Green Climate Fund that the Fund shall operate in a transparent and accountable manner guided by efficiency and effectiveness.

II. Definitions

3. For the purposes of the Policy, the following terms shall have the meaning set out below:

(a) Associated Institution means:

(i) Any entity, agency, organization, corporation, administration or similar institution in which a Covered Individual is serving as an officer, director, Stakeholder, trustee, partner or employee or for which the Covered Individual is working as consultant, that receives or may receive directly or indirectly, funding from the Fund or with which the Fund has, either directly or through an intermediary, an agreement, contract, grant, understanding, arrangement or relationship; or

(ii) Any entity, agency, organization, corporation, administration or similar institution with which a Covered Individual is applying for, or negotiating to have, an arrangement concerning employment or consultancy;

(b) Board means the Board of the Fund;

(c) Covered Individual means the external members of technical and expert panels and groups referred to in paragraph 18 (g) of the Governing Instrument and paragraph 32 of the Rules of Procedure of the Board;

(d) Ethics and Audit Committee means the committee of the Board established by decision B.05/13, paragraph (e);

(e) Executive Director means the executive director of the Fund as referred to in paragraph 20 of the Governing Instrument;

(f) External Member means an expert procured, selected and contracted by the Secretariat on behalf of the Fund and serving as an external member on a panel or group established by the Board;

(g) Fund means the Green Climate Fund;

(h) Gift means any gratuity, favour, discount, entertainment, hospitality, loan, forbearance, honorarium or other item having monetary value. These include services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred;
(i) **Governing Instrument** means the Governing Instrument for the Green Climate Fund;

(ii) **Immediate Family Members** means a Covered Individual’s spouse, partner under domestic legislation, child, mother, father, brother or sister and persons primarily dependent on such an individual for financial support;

(k) **Independent Integrity Unit** means the independent integrity unit referred to in paragraph 68 of the Governing Instrument;

(l) **Panel or Group** means panels and groups established by the Board of the Green Climate Fund;

(m) **Policy** means this policy on ethics and conflicts of interest for external members on panels and groups;

(n) **Prohibited Practices** means any of the following practices:

   (i) A “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another entity and/or individual;

   (ii) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, an entity and/or individual to obtain a financial or other benefit, or to avoid an obligation;

   (iii) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any entity and/or individual improperly or the property of that entity and/or individual to influence improperly the actions of an entity and/or individual;

   (iv) A “collusive practice” is an arrangement between two or more entities and/or individuals designed to achieve an improper purpose, including to improperly influence the actions of another entity and/or individual;

   (v) An “obstructive practice” includes deliberately destroying, falsifying, altering or concealing evidence in an investigation; making false statements to investigators in order to materially impede an investigation; threatening, harassing or intimidating any entity and/or individual to prevent it or he/she from disclosing its or his/her knowledge of matters relevant to the investigation or from pursuing the investigation; or materially impeding the Fund’s rights of audit or access to information; and

   (vi) “Harassment” means unwelcome verbal or physical behaviour that unreasonably interferes with work or creates an intimidating, hostile or offensive work environment;

(o) **Secretary to the Board** means the member of the Staff serving as Secretary to the Board;

(p) **Staff** means all staff of the Secretariat of the Fund, including the Executive Director, as described in paragraph 21 of the Governing Instrument; and

(q) **Stakeholder** means a person having a proprietary or economic interest in an entity.

III. **Basic standard of conduct**

4. Covered Individuals shall carry out their responsibilities as prescribed in the Governing Instrument, their respective agreements with the Fund and the Terms of Reference of the relevant Panel and Group, and comply with all applicable current and future policies of the Fund, to the best of their ability and judgement and shall maintain the highest standards of
integrity and ethics in their personal and professional conduct, and observe principles of good governance.

5. In order to reflect the importance of the Policy and the obligations contained in it, Covered Individuals shall, upon their appointment read and sign the Declaration of Office, a template of which is contained in Appendix I herein, to be deposited with the Secretary to the Board.

6. Covered Individuals shall observe the laws of each jurisdiction in which they are present pursuant to their official duties and responsibilities, associated with the Fund, so as not to be perceived as abusing the privileges and immunities conferred upon the Fund and upon them. This provision does not abrogate or waive any privileges and immunities which they may enjoy.

7. Covered Individuals shall, in their interactions with others at the Fund, act with tolerance, sensitivity and respect for cultural differences. Any form of discrimination based on any ground such as gender, race, colour, national, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be against the Policy.

8. Covered Individuals, shall abide by the following standards of conduct:

(a) Covered Individuals must not act in any manner that will undermine public confidence and trust in the Fund. In particular, Covered Individuals will refrain from engaging in Prohibited Practices;

(b) Covered Individuals must not encourage anyone to take any actions listed under paragraph 8 (a) above; and

(c) Covered Individuals must disassociate from, and report to the Independent Integrity Unit, any suspected misconduct by other Covered Individuals or other individuals associated with the Fund, including those actions listed under paragraph 8 (a) above when it comes to their attention, in accordance with the procedure set out in Chapter IV below, and to refrain from retaliation against an individual who provides information in good faith about suspected misconduct.

IV. Non-compliance with the Policy

9. Alleged breaches of a provision of the Policy by a Covered Individual or their Immediate Family Members shall be referred by the Secretariat, or by any individual or entity, to the Independent Integrity Unit pursuant to the procedure set out in Appendix II to the Policy.

10. The Independent Integrity Unit shall, upon formally establishing the breach of a provision of the Policy, after due enquiry, notify the Executive Director and the Ethics and Audit Committee of its findings with a recommendation on action to be taken against the Covered Individual. If, at any time during the investigation, the Independent Integrity Unit considers that it would be prudent, as a precautionary measure or to safeguard information, to recommend placement of limits on the official activities of the Covered Individual or to recommend that he or she be suspended from duty, the Independent Integrity Unit shall refer the matter to the Executive Director for appropriate action.

11. The Executive Director may, in consultation with the Ethics and Audit Committee, where upon it being formally established after due enquiry by the Independent Integrity Unit that there has been a breach of a provision of this Policy, take the following action against a Covered Individual:

(a) Termination of the appointment of such Covered Individual; and/or
(b) Instruction that the Covered Individual in question shall be ineligible for any future appointment or to serve in any capacity with the Fund indefinitely or for a limited period of time.

The Independent Integrity Unit shall inform the Board of its findings in the event that it establishes a breach. The Independent Integrity Unit shall also, after consultation with the Executive Director, inform the Board whether such findings reveal that the breach in question tangibly affected the operations of the Fund, thus requiring remedial action.

12. The procedures for handling allegations of a breach of the Policy may be amended by the Board, upon the recommendation of the Ethics and Audit Committee.

V. Conflicts of interest

13. A conflict of interest arises when a Covered Individual has interests that could, or could reasonably be perceived to, improperly influence the activities of the Fund and the policy decisions of the Board, as well as the Covered Individual’s performance of official duties or responsibilities, contractual obligations or compliance with applicable laws and regulations.

14. In general, and without limitation, conflicts of interest may be deemed to exist in the following situations:

(a) Where a Covered Individual's interests, or the interests of an Immediate Family Member or Associated Institution could affect the conduct of his or her duties and responsibilities with respect to the Fund or result in a reasonable perception that a conflict of interest exists;

(b) Where Covered Individual’s actions create the perception that s/he is using his or her position at the Fund for the benefit of an Immediate Family Member or an Associated Institution; and

(c) Where Covered Individuals hold positions in government or non-governmental organizations which engage with the Fund, or who are working in, or have a contractual arrangement, as consultants or otherwise, with an Associated Institution, accredited entity or entity seeking or receiving funding from the Fund.

15. If an appearance of a conflict of interest arises, or if there is doubt whether a conflict, actual, apparent or perceived, exists, the Covered Individual concerned shall promptly refer the matter in writing to the head of the Independent Integrity Unit for guidance.

16. In order to avoid conflicts of interest, Covered Individuals shall submit to the Independent Integrity Unit a list of their functions and roles outside the Fund and any financial or business interests which may reflect unfavourably upon the Fund or which may be in actual or perceived conflict with her/his duties, and shall update such list if and when required to reflect amendments.

17. All Covered Individuals shall disclose existing and potential conflicts of interest upon consideration for appointment to any Panel or Group and before every relevant Panel or Group meeting.

18. During the course of a Panel or Group meeting, a Covered Individual with an actual, perceived or potential conflict of interest shall disclose the conflict to the chair of the meeting as soon as possible upon learning of a possible conflict of interest and under no circumstances later than the beginning of discussion of the relevant agenda item, and recuse her/himself from participating in the proceedings of that item.
VI. Procedure when a conflict of interest arises

19. All actual or potential conflicts of interest or the reasonable appearance thereof shall be immediately disclosed in writing to the Independent Integrity Unit. In addition, others such as the Secretariat may bring an actual or potential conflict of interest of a Covered Individual to the attention of the Independent Integrity Unit.

20. The Independent Integrity Unit shall promptly review these disclosures or any alleged conflicts of interest communicated to it and determine whether an actual or potential conflict of interest exists and, if so, whether to issue a waiver defining the extent to which the Covered Individual may participate in any discussion of the issue that has given rise to the conflict. The Independent Integrity Unit may also, at its discretion, bring any conflicts of interest issues to the entire Board for further consideration and decision.

21. When it is determined by the Independent Integrity Unit that an actual or potential conflict of interest exists, the Covered Individual shall not participate in the matter that has given rise to the conflict absent a waiver from the Independent Integrity Unit.

22. If the determination affects a Covered Individual, such Covered Individual may appeal the decision to the Board.

VII. Future employment

23. When seeking, negotiating for, or entering into an arrangement concerning, prospective employment outside the Fund for themselves or for Immediate Family Members, Covered Individuals shall not allow such circumstances to influence the performance of their duties nor may they have any involvement with respect to a Fund decision in which a prospective employer has or may have an interest.

24. A Covered Individual shall not apply for or accept any employment, including as a consultant, with an entity applying, or reasonably likely to apply, for accreditation with the Fund, unless disclosed to, and approved by the Independent Integrity Unit. The Independent Integrity Unit will assess whether an actual or potential conflict of interest exists in these circumstances and, if so, the remedy to address such conflict.

25. Employment by the Secretariat: Any Covered Individual and Immediate Family Member shall not be eligible for employment by the Fund, including as a consultant, until one and a half years following the last date of service of the Covered Individual in the relevant position. The Independent Integrity Unit may waive this provision only in exceptional circumstances. A request for such a waiver must be submitted by the individual concerned to the Independent Integrity Unit before s/he applies for employment by the Fund. A decision by the Independent Integrity Unit granting such a waiver shall state the circumstances justifying the decision. The Fund shall not take action on or accept an application for employment from such an individual unless a waiver has been granted by the Independent Integrity Unit.

VIII. Transparency and disclosure of information

26. Covered Individuals explicitly acknowledge that they may have access to information regarding the Fund and its operations that is deemed confidential according to the Fund's information disclosure policies and agree that at all times they shall respect the confidentiality of such information and shall not use such information for the purpose of furthering their personal interest or the personal interest of any other person or entity for whom or which such information is not intended. They shall comply with the information disclosure policies of the Fund. The provisions of this paragraph shall continue to apply to Covered Individuals after their service as a Covered Individual has ended.
27. Covered Individuals shall consult the Independent Integrity Unit if they have doubts as to whether certain information is deemed confidential. The determination of the Independent Integrity Unit is final.

28. If a Covered Individual believes that confidential information may have been improperly disclosed, s/he shall promptly inform the Independent Integrity Unit and the Executive Director.¹

29. Covered Individuals may not:
   (a) Communicate any unpublished and/or confidential information known to them by reason of their official position to any person within or outside the Fund who they know or should know is not authorized by the Fund to receive such information; or
   (b) Use, or allow the use of, unpublished and/or confidential information known to them by reason of their official position with the Fund to private advantage, directly or indirectly, or for any interest contrary to the interests of the Fund.

   In complying with the above obligations, which continue after separation from the Fund, Covered Individuals must scrupulously observe the rules and procedures established by the Fund to protect unpublished and/or confidential information; and

   (c) Publications and Public Speaking

   Covered Individuals during the term of their appointment or service may not:
   (i) Publish, cause to be published, or assist in the publication of any book, pamphlet, article, letter or other document relating to the policies or activities of the Fund or on any national political questions;
   (ii) Deliver any speech or presentation, broadcast through radio, television or other electronic media, or hold press conferences or grant press interviews on such policies, activities or questions; or
   (iii) Speak on behalf of the Fund or state its policies as a participant in any seminar or conference.

IX. Gifts and entertainment

30. All Covered Individuals and their Immediate Family Members are prohibited from accepting Gifts under circumstances where it could reasonably be construed that the Gift is motivated by the position of the Covered Individual in relation to the Fund and interests that could be substantially affected by the Fund.

31. All Covered Individuals and their Immediate Family Members are prohibited from giving Gifts where it could reasonably be construed that the Gift is intended to affect the policies or practices of the Fund or any of the programmes it funds.

32. A Covered Individual may accept unsolicited Gifts on behalf of the Fund when refusal to do so would embarrass the Gift provider or the Fund or otherwise not be in the interest of the Fund, such as when a refusal to accept would be considered impolite. Except when impractical (such as in the case of meals), Gifts accepted on behalf of the Fund will be turned over to the Secretariat and handled under applicable current and future Fund procedures and guidelines for dealing with Gifts.

¹ The Executive Director is to be informed promptly in order to manage any potential liability towards third parties to whom the Fund has confidentiality obligations, for example under a non-disclosure agreement.
X. Previous involvement in decision-making processes

33. Except where expressly authorized by the Independent Integrity Unit, Covered Individuals must not be involved in any decision-making process to determine the selection of any entity if they are or were previously employed or otherwise associated with such entity, which is:

(a) A supplier of goods and/or services to the Fund;
(b) A recipient or beneficiary of Fund financing; or
(c) A guarantor of any such financing.

XI. Review and amendment

34. The Board, on the recommendation of the Ethics and Audit Committee, shall keep this Policy under regular review and amend the Policy, as necessary, to ensure that the highest ethical standards are applied to the Covered Individuals.

XII. Effective date

35. The Policy shall come into effect upon adoption by the Board, and shall remain in effect until amended or superseded by the Board.

36. Covered Individuals already in office at the time the Policy comes into effect shall submit the signed Declaration of Office promptly upon the effective date of the Policy in accordance with paragraph 5 above.

37. Amendments to the Policy and any amendments thereto, shall come into effect in accordance with paragraph 35 above.

I solemnly declare that I will perform my duties and responsibilities as a member of __________ [Panel/Group] of the Green Climate Fund honourably, faithfully, and conscientiously.

I solemnly declare and promise that I shall have no personal interest in any matter I am involved with in performing my duties on the __________ [Panel/Group] of the Green Climate Fund.

I solemnly declare that I accept and will be bound by the policy on ethics and conflicts of interest for external members of Green Climate Fund Panels and Groups.

I explicitly acknowledge that I may have access to information regarding the Fund and its operations that is deemed confidential according to the Fund's information disclosure policies and agree that at all times I shall respect the confidentiality of such information and shall not use such information for the purpose of furthering my personal interest or the personal interest of any other person or entity for whom or which such information is not intended. I shall comply with the information disclosure policies of the Fund. The provisions of this paragraph shall continue to apply after my service as a member of the Panel/Group has ended.

I shall disclose to the Independent Integrity Unit any interest in any matter under consideration by the Panel/Group which may constitute a conflict or potential conflict of interest or which might be incompatible with the requirements of integrity and transparency in my functions as a member of the Panel/Group and I shall refrain from participating in the work of the Panel/Group in relation to such a matter, unless a waiver has been granted by the Independent Integrity Unit.

_____________________________________________________________________
Full Name

_____________________________________________________________________
Signature

_____________________________________________________________________
Date
Appendix II: Procedures for Handling Allegations of Misconduct

1. Charges of misconduct and/or breaches of the policy on ethics and conflicts of interest for external members of panels and groups, made by any individual or entity against a Covered Individual or their Immediate Family Members, shall be submitted in writing and in confidence to the Head of the Independent Integrity Unit.

2. The Covered Individual concerned shall not be presumed to have engaged in the alleged misconduct until such time as the Independent Integrity Unit decides that there is sufficient evidence to establish, on a balance of probabilities that the alleged misconduct did occur.

3. As soon as is practicable, the Independent Integrity Unit shall review the allegations and determine whether they are credible and whether they are appropriate for taking action by the Independent Integrity Unit. If the allegations do not appear credible, the Independent Integrity Unit may decide to take no further action. If the allegations appear credible and appropriate for taking action by the Independent Integrity Unit, it shall take such action promptly.

4. As soon as is practicable, based on the findings of the investigation, the Independent Integrity Unit shall make a recommendation to the Executive Director and the Ethics and Audit Committee whether the facts indicate that the misconduct occurred, and if so, what measures may be appropriately imposed. The Executive Director shall take a final decision, in consultation with the Ethics and Audit Committee, based on the findings and recommendations of the Independent Integrity Unit.

5. The Executive Director may, after consultation with the Ethics and Audit Committee, where upon it being formally established after due enquiry by the Independent Integrity Unit that there has been a breach of a provision of this policy, take the following action against the Covered Individual in question:
   (a) Termination of the appointment of such Covered Individual; and/or
   (b) Instruction that the Covered Individual in question shall be ineligible for any future appointment or to serve in any capacity with the Fund indefinitely or for a limited period of time; and
   (c) In addition, the Executive Director shall inform the Board of the findings of the Independent Integrity Unit and the action taken against the Covered Individual.

6. Each Covered Individual, if alleged to have committed misconduct, shall be provided with timely notice of the allegations, all relevant documentation and the opportunity to present his or her views regarding the allegations to the Independent Integrity Unit before it makes its determination, and to the Executive Director, before s/he takes any decisions, as set out in these procedures:
   (a) Whether to conduct an investigation; or
   (b) Whether the facts indicate that the misconduct occurred, and if so, what measures may be appropriately imposed.

7. In exceptional cases, the Independent Integrity Unit may permit the individual who is alleged to have committed misconduct to be accompanied by an advisor of her/his choice.

8. If a charge of misconduct under this Policy is made against a Covered Individual, the following interim measures may be taken by the Executive Director, after consultation with the Ethics and Audit Committee, pending investigation of the charges against the Covered Individual:
   (a) Limit/Denial of access. The Covered Individual’s access to the Fund or Fund premises (including files, electronic databases and e-mail facilities) may be limited or denied; and/or
(b) Temporary removal from Panel/Group. The Covered Individual may be asked to abstain from work on the Panel/Group, either with or without remuneration.

9. Any Staff member who makes frivolous or knowingly false allegations against a Covered Individual shall be subject to disciplinary procedures in accordance with the Fund’s HR Guidelines. Frivolous or knowingly false allegations made by a Covered Individual shall be considered a violation of the Policy and will be subject to the procedures of this Policy.
Annex XXVI: Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund Secretariat

I. Scope, purpose and applicability

1. This policy on ethics and conflicts of interest sets forth principles and ethical standards for the Executive Director in connection with, or having a bearing upon her/his status and the discharge of her/his responsibilities as the Executive Director of the Green Climate Fund Secretariat. As the Executive Director is entrusted with responsibilities as prescribed in the Governing Instrument for the Green Climate Fund and relevant decisions and policies of the Green Climate Fund (the Fund), her/his personal and professional conduct must comply with the standards and procedures set forth herein.

2. The Policy is in furtherance of the general principles set out in the Governing Instrument for the Green Climate Fund that the Fund shall operate in a transparent and accountable manner guided by efficiency and effectiveness.

3. Should the Executive Director have any doubt as regards her/his proper course of action in any matter related to this Policy, s/he shall seek the advice and guidance of the Ethics and Audit Committee.

II. Definitions

4. For the purposes of this Policy, the following terms shall have the meaning set out below:

   (a) **Administrative Tribunal** means the tribunal to be established by the Fund to deal with disputes between staff and the Fund referred to in the Administrative Guidelines on Human Resources;

   (b) **Board** means the Board of the Fund;

   (c) **Ethics and Audit Committee** means the committee of the Board established by decision B.05/13 paragraph (e);

   (d) **Executive Director** means the Executive Director heading the Secretariat and appointed by and accountable to the Board pursuant to paragraph 20 of the Governing Instrument;

   (e) **Fund** means the Green Climate Fund;

   (f) **Gift** means any gratuity, favour, discount, entertainment, hospitality, loan, forbearance, honorarium or other item having monetary value. These include services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred;

   (g) **Governing Instrument** means the Governing Instrument for the Green Climate Fund;

   (h) **Harassment** means unwelcome verbal or physical behaviour that unreasonably interferes with work or creates an intimidating, hostile or offensive work environment;

   (i) **Headquarters Agreement** means the Agreement between the Republic of Korea and the Green Climate Fund concerning the Headquarters of the Green Climate Fund;

   (j) **Immediate Family Members** means the Executive Director’s spouse, partner under domestic legislation, child, mother, father, brother or sister and persons primarily dependent on such an individual for financial support;
(k) **Independent Integrity Unit** means the independent integrity unit referred to in paragraph 68 of the Governing Instrument;

(l) **Policy** means this policy on ethics and conflicts of interest for the Executive Director of the Green Climate Fund;

(m) **Secretary to the Board** means the staff member of the Secretariat of the Fund serving as Secretary to the Board; and

(n) **Secretariat** means the Secretariat of the Green Climate Fund referred to in Section E of the Governing Instrument.

### III. Basic standard of conduct

5. The Executive Director shall carry out her/his responsibilities as prescribed in the terms of reference for her/his post, her/his contract with the Fund and relevant decisions and policies of the Fund, to the best of her/his ability and judgment, and shall maintain the highest standards of integrity in her/his personal and professional conduct and observe principles of good governance. In view of the high office that the Executive Director holds, s/he shall at all times conduct her/himself in keeping with the dignity of that office. The terms of her/his employment contract with the Fund shall be consistent with this policy.

6. The Executive Director shall not interfere in the political affairs of any State. In the discharge of her/his office, the Executive Director shall not seek or receive instructions from any government or authority otherwise than in conformity with the Governing Instrument.

7. In the discharge of her/his office the Executive Director owes a duty entirely to the Fund and no other authority. In implementing decisions of the Fund, the Executive Director will only take into account considerations relevant to the Fund’s purpose, functions and operations. Her/his considerations shall be taken impartially in order to achieve and carry out the purpose and functions of the Fund as set out in the Governing Instrument and/or determined by the Board.

8. In the performance of her/his functions the Executive Director shall act with tolerance, sensitivity and respect for cultural differences and must show respect for varied cultures, beliefs and backgrounds. S/he must avoid behaviour that constitutes Harassment or bullying or that can be perceived by others as Harassment or bullying.

9. The privileges, immunities, exemptions and facilities which the Executive Director enjoys under the Headquarters Agreement and any other agreement entered into between the Fund and governments of other countries are granted in the interest of the Fund and not for the personal benefit of the individual. Therefore, these privileges, immunities, exemptions and facilities offer no excuse for non-performance of private obligations or failure to observe laws and police regulations. The Executive Director is expected to satisfy in good faith her/his obligations as resident of the host country of the Fund, including all applicable personal obligations outside the Fund, the non-fulfilment of which could reflect unfavourably upon her/his position as the Executive Director or could affect the efficient performance of her/his duties.

### IV. Local laws

10. The Executive Director shall observe the laws of each jurisdiction in which s/he is present pursuant to her/his duties so as not to be perceived as abusing the privileges and immunities conferred upon the Fund and upon her/him. This does not abrogate or waive any of the privileges or immunities which s/he enjoys.
V. Conflict of interest

11. **Conflict of Interest.** A conflict of interest arises when the personal interests of the Executive Director interfere in any way with her/his public duty or with the interests of the Fund. A conflict of interest may arise when the Executive Director takes actions or has interests that make it difficult to perform her/his work objectively and effectively, or when the Executive Director takes actions that intentionally result in improper benefits for her/himself, Immediate Family Members or other persons or entities. An actual conflict of interest involves a conflict between the official duties of the Executive Director and her/his personal interests that could improperly influence the performance of those official duties. An apparent conflict of interest arises when it could reasonably be perceived that the Executive Director’s personal interests could improperly influence the performance of her/his official duties even if this is not in fact the case.

12. In performing her/his duties, the Executive Director shall carry out her/his responsibilities to the exclusion of any personal advantage.

13. The Executive Director shall endeavour to avoid any situation involving an actual conflict, or the appearance of a conflict, between her/his personal interests and the performance of her/his official duties. If an actual conflict arises, the Executive Director shall promptly refer the matter in writing to the Chair of the Ethics and Audit Committee and shall withdraw from attendance or participation in deliberations or decision-making connected with that matter pending guidance from the Ethics and Audit Committee. If an appearance of conflict arises, or if there is doubt whether a conflict, actual or apparent, exists, the Executive Director shall promptly refer the matter in writing to the Chair of the Ethics and Audit Committee for guidance.

VI. Personal financial affairs

14. Except within the limits specified in this Section VI, during her/his employment with the Fund the Executive Director or her/his Immediate Family Members shall avoid having any financial interest in transactions of the Fund or in projects or enterprises involving the Fund. The Executive Director shall not use any information not generally available to the public to further her/his private interests or those of any other person or entity.

15. In particular, the Executive Director or Immediate Family Members must refrain from:

   (a) Short-term trading in securities issued by the Fund;

   (b) Making investments in securities of an entity known by her/him to be an actual or prospective recipient of the Fund's financing, investment or guarantee; or

   (c) Making investments in securities of any company or other entity upon whose board of directors or trustees the Executive Director serves or served as part of her/his duties for the Fund, except with respect to qualifying shares required by law or by the articles of such company or other entity.

16. If the Executive Director or an Immediate Family Member has or comes into possession of any securities referred to in paragraph 15 above, the Executive Director must make immediate arrangements for their prompt divestiture.

17. However; the foregoing shall not include the management of any private investments of the Executive Director provided that such investments do not constitute substantial control in the enterprise or enterprises concerned and that the Executive Director conduct her/his private business affairs in such a manner as to avoid a conflict of interest between her/him and the interest of the Fund.
18. The Executive Director shall seek guidance of the Ethics and Audit Committee prior to undertaking financial transactions that may be restricted by this Chapter VI or provisions of this Policy.

VII. Disclosure of financial and business interests

19. The Executive Director shall promptly disclose to the Ethics and Audit Committee any financial or business interest that s/he or an Immediate Family Member has, which might reflect unfavourably on the Fund or which might be in actual or perceived conflict with her/his duties. Upon such disclosure, the Executive Director shall refrain from taking any action as Executive Director that might affect such interest, except as otherwise directed by the Board.

20. The Executive Director must file annually until separation from the Fund, a financial interest disclosure form in a form and manner to be proposed by the Chief Financial Officer and approved by the Ethics and Audit Committee. In the event that a financial disclosure reveals a conflict of interest, the Ethics and Audit Committee will provide advice on how to obviate or mitigate the conflict.

VIII. Outside activities and other employment

21. The Executive Director shall devote her/himself to the activities of the Fund on a full-time basis and dissociate from any other public or private position that s/he may hold upon joining the Secretariat. The Executive Director shall not, without the prior written approval of the Board, accept any position or obligation or have any interest directly or indirectly in any activity which may interfere with the discharge of her/his duties as the Executive Director.

22. Previous Association: The Executive Director shall not be personally involved in a Fund transaction involving a former employer other than a government or international organization, as:

(a) A recipient or beneficiary of the Fund’s financing, investments or guarantees;
(b) A guarantor of any such financing; or
(c) A supplier of goods or services to the Fund,
except as authorized by the Board.

23. Prospective employment: When seeking, negotiating for, or entering into an arrangement concerning, prospective employment outside the Fund for her/himself or for Immediate Family Members, the Executive Director shall not allow such circumstances to influence the performance of her/his duties and must not exercise any responsibility with respect to a Fund transaction in which a prospective employer has or may have an interest.

24. Subsequent Employment: The Executive Director may not, within one and a half years after her/his separation from the Fund, seek, apply or take up appointment as a Fund staff member, engagement as a Fund consultant, or any other work remunerated by the Fund. The Board may waive this provision upon recommendation from the Ethics and Audit Committee. A request for such a waiver must be submitted to the Ethics and Audit Committee before s/he applies for employment by the Secretariat. The Secretariat shall not take action on or accept an application for employment from such previous Executive Director unless a waiver has been granted by the Board.

IX. Disclosure of information

25. The Executive Director shall at all times observe the applicable policies of the Fund regarding disclosure of information.
26. The Executive Director shall protect the security of any information s/he obtained in the performance of her/his duties that is not otherwise available to the public and, except as required to perform her/his duties the Executive Director, shall not use such information or disclose it to others who s/he knows or should know are not authorized by the Fund to receive such information. The provisions of this paragraph shall continue to apply to the Executive Director after her/his term of service has expired.

27. The Executive Director shall not use, or allow the use of, unpublished and/or confidential information known to her/him by reason of her/his official position with the Fund to private advantage, directly or indirectly, or for any interest contrary to the interests of the Fund.

X. Political and external activities and interests

28. The Executive Director may exercise her/his political rights, but shall refrain from participation in political activities that may interfere or conflict with her/his duties or status as Executive Director. The Executive Director must resign her/his position immediately if s/he becomes a candidate for any national public office of a political character or accepts a nomination for such an office.

XI. Gifts and awards

29. The Executive Director and her/his Immediate Family Members are prohibited from accepting gifts under circumstances where it could reasonably be construed that the gift is motivated by her/his position in relation to the Fund and interests that could be substantially affected by the Fund, except when such gifts are allowable under the provisions referred to in paragraph 31 below.

30. The Executive Director and her/his Immediate Family Members are prohibited from giving gifts where it could reasonably be construed that the gift is intended to affect the policies or practices of the Fund or any of the programmes it funds.

31. The Executive Director may accept unsolicited gifts when refusal to do so would embarrass the gift provider or the Fund or otherwise not be in the interest of the Fund, such as when a refusal to accept would be considered impolite, provided that such gifts over US$ 100 shall be reported to the Ethics and Audit Committee. Except when impractical (such as in the case of meals), gifts accepted on behalf of the Fund will be turned over to the Secretariat and handled under procedures as defined in Appendix 5 of the Fund’s Administrative Guidelines on Procurement.

32. Considering the international character of the position of the Executive Director, s/he may not accept, without authorization by the Board, any honours, decorations or favours from any government, or from any other authority or person external to the Fund in connection with services rendered during her/his term of office with the Fund.

XII. Conduct within the institution

33. The Executive Director shall treat her/his colleagues and staff with courtesy and respect.

34. The Executive Director shall exercise adequate control and supervision over matters for which s/he is individually responsible and the resources for which s/he is entrusted, and shall know and observe the budgetary standards and restrictions prescribed under relevant Fund
policy. The Executive Director shall ensure that property and services of the Fund are used by her/himself and persons in her/his offices only for the official business of the Fund.

XIII. Procedures for handling allegations of misconduct

35. Allegations of misconduct and/or breach of this Policy made by the Independent Integrity Unit, or by another official of the Fund, or by any individual or entity, against the Executive Director or her/his Immediate Family Members, shall be submitted in writing and in confidence to the Chair of the Ethics and Audit Committee who shall bring any such allegation to the attention of the Ethics and Audit Committee for its consideration in accordance with the procedures set forth in this Policy.

36. The Executive Director shall not be presumed to have engaged in the alleged misconduct until such time as the Ethics and Audit Committee determines that there is sufficient evidence to establish, on a balance of probabilities that the alleged misconduct did occur.

37. As soon as is practicable, the Ethics and Audit Committee shall review the allegations and determine whether they are credible and whether they are appropriate for taking action by the Ethics and Audit Committee. The Independent Integrity Unit shall be available to assist the Ethics and Audit Committee with this review, if requested by the Ethics and Audit Committee. If the Ethics and Audit Committee determines the allegations do not appear credible and do not warrant further investigation, it will decide to take no further action.

38. If the Ethics and Audit Committee determines that the allegation of misconduct is credible and warrants a further investigation, it will conduct such investigation and inform the Board, through a confidential document thereof. Based on the findings of the investigation, the Ethics and Audit Committee shall prepare and submit a confidential report to the Board, with a recommendation whether the facts indicate that misconduct occurred, and if so, what action may be appropriately taken by the Board. In conducting an investigation, the Ethics and Audit Committee may rely on the Independent Integrity Unit. The Ethics and Audit Committee may also appoint an outside investigator of high professional standing and experience to assist them in gathering facts and evidence after informing the Board. Any outside investigator appointed by the Ethics and Audit Committee shall comply with the policy on disclosure of information. Any outside investigators shall have access to all pertinent records, documents and officials of the Fund, as it determines necessary to perform its investigations.

39. Based on the findings of the Ethics and Audit Committee and after having heard and duly considering representations from the Executive Director, it is for the Board to decide what action should be taken with respect to her/him. Appropriate measures may include written censure, suspension from duties pending investigation, termination of employment or any other appropriate action by the Board including but not limited to referral to relevant authorities.

40. The Executive Director shall be provided immediately with notice of any allegation of misconduct. The Executive Director shall also be provided with all relevant documentation and the opportunity to present his or her views, regarding the allegations to the Ethics and Audit Committee before it makes its determination, and to the Board, before it takes any decisions, as set out in these procedures:

(a) Whether to conduct an investigation; or

(b) Whether the facts indicate that misconduct occurred, and if so, what action may be appropriately taken by the Board.

41. The Executive Director, if alleged to have committed misconduct, shall have the duty to cooperate fully with the Board, the Ethics and Audit Committee, and any outside investigators appointed by the Ethics and Audit Committee in all stages of the consideration and investigation of the allegations of misconduct. The Executive Director, if alleged to have committed
misconduct, shall be allowed to be accompanied by up to two advisers of her/his choice from within or outside of the Fund.

42. Upon initiation of an investigation, the Executive Director shall follow such recusal or other measures directly related to the alleged misconduct as the Ethics and Audit Committee may determine, on a temporary basis, as necessary to prevent irreparable harm to the Fund.

43. The Executive Director may submit an appeal to the Board with respect to any action taken by the Ethics and Audit Committee against her/him, which shall be decided promptly, and may seek further consideration by the Administrative Tribunal against any decision taken by the Board against her/him.

44. The process and internal deliberations of the Ethics and Audit Committee and the Board involving allegations of misconduct by the Executive Director shall be kept strictly confidential, unless requested by a competent authority.

XIV. Effective date of application

45. This Policy shall take effect on the date of adoption by the Board

Executive summary

1. Over the period December 2014 to May 2015, the Green Climate Fund (the Fund) has made significant progress towards the full implementation of its policies and operational guidelines, and the commencement of its operations. Some key milestones achieved in this period, paving the way for the Board to consider funding proposals for climate change mitigation and adaptation projects and programmes at its eleventh meeting, are as follows:

(a) More than 120 developing countries have nominated their national designated authority (NDA) or focal point to the Fund, half of which are already engaging with the Fund to receive readiness and preparatory support;

(b) The Fund has accredited its initial seven entities, partners through which the Fund’s resources in a variety of financial instruments, including grants, loans, equity and guarantees, will be channelled through to undertake climate change mitigation and adaptation projects and programmes in developing countries. To date, 95 institutions, including subnational, national, regional, private, non-governmental and international organizations, from all over the world have begun the accreditation application process. Of these, 55 institutions have applied for accreditation, including those that have been already accredited. The Board will continue to consider additional applications for accreditation while aiming to achieve a balance of diversity in the Fund's accredited entities;

(c) The Fund has secured US$ 10 billion equivalent in pledges from 33 countries so far, and will continue to mobilize resources on an ongoing basis. Parties are invited to contribute further to the Fund; and

(d) The Fund reached effectiveness in May 2015 and can start allocating resources towards projects and programmes. Twenty-two countries have signed contribution agreements/arrangements, bringing the total of signed contribution agreements to US$ 5.47 billion equivalent, above the 50 per cent threshold necessary to declare the Fund effective. All remaining contributors are strongly encouraged to promptly turn pledges into contributions in order to further allow the Fund to progress its operations in delivering maximized climate results.

2. The Fund decided to consider its first projects and programmes for funding decisions no later than its third meeting in 2015 to support low emission and climate resilient activities on the ground in developing countries.

I. Milestones in resource mobilization

3. The Fund has secured US$ 10 billion equivalent in pledges to date and is working expeditiously with all contributors to discuss and finalize the necessary legal documentation in order to convert pledges into contribution agreements/arrangements.

4. Since the Fund’s 2014 Pledging Conference, 22 countries have signed contribution agreements/arrangements for a total of approximately US$ 5.47 billion equivalent (as at 31 May 2015). This amount takes the Fund above the effectiveness threshold of 50 per cent.
5. The attainment of effectiveness means the Fund is in a position to start taking financing decisions on climate change mitigation and adaptation projects and programmes no later than its third meeting in 2015 as earlier targeted by the Board.

6. The Fund is continuing to work with all remaining contributors with the aim of converting all pledges into actual contributions as soon as possible. Efforts to mobilize additional resources are ongoing as scale is essential for the Fund to deliver on its mandate. The US$ 10 billion equivalent of pledges, received in 2014, are just the beginning of the Fund’s fundraising efforts, and it is essential that new and additional resources continue to be pledged to the Fund on an ongoing basis. The Paris Agreement is an important opportunity for Parties to the United Nations Framework Convention on Climate Change (UNFCCC) to agree on the pathway for growth in the Fund’s resources beyond 2020, thereby allowing the Fund to continue delivering on its mandate to contribute to the achievement of the ultimate objective of the UNFCCC.¹

II. Milestones in operationalizing access to the Fund’s resources

2.1 Readiness and preparatory support

7. To facilitate access to the Fund’s resources by developing countries, the Fund allocated an initial amount of US$ 16 million for readiness and preparatory support in October 2014.

8. Following the allocation, the Fund has engaged with countries to better understand their needs and has since developed standardized packages of US$ 300,000 under its Readiness and Preparatory Support Programme (“Readiness Programme”) in support of establishing and strengthening NDAs or focal points and strategic frameworks, including the preparation of country programmes. More than half of the developing countries that have nominated their NDA or focal point (FP) are seeking this support.

9. In coordination with NDAs and FPs, the Fund is supporting subnational, national and regional entities through the accreditation process of the Fund. Approximately 24 direct access entities are receiving in-kind support in this area to orient them on the Fund’s accreditation requirements and assist them through the accreditation application process.

10. In addition, the Fund is engaging with NDAs and FPs to identify the appropriate means by which to support the development of project and programme proposals that reflect country needs and priorities and to align with the objectives and initial investment framework of the Fund.

11. The fifth pillar of the Readiness Programme seeks to support information sharing, experience exchange and learning at regional level. To this end, the Fund has:

(a) Supported a regional workshop for the NDAs of Central American countries in San Salvador, El Salvador, in March 2015;

(b) Co-hosted the regional workshop on climate finance for 20 NDAs from Asia and Eastern Europe in April 2015; and

(c) Convened a South–South learning webinar for potential accredited entities in the Latin American region in May 2015 where one of the initial entities accredited to the Fund shared with the participants its experience in gaining accreditation to the Fund.

12. As a part of the learning component, the Fund has supported NDA and focal point visits to its headquarters at Songdo, Republic of Korea. Delegations from Fiji and Mongolia visited the headquarters in May and June 2015. The visits yielded positive feedback from the NDAs, who

¹ Governing Instrument for the Fund, paragraph 2.
reported that the two-day orientation enhanced their understanding of, and ability to engage with, the Fund.

13. The Fund is open to respond to additional expressions of interest to access readiness support.

14. Further developments under the Readiness Programme are regularly produced and are available on the Fund’s website.²

2.2 Operational framework

15. The operation of the Fund has commenced together with the implementation of a comprehensive operational framework. Key achievements relating to the Fund’s operational guidelines and implementation to date are as follows:

(a) The accreditation framework: Following the launch of its online accreditation system in November 2014, 95 institutions have begun the accreditation application process and, of these, 55 institutions from all over the world have already applied. These institutions reflect a diversity of subnational, national, regional, private, non-governmental and international organizations that can operate at various levels of scale and can undertake a range of financial instruments, such as grants, loans, equity and guarantees, underscoring the appeal of the Fund’s ‘fit-for-purpose’ approach. The Fund has accredited its initial seven entities through which resources for approved projects and programmes will be deployed. The Board will continue to consider additional applications for accreditation and intends to consider ways to further support subnational, national, regional and private sector entities in getting accredited. At its first meeting in 2015, the Board adopted the Fund’s legal framework for accredited entities. At the same time, the monitoring and accountability framework for accredited entities and the development of a pilot programme for enhancing direct access to the Fund’s resources are under way;

(b) The initial proposal approval process and investment framework: The Fund has further developed its initial proposal approval process. Most recently, the Board deliberated the Fund’s impact analysis and adopted the Fund’s initial activity-specific sub-criteria and indicative assessment factors that supplement the Fund’s broader investment criteria. This will be critical in selecting projects and programmes that best achieve the objectives of the Fund. The initial proposal approval process and investment framework now provides a holistic framework through which the Board can take decisions on project and programme proposals starting from its third meeting in 2015;

(c) Initial results management framework: The Board adopted the Fund’s mitigation and adaptation performance measurement frameworks, which are embedded in the initial results management framework, and some of its indicators. The remaining indicators are being refined and are expected to be considered by the Board at its eleventh meeting. The indicators will help the Fund to ensure that its activities will deliver maximized climate results in developing countries;

(d) Initial risk management framework: The Fund conducted a survey of methodologies applied by relevant institutions to define and determine the risk appetite of the Fund. A methodology for determining the Fund’s initial risk appetite is to be considered by the Board in 2015. This methodology would allow the Fund to identify the interventions in which it can achieve the most significant add-value to climate change mitigation and adaptation projects and programmes; and

(e) The Fund also adopted a Fund-wide gender policy and action plan for 2015–2017 to ensure that a gender-sensitive approach is effectively embedded in the operations of the Fund.

16. The Fund has embraced the approach of ‘learning-by-doing’, already incorporating lessons learned by related institutions into its operational guidelines and implementation as part of its ongoing effort to enhance the Fund’s own framework over time.

III. Milestones of the Private Sector Facility

17. The Fund is working to ensure that private sector entities and public entities experienced in working with the private sector are accredited in 2015. One private sector and two public sector entities that engage with the private sector have so far been accredited to the Fund. An additional 22 such entities have applied for accreditation to the Fund, of which 11 are applying under the direct access track; eight are headquartered in developing countries and another eight have subsidiaries in developing countries.

18. The Fund is actively promoting a country-driven approach for its private sector operations. In this context, accredited entities are being encouraged to interact with relevant NDAs and focal points in the prioritization of projects and programmes at the country level, and to engage stakeholders, including relevant local private sector actors.

19. Progress has been made in efforts to expedite engagement with local private sector actors in developing countries, including small and medium-sized enterprises (SMEs). Five concept notes with the direct involvement of SMEs and local financial institutions in developing countries have been received so far.

20. The development of a framework to mobilize resources at scale, and a strategic approach for engaging with the private sector has also registered progress. In this regard, the Fund has adopted the use of guarantees and equity, both of which have the potential to leverage third-party funding at scale. Accredited and potentially accredited entities have also been encouraged to identify pipeline projects and programmes with significant potential to mobilize funding at scale, including through the use of innovative financing structures such as green bonds.

IV. Milestones in governance, internal structures and administration

21. The Fund has made progress in its work related to policies and procedures as elaborated below.

22. The Board has put in place an ad hoc Appointment Committee to assist the Board in the appointments of the heads of the Independent Evaluation Unit, the Independent Integrity Unit and the Independent Redress Mechanism. This is a step further in the operationalization of the three accountability units of the Fund.

23. Further, the Board adopted the terms of reference for an independent Technical Advisory Panel and will consider the appointment of its experts at its tenth meeting. The panel will assess funding proposals against the investment criteria for consideration by the Board starting at its eleventh meeting.

24. In addition, at its ninth meeting the Board adopted the Fund’s policy on ethics and conflicts of interest for members of the Board. The Fund’s information disclosure policy is also planned for consideration by the Board this year.
25. The Fund has developed a template for the bilateral agreement on privileges and immunities to form the basis for individual agreements with countries taking into account their specific circumstances. Negotiations on such individual agreements will commence shortly. Notwithstanding the above, the Board considers it desirable to further pursue consideration of an institutional linkage between the United Nations and the Fund.

26. In terms of staffing, 40 staff have joined the Secretariat or have accepted offers so far, enhancing the capacity of the institution. The Fund continues to promote balance in gender and in geographical representation between developed and developing countries in its staff pool. To date 47.5 per cent of staff members are female while 52.5 per cent are male; and 57.5 per cent are from developing countries while 42.5 per cent are from developed countries.

27. Additionally, the Fund has further developed its administrative guidelines. The Board adopted guidelines on the budget and accounting system while guidelines on the internal control framework and internal audit standards are under consideration.

28. All the milestones reached in 2014 and 2015 have put the Fund in a position to take decisions on funding proposals before the end of the year in support of climate action.
Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

I. Introduction

1. The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) provides guidance annually to the Green Climate Fund (the Fund) on its policies, programme priorities and eligibility criteria as an operating entity entrusted with the operation of the Convention’s Financial Mechanism. The Fund therefore takes appropriate action on guidance received from the COP on an ongoing basis.

2. The fourth annual report of the Fund to the COP provides an overview of the progress made by the Fund in addressing guidance received from the twentieth session of the COP (COP 20), and guidance from the seventeenth to the nineteenth sessions of the COP (COP 17–COP 19) that is still relevant for reporting.

3. In addition to addressing specific COP guidance, the report provides further updates of the progress achieved by the Fund towards the fulfilment of its mandate in promoting a paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries so as to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

4. The report covers the period of December 2014 to May 2015. Key progress achieved during this period includes the following:

(a) The Fund has reached effectiveness and can now commit resources to climate mitigation and adaptation projects and programmes. The Board decided to aim to start taking decisions on programme and project proposals no later than its third meeting in 2015;

(b) Efforts to mobilize resources in addition to the US$10 billion in pledges continue. Parties are invited to come forward and pledge additional resources;

(c) More than 120 countries have registered national designated authorities (NDAs)/focal points to the Fund;

(d) The Readiness and Preparatory Support Programme has been operationalized. Half of the registered NDAs and focal points are already engaging with the Fund to receive readiness and preparatory support;

(e) The Fund has accredited an initial seven entities, partners through which the Fund’s resources in a variety of financial instruments will be channelled, to undertake climate change mitigation and adaptation projects and programmes in developing countries. The Fund continues to consider further applications for accreditation;

(f) Progress towards operationalization of the Private Sector Facility has been made. The entities accredited to date include one from the private sector and many more private institutions have applied to be accredited to the Fund;

(g) Advancements towards completing work in developing policies and procedures have been achieved. In this regard, milestones have been made in the Fund’s initial approval process, initial investment framework, initial risk management framework and the initial results management framework; and

(h) The Fund has also advanced its work related to governance and internal structures. This includes advancements in the Fund’s administrative guidelines; the nomination of an ad hoc Appointment Committee to assist the Board in the appointments of the heads of the three accountability units (the Independent Evaluation Unit, the Independent Integrity
Unit and the Independent Redress Mechanism); progress in the appointment of an independent Technical Advisory Panel; the adoption of a policy on ethics and conflicts of interest for members of the Board; and the recruitment of additional Secretariat staff to enhance the capacity of the institution.

5. The Fund decided to consider its first projects and programmes for funding decisions no later than its third meeting in 2015 in order to support low emission and climate resilient activities on the ground in developing countries.

II. **Action taken in response to guidance from the Conference of the Parties**

6. The overall status of the Fund’s progress in relation to the guidance received from COP 20 is reflected in Tables 1A, 1B and 1C below. Guidance from COP 17, COP 18 and COP 19 that is still relevant for reporting is presented in Tables 2A and 2B.
2.1 Overview of guidance from the Conference of the Parties at its twentieth session and actions taken by the Fund

Table 1A: Overview of actions taken pursuant to decision 7/CP.20: Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund

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<th>Guidance received from the Conference of the Parties</th>
<th>Relevant action taken by the Green Climate Fund</th>
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<tr>
<td>Urges the Green Climate Fund, the Interim Trustee, and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangements, taking note that the commitment authority of the Green Climate Fund will become effective when 50 per cent of the contributions pledged by the November 2014 pledging session are reflected in fully executed contribution agreements/arrangements received by the secretariat no later than 30 April 2015 as provided for in Green Climate Fund Board decision B.08/13, Annex XIX, paragraph 1 (c) Decision 7/CP.20, paragraph 5</td>
<td>Since the Green Climate Fund’s (the Fund’s) 2014 Pledging Conference, 22 countries have signed contribution agreements/arrangements for a total of approximately US$ 5.47 billion equivalent (as at 31 May 2015), which represents 58.5 per cent of the contributions pledged at the Conference. This takes the Fund above the effectiveness threshold of 50 per cent; The Fund is therefore in a position to start taking decisions on projects and programmes no later than its third meeting in 2015 as per decision B.08/07; guidance from the Conference of the Parties (COP) (decision 7/CP.20, paragraph 5); and decision B.08/13 of the Board that outlined the condition for the Fund’s effectiveness and commitment authority; The Fund strongly encourages contributors of the remaining US$ 4.7 billion equivalent to promptly turn pledges into contributions; [Please refer to the Pledge Tracker in Appendix III to this document for individual contribution details as at 28 May 2015]</td>
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<td>Welcomes Green Climate Fund Board decision B.08/07 to start taking decisions on the approval of projects and programmes no later than its third meeting in 2015 Decision 7/CP.20, paragraph 7</td>
<td>In accordance with decision B.08/07, the Board aims to start taking decisions on project and programme proposals no later than its third meeting in 2015</td>
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<td>Requests the Board of the Green Climate Fund to accelerate the operationalization of the adaptation and mitigation windows, and to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument (Annex to decision 3/CP.17) Decision 7/CP.20, paragraph 8</td>
<td>With regard to operationalizing the Fund’s adaptation and mitigation windows, the Board aims to start taking decisions on project and programme proposals at its third meeting in 2015. The Fund’s initial approval process takes into consideration capacity-building and technology development in its assessment of funding proposals. In addition, the Fund’s Readiness and Preparatory Support Programme which is dedicated to supporting activities that build the capacity of countries in enabling them to access and utilize the Fund’s resources for mitigation and adaptation activities is already under way</td>
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<td><strong>Also requests</strong> the Board of the Green Climate Fund</td>
<td>• At its ninth meeting, the Board approved the Fund’s initial seven accredited entities, one of which was from the private sector (Acumen Inc.), and a further two entities with significant experience working with the private sector (KfW Group and the Asian Development Bank). At the same meeting, the Board requested the Secretariat to “aim to achieve a diverse balance in accredited private entities including subnational, national regional and international intermediaries that have significant on the ground presence in developing countries”. The Board will continue to consider additional applications for accreditation at its second and third meetings in 2015;</td>
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<td>• to accelerate the operationalization of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015,</td>
<td>• At its ninth meeting, the Board also requested the Secretariat, in consultation with the Accreditation Panel, to provide recommendations for the fast-tracking of national, regional and private sector entities (decision B.09/07). Pursuant to this decision, ways to further support the accreditation of national, regional and private sector entities will be considered by the Board at its tenth meeting;</td>
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<td>• expediting action to engage local private sector actors in developing country Parties, including small- and medium-sized enterprises in the least developed countries, small island developing States and African States, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector</td>
<td>The Board considered at its ninth meeting the following agenda items: “Private Sector Facility: Working with local private entities, including small and medium-sized enterprises”; and “Private Sector Facility: Potential approaches to mobilizing funding at scale”. Following consideration of these items, the Board decided to receive recommendations from the Private Sector Advisory Group on these matters, and to consider at its eleventh meeting a draft request for proposals for a small and medium-sized enterprise programme and an outline of activities that could be undertaken to mobilize resources at scale (decision B.09/09)</td>
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<td><strong>Further requests</strong> the Board of the Green Climate Fund, in the implementation of its 2015 work plan;</td>
<td>• The matters covered and to be addressed by the Board in 2015 are aimed towards completing work related to policies and procedures of the Fund. During 2015, the Fund has made significant progress in advancing, among other things, its accreditation framework; country ownership and readiness and preparatory support; initial proposal approval process and investment framework; and the overall institutional framework;</td>
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<td>• to complete its work related to policies and procedures</td>
<td>• In decision B.05/04, the Board requested the Secretariat to prepare a document for understanding and defining alternative sources of financial inputs to the Fund for consideration by the Board. The Board also requested the Secretariat at its eighth meeting to develop policies and procedures for contributions from philanthropic foundations, and other non-public and alternative sources (decision B.08/13). These agenda items are in the pipeline for consideration by the Board;</td>
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<td>• to accept financial inputs from non-public and alternative sources,</td>
<td>• Through decision B.09/05, the Board adopted the initial activity-specific sub-criteria and indicative assessment factors to further develop the Fund’s initial investment framework. The initial proposal approval process and investment framework now provide a holistic framework through which the Board can consider project and programme proposals.</td>
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<td>• the investment and risk management frameworks of the Green Climate Fund;</td>
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| • the impact analysis on its initial results areas, including options for determining Board level investment portfolios across the structure of the Fund (Green Climate Fund Board decision B.08/07, paragraph (1)); and  

• the approval process of the Fund, including methodologies for selecting programmes and projects that best achieve the objectives of the Fund (Green Climate Fund Board decision B.07/03, paragraph (b))  

Decision 7/CP.20, paragraph 10 | In decision B.09/06, the Board took note of the survey of methodologies carried out to define and determine risk appetite of the Fund. The Board is to consider in 2015 a methodology for determining the initial risk appetite of the Fund;  

• At its ninth meeting, the Board, having considered document GCF/B.09/06 Analysis of the Expected Role and Impact of the Green Climate Fund, adopted decision B.09/02. In this decision, the Board requested the Secretariat “to monitor the portfolio, report to the Board, and recommend needed actions, in order to align the portfolio composition with the initial results management framework (...) when the portfolio reaches US$ 2 billion, but no later than two years after the first funding decision”;  

• Through decision B.09/05, the Board at its ninth meeting adopted the initial activity-specific sub-criteria and indicative assessment factors which take into account the Fund’s initial investment framework, the Fund’s initial result areas and initial results management framework, to be further applied in the selection of proposals that best achieve the Fund’s objectives  

A comprehensive draft information disclosure policy is to be considered by the Board in 2015. Revised guidelines on the participation of observers in Board meetings are also to be considered by the Board in 2015, as a step forward towards achieving broader stakeholder engagement in the Fund’s processes and activities |

| Requests the Board of the Green Climate Fund to consider ways by which to further increase the transparency of its proceedings  

Decision 7/CP.20, paragraph 11 | The Fund is making progress in all five activity areas of its Readiness and Preparatory Support Programme:  

• Activity area 1: Establishing and strengthening the national designated authority or focal point;  

• Activity area 2: Strategic frameworks, including the preparation of country programmes;  

• Activity area 3: Selection of intermediaries and implementing entities and support for accreditation;  

• Activity area 4: Initial pipelines of project and programme proposals; and  

• Activity area 5: Information sharing, experience exchange and learning;  

The Fund has developed standardized packages of US$ 300,000 in support of establishing and strengthening national designated authorities or focal points and strategic frameworks, including the preparation of country programmes (activity areas 1 and 2). Approximately half of the developing countries that have nominated their national designated authority (NDA) or focal point are seeking support for activity areas 1 and 2;  

In coordination with NDAs and focal points, the Fund is also providing in-kind support to subnational, national and regional entities to orient them on the accreditation requirements and assist them through |
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<td><strong>Encourages</strong> the timely implementation of the accreditation framework and <strong>requests</strong> the Board of the Green Climate Fund, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including the least developed countries, small island developing States and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast tracking that request it</td>
<td><strong>At its ninth meeting, the Board approved the Fund’s initial seven accredited entities</strong> (decision B.09/07), including national, regional, private sector and international entities with a balanced geographical representation. The Board will continue to consider an additional 13 applications for accreditation in its second meeting in 2015, and further entities at its third meeting in 2015. In addition, in its guidance to the Secretariat at its ninth meeting, the Board specifically &quot;encourages the timely implementation of the accreditation framework and requests the Secretariat to pay special attention to the priority needs of developing countries, emphasizing readiness support to national and regional entities that request it, including those eligible for fast-tracking&quot; (decision B.09/07, paragraph (d)); the Board continues to develop its accreditation framework and adopted at its ninth meeting the Fund’s legal and formal arrangements with accredited entities (decision B.09/08)</td>
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<td><em>Invites</em> developing country Parties to expedite the nomination of their national designated authorities and focal points as soon as possible, as well as the selection of their national and subnational implementing entities, to facilitate their engagement with the Green Climate Fund</td>
<td>As at 31 May 2015 the Secretariat had registered 126 NDA/focal point nominations. The Secretariat continues to reach out to countries through the Fund’s Readiness Programme, encouraging them to submit their nominations; With regard to support to potential accredited entities, the Fund is engaging with relevant NDAs and focal points, and providing in-kind support to direct access entities to orient them on the accreditation requirements and the overall process for applications for accreditation. So far the Fund has provided such assistance to 24 entities that have submitted or are in the process of submitting applications for accreditation under the direct access modality. Three have been accredited and six are to be considered at the tenth meeting of the Board. The Fund has similarly provided assistance to many more subnational, national and regional entities that have expressed their interest in or are preparing to apply for accreditation to the Fund. As part of these efforts, the Secretariat convened a South–South learning webinar in May 2015, where one of the initial accredited entities to the Fund shared its experience in gaining accreditation to the Fund (activity area 5 of the Readiness Programme)</td>
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| *Requests* the Board of the Green Climate Fund, when deciding its policies and programme priorities, to consider the information and lessons learned through engagement with other relevant bodies under the Convention, and other relevant international institutions | The Fund continues to engage with, consider lessons learned by, and adopt applicable best practices from relevant bodies under the United Nations Framework Convention on Climate Change (UNFCCC) and other relevant international institutions in the development and implementation of its policies, procedures and programme priorities. The following are examples of recent efforts:  
• In the development of the Fund’s initial activity-specific sub-criteria and methodology, such methodologies used by other climate funds and international financial institutions were identified and compared;  
• As per decision B.07/05, paragraph (e) (i), the initial step in developing the Fund’s initial risk management framework was a survey of methodologies used by relevant institutions to define and determine the risk appetite of the Fund;  
• The REDD-plus initial logic model and performance measurement framework of the Fund were prepared in accordance with the methodological guidance in the Warsaw Framework for REDD-plus. (The response to the decision 7/CP.20, paragraph 18 (b), below has further details pertaining to the development of the REDD-plus initial logic model);  
• Recommendations made by the Adaptation Committee to the Board outlined decision 4/CP.20, annex, paragraph 4, concerning the Fund’s monitoring and evaluation framework are being taken into consideration in the ongoing revision of the initial results management framework/performance measurement framework; Efforts to engage with and learn from existing relevant thematic bodies of the Convention are ongoing, with an increasing number of events held by the thematic bodies of the Convention being attended by the Fund’s representatives |
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| Also requests the Green Climate Fund to enhance its collaboration with existing funds under the Convention and other climate relevant funds in order to enhance the complementarity and coherence of policies and programming at the national level *Decision 7/CP.20, paragraph 16* | The interaction with and learning from funds under the Convention and other climate relevant funds, including the Global Environment Facility (GEF), Climate Investment Funds (CIFs), the Adaptation Fund (AF), the Multilateral Fund and other climate relevant institutions related to topics such as readiness, accreditation, results management and monitoring and evaluation, among others, are continuously considered in the development of the policies, guidelines and operations of the Fund; Examples of enhanced complementarity and coherence of policies and programming as a result of the Fund’s engagement with the bodies include:  
- Decision B.08/03, indicating that institutions accredited by and in full compliance with the standards of the GEF and the AF are eligible to apply for accreditation to the Fund under the fast-track accreditation process; and  
- The Fund’s adoption of the International Finance Corporation’s Performance Standards as its interim environmental and social safeguards;  
The Secretariat is also currently working on defining which greenhouse gas (GHG) accounting methodologies should be used by its accredited entities to measure the relevant results management framework mitigation indicators related to reductions in and cost of tonnes of carbon dioxide equivalent.  
The Fund continues to learn from interaction with the main relevant international bodies such as the clean development mechanism and other international development and finance institutions. It has also started to be actively engaged in a working group on the harmonization of the GHG accounting methodologies; this group is composed of the main international finance institutions and organizations that have finalized methodologies for renewable energy and aims at completing the methodologies for transport and energy efficiency by the end of 2015;  
The Fund Secretariat has also benefited from the interaction with and lessons learned from the Multilateral Fund Secretariat;  
The Fund continues to participate in events of funds under the Convention and other climate-relevant funds such as the meeting of the Board of the Adaptation Fund in April 2015, the CIFs’ meetings in May 2015 and the Council Meeting of the GEF in June 2015. |
| Further requests the Board of the Green Climate Fund to further enhance the participation of all stakeholders in accordance with paragraph 71 of the Governing Instrument and other relevant Board decisions *Decision 7/CP.20, paragraph 17* | The Board adopted at its third meeting the Fund’s guidelines relating to observer participation, accreditation of observer organizations and participation of active observers in meetings of the Board (Annex XII to decision B.01-13/03). The review of the guidelines on the participation of observers and their consideration by the Board is planned to be carried out during 2015. The civil society organizations and private sector organizations have been invited to provide their inputs;  
By its decision B.09/11, the Board adopted a Fund-wide gender policy and action plan. One main objective of the policy is to enhance the participation of women in activities of the Fund, consistent with the Governing Instrument, which explicitly lists women among the Fund’s stakeholders |
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<td><strong>Requests</strong> the Board of the Green Climate Fund:</td>
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<td>- To develop a monitoring and accountability framework in accordance with Green Climate Fund Board decision B.08/02;</td>
<td>- Pursuant to decision B.08/02, the agenda item “Initial monitoring and accountability framework for accredited entities (progress report)” is to be addressed at the tenth meeting of the Board;</td>
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<td>- To consider decisions relevant to REDD-plus (Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries), including decisions 1/CP.16, 2/CP.17, 12/CP.17 and decisions 9/CP.19, 10/CP.19, 11/CP.19, 12/CP.19, 13/CP.19, 14/CP.19 and 15/CP.19</td>
<td>- The Board identified REDD-plus implementation as one of the initial result areas of the Fund. In decision B.08/08, the Board adopted a logic model and performance framework for ex-post REDD-plus results-based payments, which were developed based on the methodological guidance in the Warsaw Framework for REDD-plus and in decisions 1/CP.16 and 12/CP.17. The next step towards the completion of the framework within which REDD-plus can be supported by the Fund is to develop methodological guidance for the indicators in the performance measurement framework. The Board, in decision B.08/08, specifically noted that methodologies for the indicators will be aligned with methodological guidance provided by the COP</td>
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*Decision 7/CP.20, paragraph 18*

Linked with:

*Decision 9/CP.19, paragraph 8*

| Urges the Green Climate Fund to ensure that staff selection is open, transparent and based on merit without discrimination, taking into account geographical and gender balance, in accordance with the administrative policies of the Green Climate Fund (Green Climate Fund Board decision B.06/03, annex 1) | So far, 40 staff have joined the Secretariat or have accepted offers of employment and thus enhancing the capacity of the institution. The Fund continues to promote the gender balance and diversity balance of the staff so that to date 47.5 per cent of staff members are female while 52.5 per cent are male, and 57.5 per cent are from developing countries while 42.5 per cent are from developed countries. The Fund has striven to diversify its recruitment strategy. Vacant positions are currently advertised across numerous websites in order to reach out to candidates from as many parts of the world as possible. An additional strategy is applied to vacancy announcements, which have a clear statement that “applications are strongly encouraged from women and citizens of developing countries”. Staff selection is in accordance with the administrative policies of the Fund, thereby ensuring an open, transparent process based on merit without discrimination and taking into account geographical and gender balance |

*Decision 7/CP.20, paragraph 19*
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<td>Takes note of Green Climate Fund Board decision B.08/24 on the institutional linkage between the United Nations and the Green Climate Fund, and requests the Board of the Green Climate Fund to continue further deliberations on privileges and immunities, and to report on this matter to the Conference of the Parties at its twenty-first session (November–December 2015) Decision 7/CP.20, paragraph 20</td>
<td>Further to decision B.08/24, the Board continued its deliberations on an institutional linkage between the United Nations and the Fund, which might either entail that the Convention on the Privileges and Immunities of the United Nations would become applicable to the staff of the Fund, or, alternatively, with a more limited scope and purpose, that the staff of the Fund may make use of the United Nations laissez-passer. The Fund considers it desirable that a detailed study regarding this matter be carried out by the UNFCCC secretariat. To this end, the Fund recommends that the COP request the UNFCCC secretariat to prepare a technical paper to explore various options of an institutional linkage between the United Nations and the Fund, including those mentioned above</td>
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<td>Urges developing country Parties to enter into bilateral agreements with the Green Climate Fund based on the template to be approved by the Board of the Green Climate Fund, in order to provide privileges and immunities for the Fund, in accordance with Green Climate Fund Board decision B.08/24, paragraph (b) Decision 7/CP.20, paragraph 21</td>
<td>It is important to ensure that the Fund and the persons associated with it are covered by privileges and immunities in the country Parties to the Convention. To this end, the Fund has developed a template bilateral agreement on privileges and immunities as a framework for individual agreements with country Parties to the Convention, which will take account of the specific circumstances of country Parties. The Board will consider the template at its tenth meeting</td>
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<td>Requests the Board of the Green Climate Fund to report biennially to the Conference of the Parties on the status of existing privileges and immunities with regard to its operational activities, starting at the twenty-first session of the Conference of the Parties Decision 7/CP.20, paragraph 22</td>
<td>At its eleventh meeting, the Board will consider a biennial report on privileges and immunities, with the aim of submitting the report to the UNFCCC secretariat prior to the twenty-first session of the COP</td>
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<td>Also requests the Board of the Green Climate Fund to make available its annual report in a timely manner and no later than 12 weeks prior to a session of the Conference of the Parties in accordance with decision 6/CP.18, paragraph 15, for due consideration by Parties Decision 7/CP.20, paragraph 23 Linked with: Decision 6/CP.18, paragraph 15</td>
<td>In an effort to submit the report in a timely manner, the Board addressed the Fund’s report to the COP at its second meeting of the year rather than at its third meeting: This report, which was submitted in a timely manner, responds to this request</td>
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<td>Relevant action taken by the Green Climate Fund</td>
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</tbody>
</table>
| *Further requests* the Green Climate Fund to include in its annual report to the Conference of the Parties the recommendations of its independent redress mechanism, if any, and any actions taken by the Board in response to those recommendations (In accordance with the annex to decision 5/CP.19, paragraph 9)  
*Decision 7/CP.20, paragraph 24*  
Linked with:  
*Decision 5/CP.19, annex, paragraph 9* | The Redress Mechanism of the Fund is in the process of being set up in accordance with previous decisions of the Board; the operations of the mechanism have not yet commenced |
| *Requests* the Board of the Green Climate Fund to report to the Conference of the Parties at its twenty-first session on progress made in the implementation of this decision, as well as the elements and provisions of the guidance contained in decisions 3/CP.17, 6/CP.18, 4/CP.19 and 5/CP.19  
*Decision 7/CP.20, paragraph 25* | The first column of this table indicates links to previous decisions where applicable. In addition, Tables 2A and B below addresses guidance contained in decisions 3/CP.17, 6/CP.18, 4/CP.19 and 5/CP.19 that is still relevant for reporting |
Table 1B: Overview of actions taken pursuant to decision 4/CP.20: Report of the Adaptation Committee (AC)

<table>
<thead>
<tr>
<th>Guidance received from the Conference of the Parties</th>
<th>Relevant actions taken by the Green Climate Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests Parties, operating entities of the Financial Mechanism and other relevant entities working on adaptation to consider the recommendations contained in chapter V of the report of the Adaptation Committee, as included in the annex</td>
<td>Please see below for the responses to decision 4/CP.20, annex, paragraphs 2-6</td>
</tr>
<tr>
<td>Decision 4/CP.20, paragraph 4</td>
<td></td>
</tr>
<tr>
<td>The AC recommends that the COP invite Parties, operating entities of the Financial Mechanism and relevant entities working on adaptation to take into account the following recommendations, which are based on the outcomes of the meeting of the task force on national adaptation plans (NAPs) referred to in paragraphs 38 and 39 of the report of the AC referred to in paragraph 1 above:</td>
<td>At its ninth meeting, the Board further developed the Fund's initial investment framework and adopted activity-specific sub-criteria and indicative assessment factors (decision B.09/05). One of the criteria, on which every funding proposal is assessed is 'country ownership'; under this are the following sub-criteria that determine whether:</td>
</tr>
<tr>
<td>(a) Recognizing the importance of raising awareness and buy-in for the NAP process by all stakeholders, in order to:</td>
<td>• A country has a current and effective national climate strategy or plan, a nationally appropriate mitigation action (NAMA), NAP or equivalent, as appropriate; and</td>
</tr>
<tr>
<td>(i) Generate interest in, demand for and leadership of the NAP process at the national level;</td>
<td>• Objectives are in line with priorities in the country's national climate strategy;</td>
</tr>
<tr>
<td>(ii) Make available support for the NAP process better known;</td>
<td>Through this sub-criterion, the Fund generates demand, makes support for NAPs available and aims to improve coordination and knowledge among relevant stakeholders</td>
</tr>
<tr>
<td>(b) Improving coordination, collaboration and coherence among:</td>
<td></td>
</tr>
<tr>
<td>(i) Bilateral and multilateral agencies and institutions, including the operating entities of the Financial Mechanism;</td>
<td></td>
</tr>
<tr>
<td>(ii) Various national ministries;</td>
<td></td>
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<tr>
<td>(iii) Parties and regions, with a view to:</td>
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<tr>
<td>a. Enhancing the accessibility of NAP support;</td>
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</tr>
<tr>
<td>b. Further understanding effective pathways to achieving the objectives of the NAP process, on the basis of experience;</td>
<td></td>
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<tr>
<td>c. Fostering coherence in the provision of support, including by better matching needs with support, involving more financial institutions in the NAP process and helping countries to prepare for accessing funding, including from the Green Climate Fund (GCF);</td>
<td></td>
</tr>
<tr>
<td>(c) Enhancing learning as stakeholders increasingly engage in the NAP process, particularly around aspects such as the role of institutional</td>
<td></td>
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</tbody>
</table>
### Guidance received from the Conference of the Parties

**Decision 4/CP.20, annex, paragraph 2**

In supporting the monitoring and evaluation of adaptation, the AC recommends that the COP invite Parties, operating entities of the Financial Mechanism and relevant entities working on adaptation to take into account the following recommendations:

1. Monitoring and evaluation frameworks need to be appropriate, relevant to needs and tailored to country circumstances. A common set of global indicators is not useful, owing to the context-specific nature of adaptation;

2. National-level assessments can play a different role in measuring adaptive capacity from subnational or project-based assessments. National-level assessments could, for example, measure the degree of coordination and integration of adaptation in national priorities;

3. A positive learning environment, which encourages formal and informal learning, including peer-to-peer learning, and which encourages learning from negative as well as positive experiences, is important;

4. Planning and allocation of resources, both technical and financial, are key for effective monitoring and evaluation systems

**Relevant actions taken by the Green Climate Fund**

The initial results management framework and monitoring and evaluation guidelines of the Fund are under further development. This set of recommendations is being taken into consideration and will be reported on subsequently

### Decision 4/CP.20, annex, paragraph 3

In the context of the monitoring and evaluation of adaptation, the AC also recommends that the COP invite the Board of the GCF, with respect to its Results Management Framework, to consider:

1. Keeping indicators simple;

2. Designing indicators that are qualitative as well as quantitative;

3. Designing indicators in such a way as to capture the progress that countries are able to make in integrating adaptation into their development and sectoral planning, policies and actions;

4. Giving countries sufficient flexibility to define their indicators in line with their national and local planning, strategies and priorities

**Decision 4/CP.20, annex, paragraph 4**

At its eighth meeting, the Board adopted the Fund’s mitigation and adaptation performance measurement frameworks (PMFs), embedded in the initial results management framework, and some of its indicators. The Board requested the Secretariat to further develop some of the PMF indicators that need refinement (decision B.08/07). The revision of the indicators is under way, and it is taking into consideration the recommendations of the Adaptation Committee. The revised mitigation and adaptation PMFs are in the pipeline for consideration by the Board
<table>
<thead>
<tr>
<th><strong>Guidance received from the Conference of the Parties</strong></th>
<th><strong>Relevant actions taken by the Green Climate Fund</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage the Adaptation Fund, the Global Environment Facility (GEF) and the GCF to enhance their consideration of local, indigenous and traditional knowledge and practices and their integration into adaptation planning and practices, as well as procedures for monitoring, evaluation and reporting</td>
<td>One of the six investment criteria against which funding proposals of the Fund will be assessed is “efficiency and effectiveness”. Under this is the sub-criterion “application of best practices and degree of innovation”, which aims to determine how best available technologies and/or best practices, including those of indigenous people and local communities, are considered and applied. By making provisions to assess the degree to which indigenous knowledge is incorporated into proposals on/with a component on climate adaptation, the sub-criterion encourages the incorporation of indigenous knowledge as best practices where applicable.</td>
</tr>
<tr>
<td><strong>Decision 4/CP.20, annex, paragraph 5 (b)</strong></td>
<td><strong>Decision 4/CP.20, annex, paragraph 5 (b)</strong></td>
</tr>
<tr>
<td>(a) Inviting the Board of the GCF to consider the significant work undertaken under the Cancun Adaptation Framework and on the NAP process as it continues to provide the governance of the Fund;</td>
<td>(a) In accordance with the Governing Instrument, support for the work on NAPs and related processes are being taken into account in the work of the Fund as applicable. The second pillar of the Readiness and Preparatory Support Programme focuses on “Strategic frameworks, including the preparation of country programmes”. Through this pillar, the Fund aims to ensure that country projects and programmes that the Fund will support build on and strengthen climate strategies, policies and needs assessments, including NAPs, national adaptation programmes of action, low-emission development strategies and NAMAs. The Readiness Programme also seeks to strengthen institutional capacities of national designated authorities in order for them to effectively fulfill their roles in adaptation and mitigation action supported by the Fund. Furthermore, the investment criteria of the Fund will consider funding proposals’ alignment with NAPs and other existing climate policies, in particular the country ownership criterion which further assesses whether project and programme objectives are designed in cognizance of and in line with priorities in the country’s climate strategies and policies. These checks and balances therefore aim to ensure that the Fund supports only those projects and programmes that are well coordinated with NAPs and other climate-related strategies of a country;</td>
</tr>
<tr>
<td>(b) Inviting the Board of the GCF to engage with institutions that have started initiatives on countries’ readiness to access GCF funding and exploring how more countries can benefit from such initiatives</td>
<td>(b) The Fund is engaging with institutions working on the Fund’s readiness initiatives and has set up a coordination mechanism with these institutions.</td>
</tr>
</tbody>
</table>
Table 1C: Overview of actions taken pursuant to decision 3/CP.20: National adaptation plans

<table>
<thead>
<tr>
<th>Guidance received from the Conference of the Parties</th>
<th>Relevant actions taken by the Green Climate Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests the Adaptation Committee and the Least Developed Countries Expert Group, in collaboration with the Green Climate Fund, as an operating entity of the Financial Mechanism, to consider how to best support developing country Parties in accessing funding from the Green Climate Fund for the process to formulate and implement national adaptation plans, and to report thereon to the Subsidiary Body for Implementation at its forty-second session. <em>Decision 3/CP.20, paragraph 11</em></td>
<td>The Co-Chairs of the Board of the Fund participated in a teleconference with the Co-Chairs of the Adaptation Fund and representatives of the Chairperson of the Least Developed Countries Expert Group to discuss the implementation of decision 3/CP.20. Information on possibilities to access the Fund’s resources in support of national adaptation plans (NAPs) and overall adaptation actions was exchanged, including on the second pillar of the Readiness and Preparatory Support Programme, through which the Fund will support the development of strategic frameworks, including the preparation of country programmes with the aim of ensuring that the resulting activities are well-coordinated with NAPs and other climate-related strategies. The bodies agreed to further collaborate and continue to explore possible options.</td>
</tr>
</tbody>
</table>
2.2 Overview of guidance from the Conference of the Parties at its seventeenth, eighteenth and nineteenth sessions that is still relevant for reporting and actions taken by the Fund

7. The guidance provided to the Fund at COP 17, COP 18 and COP 19 that is still relevant has been consolidated in Tables 2A and B below. Similar guidance from these three conferences has been grouped together in order to facilitate the understanding of the decisions and actions taken by the Fund in addressing such guidance.

**Table 2A: Overview of actions taken pursuant to guidance from the Conference of the Parties at its seventeenth, eighteenth and nineteenth sessions that is still relevant for reporting and action**

<table>
<thead>
<tr>
<th>Guidance received from the Conference of the Parties</th>
<th>Relevant actions taken by the Green Climate Fund</th>
</tr>
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<tbody>
<tr>
<td>Confirms that all developing country Parties to the Convention are eligible to receive resources from the Fund</td>
<td>The Green Climate Fund (the Fund) considers all developing country Parties to the Convention as eligible for funding</td>
</tr>
<tr>
<td>Calls for ambitious and timely contributions by developed countries to enable an effective operationalization, including for readiness and preparatory support of the Green Climate Fund that reflects the needs and challenges of developing countries in addressing climate change in the context of preparing, by the twentieth session of the Conference of the Parties (December 2014), the initial resource mobilization process described in paragraph 12 above; Underlines that initial resource mobilization should reach a very significant scale that reflects the needs and challenges of developing countries in addressing climate change</td>
<td>The Fund has secured pledges of US $10 billion equivalent so far in its initial resource mobilization process from 33 countries, 25 of which are developed countries and eight of which are developing countries. Since the Fund’s 2014 Pledging Conference, 22 countries have signed contribution agreements/arrangements for a total of approximately US$ 5.47 billion equivalent (as at 31 May 2015); The Fund strongly encourages contributors of the remaining US$4.7 billion to promptly turn pledges into contributions; Scale is essential for the Fund to deliver on its mandate and efforts to mobilize additional resources to the Fund are ongoing. The pledges received so far are just the beginning of the Fund’s fundraising efforts, and it is essential that new and additional resources continue to be pledged to the Fund on an ongoing basis; The Paris Agreement is also an important opportunity for Parties to the Convention to agree on the pathway for growth in the Fund’s resources beyond 2020</td>
</tr>
<tr>
<td>Requests the Board of the Fund: (a) To consider important lessons learned on country-driven processes from other existing funds</td>
<td>Please see responses below to decision 5/CP.19, annex, paragraph 15, and decision 7/CP.20, paragraphs 16 and 17</td>
</tr>
<tr>
<td><strong>Guidance received from the Conference of the Parties</strong></td>
<td><strong>Relevant actions taken by the Green Climate Fund</strong></td>
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<tr>
<td>Requests the Board of the Fund to report on the implementation of the arrangements referred to in paragraph 4 of decision 5/CP.19 in its annual reports to the COP, starting at the twentieth session of the COP (December 2014)</td>
<td>Please refer to Chapter IV of this report and Table 4 for progress made by the Fund in the implementation of the arrangements between the Conference of the Parties (COP) and the Fund</td>
</tr>
</tbody>
</table>

*Decision 5/CP.19, paragraph 5*

Requests the Board of the Green Climate Fund:  
(a) To develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the Governing Instrument, in order to ensure consistency with national climate strategies and plans and a country-driven approach and to provide for effective direct and indirect public and private-sector financing by the Fund, and to determine this procedure prior to approval of funding proposals by the Fund  

*Decision 6/CP.18, paragraph 7 (a)*  
Linked with:  
*Decision 3/CP.17, paragraph 7*

(b) To secure funding for the Fund, taking into account paragraphs 29 and 30 of the Governing Instrument, to facilitate its expeditious operationalization, and to establish the necessary policies and procedures to enable an early and adequate replenishment process  

*Decision 6/CP.18, paragraph 7 (c)*  
Linked with:  
*Decision 5/CP.19, annex paragraph 17 (b)*  
*Decision 4/CP.19, paragraph 9 (a)*

(c) As at 31 May 2015, 22 out of 33 countries had signed their contribution arrangements/agreements so that the Fund reached effectiveness. Efforts to collaborate with the remaining contributors to convert pledges into contribution arrangements/agreements are ongoing. The Fund calls on contributors to do so before the twenty-first session of the COP. New contributions can be taken by the Fund on an ongoing basis;  

The Board aims to consider the arrangements for the formal replenishment of the Fund with all interested contributors in line with decision B.05/17

*Decision 6/CP.18, paragraph 7 (c)*  
Linked with:  
*Decision 3/CP.17, paragraph 7*  
*Decision 5/CP.19, annex paragraph 17 (b)*  
*Decision 4/CP.19, paragraph 9 (a)*
<table>
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<th>Guidance received from the Conference of the Parties</th>
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<tbody>
<tr>
<td>(e) To select the trustee of the Fund through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services</td>
<td>(e) By its decision B.08/22, the Board invited the World Bank to continue serving as the Interim Trustee until a permanent Trustee is appointed. The process to appoint the permanent Trustee should be finalized no later than the end of 2017, to enable the permanent Trustee to commence its contractual agreement with the Fund no later than April 2018</td>
</tr>
<tr>
<td>Decision 6/CP.18, paragraph 7 (e)</td>
<td>Linked with: Decision 3/CP.17, paragraph 16</td>
</tr>
<tr>
<td>(f) To initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate</td>
<td>(f) The Co-Chairs of the Board of the Fund have collaborated with the Co-Chairs of the Adaptation Committee and representatives of the Chairperson of the Least Developed Countries Expert Group (LEG) to discuss the implementation of decision 3/CP.20. The Co-Chairs have also engaged with the Co-Chairs of the Technology Executive Committee (TEC) to discuss possibilities for the continued engagement of the bodies as the financial and technical mechanisms of the Convention; The Co-Chairs and representatives of the Secretariat have also participated in meetings and events of the thematic bodies of the Convention and other climate funds. These include the Standing Committee on Finance; the Accreditation Committee; the LEG; the TEC; the Ad Hoc Working Group on the Durban Platform for Enhanced Action; the Global Environment Facility; the Adaptation Fund; Climate Investment Funds and the Multilateral Fund. Further details on the engagement of the Fund with relevant thematic bodies of the Convention and other climate funds are outlined in the responses to decision 5/CP.19, paragraph 15, and decision 7/CP.20, paragraph 16</td>
</tr>
<tr>
<td>Decision 6/CP.18, paragraph 7 (f)</td>
<td>Linked with: Decision 3/CP.17, paragraph 17</td>
</tr>
</tbody>
</table>
Table 2B: Overview of actions taken pursuant to decision 1/CP.18: Agreed outcome pursuant to the Bali Action Plan

<table>
<thead>
<tr>
<th>Guidance received from the Conference of the Parties</th>
<th>Relevant actions taken by the Green Climate Fund</th>
</tr>
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<tbody>
<tr>
<td><em>Agrees</em> to further elaborate, at its twentieth session, the linkages between the Technology Mechanism and the financial mechanism of the Convention, taking into consideration the recommendations of the Board of the Green Climate Fund, developed in accordance with decision 3/CP.17, paragraph 17, and of the Technology Executive Committee, developed in accordance with decision 4/CP.17, paragraph 6</td>
<td>The item on engagement of the Fund with the United Nations Framework Convention on Climate Change thematic bodies is in the pipeline for consideration by the Board. The Fund recognizes the importance of engagement with the Technology Mechanism and initial exchanges between the two bodies have taken place</td>
</tr>
</tbody>
</table>

*Decision: 1/CP.18, paragraph 62*

*Linked with:*

*Decision 3/CP.17, paragraph 17*
III. **Action taken by the Fund pursuant to the Fifth Review of the Financial Mechanism of the Convention**

8. The Fund welcomes the recommendations of the COP emanating from the Fifth Review of the Financial Mechanism (decision 9/CP.20). As a designated operating entity of the Financial Mechanism of the Convention, the Fund is taking into consideration the recommendations in the formulation of its guidelines and procedures and in its operations as appropriate.

9. Efforts to address the recommendations in the current and future work of the Fund are ongoing, and an overview of actions taken by the Fund to date pursuant to the review are presented in Table 3 below.
Table 3: Overview of guidance from decision 9/CP.20 on the Fifth Review of the Financial Mechanism and actions taken by the Fund

<table>
<thead>
<tr>
<th>Guidance received from the Conference of the Parties</th>
<th>Relevant decisions/actions taken by the Green Climate Fund</th>
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<tbody>
<tr>
<td>The GCF could build on the experience of and lessons learned from the GEF [Global Environment Facility] in terms of stakeholder involvement. In this regard, the GCF may consider establishing a robust consultative process with its observers in order to ensure that adequate and timely consultation is undertaken with respect to the development of its policies, procedures, guidelines, and, later on, during the implementation of programmes and projects of the Fund</td>
<td>In accordance with the Governing Instrument, participants in meetings of the Board include four active observers consisting of two civil society organization (CSO) representatives, one each from developing and developed countries; and two private sector organization (PSO) representatives, one each from developing and developed countries. The CSO and PSO representatives actively participate in Board discussions. In accordance with the Green Climate Fund’s (the Fund’s) Rules of Procedure, Board documents are transmitted to active observers and posted on the Fund’s website on the same day that they are sent to Board members; At its third meeting, the Board adopted the Fund’s guidelines relating to observer participation, accreditation of observer organizations and participation of active observers in meetings of the Board (Annex XII to decision B.01-13/03). The review of the guidelines on the participation of observers and their consideration by the Board is planned to be carried out in 2015. The CSOs and PSOs have been invited to provide joint inputs on observer participation</td>
</tr>
<tr>
<td>In developing its own approach to gender mainstreaming, the GCF could build on the experience of the GEF. It is recommended that gender equality be integrated in the structure and organization of the GCF itself, and that gender-sensitive criteria be taken into account in funding approvals of the Fund</td>
<td>The Governing Instrument explicitly lists women among the Fund’s stakeholders. The Board therefore adopted a Fund-wide gender policy and action plan in decision B.09/11 that aims to embed gender equality in the structure and organization of the Fund itself. The policy is aimed at enhancing a gender-sensitive approach in the Fund’s processes and operations, including in the design and implementation of the activities to be financed by the Fund. The gender policy for the Fund is contained in Annex XIII to decision B.09/11 and the gender action plan 2015–2017 in Annex XIV to decision B.09/11; The gender-sensitive approach has continually been considered and is embedded in the Fund’s guidelines and procedures as developed to date, including in the Fund’s Readiness and Preparatory Support Programme and in the initial results management framework. This is consistent with the Fund’s mandate on gender sensitivity laid out in the Governing Instrument. The Fund has also promoted gender balance in its staff pool so that to date 47.5 per cent of staff members are female and 52.5 per cent are male</td>
</tr>
<tr>
<td>As the GCF is developing its own environment and social safeguards, it should consider consistency with the safeguards of the GEF</td>
<td>The Fund adopted the International Finance Corporation’s (IFC) Performance Standards as its interim environmental and social safeguards (ESS). In accordance with decision B.07/02, the Board “aims to complete the process of developing the Fund’s own ESS, which will build on evolving best practices, within a period of three years after the Fund becomes operational, and with inclusive multi-stakeholder participation”</td>
</tr>
<tr>
<td>Since the GCF will also be using financial intermediaries such as commercial banks, it is recommended that the GCF also develop an appropriate oversight mechanism to ensure that the institutions to which these intermediaries will channel funding also comply with the environmental policies and social safeguards of the GCF</td>
<td>Following on from decision B.08/02, the monitoring and accountability framework of entities accredited to the Fund is scheduled for consideration by the Board in 2015. This framework is to act as an oversight mechanism to ensure that accredited entities and the institutions to which they channel funding also comply with the ESS of the Fund. The framework will be applicable to all accredited entities of the Fund, including commercial banks as the case may be</td>
</tr>
<tr>
<td>Guidance received from the Conference of the Parties</td>
<td>Relevant decisions/actions taken by the Green Climate Fund</td>
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<tr>
<td>As it monitors the use of its initial fiduciary standards and reviews those standards within the next three years, the GCF should consider maintaining consistency with the standards of the GEF. <em>Decision 9/CP.20, annex, paragraph 25</em></td>
<td>The initial fiduciary principles and standards of the Fund were drawn up based primarily on the standards of the GEF in addition to those of the Adaptation Fund and the Directorate-General for Development and Cooperation–EuropeAid of the European Commission (EU DEVCO), and on best practices from most multilateral development banks. When the Board adopted the initial fiduciary principles and standards through decision B.07/02, it decided to conduct a review of the standards within three years.</td>
</tr>
<tr>
<td>The GEF and the GCF may consider collaborating in the use of funding pathways that may include the LDCF and the SCCF. <em>Decision 9/CP.20, annex, paragraph 51</em></td>
<td>The Fund considers the needs of the least developed countries (LDCs) and countries with special needs in its policies and practices as mandated in its Governing Instrument which states that &quot;In allocating resources for adaptation, the Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States&quot;. Collaboration with other funds is still to be considered by the Board.</td>
</tr>
<tr>
<td>The GCF would benefit from lessons learned on the accreditation process from other funds, particularly the GEF. In the case of the GEF, the goal of accreditation of 10 project agencies was only partially achieved. The GCF may consider building on existing systems of GEF intermediaries and implementing entities, and may in the process also consider providing financial assistance to support the accreditation of national entities in recipient countries that may need it. <em>Decision 9/CP.20, annex, paragraph 58</em></td>
<td>Following the launch of its Online Accreditation System in November 2014, 95 institutions have begun the accreditation application process and, of these, 55 institutions from all over the world have already applied. These institutions reflect a diversity of subnational, national, regional, private, non-governmental and international organizations that can operate at various levels of scale and can undertake a range of financial instruments, such as grants, loans, equity and guarantees, underscoring the appeal of the Fund’s ‘fit-for-purpose’ approach; The Fund has accredited its initial seven entities through which resources for approved projects and programmes will be deployed. The Board will continue to consider an additional 13 applications for accreditation in its second meeting in 2015, and further entities at its third meeting in 2015. In addition, the Board will consider ways to further support subnational, national, regional and private sector entities in gaining accreditation to the Fund; Currently, institutions accredited by and in full compliance with the standards of the Global Environment Facility (in addition to those accredited by the Adaptation Fund and EU DEVCO) are eligible to apply for accreditation to the Fund under the fast-track accreditation process, thus building on existing systems of such intermediaries and implementing entities; The Fund has since started its Readiness and Preparatory Support Programme to support activities aimed at developing projects and programmes that meet the Fund’s objectives. Activity area 3 of the Programme is &quot;Selection of intermediaries and implementing entities and support for accreditation&quot;, aimed at supporting subnational, national and regional institutions through the accreditation process of the Fund, including for fast-track accreditation where applicable. In coordination with NDAs and focal points, the Fund has so far provided in-kind support to 24 entities to orient them on the accreditation requirements and assist them in submitting applications for accreditation under the direct access modality; three have been accredited and six are to be considered at the tenth meeting of the Board. The Fund has similarly provided assistance to many more subnational, national and regional entities that have expressed their interest in or are preparing to apply for accreditation to the Fund.</td>
</tr>
</tbody>
</table>
Guidance received from the Conference of the Parties | Relevant decisions/actions taken by the Green Climate Fund
---|---
There is ample room for the GCF to learn from the experiences of other funds in terms of improving the enabling environments in recipient countries. It can do this by linking investments with focused efforts to engage stakeholders within countries in programming, and by providing technical assistance and capacity-building so as to strengthen enabling environments – institutions, policies, and regulations – that support mitigation and adaptation actions in developing countries.

*Decision 9/CP.20, annex, paragraph 69*

The Board adopted the Fund’s investment criteria through decision B.07/06 and adopted the sub-criteria and indicative factors that further elaborate the investment criteria through decision B.09/05; One of the investment criteria is country ownership, which is defined as beneficiary country ownership of and capacity to implement a funded project or programme. This investment criteria and sub-criteria for a project or programme that is to be implemented include:

(i) The existence of a national climate strategy;
(ii) Coherence with existing policies;
(iii) Capacity of implementing entities, intermediaries or executing entities to deliver; and
(iv) Engagement with civil society organizations and other relevant stakeholders. This investment criteria and applicable sub-criteria typically aims at linking the investment to be made by the Fund with the enabling environment;

One sub-criterion (needs of a recipient country) to apply to all applicable projects and programmes further assesses the potential of the proposed project or programme to strengthen institutional and implementation capacity of relevant institutions in the context of the proposal;

In addition, the Fund has in place the Readiness and Preparatory Support Programme, which provides for a comprehensive framework of technical assistance and capacity-building across the Programme’s five key pillars. Further details on the Readiness Programme are included in the response to decision 7/CP.20, paragraph 12 (see Table 1A).

The GEF and the GCF may consider collaborating to harmonize impact indicators and set new norms around reporting practice, especially in the context of adaptation finance. Furthermore, the operationalization of the GCF results-based management framework presents an opportunity to make progress in this regard.

*Decision 9/CP.20, annex, paragraph 76*

At its eighth meeting, the Board adopted the Fund’s mitigation and adaptation performance measurement frameworks (PMFs), embedded in the initial results management framework (RMF), and some of its indicators (decision B.08/07). The Board in the same decision requested the Secretariat to further develop some of the PMF indicators that need refinement, that include indicators on adaptation;

The development of the proposed PMFs and their indicators as initially proposed to the Board at its eighth meeting was informed by their relevance to the Fund’s logic models, practices, lessons learned and evaluations of the other climate funds and peer agencies, and technical soundness. The GEF was consulted in this first phase of developing the RMF/PMF indicators on both mitigation and adaptation. Following the request by the Board at its eighth meeting, the revision of the indicators is ongoing, and consultations with the GEF, including the GEF Independent Evaluation Office have once again been carried out to this end. The revised mitigation and adaptation PMFs are in the pipeline for consideration by the Board at its upcoming meetings.
IV. Report on the implementation of the arrangements between the Conference of the Parties and the Fund

10. By its decision 5/CP.19, the COP outlined the reporting arrangements between the COP and the Fund to be included in the Fund’s annual report to the COP starting from COP 20. The reporting arrangements are aimed to set out the working relationship between the COP and the Fund to ensure that the Fund is accountable to and functions under the guidance of the COP to support projects, programmes, policies and other activities in developing country Parties.

11. Table 4 below summarizes the decisions and actions taken by the Fund in addressing the elements for reporting in the arrangements between the COP and the Fund.
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Requests</strong> the Board of the Green Climate Fund to report on the implementation of the arrangements in its annual reports to the COP, starting at the twentieth session of the Conference of the Parties (December 2014)</td>
<td>This report addresses this request, in particular Chapter IV and Table 4</td>
</tr>
<tr>
<td><strong>Decision 5/CP.19, paragraph 5</strong></td>
<td></td>
</tr>
<tr>
<td>The GCF will include in its annual reports to the COP the recommendations of its independent redress mechanism, and any action taken by the Board of the Fund in response to those recommendations</td>
<td>See response to paragraph 24 of decision 7/CP.20 (see Table 1A)</td>
</tr>
<tr>
<td><strong>Decision 5/CP.19, annex, paragraph 9</strong></td>
<td></td>
</tr>
<tr>
<td>The GCF is to submit annual reports to the COP for its consideration. Such annual reports shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which the Board of the Fund has adhered to COP guidance</td>
<td>This report addresses this request</td>
</tr>
<tr>
<td><strong>Decision 5/CP.19, annex, paragraph 11</strong></td>
<td></td>
</tr>
<tr>
<td>Linked with: <strong>Decision 6/CP.18, paragraph 5</strong></td>
<td></td>
</tr>
<tr>
<td>The GCF will include in its reports a synthesis of the different activities under implementation and a listing of the activities approved, as well as a financial report</td>
<td>Pursuant to decision 5/CP.19, paragraph 12, the Board requested the Fund to report on the activities undertaken, including joint activities with existing initiatives and the progress of committing and disbursing available funds (decisions B.06/11 and B.08/11); The Fund is currently supporting readiness activities and has decided to consider its initial funding proposals at the third meeting of the Board in 2015. A report on this guidance will be timely when a portfolio of activities implemented under the Fund is in place; Activities supported under the Readiness Programme are included in the Programme’s progress reports: <strong>Revised Report on Readiness and Preparatory Support Programme (GCF/BM-2015/Inf.05)</strong>; and <strong>Progress Report on the Readiness and Preparatory Support Programme (GCF/B.10/Inf.06)</strong>;</td>
</tr>
<tr>
<td><strong>Decision 5/CP.19, annex, paragraph 12</strong></td>
<td></td>
</tr>
<tr>
<td>Linked with: <strong>Decision 6/CP.18, paragraph 10 (ii)</strong></td>
<td></td>
</tr>
<tr>
<td>The GCF will also include information on all activities financed by the Fund</td>
<td></td>
</tr>
<tr>
<td>Guidance received from the Conference of the Parties</td>
<td>Relevant decisions/actions taken by the Green Climate Fund</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
</tbody>
</table>
| The GCF will indicate actions undertaken to balance the allocation of resources between adaptation and mitigation activities under the Fund  
*Decision 5/CP.19, annex, paragraph 14*  
Linked with:  
*Decision 4/CP.19, paragraph 9 (a)*  
*Decision 6/CP.18, paragraph 7 (b)*  
*Decision 3/CP.17, paragraph 8* | The Board adopted the initial parameters and guidelines for the allocation of resources in order to aim for a 50:50 balance between mitigation and adaptation over time (decision B.06/06). In the same decision, the Board therefore requested the Secretariat to report annually on the status of resources in respect of the allocation parameters;  
The Board is aiming to consider the initial set of funding proposals at its third meeting in 2015. The status of the portfolio versus the allocation parameters can only be assessed after the portfolio is set up |
| The GCF will include information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate  
*Decision 5/CP.19, annex, paragraph 15* | The Fund continues to engage with the relevant thematic bodies under the Convention and other relevant international institutions to draw on appropriate technical advice;  
Among other things, the Board put in place technical panels to draw on appropriate expert and technical advice. To date, the Fund has an Accreditation Panel and a Private Sector Advisory Group. Most recently, the Board adopted the terms of reference of the independent Technical Advisory Panel (decision B.09/10) and will consider the nomination of its experts at the tenth meeting;  
Efforts to draw on appropriate expert and technical advice from relevant thematic bodies and other relevant bodies are ongoing. Examples are outlined in the response to decision 7/CP.20, paragraph 15 (see Table 1A) |

---

1 See <http://www.gcfund.org/documents/all-board-documents.html>.
<table>
<thead>
<tr>
<th>Guidance received from the Conference of the Parties</th>
<th>Relevant decisions/actions taken by the Green Climate Fund</th>
</tr>
</thead>
</table>
| The GCF is to provide information on resource mobilization and the available financial resources, including any replenishment processes, in its annual reports to the COP.  
*Decision 5/CP.19, annex, paragraph 17 (b)*  
Linked with:  
*Decision 6/CP.18, paragraph 7 (c)* | Details on the status of the Initial Resource Mobilization process are provided in the responses to decision 7/CP.20, paragraph 5 (see Table 1A), and decision 4/CP.19, paragraphs 13 and 14 (see Table 2).  
Information on the replenishment process will be provided once the process has been established. |
| The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention.  
*Decision 5/CP.19, annex, paragraph 20* | The Independent Evaluation Unit of the Fund is in the process of being set up in accordance with previous decisions of the Board and the operations of the mechanism have not yet commenced. |
V. Other activities of the Fund

5.1 The Board

12. The Fund is governed and supervised by a Board that also has full responsibility for funding decisions. The Board has 24 members, composed of an equal number of members from developing and developed country Parties to the Convention. Each Board member has an alternate member. Participants in meetings of the Board also include advisers to Board members and their alternates and four active observers. The Board usually holds three meetings in a year.

13. Members of the Board serve for a term of three years. The current term of Board membership started in August 2012 and is to expire in 2015.

5.1.1 Initial term of Board membership

14. Regarding the upcoming end of the initial term of Board membership, the Board in decision B.09/12 affirmed the following set of principles to apply if successors to the current members and alternate members of the Board or to active observers are not selected by 23 August 2015:

15. Members and alternate members of the Board whose terms expire on 23 August 2015 shall continue in their functions until their successors have been selected;

16. Members and alternate members of the Board serving in the capacity of members of the Accreditation Committee, the Risk Management Committee, the Investment Committee and the Private Sector Advisory Group whose terms expire in 2015 shall continue in their functions until their successors have been selected;

17. Representatives of the active observers from accredited civil society organizations and private sector organizations whose terms expire in 2015 shall continue in their functions until their successors have been selected; and

18. Successors are expected to be selected no later than 31 December 2015.

19. At the request of the Board, the Secretariat conveyed the above principles to all Parties to the Convention, copying the UNFCCC secretariat and regional groups of the Convention. The Board is to consider further the principles contained in the decision mentioned above at its tenth meeting.

20. Appendix II contains the list of Board members and alternate members.

5.1.2 Meetings of the Board

21. An informal Board dialogue was held at the start of the year on 19 and 20 January 2015 at the Peace Palace in The Hague, the Netherlands. The meeting played an important role in identifying the main areas of work for the Fund in 2015.

22. The ninth meeting of the Board was held at the Fund’s headquarters in Songdo from 24 to 26 March 2015. The decisions taken by the Board at its ninth meeting are contained in document GCF/B.09/23 Decisions of the Board – Ninth Meeting of the Board, 24–26 March 2015. The report of the meeting will become available on the Fund’s website once adopted by the Board at its tenth meeting.

23. Further meetings of the Board in 2015 include the tenth meeting, scheduled to take place from 6 to 9 July in Songdo and the eleventh meeting, whose dates and venue are to be determined.
5.2 Management and staff of the Fund

24. The Fund is headquartered in Songdo. It carries out the day-to-day operations of the Fund, providing operational, financial, legal and administrative expertise.

25. The Secretariat supports the Board in its work programmes and in the implementation of agreed decisions. Secretariat support is also extended to Board committees and panels.

26. Progress has been made in the implementation of systems and in recruitments, enhancing the capacity of the Fund’s management and staff. The Fund has aimed to achieve balance in gender and geographical representation between developed and developing countries among its staff. To date 47.5 per cent of staff members are female while 52.5 per cent are male; and 57.5 per cent are from developing countries while 42.5 per cent are from developed countries.

5.3 Observers

27. In accordance with the Governing Instrument for the Fund, participants in meetings of the Board include four active observers consisting of two civil society organization (CSO) representatives, one each from developing and developed countries; and two private sector organization (PSO) representatives, one each from developing and developed countries. The CSO and PSO representatives actively participate in Board discussions. In addition, other observers are physically present at the venue of Board meetings and witness the meetings through live video transmission. A total of 155 observers attended the ninth meeting of the Board, representing 96 observer organizations and 14 Parties to the Convention and observer states. Calls for accrediting observer organizations to the Fund are opened on a regular basis.

5.4 The Fund’s resources

5.4.1 Activities on resource mobilization

28. By its initial resource mobilization conference in November 2014, the Fund had mobilized approximately US$ 10 billion equivalent of pledges from 33 contributing countries. The COP in decision 7/CP.20, paragraph 5, urged the Fund, Interim Trustee and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangements, and took note of decision B.08/13 where the Board agreed that the commitment authority of the Fund would become effective when 50 per cent of the contributions pledged by the November 2014 pledging session were reflected in fully executed contribution agreements/arrangements received by the Secretariat.

29. As at 31 May 2015, 22 countries had signed contribution agreements/arrangements since the Fund’s 2014 Pledging Conference, bringing the total to approximately US$ 5.47 billion equivalent, which represents 58.5 per cent of the contributions pledged during the 2014 Pledging Conference. This total amount takes the Fund above the effectiveness threshold of 50 per cent. The pledge tracker that demonstrates the execution of individual contributions as at 28 May 2015 is included in Appendix III. Further information on resource mobilization is contained in document GCF/B.10/Inf.09 Status of the Initial Resource Mobilization Process.

30. The Fund strongly urges the contributors of the remaining US$ 4.7 billion to convert all pledges into actual contributions.

31. Efforts to mobilize additional resources are ongoing as scale is essential for the Fund to deliver on its mandate. The US$ 10 billion equivalent of pledges received is just the beginning of the Fund’s fundraising efforts, and it is essential that new and additional resources continue to be pledged to the Fund on an ongoing basis. The Paris Agreement is an important opportunity
for Parties to the Convention to agree on the pathway for growth in the Fund resources beyond 2020.

5.4.2 Status of resources and execution of the administrative budget

32. Funds from contributors’ payments and investment income earned by the Interim Trustee, less the amount of cash transfers (Funds Held in Trust) as at 31 March 2015 amounted to US$ 108.63 million.

33. The Fund’s 2015 administrative budget stands at US$ 19,266,866 of which US$ 4,489,911 was executed by 30 April 2015.

34. Full details on the administrative budget are outlined in document GCF/BM-2015/Inf.08 Status of Resources and Execution of the Administrative Budget of the Green Climate Fund at 30 April 2015.
Appendix I: List of documents containing decisions of the Board in 2015

I. Ninth meeting (March 2015)

*Decisions of the Board – Ninth Meeting of the Board, 24-26 March 2015* (document GCF/B.09/23)

*Report of the Ninth Meeting of the Board, 24 - 26 March 2015* (document GCF/B.09/24)
### Appendix II: Members and alternate members of the Board of the Green Climate Fund as of 15 June 2015

<table>
<thead>
<tr>
<th>Members</th>
<th>Alternate members</th>
<th>Constituency/Regional group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Christian N. Adovelande (Benin)</td>
<td>Mr. Tosi Mpanu Mpanu (Democratic Republic of the Congo)</td>
<td>Developing countries, Africa</td>
</tr>
<tr>
<td>President</td>
<td>Former Chair</td>
<td></td>
</tr>
<tr>
<td>West African Development Bank</td>
<td>the African Group of climate negotiators</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Developing countries, Africa</td>
</tr>
<tr>
<td>Mr. Omar El-Arini (Egypt)</td>
<td>Mr. Newai Gebre-ab (Ethiopia)</td>
<td></td>
</tr>
<tr>
<td>Member of Board, Egyptian Environmental</td>
<td>Member of the former Transitional Committee for the</td>
<td></td>
</tr>
<tr>
<td>Affairs Agency, International consultant on</td>
<td>design of the Green Climate Fund</td>
<td></td>
</tr>
<tr>
<td>ozone layer and climate issues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Zaheer Fakir (South Africa)</td>
<td>Mr. Paulo Gomes (Guinea Bissau)</td>
<td></td>
</tr>
<tr>
<td>Head International Relations and Governance,</td>
<td>Member of the Board of Directors</td>
<td></td>
</tr>
<tr>
<td>Department of Environmental Affairs</td>
<td>Ecobank Transnational Inc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vice-Chairman of the finance committee</td>
<td></td>
</tr>
<tr>
<td>Mr. Yingming Yang (China)</td>
<td>Mr. Hoe Jeong Kim (Republic of Korea)</td>
<td></td>
</tr>
<tr>
<td>Deputy Director General International</td>
<td>Director General</td>
<td></td>
</tr>
<tr>
<td>Department, Ministry of Finance</td>
<td>International Financial Cooperation,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ministry of Strategy and Finance</td>
<td></td>
</tr>
<tr>
<td>Mr. Ayman M. Shasly (Saudi Arabia)</td>
<td>Mr. Jose Ma. Clemente Sarte Salceda (Philippines)</td>
<td></td>
</tr>
<tr>
<td>International Policies Consultant</td>
<td>Governor Province of Albay</td>
<td></td>
</tr>
<tr>
<td>Ministry of Petroleum and Mineral Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Nauman Bashir Bhatti (Pakistan)</td>
<td>Mr. Shri Dipak Das Gupta (India)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Principal Economic Adviser</td>
<td></td>
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<tr>
<td></td>
<td>Ministry of Finance</td>
<td></td>
</tr>
<tr>
<td>Mr. Jorge Ferrer Rodriguez (Cuba)</td>
<td>H.E. Ms. Audrey Joy Grant (Belize)</td>
<td></td>
</tr>
<tr>
<td>Minister Counsellor</td>
<td>Minister</td>
<td></td>
</tr>
<tr>
<td>Multilateral Affairs and International Law</td>
<td>Energy, Science and Technology and Public Utilities</td>
<td></td>
</tr>
<tr>
<td>General Division, Ministry of Foreign Affairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms. Mariana Ines Micozzi (Argentine)</td>
<td>Mr. Cristian Salas (Chile)</td>
<td></td>
</tr>
<tr>
<td>Advisor to Secretariat of Finance</td>
<td>Advisor for International Affairs to the Minister</td>
<td></td>
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<tr>
<td>Ministry of Economy and Finance</td>
<td>Ministry of Finance</td>
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<tr>
<td></td>
<td></td>
<td>Developing countries, Latin America and the</td>
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<tr>
<td></td>
<td></td>
<td>Caribbean</td>
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<td>Developing countries, Latin America and the</td>
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<td>Caribbean</td>
</tr>
<tr>
<td>Name</td>
<td>Title and Affiliation</td>
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<td></td>
</tr>
<tr>
<td>Mr. Gabriel Quijandria</td>
<td>Vice Minister, Ministry of Environment, Peru</td>
<td></td>
</tr>
<tr>
<td>Mr. David Kaluba</td>
<td>Principal Economist, Ministry of Finance and National Planning, Zambia</td>
<td></td>
</tr>
<tr>
<td>Mr. Patrick McCaskie</td>
<td>Director, Ministry of Finance and Economic Affairs, Barbados</td>
<td></td>
</tr>
<tr>
<td>Mr. George Zedginidze</td>
<td>Former Minister, Ministry of Environment Protection, Georgia</td>
<td></td>
</tr>
<tr>
<td>Ms. Clare Walsh</td>
<td>First Assistant Secretary, Department of Foreign Affairs and Trade, Australia</td>
<td></td>
</tr>
<tr>
<td>Mr. Jacob Waslander</td>
<td>Head, Ministry of Foreign Affairs, Netherlands</td>
<td></td>
</tr>
<tr>
<td>Mr. Arnaud Buisse</td>
<td>Deputy Assistant Secretary, Directorate-General of the Treasury, France</td>
<td></td>
</tr>
<tr>
<td>Ms. Ingrid-Gabriela Hoven</td>
<td>Director-General, Federal Ministry for Economic Cooperation and Development, Germany</td>
<td></td>
</tr>
<tr>
<td>Mr. Angel Valverde</td>
<td>National Director, Ministry of Environment, Ecuador</td>
<td></td>
</tr>
<tr>
<td>Mr. Nojibur Rahman</td>
<td>Secretary, Ministry of Environment and Forests, Bangladesh</td>
<td></td>
</tr>
<tr>
<td>H.E. Mr. Ali’ioaigi Feturi Elisaia</td>
<td>Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Samoa to the United Nations, Samoa</td>
<td></td>
</tr>
<tr>
<td>Mr. Irfu Ampri</td>
<td>Head, Ministry of Finance, Indonesia</td>
<td></td>
</tr>
<tr>
<td>Mr. Peter J. Kalas</td>
<td>Former Minister, Ministry of Environment, Czech Republic</td>
<td></td>
</tr>
<tr>
<td>Mr. Peder Lundquist</td>
<td>Deputy Permanent Secretary, Ministry of Finance, Denmark</td>
<td></td>
</tr>
<tr>
<td>Mr. Frederic Glanois</td>
<td>Head, Directorate-General of the Treasury, France</td>
<td></td>
</tr>
<tr>
<td>Mr. Norbert Goissen</td>
<td>Head, Division of International Climate Finance, International Climate Initiative, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Mr. Gabriel Quijandria</td>
<td>Developing countries, Least developed countries</td>
</tr>
<tr>
<td>Mr. David Kaluba</td>
<td>Developing countries, Least developed countries</td>
</tr>
<tr>
<td>Mr. Patrick McCaskie</td>
<td>Developing countries, Small island developing States</td>
</tr>
<tr>
<td>Mr. George Zedginidze</td>
<td>Developing countries</td>
</tr>
<tr>
<td>Ms. Clare Walsh</td>
<td>Developed countries, Australia on behalf of Australia and New Zealand</td>
</tr>
<tr>
<td>Mr. Jacob Waslander</td>
<td>Developed countries, Denmark and the Netherlands</td>
</tr>
<tr>
<td>Mr. Arnaud Buisse</td>
<td>Developed countries, France</td>
</tr>
<tr>
<td>Ms. Ingrid-Gabriela Hoven</td>
<td>Developed countries, Germany</td>
</tr>
<tr>
<td>Name</td>
<td>Position and Affiliation</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Mr. Atsuyuki Oike</td>
<td>Director-General for Global Issues, Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Mr. Shuichi Hosoda</td>
<td>Director, Development Issues, International Bureau, Ministry of Finance</td>
</tr>
<tr>
<td>Mr. Henrik Harboe</td>
<td>Director of Development Policy, Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Mr. Georg Børsting</td>
<td>Policy Director, Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Mr. Zoltan Ajtony Hevesi</td>
<td>Deputy State Secretary, Ministry of National Development</td>
</tr>
<tr>
<td>Mr. Marcin Korolec</td>
<td>Secretary of State, Government Plenipotentiary for Climate Policy</td>
</tr>
<tr>
<td>Ms. Ludovica Soderini</td>
<td>International Financial Relations, Treasury Department, Ministry of Economy and Finance</td>
</tr>
<tr>
<td>Ms. Aize Azqueta Quemada</td>
<td>Coordinator of Climate Funds, Ministry of Economy and Competitiveness</td>
</tr>
<tr>
<td>Mr. Stefan Marco Schwager</td>
<td>Senior Adviser, International Biodiversity and Climate Change Finance, Federal Office for the Environment</td>
</tr>
<tr>
<td>Mr. Alexey Kvasov</td>
<td>Deputy Chief of the Presidential Experts' Directorate, Russian G8 Sherpa, Executive Office of the President</td>
</tr>
<tr>
<td>H.E. Mr. Jan Cedergren</td>
<td>Ambassador, Ministry of Environment</td>
</tr>
<tr>
<td>Mr. Jozef Buys</td>
<td>Attaché Directorate General Development Cooperation, Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Ms. Andrea Ledward</td>
<td>Head, DFID’s Climate and Environment Department</td>
</tr>
<tr>
<td>Ms. Kate Hughes</td>
<td>Deputy Director, DFID’s Climate and Environment Department</td>
</tr>
<tr>
<td>Mr. Leonardo Martinez-Diaz</td>
<td>Deputy Assistant Secretary, Environment and Energy Office, Department of the Treasury</td>
</tr>
<tr>
<td>Mr. C. Alexander Severens</td>
<td>Director, Environment and Energy Office, Department of the Treasury</td>
</tr>
</tbody>
</table>
Appendix III: Green Climate Fund Initial Resource Mobilization Pledge Tracker as at 28 May 2015

Status of Pledges and Contributions made to the Green Climate Fund

Status Date: 28 May 2015

A total of 33 governments have made a pledge to the Green Climate Fund (GCF) to date, including 8 representing developing countries. The objective is for all pledges to be converted into contribution agreements within one year from the time at which they are made. The combined pledges and contributions made to the Fund are indicated in the table below.

GCF’s initial resource mobilization (IRM) period continues to be in progress, and the Fund accepts new pledges on an ongoing basis.

<table>
<thead>
<tr>
<th>Total amount pledged to date</th>
<th>USD 10.2 billion *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount in contributions signed</td>
<td>USD 5.5 billion *</td>
</tr>
<tr>
<td>In percent</td>
<td>58.5% **</td>
</tr>
</tbody>
</table>

* Amounts indicated are in United States dollar equivalent (USD eq).
** Percentage is based on the amount in signed contributions divided by the total amount of USD 93.3 billion pledged up until GCF’s High-Level Pledging Conference in Berlin in November 2014.

A detailed overview of pledges and contributions by country is shown on the reverse side.
### Status of Pledges for GCF’s Initial Resource Mobilization (IRM) as of 28 May 2015

Calculated on basis of reference exchange rates established for GCF’s High-Level Pledging Conference (GCF/B.9/Rev.1/Add.1) (in millions)

<table>
<thead>
<tr>
<th>Contributor</th>
<th>Pledges</th>
<th>Grant Equivalent¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Announced</td>
<td>Signed</td>
</tr>
<tr>
<td></td>
<td>In Currency</td>
<td>USD eq.¹</td>
</tr>
<tr>
<td>Australia</td>
<td>AUD</td>
<td>200.0</td>
</tr>
<tr>
<td>Austria</td>
<td>USD</td>
<td>25.0</td>
</tr>
<tr>
<td>Belgium</td>
<td>EUR</td>
<td>51.6</td>
</tr>
<tr>
<td>Canada (Grant)</td>
<td>CAD</td>
<td>300.0</td>
</tr>
<tr>
<td>Canada (Loan)</td>
<td>CAD</td>
<td>180.0</td>
</tr>
<tr>
<td>Canada (Cushion)</td>
<td>CAD</td>
<td>180.0</td>
</tr>
<tr>
<td>Chile</td>
<td>USD</td>
<td>0.3</td>
</tr>
<tr>
<td>Colombia</td>
<td>USD</td>
<td>6.0</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>CZK</td>
<td>130.0</td>
</tr>
<tr>
<td>Denmark</td>
<td>DKK</td>
<td>400.0</td>
</tr>
<tr>
<td>Finland</td>
<td>EUR</td>
<td>80.0</td>
</tr>
<tr>
<td>France (Grant)</td>
<td>EUR</td>
<td>432.0</td>
</tr>
<tr>
<td>France (Loan)</td>
<td>EUR</td>
<td>285.0</td>
</tr>
<tr>
<td>France (Cushion)</td>
<td>EUR</td>
<td>57.0</td>
</tr>
<tr>
<td>Germany</td>
<td>EUR</td>
<td>750.0</td>
</tr>
<tr>
<td>Iceland</td>
<td>USD</td>
<td>0.2</td>
</tr>
<tr>
<td>Indonesia</td>
<td>USD</td>
<td>0.3</td>
</tr>
<tr>
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<td><strong>Total</strong></td>
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<td><strong>EU Member States (Total)</strong></td>
<td>USD</td>
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### Notes:
1. Grant equivalent is calculated based on the terms in Paragraphs for Contributions.
2. United States dollars equivalent (USD eq.), based on the reference exchange rates established for GCF’s High-Level Pledging Conference (GCF/B.9/Rev.1/Add.1).
3. The pledge term (loan) was announced in USD but signed in EUR (500 million). The amount shown is in USD.
4. Grant pledged in accordance with the GCF’s High-Level Pledging Conference.
5. Switzerland has been allocated 30 million dollars. A project approval date will be provided once the effective use of funds has been confirmed.
6. France’s commitment is subject to a loan condition of 600 million.
7. Japan’s commitment is subject to a loan condition of 1.5 billion.
8. United Kingdom’s commitment is subject to a loan condition of 1.5 billion.
9. United States of America’s commitment is subject to a loan condition of 1.5 billion.
10. The amount pledged is in accordance with the GCF’s High-Level Pledging Conference.
Annex XXIX: Members and alternate members of the Board of the Green Climate Fund as of 9 July 2015

<table>
<thead>
<tr>
<th>Members</th>
<th>Alternate members</th>
<th>Constituency/Regional group</th>
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<tr>
<td>Mr. Christian N. Adovelande</td>
<td>Mr. Tosi Mpanu Mpanu</td>
<td>Developing countries, Africa</td>
</tr>
<tr>
<td>(Benin) President</td>
<td>(Democratic Republic of the Congo)</td>
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</tr>
<tr>
<td>West African Development Bank</td>
<td>Former Chair</td>
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</tr>
<tr>
<td></td>
<td>the African Group of climate negotiators</td>
<td></td>
</tr>
<tr>
<td>Mr. Omar El-Arini</td>
<td>Mr. Newai Gebre-ab</td>
<td>Developing countries, Africa</td>
</tr>
<tr>
<td>(Egypt) Member of Board, Egyptian Environmental Affairs Agency, International consultant on ozone layer and climate issues</td>
<td>(Ethiopia) Member of the former Transitional Committee for the design of the Green Climate Fund</td>
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</tr>
<tr>
<td>Mr. Zabeer Fakir</td>
<td>Mr. Paulo Gomes</td>
<td>Developing countries, Asia-Pacific</td>
</tr>
<tr>
<td>(South Africa) Head</td>
<td>(Guinea Bissau)</td>
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</tr>
<tr>
<td>International Relations and Governance,</td>
<td>Member of the Board of Directors</td>
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<tr>
<td>Department of Environmental Affairs</td>
<td>Ecobank Transnational Inc. Vice-Chairman of the finance committee</td>
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<tr>
<td>Mr. Yingming Yang</td>
<td>Mr. Hoe Jeong Kim</td>
<td>Developing countries, Asia-Pacific</td>
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<tr>
<td>(China) Deputy Director General</td>
<td>(Republic of Korea)</td>
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<tr>
<td>International Department, Ministry of Finance</td>
<td>Director General</td>
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<td>International Financial Cooperation, Ministry of Strategy and Finance</td>
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<tr>
<td>Mr. Ayman M. Shasly</td>
<td>Mr. Jose Ma. Clemente Sarte Salceda</td>
<td>Developing countries, Latin America and the Caribbean</td>
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<tr>
<td>(Saudi Arabia) International Policies Consultant</td>
<td>Ministry of Petroleum and Mineral Resources</td>
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<tr>
<td>Mr. Nauman Bashir Bhatti</td>
<td>Mr. Shri Dipak Dasgupta</td>
<td>Developing countries, Latin America and the Caribbean</td>
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<tr>
<td>(Pakistan)</td>
<td>(India) Principal Economic Adviser</td>
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<tr>
<td>Mr. Jorge Ferrer Rodriguez</td>
<td>H.E. Ms. Audrey Joy Grant</td>
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<tr>
<td>(Cuba) Minister Counsellor</td>
<td>(Belize) Minister</td>
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<tr>
<td>Multilateral Affairs and International Law</td>
<td>Energy, Science and Technology and Public Utilities</td>
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<td>General Division, Ministry of Foreign Affairs</td>
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<td>Ms. Mariana Ines Miccozi</td>
<td>Mr. Cristian Salas</td>
<td>Developing countries, Latin America and the Caribbean</td>
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<tr>
<td>(Argentine) Advisor to Secretariat of Finance</td>
<td>(Chile) Advisor for International Affairs to the Minister</td>
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<td>Ministry of Economy and Finance</td>
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<tr>
<td>Mr. Gabriel Quijandria (Peru)</td>
<td>Mr. Angel Valverde (Ecuador)</td>
<td>Developing countries, Least developed countries</td>
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<tr>
<td>Vice Minister</td>
<td>National Director Mitigation on Climate Change, Ministry of Environment</td>
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<tr>
<td>Mr. David Kaluba (Zambia)</td>
<td>Mr. Nojibur Rahman (Bangladesh)</td>
<td>Developing countries, Small island developing States</td>
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<tr>
<td>Principal Economist</td>
<td>Secretary</td>
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<tr>
<td>Ministry of Finance and National Planning</td>
<td>Ministry of Environment and Forests</td>
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<tr>
<td>Mr. Patrick McCaskie (Barbados)</td>
<td>H.E. Mr. Ali’ioaii Feturi Elisaia (Samoa)</td>
<td>Developing countries</td>
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<tr>
<td>Director</td>
<td>Ambassador Extraordinary and Plenipotentiary, Permanent Representative Permanent Mission of Samoa to the United Nations</td>
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<td>Research and Planning Unit, Economic Affairs Division, Ministry of Finance and Economic Affairs</td>
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<tr>
<td>Mr. George Zedginidze (Georgia)</td>
<td>Mr. Irfa Ampri (Indonesia)</td>
<td>Developing countries</td>
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<tr>
<td>Former Minister</td>
<td>Head</td>
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<td>Ministry of Environment Protection</td>
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<tr>
<td>Mr. Ewen McDonald (Australia)</td>
<td>Mr. Peter J. Kalas (Czech Republic)</td>
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<td>Deputy Secretary</td>
<td>Former Minister</td>
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<td>Mr. Peder Lundquist (Denmark)</td>
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<tr>
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<td>Deputy Permanent Secretary</td>
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<td>Mr. Frederic Glanois (France)</td>
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<td>Deputy Assistant Secretary</td>
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<td>Ms. Aize Azqueta Quemada (Spain)</td>
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<td>Mr. Alexey Kvasov (Russian Federation)</td>
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<td>Ms. Kate Hughes (United Kingdom of Great Britain and Northern Ireland) Deputy Director</td>
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<td>Mr. C. Alexander Severens (United States of America) Director Environment and Energy Office, Department of the Treasury</td>
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