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# Accreditation framework review

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## **Summary**

In line with decisions B.18/04, paragraphs (a) and (b), and B.19/13, this document presents the full review of the accreditation framework and proposes a project-specific assessment approach as a complementary modality to accreditation in order to accelerate proposals submitted under the Simplified Approval Process Pilot Scheme and requests for proposal approved by the Board.

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## I. General mandate

1. In decision B.07/02, paragraph (a), the Board adopted the initial guiding framework for the GCF accreditation process. In decision B.18/04, paragraph (a), the Board decided to commence the review of the accreditation framework. In paragraph (b) of the same decision, the Board requested the Secretariat to present a proposal for the revision of the accreditation framework that includes other modalities for institutions to work with GCF, as early as the nineteenth meeting of the Board (B.19).
2. The Board, having considered document GCF/B.19/28 titled “Further development of the accreditation framework”, requested the Secretariat, by decision B.19/13, to further develop the project-specific assessment approach (PSAA), contained in annex II of this document, taking into account the views of Board members and the outcomes of the full review of the accreditation framework, for the Board’s consideration.
3. The full review of the accreditation framework and recommendations for further development are presented in annex IV to this document.
4. This document also presents recommendations on improvements to the accreditation framework (contained in annex II) and the revised proposal for the PSAA, which includes a new modality of accreditation for institutions to work with GCF (contained in annex III). This approach is intended to be a complementary modality to accreditation, coexisting alongside accreditation as an additional way for institutions to access resources from GCF, albeit in a limited way. The Secretariat is proposing this approach to address the urgent need to unlock the potential of requests for proposal (RFPs) and the simplified approval process (SAP) as well as to unclog the accreditation pipeline of entities seeking to only engage under these special initiatives rather than on a longer-term partnership basis.

## II. Recommended action by the Board

5. It is recommended that the Board:
  - (a) Take note of the information presented in document GCF/B.21/08 titled “Accreditation framework review”; and
  - (b) Adopt the decision included in annex I.

## III. Linkages with decisions and other documents

6. This document has actual or potential linkages with the following items:
  - (a) “Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund’s fiduciary principles and standards and environmental and social safeguards” (decision B.07/02);
  - (b) “Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach” (decision B.08/02);
  - (c) “Gender policy and action plan” (decision B.09/11);
  - (d) “Updated Gender Policy and Action Plan 2018–2020” (document GCF/B.21/02);<sup>1</sup>
  - (e) “Assessment, including gap analysis, of institutions accredited by other relevant funds” (decision B.08/03);

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<sup>1</sup> To be considered by the Board at its twenty-first meeting.

- (f) “Identification of relevant potential international private sector best-practice fiduciary principles and standards and environmental and social safeguards” (decision B.08/05);
- (g) “Country programming, readiness and preparatory support” (decision B.13/32);
- (h) “Application documents for submissions of applications for accreditation” (decision B.08/06);
- (i) “Comprehensive information disclosure policy of the Fund” (decision B.12/35);
- (j) “Consideration of accreditation proposals” (decisions B.09/07, B.10/06, B.12/30, B.14/09, B.14/10, B.14/11, B.15/09, B.17/13 and B.18/05);
- (k) “Legal and formal arrangements with accredited entities” (decision B.09/08);
- (l) “Accreditation master agreements” (decision B.12/31);
- (m) “Investment framework” (decision B.07/06);
- (n) “Initial results management framework of the Fund” (decisions B.07/04 and B.08/07);
- (o) “Use of other financial instruments” (decision B.08/12);
- (p) “GCF risk management framework” (decision B.17/11);
- (q) “Interim Policy on Prohibited Practices” (decision B.12/31);
- (r) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10);
- (s) “Interim policy on fees for accredited entities” (annex II to decision B.11/10);
- (t) “Policy on fees for accredited entities and delivery partners” (annex VIII to decision B.19/09);
- (u) “Additional modalities that further enhance direct access: Terms of reference for a pilot phase” (decision B.10/04);
- (v) “Private Sector Facility: working with local private entities, including small and medium-sized enterprises” (decision B.09/09);
- (w) “Private Sector Facility: potential approaches to mobilizing funding at scale” (decision B.09/09);
- (x) “Recommendations for further accrediting national, regional and private sector entities (progress report)” (document GCF/B.10/Inf.12);
- (y) “Policy matters related to the approval of funding proposals: Simplified approval process for certain small-scale activities” (decision B.18/06);
- (z) “Initial monitoring and accountability framework for accredited entities” (decision B.11/10);
- (aa) “Strategic plan for the Green Climate Fund” (decision B.12/20);
- (bb) “Strategy on accreditation” (decisions B.13/19 and B.14/08);
- (cc) “Matters related to the accreditation framework and policy gaps: Co-Chairs’ proposal” (decision B.18/04);
- (dd) “Accreditation framework review, including the project specific accreditation approach” (document GCF/B.20/17) and
- (ee) “Strategy to increase funding proposals from direct access entities” (documents GCF/B.20/04 and GCF/B.20/04/Add.01).

## IV. GCF business model and architecture

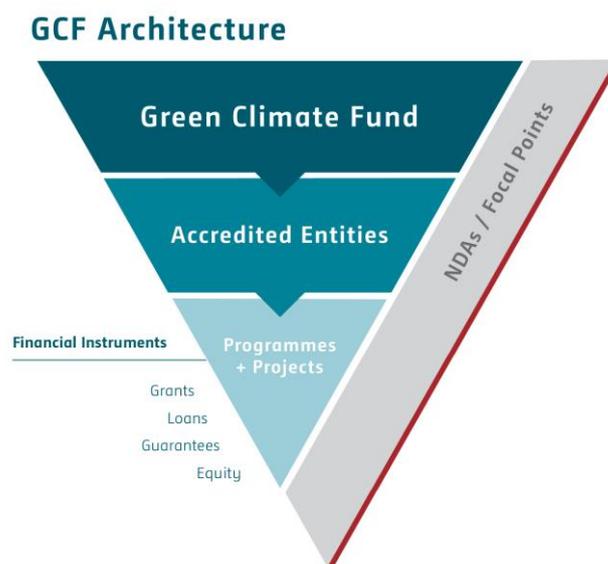
7. As an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, GCF provides support to developing countries and Parties to the UNFCCC and the Paris Agreement to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

8. The Strategic Plan of the GCF states that GCF will support developing countries in the implementation of the ambitious Paris Agreement.<sup>2</sup> The Strategic Plan further states that based on its mandate as defined in the Governing Instrument for the GCF, GCF will support developing countries by promoting a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development. Through country programmes, recipient countries via their national designated authority (NDA) or focal point can indicate country needs and priorities in addressing climate change. As per the Governing Instrument, access to GCF resources will be through national, regional and international implementing entities accredited by the Board.<sup>3</sup> The diversity of accredited entities (AEs) can provide recipient countries with a choice of partners to meet their needs and priorities.

9. In particular, direct access entities (DAEs) are important for promoting country ownership and understanding national priorities and contributions towards low-emission and climate-resilient development pathways. Private sector entities at all levels, particularly those in developing countries, can be important partners in promoting private sector climate action in developing countries. With GCF financing, private sector entities can help in de-risking the delivery of private capital and scaling up private sector investment flows for low carbon and climate resilient development.

10. GCF and its network of partners, particularly AEs, will be responsible for the delivery of financing to developing countries to meet internationally agreed climate goals at scale while also meeting GCF standards and safeguards.

**Figure 1: GCF architecture**



*Abbreviations:* NDAs = national designated authorities.

<sup>2</sup> Annex I to decision B.12/20.

<sup>3</sup> Paragraph 41 of the Governing Instrument.

11. Within the architecture of GCF (refer to figure 1 above):
  - (a) On an operational level, AEs are expected to:
    - (i) Cover the full project and programme cycle in engaging with GCF, starting from engaging with developing countries via the NDA and focal point in order to respond to and align potential projects/programmes with country priorities, strategies, approaches and needs on climate change;
    - (ii) Develop and periodically update an entity work programme to deliver country-owned, high-impact proposals in a strategic manner;
    - (iii) Design projects and develop funding proposals to be considered by GCF for financing; and
    - (iv) Implement, deliver, monitor and report the results of such activities;<sup>4</sup> and
  - (b) On an administrative level, including fiduciary and legal matters, AEs must:
    - (i) Demonstrate institutional capacities to undertake the overall management, implementation and oversight of climate change projects and programmes in line with the GCF fiduciary standards, environmental and social safeguards (ESS) and Gender Policy (accreditation standards);
    - (ii) Provide evidence of institutional systems, policies and procedures in terms of those standards as well as the track record, as appropriate, of implementing such institutional systems, policies and procedures for undertaking the projects and programmes;
    - (iii) Demonstrate a) their capacity to ensure that their downstream executing entities apply the same standards and b) their ability to monitor, report and verify that the relevant GCF standards, safeguards and policies are being upheld; and
    - (iv) Possess independent legal personality and legal capacity to enter into legal agreements with GCF and undertake the relevant obligations on their own behalf, notably the accreditation master agreement (AMA) and any funded activity agreements (FAAs) resulting from approved funding proposals (or project/activity within a programme in the case of financing size category).
12. The accreditation type of the AE, specifically the financing size category, financing modality (e.g. managing projects, awarding grants, on-lending, providing guarantees and/or undertaking equity investments) and environmental and social (E&S) risk category, govern the maximum scope within which the AE can submit a funding proposal for a project/programme.
13. GCF relies on the primary due diligence and the risk assessments performed by AEs.<sup>5</sup> The AEs are responsible for the overall management, implementation and supervision of activities financed by GCF and are expected to administer funds disbursed with the same degree of care as they use in the administration of their own funds. This includes management and oversight of executing entities. Executing entities are entities through which GCF financing is channelled, which use GCF financing for the purposes of a GCF-funded project/programme or a part thereof (such as a specific component), or an entity that executes or carries out all or part of a GCF-funded project/programme. In each case, the executing entity performs its duties

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<sup>4</sup> Annex IV to decision B.17/09, paragraph (n).

<sup>5</sup> Annex XXVII to decision B.12/31.

under the overall guidance, management or supervision of the implementing entity or intermediary (e.g. the AE). An AE may also act as an executing entity.<sup>6</sup>

14. The Secretariat and the independent Technical Advisory Panel conduct second-level due diligence on funding proposals submitted by AEs.<sup>7</sup>

15. GCF and the AE sign an AMA,<sup>8</sup> which contains the overarching terms and conditions codifying the partnership and relationship between GCF and the AEs. For each project/programme approved by the Board, GCF and AE sign an FAA.

16. GCF also seeks to incentivize AEs to transform their overall portfolio beyond assets financed by GCF to contribute to meeting the objectives of GCF, the UNFCCC and the Paris Agreement. To that end, the Board requested the Accreditation Panel (AP), with the support of the Secretariat as necessary, to establish a baseline on the overall portfolio of AEs, including those already accredited at an earlier stage, that allows for an assessment of the extent to which their activities, beyond those funded by GCF, have evolved in this direction during the accreditation period.<sup>9</sup>

## V. Review of the accreditation framework

17. Accreditation of entities is central to the GCF business model. An accreditation process has been developed in accordance with the GCF initial guiding framework for accreditation,<sup>10</sup> and is applied with a fit-for-purpose approach.<sup>11</sup> The general objective of this guiding framework is to enable a coherent integration of the initial fiduciary principles and standards<sup>12</sup> and interim ESS<sup>13</sup> of GCF with its accreditation process as well as with any related GCF operational systems and procedures.

18. The full review by the Secretariat and the independent consulting firm (hereafter “Consultant”) includes a review of the accreditation framework and the process that operationalizes it as well as a review of the broader scope of the partnership between GCF and AEs. As part of the review, the Consultant undertook consultations with the various actors in the accreditation process and stakeholders, including the Board, Secretariat, NDAs/focal points, Accreditation Committee, AP, AEs, applicants and observers. The review covered the full cycle of the process from the nomination of entities by the NDA and focal point through to the implementation of approved projects, including:

- (a) Accreditation application process, including the nomination by the NDA or focal point of DAEs, the issuance of online accreditation system accounts, the Stage I institutional

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<sup>6</sup> Refer to clause 1.01 of the AMA template contained in annex XXVI to decision B.12/31, available at <[https://www.greenclimate.fund/documents/20182/574712/Form\\_05\\_-\\_Accreditation\\_Master\\_Agreement.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506](https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Master_Agreement.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506)>.

<sup>7</sup> In decision B.17/09, paragraph (o), the Board requested the Secretariat to define the nature, scope and extent of second-level due diligence and submit the same to the Board for its consideration no later than April 2018.

<sup>8</sup> Decision B.12/31.

<sup>9</sup> Decision B.12/30, paragraph (d).

<sup>10</sup> Annex I to decision B.07/02 (annex I to document GCF/B.07/11).

<sup>11</sup> Annex I to decision B.08/02 (annex I to document GCF/B.08/45). Paragraphs 2 and 5, state: “The fit-for-purpose accreditation approach recognizes the role of a wide range of entities, which differ in the scope and nature of their activities, as well as their capacities”, and “The accreditation process will take into account the scale of funding that the entity intends to access, its track record in undertaking climate-related projects and activities, as well as the nature of its intended activities. This approach will ensure that the assessment of the applicant entity’s conformity with the fiduciary standards, and relevant capacities related to the Fund’s ESS, in the accreditation process is commensurate with the level of fiduciary and nonfinancial (e.g. environmental and social) risk to which the Fund will be exposed through the activities of implementing entities and intermediaries”.

<sup>12</sup> Annex II to decision B.07/02.

<sup>13</sup> Annex III to decision B.07/02.

- assessment and completeness check by the Secretariat, the Stage II (Step 1) review by the AP, Stage II (Step 2) consideration of accreditation by the Board, Stage III legal arrangements between GCF and AEs, and addressing accreditation-related conditions;
- (b) Efficiency and effectiveness of the accreditation process, including cost, time and resources;
  - (c) Portfolio of AEs, including the countries, sectors and results areas the AEs intend to cover using GCF resources, which may provide options that developing countries could access simultaneously;
  - (d) Programming, including for AEs that have prepared an entity work programme,<sup>14</sup> AEs that have approved projects and programmes, AEs that have submitted concept notes or funding proposals, and AEs that have addressed project-related conditions; and
  - (e) Portfolio implementation, including the implementation of approved projects and programmes, disbursement, and monitoring, reporting and evaluation.
19. The review is contained in annex IV to this document.

## VI. Improving the accreditation framework to meet the objectives of GCF

20. The current accreditation process provides a rigorous assessment of an entity's overall capabilities and processes as they relate to the GCF fiduciary principles and standards, ESS and Gender Policy. An entity must also demonstrate a track record of its capabilities, processes and policies as well as its ability to comply with GCF prohibited practices and transparency, anti-fraud policies, etc. However, accreditation does not guarantee alignment between the AE and GCF for any specific project or programme.

21. Given the role and level of responsibility of an AE, the accreditation process – even with a fit-for-purpose approach – is time-consuming and detailed. NDAs have complained about the length of time it takes for an organization to move through the process and the lack of clarity as to what type of entity should be put forward. While the fit-for-purpose approach has allowed for a level of tailoring of the various GCF standards to the nature and, broadly, the types of activities the entity could undertake with GCF, there is still a level of divergence between the business models of certain types of organizations and the role of a GCF AE.

22. As detailed in annex IV, the overall conclusion from the accreditation review conducted by the Consultant is that:

- (a) While the accreditation framework is designed appropriately in terms of facilitating a portfolio that can meet the objectives of GCF, it is not operating optimally. The current portfolio of entities is imbalanced and particularly unrepresentative of direct access and private sector entities, and it has a suboptimal geographical distribution. The range of financial instruments offered by AEs is skewed towards more “traditional” developmental financing pathways (grants) and international access AEs dominate the entities accredited for other financial instruments (loans, equity and guarantees) as well

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<sup>14</sup> One of the operational priorities of the initial Strategic Plan for the GCF, endorsed by the Board at its twelfth meeting, is ensuring that GCF is responsive to developing countries' needs and priorities, including by enhancing country-led programming. As part of the action plan of the initial Strategic Plan, specific measures were identified to promote the implementation of the operational priorities, including the development of country programmes and entity work programmes. An entity work programme brief provides an overview of the areas of work of an AE, and its priority sectors and experience in implementing projects and programmes across the eight strategic impact areas of GCF. It summarizes potential projects that the AE is likely to submit to GCF for consideration and outlines an action plan for engagement with GCF. For direct access AEs, it also addresses short- and long-term initiatives to build their institutional and project implementation capacity.

- as those accredited for larger project/programme activity sizes. Although the Board's decision to prioritize entities in the accreditation process has helped to address imbalances in the AE portfolio, the current portfolio does not seem to be as transformative as GCF stakeholders would like;
- (b) The accreditation and funding proposal processes have not resulted in a project portfolio that is in line with the objectives of GCF, either in terms of overall size or by some of the key metrics by which GCF is measuring its performance – country ownership, private sector involvement and supporting the needs of developing countries, particularly least developed countries, small island developing States and African countries;
  - (c) There is a general consensus among those surveyed that the standards applied by GCF in the accreditation framework, and their alignment with international best practices, are entirely appropriate. There is little appetite from any stakeholders for changing the detail or principle of the chosen requirements, the stringent nature of which can be justified by positive feedback from entities that have undergone the accreditation process – particularly DAEs, as well as some private sector and international access entities – and, through it, seen institutional change for the better;
  - (d) The accreditation and funding proposal processes are considered, among the majority of stakeholders, to take much longer than they should. Fast-track accreditation is broadly effective – it seems to reduce the overall time spent in the accreditation process – although it is not without issues, namely surrounding the need to ensure full alignment of alternative standards with the GCF requirements and to guarantee access to findings or limitations on accreditation via one of the fast-tracked routes. There is appetite for the extension of the fast-track modality as the current possibilities for fast-tracking are limited in scope and are not necessarily appropriate for key target populations of entities (e.g. direct access and private sector entities); and
  - (e) The skills and expertise of the Secretariat and AP were widely endorsed, but their capacity was criticized as levels of responsiveness appear to have been adversely impacted by a shortage of resources. There is evidence of duplication, both within the accreditation process, where the Secretariat and AP are carrying out similar tasks, and between the accreditation and funding proposal processes, where the same processes are checked in the context of the institutional and project levels.
23. This section details a series of recommendations to improve the accreditation framework, and potential expansion to new modalities for entities to engage with GCF, including the PSAA, which has been revised following inputs from the Board at B.19 and stakeholder consultations.

## 6.1 Strategies, targets and identification of entities

24. While conducting interviews, the Consultant noted a lack of consensus on whether there should be a cap on the number of entities that are accredited by GCF, and on whether there should be quotas applied for different types of entities. In response, the Consultant recommended enhancing understanding on the role of an AE (as compared to an executing entity, readiness delivery partner or another role), developing an accreditation strategy reflecting the prioritization required for GCF to fulfil its mandate, and supporting countries in developing their strategies on accreditation by linking accreditation nominations of DAEs to country programming.
25. To address these recommendations the Secretariat will:

- (a) Improve the guidelines on accreditation to further clarify the roles and responsibilities of an AE throughout the period of accreditation and the project lifecycle (**recommendation 1**); and
  - (b) Improve the guidelines on country programmes and readiness support to further assist countries in identifying and nominating the most relevant entities and those that are capable of advancing their programming priorities to meet GCF policies, standards and other requirements (**recommendation 2**).
26. Furthermore, to achieve balance and diversity in the portfolio of national entities accredited with GCF, the Board may wish to:
- (a) Encourage NDAs to nominate entities that would be best suited to undertake their country climate change programming priorities in addition to fulfilling the roles and responsibilities of an AE (**recommendation 3**); and
  - (b) Prioritize in the accreditation process national entities nominated by NDAs that do not yet have a DAE (**recommendation 4**). This will help to address an imbalance where many countries have yet to nominate a single entity while others have nominated more than one, including some that have nominated seven or eight entities.

## 6.2 Operational scope, size and legal capacities

27. By decision B.09/07, paragraph (c), the Board requested the Secretariat “to inform the national designated authorities and focal points whenever an entity is accredited for operation in their country, and encourages the accredited entities to make contact with the national designated authority or focal point when they intend to operate outside the country(countries) that nominated them”. It is unclear whether the decision covers direct access national entities, direct access regional entities or both. For direct access national entities intending to work outside of the country of operations considered at the time of accreditation, further consideration must also be given to the terms of their mandate and jurisdiction, applicability and transferability of their institutional systems, their track record and other operational factors in such new jurisdictions.

28. **Recommendation 5:** the applicability of paragraphs 45, 47 and 48 of the Governing Instrument regarding entities that may be accredited may be understood as follows:

- (a) DAEs are entities registered in a developing country that will implement projects in developing countries only, including the country where they are registered;
- (b) International access entities include all other entities; and
- (c) Private sector entities, as they may be defined per the laws, regulations and rules of the relevant country in which the organization is registered, may apply to become accredited through the direct access or international access entities, taking into account paragraphs (a) and (b) above.

### 6.2.1 Legal status of the entity applying for accreditation and which entity engages with GCF

29. Paragraph 30(a) of the accreditation framework<sup>15</sup> indicates that the Stage I review of an applicant shall include a review of the legal status of the entity, specifically, that the entity has the full legal capacity within the relevant jurisdiction that enables it to undertake the intended activities to be funded by GCF and to become an AE of GCF (e.g. enter into a legal agreement in the form of the AMA). Given that the accreditation process entails the review of the applicant entity itself (e.g. its systems, policies, procedures and track record), this review of legal status

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<sup>15</sup> Annex I to decision B.07/02.

poses particular challenges to how GCF engages with entities for which their relevant systems and policies are broader than the entity itself, or when there are multiple legal entities associated or affiliated with the applicant entity.

30. This has particularly been the case for public sector entities where the applicant is a ministry or governmental entity, and this challenge may also arise with respect to private sector entities that are part of a corporate group or are affiliates of other entities. In cases where the applicant does not have a separate legal personality, the inclusion of provisions in the legal agreements is necessary to expressly acknowledge such status and to identify who is the underlying legal entity with whom GCF is entering into such contractual relationship (e.g. a government or a parent company). An inclusion of provisions is also necessary to address situations where such an underlying legal entity decides to change, or transfer the functions of, the entity that acts on its behalf to discharge its obligations, and exercise its rights, under such relevant legal agreements.

31. In cases where a country nominates more than one governmental entity (each without separate legal personality from the government or the sovereign), such applications should be reviewed subject to the relevant AMAs being substantially consistent. This will avoid having diverse requirements or different obligations between GCF and the underlying legal entity (i.e. the country) depending on which governmental entity is discharging the obligations on behalf of the legal AE. It will also prevent the country and other stakeholders channelling funding requests through the governmental entity, which is perceived to have less burdensome requirements with GCF, as this would be contrary to the purpose of allowing multiple DAEs from the same country. Similarly, the legal agreement (e.g. AMA) between GCF and the government or sovereign in respect of such entities should be substantially consistent across each of them in order to maintain the same terms of the agreement between GCF and the country that will discharge its roles and responsibilities as an AE through each of such applicants (**recommendation 6**).

32. Private sector entities, non-profit organizations and other types of organizations with affiliates or that are part of corporate groups often query whether the organization at the group or global level, in addition to subsidiaries, affiliates, country offices, and branches, among others, should seek accreditation. In that regard, the entity seeking accreditation should have separate legal personality and have sufficient autonomy and a track record within the organization to implement activities. In cases of multiple applicants that are part of the same organization, the entity within the organization that is best suited to undertake the role and responsibilities of the AE and has the relevant institutional presence and networks itself to bring forward projects/programmes that meet the objectives and mandate of GCF should seek accreditation and enter into the legal agreements with GCF (**recommendation 7**). Entities without separate legal personality (such as branches or country offices) should be included in the application made by the relevant entity with legal personality. Subsidiaries, affiliates and other entities that have separate legal personality, but which are part of the same corporate or organizational group as the entity that is seeking accreditation, may be included in such an accreditation application and assessed at the same time as such an entity. Notwithstanding the foregoing, subsidiaries, affiliates, country offices, and branches, among others, that are not accredited in their own right may still participate as an executing entity in the project/programme proposed by the entity within the organization that is the AE.

#### 6.2.2 Accreditation scope

33. Once accredited, AEs may submit funding proposals that fall within their accreditation scope (e.g. size category, fiduciary functions and environmental and social risk category) for consideration by GCF. For example, an AE accredited for the specialized fiduciary criteria for project management and not accredited for the specialized fiduciary criteria for on-lending and/or blending (for loans) may seek GCF financing to manage a project/programme, but it may

not on-lend GCF financing to executing entities or beneficiaries as it has not been accredited to do so.

34. Regarding the financing size category, annex I to decision B.08/02 defines four categories: Micro, Small, Medium and Large. These categories are defined as the “maximum total projected costs, irrespective of the portion that is funded by the GCF, of [varying thresholds in United States Dollars] for an individual project or an activity within a programme”. In addition, GCF is able to work with AEs through a number of financial instruments, particularly grants, reimbursable grants, loans, equity and guarantees. In the accreditation process, entities are assessed in terms of their capacities to undertake projects and programmes. The relationship between the financing size as defined in decision B.08/02 and the different financial instruments requires further clarification, particularly in the context of “activities within a programme” and in the context of the financial instrument (e.g. equity). For example, while the individual activities within a programme may themselves fall under the Micro category and the AE has been accredited for the Micro category, the overall size of the programme comprising of the activities may in total be larger than that category. Additionally, the term “programme” is understood to refer to “investment”, particularly in the case of AEs accredited for the GCF specialized fiduciary standard for on-lending and/or blending to undertake equity investments. The definition of the financing size category limits for “projects” as contained in paragraphs 12(a–d) of annex I to decision B.08/02 should also apply to “programmes” instead of “activities within a programme”, as presented in funding proposals (**recommendation 8**).

### 6.3 Accreditation process

35. The Consultant’s findings have reaffirmed concerns that stakeholders find the accreditation process cumbersome and time-consuming even if it is also rewarding in helping them truly introspect and improve as institutions. The actual time spent reviewing applications in both Stages I and II is significantly lower than the total amount taken. The Consultant also indicated that there is duplication both within the accreditation process and between the accreditation and funding proposal processes. They also found that the standards applied during accreditation are seen to be fairly robust. Thus, the recommendations focus on developing a model that streamlines the process while maintaining the standards against which entities are assessed. Such a streamlined process proposed by the Consultant entails the following:

- (a) Combining aspects of the reviews related to standards under Stage I (completeness check) and Stage II (Step 1) (assessment against GCF accreditation standards) into one step for technical review under the oversight of the AP;
- (b) Utilizing a panel of external service providers to assess applicants against the GCF accreditation standards, following which the AP reviews such assessments prior to making its recommendations to the Board; and
- (c) Requiring applicants to directly tender one of the empanelled service providers to assess them, including through site visits, to enable more efficient assessments.

36. The Consultant estimates that the length of the process, including an on-site visit could range from two to four weeks for two full-time equivalents depending on the size of the entity and the standards being assessed. In this model, the AP provides independent oversight, ensuring the quality and consistency of the reviews conducted by the external service providers rather than undertaking the assessments themselves thus significantly reducing the time it spends on each applicant. The cost to entities of hiring one of the empanelled firms would be comparable to the high range of the accreditation fees currently charged by GCF,<sup>16</sup> and GCF

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<sup>16</sup> Annex VI to decision B.08/04.

would need to consider partially covering the costs for applicants that would typically fall in the lower range of fees and may not be able to cover the full costs of hiring an empanelled firm. Moreover, the empanelled firms could provide services to entities in their language thus addressing a significant source of frustration for entities who primarily work in languages other than English (the working language of GCF).

37. Following feedback from the Board, the proposal below contains elements of the Consultant's proposal. In this proposed model, the role of the Secretariat in would be to oversee and manage the entire process, manage relations with all applicants and associated knowledge on each applicant, and ensure quality at entry into the accreditation pipeline by assessing in Stage I the following:

- (a) Alignment of the applicant to the mandate and objectives of GCF;
- (b) Legal capacity of the applicant to enter into agreements with GCF, including its in-principle acceptance of the general terms and conditions of GCF as stipulated in the template AMA;
- (c) Viability of the pipeline of projects/programmes that the applicant intends to submit to GCF; and
- (d) Institutional presence, relevant networks and relevant experience related to GCF objectives and results areas.

38. The Accreditation Panel, during Stage II (Step 1) would conduct the review of the applicant against the GCF fiduciary standards, ESS and gender policy, including both a completeness check to ensure relevant policies and procedures, as well as track record of implementing such policies and procedures have been provided as a part of the applicant, and determine whether – on the basis of policies, procedures and track record provided – the applicant meets the aforementioned GCF standards. This consolidation of technical reviews related to standards under Stage II (Step 1) only – as opposed to the current approach of being split between the Stage I and Stage II (Step 1) – is proposed in the draft decision. In doing so, it is expected that accreditation review process would become more efficient and effective by reducing the duplication of reviews and the overall review timeframe.

39. The Consultant had proposed that applicants themselves be responsible for procuring an external service provider from the pre-selected panel to review their accreditation application rather than the GCF (Secretariat and AP). Following feedback from the Board regarding this proposal, the current approach to payment of fees for accreditation applications in line with the GCF Policy on Fees for Accreditation<sup>17</sup> and the procured by the Secretariat of firms to support accreditation application reviews would be maintained.

40. The Secretariat currently employs external consulting firms to support Stage I reviews. Based on the Consultant's proposal, the use of external consultants to also cover Stage II (Step 1) reviews is proposed in the draft decision. This will require additional management capacity by the AP and Secretariat, as well as resources to procure a roster of competent external consultants or consultancy firms to conduct the Stage II (Step 1) reviews under a new, consolidated approach pertaining to GCF standards. The AP would provide guidance and oversight to this roster of consultants and/or firms, and conduct quality assurance. Based on resources used in past years, the amount expected for 2019 for implementing a roster of firms for Stage II (Step 1) accreditation reviews is USD 700,000.

41. The Secretariat will strengthen its guidance and readiness assistance to NDAs to enable them to only nominate those entities most relevant to advancing their programming priorities with GCF and most capable of meeting GCF standards. Furthermore, the Secretariat's

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<sup>17</sup> Decision B.08/04.

assessment will ensure that only those entities that enter the accreditation pipeline will go on to hire an empanelled firm to assess them.

## 6.4 Annual self-assessments, midterm reviews and re-accreditation

42. The GCF monitoring and accountability framework<sup>18</sup> sets out the various monitoring and accountability requirements for AEs at the institutional and project levels. At the institutional level, AEs are required to conduct an annual self-assessment of their continued compliance with GCF accreditation requirements and undergo a midterm accreditation review. AEs are accredited for a period of five years, and they would need to seek re-accreditation to continue being an AE of GCF.

43. Following the first accreditation of entities at the ninth meeting of the Board in March 2015 and the adoption of the monitoring and accountability framework, referenced in the AMAs with AEs, the Secretariat received annual self-assessments from relevant AEs for the calendar year 2017 and will be entering into the midterm review for relevant entities later in 2018. As the self-assessments and midterm reviews are starting, these items have not been covered in the review of the accreditation framework. However, information on the annual self-assessments is contained in document GCF/B.21/XX titled “Consideration of accreditation proposals” (under preparation).

44. Given that self-assessments, midterm reviews and re-accreditation would require an understanding of the entity’s institutional capacities at the time of the original accreditation, and at the various review and re-accreditation time frames, it will be important to ensure that the information required to adequately conduct such reviews is available to the Secretariat and the AP. In addition, such information supports the negotiations of various agreements (e.g. AMA and FAA) between GCF and the AEs as well as ongoing knowledge management to inform the GCF-AE partnership.

45. The re-accreditation process is currently being developed by the Secretariat and AP and will be based on the accreditation framework and accreditation standards (e.g. fiduciary standards, ESS and the Gender Policy) as well as the baseline of the overall portfolio of the AEs that allows for an assessment of the extent to which their activities (beyond those projects/programmes funded by GCF) have evolved during the accreditation period.<sup>19</sup> In light of the findings from the Consultant regarding the pipeline and portfolio of projects/programmes, noting that some AEs have not yet submitted concept notes or funding proposals, the Board may wish to consider whether to put in place minimum requirements regarding quality projects/programmes, such as the approval of at least one funding proposal submitted by AEs for GCF financing or approval of a Project Preparation Facility proposal by AEs.

## 6.5 Expanding to new accreditation modalities

46. Currently, the accreditation framework – as a means to an end of delivering on GCF objectives – and fit-for-purpose approach is in place to assess whether an entity has the institution-wide systems, policies and procedures in place to safeguard projects/programmes from fiduciary, environmental, social and gender-related risks and impacts as well as a track record of implementing such systems. Current processes seek to balance the need to uphold all standards while providing the flexibility of a fit-for-purpose approach.

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<sup>18</sup> Annex I to decision B.11/10.

<sup>19</sup> Decision B.12/30, paragraph (d).

47. In “Further development of the accreditation framework” (document GCF/B.19/28), presented at B.19, the Secretariat introduced potential new ways for entities to engage with GCF: accreditation with associated partners, and PSAA.

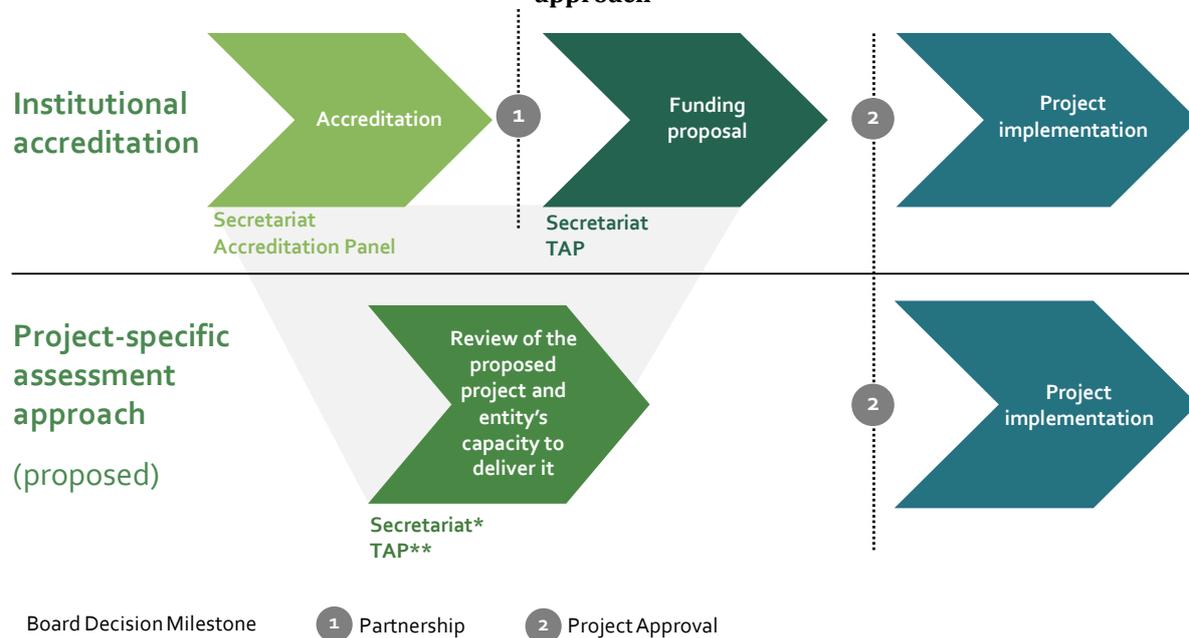
48. In the review of the accreditation framework conducted by the Consultant, the Consultant identified two options for alternative modalities: direct management and PSAA. In direct management, the Secretariat, possibly via an on-the-ground network, would have a much closer involvement in the implementation of projects, either on a project-by-project basis or by providing cross-cutting services, such as procurement. The Consultant found that such an approach would reduce the exposure of GCF to many of the risks associated with project delivery, but it would also have significant resource implications. The Consultant also recognized that such a role was not foreseen for GCF at its establishment and is not aligned with the country-owned and country-driven approach. The Consultant further noted, through surveys it conducted, that the majority of NDAs and Board members that responded did not support direct management as a viable option for alternative modalities for GCF. The Consultant noted that the majority of NDAs and Board members who responded to the survey were supportive of the PSAA. Considerations of both alternative approaches by the Consultant are further detailed in annex IV of this document.

#### 6.5.1 **Project-specific assessment approach**

49. The general objective of the PSAA is to streamline the assessment processes for accreditation and second-level due diligence (of funding proposals) into a single assessment. Such an approach would enable a coherent integration of the GCF fiduciary principles and standards, ESS and Gender Policy, related operational systems and procedures, and other operational policies and procedures into a single streamlined assessment process. Thus, the PSAA differs from two-step assessments currently practiced through the accreditation and proposal approval processes (refer to figure 2 below).

50. The PSAA would simultaneously assess an organization’s ability to implement or undertake the proposed project/programme as well as the proposed project/programme itself. This would broaden access to GCF for organizations for which the existing accreditation process imposes significant transaction costs not justified if their intention is to bring only a single project forward.

**Figure 2: Overview of the accreditation framework and the proposed project-specific assessment approach**



\* The Secretariat will augment its capacity by using external experts, third party organizations and/or service providers to support it in undertaking such assessments on its behalf.

\*\* Independent technical advisory panel (TAP) review focuses on the funding proposal, in line with its terms of reference per decision B.09/10, paragraph (a).

51. In decision B.19/13, the Board requested the Secretariat to further develop the PSAA contained in annex II of document GCF/B.19/28, taking into account the views of Board members and the outcomes of the full review of the accreditation framework, for the Board's consideration. The PSAA has been revised and is presented in annex III to this document. Changes in this document as compared to the proposal presented at B.19 include:

- (a) Scope of applicability: clarifications have been added regarding the PSAA application to funding proposals under the SAP adopted in decision B.18/06 and RFPs for enhancing direct access adopted in decision B.10/04. Additionally, the PSAA would especially target DAEs and projects in the Micro to Small categories; the scheme to support micro, small and medium-sized enterprises adopted in decision B.10/11; and the programme to mobilize funds at scale adopted in decision B.16/03;
- (b) Number of proposals per entity: taking into account the comments of Board members at B.19, the maximum number of proposals per entity has been amended from three to one;
- (c) Contribution to the objectives and mandate of GCF: as per decision B.10/06, paragraph (j), to advance the goal of GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, entities with funding proposals approved within the scope of PSAA would be required to report at least once every five years to the Board through the Secretariat the extent to which the entity's overall portfolio of activities beyond those funded by GCF has evolved in this direction during the implementation period of the approved project;
- (d) Applicability of standards and assessment approach: an entity's capacity would be assessed against the GCF fiduciary standards, ESS and Gender Policy in the context of their ability to undertake the proposed project/programme. Additionally, an indicative list of items that may be reviewed as a part of the assessment has been added;
- (e) Reputational risk: entities under PSAA would be assessed for potential reputational risks to GCF;

- (f) Reporting on PSAA projects/programmes: project-level monitoring and reporting requirements in line with the initial monitoring and accountability framework for AEs would apply to entities with PSAA projects/programmes; and
  - (g) Review of the pilot: a review has been added to take place after the initial three years of operationalizing PSAA.
52. To operationalize PSAA, the Secretariat, in augmenting its capacity through third parties, will require resources to procure individual consultants or firms to cover the costs of assessments of funding proposals under PSAA and make the necessary legal arrangements. The amount expected for 2019 for implementing PSAA with the support of consultants is USD 600,000.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.21/08 titled “Accreditation framework review”:

- (a) *Takes note* of the report on the review of the accreditation framework in annex IV;

### Improving current accreditation modalities

- (b) *Encourages* national designated authorities to nominate entities that would be best suited to undertake their country’s climate change programming priorities and that fit the roles and responsibilities of an accredited entity;
- (c) *Decides* that, with reference to paragraphs 45, 47 and 48 of the Governing Instrument for GCF, entities that may be accredited to GCF would include:
- (i) Direct access entities: entities registered in a developing country that will implement projects in developing countries only, including the country where they are registered;
  - (ii) International access entities: all other entities not referred to in paragraph (d)(i) above; and
  - (iii) Private sector entities: entities included either in paragraphs (d)(i) or (d)(ii) above defined as private sector per the laws, regulations and rules of the relevant country in which the entity seeking accreditation is legally registered;
- (d) *Also decides*, without prejudice to approved funding proposals, that paragraphs 12(a–d) of annex I to decision B.08/02 shall be amended as follows:
- (a) Micro (maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of up to and including USD 10 million for an individual project or programme);
  - (b) Small (maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 10 million and up to and including USD 50 million for an individual project or programme);
  - (c) Medium (maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 50 million and up to and including USD 250 million for an individual project or programme); and
  - (d) Large (total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 250 million for an individual project or programme);
- (e) *Further decides* to streamline the accreditation process in order to accelerate the review and consideration of entities applying for accreditation;
- (f) *Decides*, pursuant to paragraph (e) above, and in line with paragraph 18 of the terms of reference of the Accreditation Panel, that the actual review of entities in Stage II (Step 1) shall be undertaken by competent external consultants or consultancy firms, with guidance and oversight from and quality assurance by the Accreditation Panel;
- (g) *Requests* the Accreditation Panel, with the support of the Secretariat, to establish a roster of competent external consultants or consultancy firms in accordance with the Administrative Guidelines on Procurement;
- (h) *Approves*, pursuant to paragraphs (f) and (g) above, a budget of up to USD 700,000 under the administrative budget of the GCF Board for 2019 for the use of such external consultants or consultancy firms;

- (i) Requests the Accreditation Panel, in consultation with the Secretariat, to update the draft working modalities of the Accreditation Panel set out in annex [#] to document GCF/B.21/Inf.XX titled “Reports from committees, panels and groups” to reflect the use of external consultants or consultancy firms in the context of reviews of entities in Stage II (Step I), with a view to presenting such working modalities to the Board for its consideration at its twenty-second meeting;
- (j) Also requests the Secretariat to implement the recommendations identified in annex II;

### **Complementary accreditation modality to meet specific needs**

- (k) Decides to implement, on a pilot basis, a project-specific assessment approach that combines assessments undertaken during the existing accreditation and proposal approval processes in a fit-for-purpose manner, in accordance with the parameters set out in annex III, especially for direct access entities and projects in the Micro to Small categories, in order to broaden modalities of access to GCF resources for any funding proposal submitted under the Simplified Approvals Process Pilot Scheme per decision B.18/06 and the following requests for proposal approved by the Board:
  - (i) A pilot phase for enhancing direct access in decision B.10/04;
  - (ii) A pilot scheme to support micro, small, and medium-sized enterprises, in decision B.10/11; and
  - (iii) A pilot programme to mobilize funds at scale in decision B.16/03;
- (l) Also decides that information on how the entity will contribute to the mandate of GCF and any information considered material, particularly information with potential reputational risks to GCF, shall be provided in the Secretariat’s assessment as contained in paragraph (k) above;
- (m) Further decides that entities with funding proposals approved within the scope of the project-specific assessment approach set out in paragraph (k) above shall be deemed accredited for the purposes of such approved funding proposal only;
- (n) Recalling decision B.10/06, paragraph (j), to advance the goal of GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, decides that entities with funding proposals approved within the scope of the project-specific assessment approach set out in paragraph (k) above shall report every year to the Board through the Secretariat the extent to which the entity’s overall portfolio of activities beyond those funded by GCF has evolved in this direction during the implementation period of the approved project;
- (o) Requests the Secretariat to operationalize the approach referred to in paragraph (k) above, with the objective of submitting funding proposals that are within the scope of the project-specific assessment approach for the Board’s consideration as early as possible;
- (p) Approves, pursuant to paragraph (o) above, a budget of up to USD 600,000 under the administrative budget of the GCF Secretariat for 2019 to cover the costs of the assessments of funding proposals submitted under the project-specific assessment approach and their related legal arrangements;
- (q) Requests the Secretariat to report to the Board on an annual basis on the operationalization and implementation of the approach referred to in paragraph (k) above;

- (r) *Decides* that the pilot project-specific assessment approach detailed in paragraph (k) above shall be reviewed, with the review commencing no earlier than three years from its operationalization; and
- (s) *Also decides* that the Project Preparation Facility will support project and programme preparation requests from entities referred to in the project-specific assessment approach detailed in paragraph (k) above in addition to those entities already identified in decision B.13/21, paragraph (b), and the provisions of decision B.13/21 shall apply mutatis mutandis to such entities.

## **Annex II: Recommendations for improving the accreditation framework to meet the objectives of GCF**

1. Improve the guidelines on accreditation to further clarify the roles and responsibilities of an accredited entity (AE) throughout the period of accreditation and the project lifecycle.
2. Improve the guidelines on country programmes and readiness support to further assist countries in identifying and nominating the most relevant entities and those that are capable of advancing their programming priorities to align with GCF policies, standards and other requirements.
3. In cases where there is more than one applicant that is a part of the government system that is nominated and seeking accreditation, and where such applicants do not possess separate legal personalities from the government or the sovereign, the legal agreement (e.g. accreditation master agreement) between GCF and the government or sovereign in respect of such entities should be substantially consistent across each of them in order to maintain the same terms of the agreement between GCF and the country that will discharge its roles and responsibilities as an AE through each of such applicants.
4. In cases of multiple applicants that are part of the same organization, the entity within the organization that is best suited to undertake the role and responsibilities of the AE and that has the relevant institutional presence and relevant networks itself to bring forward projects/programmes that meet the objectives and mandate of GCF should seek accreditation and enter into legal agreements with GCF. Entities without separate legal personality (such as branches or country offices) should be included in the application made by the relevant entity with legal personality. Subsidiaries, affiliates, and other entities that have separate legal personality, but which are part of the same corporate or organizational group as the entity that is seeking accreditation, may be included in such an accreditation application and assessed at the same time as such an entity. Notwithstanding the foregoing, subsidiaries, affiliates, country offices, and branches, among others, that are not accredited in their own right may still participate as an executing entity in the project/programme proposed by the entity within the organization that is the AE.

## Annex III: Pilot framework for the GCF project-specific assessment approach

### I. General objective

1. The general objective of this pilot framework is to enable a coherent integration of the GCF fiduciary principles and standards, environmental and social safeguards (ESS) and Gender Policy with the GCF project-specific assessment approach (PSAA) as an accreditation approach, and its related operational systems and procedures, including the organizational structure and governance system dedicated to supporting it.
2. The “Initial guiding framework for the GCF’s accreditation process” in annex I to decision B.07/02 focuses on assessing an organization’s institutional systems, policies and procedures in place that meet the GCF standards for accreditation related to fiduciary, ESS and gender requirements, and the track record in applying such systems, policies and procedures, resulting in an accreditation type comprised of (a) a maximum project or programme activity size category, (b) fiduciary functions and (c) a maximum environmental and social (E&S) risk level within which an accredited entity (AE) can undertake projects/programmes with GCF funding.
3. The PSAA accreditation approach is consistent with the initial guiding framework for the GCF accreditation process. However, it focuses on the organization’s ability to implement the proposed project/programme presented to GCF rather than a hypothetical set of projects/programmes that the entity may bring forward in the future. In doing so, this pilot framework aims to provide a more fit-for-purpose approach to accreditation in relation to the intended programming. Additionally, it aims to broaden access to GCF for entities for whom the institution-wide approach in accreditation does not as readily respond to the nature and number of projects they intend to develop with GCF support, and the higher transaction costs associated with the process.
4. Unless otherwise specifically modified herein, all other relevant GCF policies apply as usual to the pilot framework.

### II. Applicability

5. PSAA applies to any funding proposal submitted under the Simplified Approvals Process Pilot Scheme (SAP)<sup>1</sup> and the following requests for proposal (RFPs) approved by the Board:
  - (a) A pilot phase for enhancing direct access;<sup>2</sup>
  - (b) A pilot scheme to support micro, small, and medium-sized enterprises;<sup>3</sup> and
  - (c) A pilot programme to mobilize funds at scale.<sup>4</sup>
6. Entities submitting such funding proposals may include entities not yet accredited to GCF as well as AEs that submit or have submitted funding proposals in relation to the pilot programmes referred to in paragraph 5 above that go beyond their existing approved accreditation scope.
7. Each entity will be capped at a maximum of one approved funding proposal under this pilot approach.

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<sup>1</sup> Decision B.18/06.

<sup>2</sup> Decision B.10/04.

<sup>3</sup> Decision B.10/11.

<sup>4</sup> Decision B.16/03.

8. The Secretariat shall take appropriate measures to encourage and provide support to direct access entities to submit projects or programmes under this approach.

### III. Standards

9. The following GCF standards apply to PSAA, which will form part of the review of the proposed project/programme. The focus of the assessment will be on the entity's ability to meet GCF standards in implementing the proposed project/programme – not on the institution-wide systems, policies and procedures or general track record as is assessed in accreditation.<sup>5</sup> The entity will be assessed against these standards in a manner that is fit-for-purpose in the context of the proposed project/programme:

- (a) GCF initial fiduciary principles and standards;<sup>6</sup>
- (b) GCF interim ESS;<sup>7</sup> and
- (c) GCF Gender Policy.<sup>8</sup>

10. GCF policies and standards that apply to the project cycle, which include but are not limited to the investment framework, risk management framework, results management framework, Environmental and Social Policy, Indigenous Peoples Policy, Information Disclosure Policy, Policy on Prohibited Practices, and monitoring and accountability framework, among others, will be applied as usual to the proposed project/programme and the project cycle for consideration of the funding proposal.

### IV. Project-specific assessment approach process

#### 4.1 Process

11. An entity may submit a concept note under the SAP or the RFPs referred to in paragraph 5 above.

12. In accordance with paragraph 47 of the Governing Instrument of the GCF and the initial no-objection procedure per decision B.08/10, a nomination (applicable to direct access entities) and no-objection letter (for the proposed project) from the national designated authority (NDA) or focal point is required for all funding proposals for a project/programme submitted in this pilot. In order for the entity to be considered for PSAA under SAP or the RFPs, on receipt of a concept note submission from the entity, the Secretariat will seek confirmation from the NDA or focal point that the concept note fits under national priorities and country ownership, in line with decision B.17/09, paragraph (f).

13. After the Secretariat has reviewed the concept note submitted and determined it satisfactory to be developed into a funding proposal, the entity should submit an application to facilitate the assessment of the entity either prior to or in parallel with the development of the funding proposal.

14. The Secretariat will undertake a project-specific assessment of the entity and, together with the review of the funding proposal itself, include its assessment of the entity as part of the Secretariat's assessment of the funding proposal (refer to figure 3 below).

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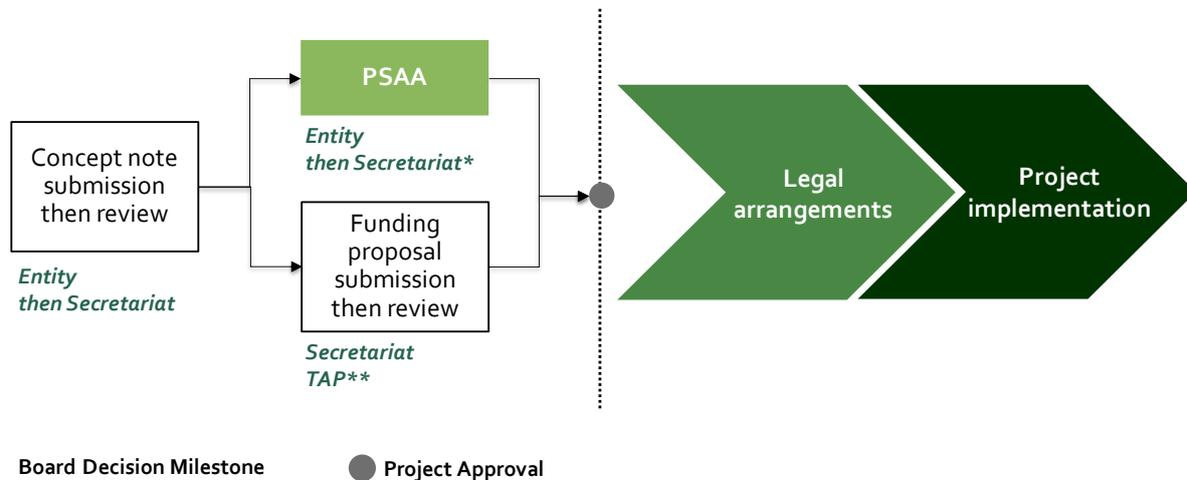
<sup>5</sup> Decision B.07/02, paragraph (a) and annex I to the decision.

<sup>6</sup> Decision B.07/02, paragraph (b) and annex II to the decision.

<sup>7</sup> Decision B.09/11, paragraph (a) and annex XIII to the decision.

<sup>8</sup> Decision B.07/02, paragraph (b) and annex II to the decision.

**Figure 3: Process for the pilot framework for the project-specific assessment approach**



\* The Secretariat will augment its capacity by using external experts, third party organizations and/or service providers to support it in undertaking such assessments on its behalf.

\*\* Independent technical advisory panel (TAP) review focuses on the funding proposal, in line with its terms of reference per decision B.09/10, paragraph (a).

*Abbreviations:* TAP = independent technical advisory panel, PSAA = project-specific assessment approach.

15. The PSAA process will be based on two main stages:
  - (a) Stage I: project-specific assessment of the entity and consideration of the funding proposal; and
  - (b) Stage II: final arrangements.
16. The purpose of Stage I is twofold:
  - (a) To determine whether the entity submitting a funding proposal has appropriate legal status and sufficient institutional capabilities to implement the proposed project/programme in a manner that meets the GCF fiduciary, environmental, social and gender standards (institutional assessment in section 4.2 of this framework); and
  - (b) To assess the funding proposal submitted by the entity, following the established procedure for the SAP or the standard proposal approval process, as applicable.
17. Unless stated otherwise in this annex, the Secretariat will undertake an assessment of the proposed project/programme and the entity submitting the funding proposal in a manner consistent with all relevant GCF policies, and will also build on assessments previously undertaken by GCF, where applicable.
18. The Secretariat will augment its capacity by using external experts, third-party organizations and/or service providers to support it in undertaking such assessments on its behalf.
19. The results of the assessment along with the funding proposal and assessment will be presented to the Board for a funding decision.
20. The Board's consideration of whether to work with an entity for the proposed project will be taken into account as part of its consideration of the funding proposal.
21. Stage II will conclude the process through the validation and finalization of formal arrangements between the applicant and GCF upon the successful completion of Stage I.

## 4.2 Entity's institutional capacity assessment

22. PSAA, as a part of the assessment of the proposed project, will include an assessment of the entity's institutional capacities to implement the proposed project. This will include:
- (a) How the entity contributes to the mandate of GCF;
  - (b) Potential reputational risks to GCF;
  - (c) Legal status: the entity has full legal capacity and independent legal personality within the relevant jurisdiction that enables it to undertake the proposed project/programme to be considered for funding by GCF and to undertake the same responsibilities with respect to project/programme implementation as an AE and enter into legal agreements with GCF in its own name;
  - (d) Confirmation by the Secretariat that the role of the entity in the proposed project does not conflict with the obligations it owes and will owe to GCF its capacity as an entity accredited for the purposes of delivering the proposed project;
  - (e) How the entity meets the GCF initial basic fiduciary standards and initial specialized fiduciary standards at the institutional level that allow it to implement the proposed project; and
  - (f) Whether the entity has the capacity to manage relevant environmental and social risks in line with the GCF interim ESS and scaled risk-based approach as well as the GCF Gender Policy at the institutional level that allow it to implement the proposed project.
23. PSAA will entail two steps that include capacity checks at both the project and institutional levels as well as an overall capacity assessment. The standards, as contained in section 3 of this framework, will be applied in a fit-for-purpose manner in the assessment of the entity's capacities to implement the proposed project/programme, as detailed below.
24. **Step 1: capacity checks:**
- (a) **Institutional capacity check.** This check will focus on those elements that are most needed to ensure an entity has the institutional capacity to implement the proposed project/programme. This check would include, as applicable:
    - (i) Review of internal control mechanisms such as financial controls, organizational structure, anti-money laundering (AML), countering the financing of terrorism (CFT) and other prohibited practices, fraud and mismanagement systems, in so far as they relate to the undertaking of the proposed project;
    - (ii) Depending on the E&S risk level and relation to the financing structure of the proposed project/programme, institutional function, organizational structure and competency on E&S due diligence, processes to assess and manage E&S risks, indigenous peoples engagement, consultations and grievance redress mechanisms. This check will also look into the functions, structure and competency to address gender issues as may be assessed in the proposed projects; and
    - (iii) Third-party reviews such as reviews from bilateral and multilateral organizations, and any other institutional-level evaluations; and
  - (b) **Project track record check.** The entity will submit examples of projects that the entity has implemented in the past that are similar to the proposed project in (1) project/programme activity size, (2) E&S risk category, and (3) financial instruments and financing modalities. Preferably, the entity will have examples of both completed and current projects. Depending on the type of project being proposed, an indicative list of information to be provided may include:
    - (i) Fiduciary standards information:

1. Organization structure and chart, including evidence of independent legal personality and legal capacity;
2. Structure, involvement and experience of oversight bodies (e.g. audit committee and audit function), including a board of directors or equivalent of the entity and quality and experience of senior management;
3. Previous track record in the country or region where the proposed project/programme would take place; and
4. Entity profile in terms of types of past activities (e.g. assets built in the past, products and services sold, percentage of revenue generated from activities), information on the current projects portfolio, and forecasted profile of the entity for the near future (e.g. three years), including its investment strategy;
5. Basic financial information (e.g. balance sheet and profit and loss statement) and ratios to assess company sustainability for the proposed project/programme duration;
6. Evidence of structure and use of financial instruments in past projects that are relevant to the proposed project/programme. This may include evidence of the entity's project management experience;
7. Where applicable, a project-specific procurement plan on a rolling basis and evidence of procuring various types of goods, works and services in similar projects, including experience and capacity to select, manage and oversee executing entities;
8. Application of prohibited practices, AML/CFT requirements, including due diligence such as "know-your-customer" checks and similar due diligence of the executing entities in the proposed project/programme;
9. Disclosure of past incidences of fraud, non-compliance and malpractices;
10. Institutional and contractual arrangements with executing entities for similar financing structures applied in past projects/programmes;
11. Risk management and risk identification systems and procedures to be applied in the planning and implementation process of the proposed project/programme;
12. Project-specific financial audits, including audits of procurement activities, or similar reviews for projects/programmes similar to the proposed project/programme;
13. Monitoring and evaluation plans and reports and evaluation reports, including terminal evaluations. Completed projects should include project-specific financial audits and terminal evaluations or similar reviews, including audits of the expenditures and results compared to planned budget and implementation plans;
14. Audit and assurance reports (external and internal) of the entity's financial management and control systems/framework, including on financial mismanagement, AML/CFT and prohibited practices, such as fraud, corruption, and whistle-blower policies;
15. Information on the internal governance reliability of the entity, its internal policies, code of conduct and/or code of ethics, and internal monitoring of legal and information technology (IT) Issues;

16. Credit ratings received from international and national rating agencies, or evaluation reports/reviews received from multilateral and bilateral organizations on the entity's performance in the past regarding financial management capabilities for similar projects/programmes to the one proposed;
  17. IT arrangements for disclosing project-related information (e.g. website/web page or publicly available reports), where the information on project/programme progress and completion is published as well as a weblink for the public to submit comments or complaints that would be used in the proposed project/programme;
  18. Records of any complaints received from the public and employees with regard to the implemented projects in the past, and records of incidents of fraud/malpractice identified and investigated together with the information on the status of the investigation process;
  19. Such other best practices in fiduciary management as may be applicable/appropriate to the specific project/programme; and
  20. Information on the entity's ability to safeguard the interests of GCF, including the disclosure of any potential conflicts of interest that may arise out of its role to implement the project/programme or inconsistencies with GCF fiduciary standards, ESS and Gender Policy; and
- (ii) Environmental, social and gender information:
1. For a Category A/Intermediation 1 or B/Intermediation 2 project/programme, provide a sample of E&S risk screening and assessment (environmental and social impact assessments or related instruments), environmental and social management plans or related E&S risk management plans, monitoring, supervision and evaluation, results of E&S project audits, environmental permits and clearances, compliance and non-compliance (grievance) reports of past projects/programmes that are similar to the proposed project/programme;
  2. For a Category C/Intermediation 3 project/programme, provide a sample of E&S risk screening of past projects/programmes that are similar to the proposed project/programme; and
  3. Gender policies and initiatives to mainstream gender considerations that have been applied in past projects/programmes that are similar to the proposed project/programme; and
  4. Environmental management system certifications and sustainability reports.
25. **Step 2: overall capacity check.** Based on the institutional capacity and project track record checks, the entity may be assessed to have high capacity in certain areas (e.g. financial management) and low capacity in other areas (e.g. management of E&S and gender risks) as follows:
- (a) **High capacity** would indicate that the entity has a well-developed financial management system, a well-functioning control framework, including risk management, and robust systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices, such as fraud and corruption, and with sufficient scope to manage E&S risks with a low likelihood of negative impact on the entity's ability to undertake the proposed project as designed;

- (b) **Medium capacity** would indicate that the entity has a developed financial management system, a functioning control framework, including risk management, and systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices, such as fraud and corruption, and with scope to manage E&S risks with moderate likelihood of potential negative impact on the entity's ability to undertake the project as designed; and
- (c) **Low capacity** would indicate an underdeveloped financial management system and/or weak control framework, little or no risk management, and inadequate systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices such as fraud and corruption and with inadequate scope to manage E&S risks with a significant likelihood of potential negative impact on the entity's ability to undertake the project as designed.
26. If the entity is assessed to have high capacity to undertake the proposed project/programme, and if the funding proposal assessment is also positive, the Secretariat would recommend that the entity is able to undertake the proposed project/programme.
27. If the entity is assessed to have medium capacity to undertake the proposed project/programme, and if the funding proposal assessment is positive, a discussion of potential mitigating factors would be required (e.g. conditions during project implementation, requesting a partnership with another entity) before the Secretariat may recommend the funding proposal to the Board for its consideration.
28. If the entity is assessed to have low capacity to undertake the proposed project/programme, the Secretariat will not recommend the funding proposal, and the entity would need to address gaps identified prior to further consideration of the funding proposal under PSAA. NDAs may request support for such entities under the Readiness and Preparatory Support Programme to address gaps identified.

### 4.3 Proposal approval

29. Funding proposals recommended by the Secretariat under this approach shall be submitted to the Board for consideration during its regular meetings.

### 4.4 Legal arrangements and post approval

30. The entity or entities submitting a funding proposal to GCF under this approach will be subject to the same responsibilities with respect to project/programme implementation as an AE were it to submit the same funding proposal under the normal GCF funding modalities, and such responsibilities will, during Stage II, be codified in legal arrangements similar to the template accreditation master agreement (AMA)<sup>9</sup> and funded activity agreements (FAA) as may be relevant to the approved project/programme.
31. The legal arrangements for PSAA projects/programmes are likely to be more complex than the AMA and FAA. They will, typically, consist of a single agreement that is a hybrid of the AMA and FAA, and that will need to take into account the fact that the institutional assessment was undertaken in the context of the overall assessment of the relevant project rather than as per the current accreditation framework. As such, the PSAA legal arrangements will likely contain provisions, principally in the form of representations and covenants, that are not currently set out in the AMA or FAA.

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<sup>9</sup> Decision B.12/31.

32. The development of legal arrangements for the PSAA modality will require additional resources, including through the use of external consultancy firms, to ensure that it can be implemented in a timely manner.

## **V. Fees for assessing the entity**

33. The Policy on Fees for Accreditation to the GCF<sup>10</sup> applies to entities under PSAA. Fees are to be paid at the time the entity submits its application for assessment under PSAA.

## **VI. Entity fees for projects/programmes approved under project-specific assessment approach**

34. The Policy on Fees for Accredited Entities and Delivery Partners<sup>11</sup> applies to entities under PSAA.

## **VII. Monitoring and accountability**

35. The initial monitoring and accountability framework for AEs<sup>12</sup> regarding project-level monitoring and reporting will apply to entities under the PSAA with respect to project/programme implementation, as applicable. Considering the context of the project/programme, the legal agreement between GCF and the entity will also reflect the relevant reporting requirements under the PSAA legal agreement, similar to such requirements contained in the template AMA and FAAs with respect to project/programme implementation.

36. In line with decision B.10/06, paragraph (j), to advance the goal of GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, entities with funding proposals approved within the scope of PSAA will be required to report every year to the Board through the Secretariat the extent to which the entity's overall portfolio of activities beyond those funded by GCF has evolved in this direction during the implementation period of the approved project.

37. The Secretariat will report to the Board on an annual basis on the operationalization and implementation of the PSAA.

## **VIII. Review of project-specific assessment approach**

38. A review of the pilot framework for the PSAA will take place after the initial three years of operationalizing the PSAA.

## **IX. Additional considerations**

39. Entities that have submitted a concept note that has been reviewed by the Secretariat and determined to be satisfactory to then be developed into a funding proposal, and that have been assessed to have high or medium capacity as per section 4.2 above, may request support under the Project Preparation Facility.

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<sup>10</sup> Annex VI to decision B.08/04.

<sup>11</sup> Annex VIII to decision B.19/09.

<sup>12</sup> Decision B.11/10.

## **Annex IV: Report on the review of the accreditation framework**

*The report on the review of the accreditation framework is contained below.*

**REVIEW OF THE GREEN CLIMATE FUND'S ACCREDITATION  
PROCESS AND ITS OPERATIONALISATION**

**FINAL REPORT**

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**Date:** 7 June 2018

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# 1. INTRODUCTION

## 1.1 Context

The Green Climate Fund is creating new models for climate finance, channelling investment from both the public and private sectors. In order to achieve maximum results, it seeks to catalyse funds, multiplying the effect of its initial financing by opening markets to new investments. It aims to maximize the impact of public finance in a creative way, and to attract new sources of private finance to catalyse investment in mitigation and adaptation projects in the developing world.

Access to GCF resources to undertake climate change projects/programmes is through accredited national, regional and international entities, both public and private sector. GCF consider funding proposals from these Accredited Entities (AEs) and, if approved, the AE is responsible for managing, supervising and monitoring them. Types of AE are distinguished by access modalities. International Access AEs are international financial institutions, regional institutions, United Nations agencies or Multilateral Development Banks. Direct access AEs, on the other hand, are sub-national, national or regional organizations and must be nominated by either focal points or developing country National Designated Authorities (NDAs).

Accreditation involves a process of due diligence to ensure that organizations that seek accreditation share the Fund's objectives and meet the required standards. The Accreditation Framework was agreed in a Board Decision at their seventh meeting in 2014<sup>1</sup> and the process is designed to assess whether applicant entities have the ability to manage GCF's resources in line with the Fund's fiduciary standards<sup>2</sup> for the scale and type of funding sought, as well as the ability to manage environmental and social risks<sup>3</sup> that may arise at the project level. Entities seeking accreditation to access GCF resources are also assessed against the Fund's Gender Policy.<sup>4</sup>

## 1.2 Scope and objectives of the assignment

The GCF Secretariat contracted Moore Stephens to provide a review of the accreditation framework described above. The overall objective of the review was to respond to the question ***'How is the accreditation framework and its operationalization performing with its current structure and what has been achieved so far?'***, considering the following aspects of the accreditation framework:

- ✓ Ability to contribute to the GCF mandate of supporting a paradigm shift and transformational change, including the impact on the quality of funding proposals;
- ✓ Promotion of country ownership;
- ✓ Balance and diversity;
- ✓ Efficiency in terms of cost, time and resources;
- ✓ Fairness, effectiveness and transparency through its activities; and
- ✓ Relevance in terms of meeting the norms and standards of accreditation.

We were required to review of the accreditation framework's strengths and weaknesses, identify the main gaps and issues of the framework itself and its operationalization, from both internal and external perspectives. We were to suggest actions/activities to overcome these, along with associated timelines and resources needed for implementation. The detailed tasks to be carried out were:

- i. Mapping of the coverage of the Accredited Entity portfolio, including regions and countries, sectors, results areas, thematic/focus areas and the use of different financial instruments, in addressing the GCF's mission and objectives;
- ii. Review of the timeframe in establishing legal arrangements and agreements between the GCF and Accredited Entities, including the Accreditation Master Agreement and Funded Activity Agreement(s), as well as consideration of whether or not there are any other binding aspects of the GCF and Accredited Entity relationship that should be reflected in such agreements;
- iii. Review of the performance of Accredited Entities in terms of the submission of concept notes, funding proposals, disbursements, implementation, monitoring, reporting and evaluation to the GCF;
- iv. Review of the relevance, effectiveness and efficiency of the present accreditation framework, including in terms of standardization and ability to promote sustainable partnerships and improvements in institutional capacity; and
- v. Suggestions of other modalities for institutions to work with the GCF that could be included as a part of the Secretariat's proposal for the revision of the accreditation framework.

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<sup>1</sup> [https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board__18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

<sup>2</sup> [http://www.greenclimate.fund/documents/20182/818273/1.6\\_-\\_Fiduciary\\_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd](http://www.greenclimate.fund/documents/20182/818273/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd)

<sup>3</sup> [http://www.greenclimate.fund/documents/20182/818273/1.7\\_-\\_Environmental\\_and\\_Social\\_Safeguards.pdf/e4419923-4c2d-450c-a714-0d4ad3cc77e6](http://www.greenclimate.fund/documents/20182/818273/1.7_-_Environmental_and_Social_Safeguards.pdf/e4419923-4c2d-450c-a714-0d4ad3cc77e6)

<sup>4</sup> [http://www.greenclimate.fund/documents/20182/818273/1.8\\_-\\_Gender\\_Policy\\_and\\_Action\\_Plan.pdf/f47842bd-b044-4500-b7ef-099bcf9a6bbe](http://www.greenclimate.fund/documents/20182/818273/1.8_-_Gender_Policy_and_Action_Plan.pdf/f47842bd-b044-4500-b7ef-099bcf9a6bbe)

The scope of the review has focused on the accreditation framework and its operationalization, from the launch of the Online Accreditation System (OAS) on 17 October 2014 to mid-March 2018, being the beginning of data analysis phase of the fieldwork.

## 1.3 Methodology

The contract was signed on the 19 March 2018. Scoping interviews and other planning activities took place in the 3 weeks between the date of signature and the first onsite visit, which ran from 9 – 13 April 2018. Further fieldwork then took place between 13 April and 27 May, the date of submission of the draft report. A further site visit, involving the presentation and discussion of emerging findings took place from 17 – 18 May. Our assignment methodology included the following elements:

### **Document review**

We conducted a thorough review of key documents relevant to the accreditation process. This covered both publicly available documents and internal information, drawing chiefly (though not exclusively) on the documents listed in Appendix 1 to the RFP and presented in Annex 1.

### **Stakeholder Mapping**

In order to fully understand the stakeholder landscape and to ensure that the assignment methodology covered all of those who had an interest in, or are impacted by, the accreditation process – we conducted a stakeholder mapping exercise in order to identify the survey and interview populations. This is contained in Annex 2.

### **Interviews**

We conducted semi-structured interviews with representatives from the groups of stakeholders mentioned above. The interviews followed prescribed topic guides tailored to the key themes of the review and were agreed in advance with GCF – these topic guides are contained in Annexes 3 – 7. Interviews were timetabled for 45-60 minutes and were conducted in person where possible, or via telephone. Specific interviewees were chosen in liaison with GCF and included members of the following groups (the full list of interviewees are contained in Annex 2):

- Accreditation Committee;
- Accreditation Panel (including external consultants supporting the Accreditation Panel);
- GCF Secretariat senior management and staff;
- External consultants supporting GCF Secretariat in the completion of Stage I of the accreditation assessment; and
- GEF, AF and EU DEVCO.

We used the interview transcripts to identify common themes, gathering quantitative as well as qualitative data.

### **Surveys**

In order to reach larger groups than would be possible by conducting interviews alone, and to obtain a more comprehensive and quantified picture of different stakeholders' views on the accreditation framework and their experiences of and opinions on GCF's approach, we launched a number of surveys. These surveys were broadly similar in terms of topics but were each tailored to the specificities of a different target group of respondents. The surveys were designed in consultation with GCF Secretariat and covered the following groups:

- Board members and alternates
- National Designated Authorities and Focal Points;
- Accredited Entities;
- Pipeline Entities
- Active Observers.

These surveys were facilitated by our online survey tool Questback and full copies of the survey questions are contained in Annexes 8 – 12.

### **Benchmarking against comparable accreditation frameworks and processes**

We held a structured interview with a representative of EU DEVCO, for whose beneficiaries of funding GCF operates a 'fast-track' accreditation process – where a degree of reliance is placed on accreditation already carried out by the European Commission. These interview questions are contained in full in Annex 7, but we aimed to discuss the operation of their own systems, obstacles and successes that they had encountered, and any views that they had on the GCF's own accreditation process.

In addition, we have used our extensive knowledge of other public sector donors, including the accreditation and assurance processes and approaches that they use, in order to identify potential alternative modalities for consideration by the GCF.

### **Financial data and human resource data analysis**

We have gathered and analysed a number of datasets concerning the AE portfolio and pipeline, the project proposal portfolio and pipeline, time data, financial and human resources data. This has driven our analysis of the quantitative aspects of the accreditation process but also provided data with which sources of qualitative data could be triangulated to inform the conclusions drawn and recommendations formulated.

## **1.4 Findings and Recommendations**

We present the results of our analysis, together with resultant recommendations arising, in the following sections of the report:

- **Section 2:** analysis of the GCF's portfolio of accredited entities, looking at its effectiveness in helping the GCF to achieve its strategic objectives, the factors that have driven the current portfolio and the effectiveness of any action taken by the GCF to shape it;
- **Section 3:** analysis of the GCF's portfolio of funding proposals, looking at its effectiveness in helping the GCF to achieve its strategic objectives, the factors that have driven the current portfolio and the effectiveness of any action taken by the GCF to shape it;
- **Section 4:** analysis of the accreditation and funding proposal processes, considering the economy and efficiency of the various procedures and structures surrounding and supporting these processes;
- **Section 5:** analysis of the rigor and suitability of the framework of standards applied by the GCF in its accreditation process;
- **Section 6:** analysis of alternative modalities through which the GCF may consider operating, including commentary on the Project Specific Assessment Approach (PSAA).

We would like to thank GCF Secretariat staff, as well as the other stakeholders whom we interviewed and surveyed, for their assistance and co-operation over the course of this assignment.

## 2. GCF'S PORTFOLIO OF ACCREDITED ENTITIES

In this section, we consider:

1. What is the portfolio of entities accredited by the GCF and entities that are in the accreditation pipeline (**Section 2.1**)?
2. To what extent does this portfolio align with the GCF's mandate and strategy (**Section 2.2**)?
3. What, if any, factors are impacting the GCF's ability to achieve a portfolio of entities that is in line with its mandate and strategy (**Section 2.3**)?
4. What, if anything, has the GCF done to address any misalignments in its portfolio of accredited entities and how successful has this been (**Section 2.4**)?

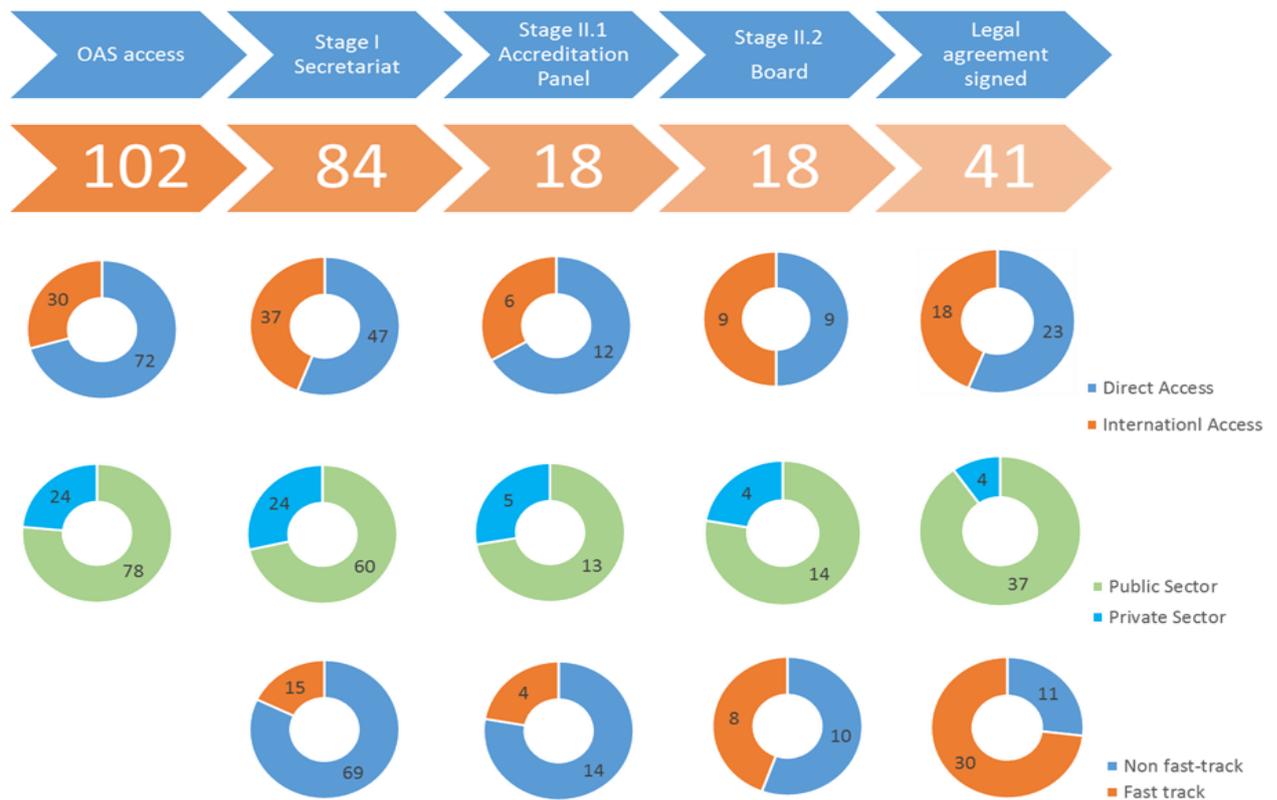
In **Section 2.5**, we draw conclusions and make associated recommendations.

### 2.1. The Accredited Entity (AE) portfolio

#### 2.1.1. The overall portfolio

As at 31 March 2018, the GCF had accredited 59 Entities, of which 41 had signed an Accreditation Master Agreement (AMA). As shown in **Figure 1**, a further 204 entities were in the accreditation pipeline, of which 102 (50%) had been given access to the Online Accreditation System (OAS), 84 (41%) had submitted an application and were undergoing a Stage I completeness check by the Secretariat and the remaining 18 (9%) had completed Stage I and were undergoing a Stage II.1 Accreditation Panel review.

**Figure 1: Accredited Entities (AEs) and pipeline**



#### 2.1.2. Direct vs International Access, Private vs Public sector

**Figure 1** shows that Direct Access Entities (DAEs) make up at least half of the entities at each stage of the accreditation process, but private sector entities make up only ca. 23% of all entities in total, with slightly higher representation at earlier stages of the process, indicating the potential for the spread of AEs to be broadened.

#### 2.1.3. Fast-track vs non fast-track

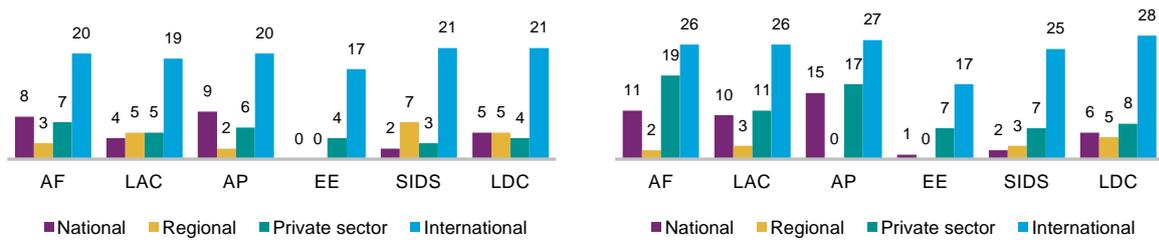
We can see from **Figure 1** that the fast-track modality was very prevalent amongst the first batch of entities accredited by the GCF, with 78% taking advantage of the fact that they were also accredited by the GEF, Adaptation Fund or EU DEVCO.

Fast-track makes up an increasingly smaller proportion of entities further back in the pipeline, indicating that the portfolio is becoming more diversified, and reaching outside of the standard circle of organisations used by comparative international public sector funding institutions.

### 2.1.4. Geographical coverage

Figure 2 shows that, whilst International Access Entities (IAEs) offer good geographical coverage across the board (albeit slightly less in Eastern Europe), direct access and private sector coverage is uneven, with comparatively little coverage from both DAEs and pipeline entities in either Eastern Europe, Single Island Developing States (SIDS) and, to a lesser extent, Least Developed Countries (LDCs). There is however a relatively strong pipeline of private sector entities, particularly in Africa and Asia-Pacific.

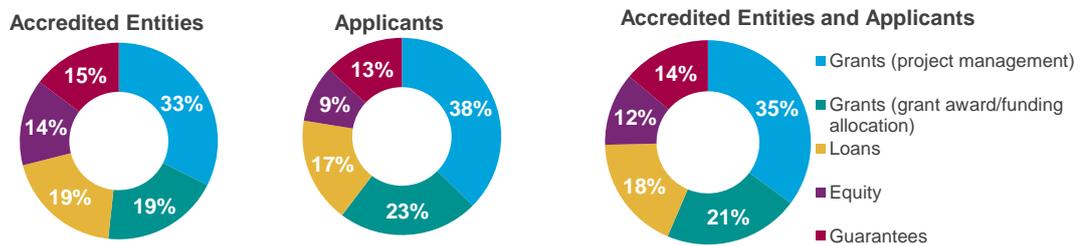
Figure 2: Potential geographical coverage by type of Accredited Entity and applicant



### 2.1.5. Financial Instruments

Grants (through the project management modality) are by far the largest single type of financial instrument provided by accredited and pipeline entities. As Figure 3 shows, when grant award/funding allocation is also included, accreditation for grants make up over 52% of the total portfolio of financial instruments.

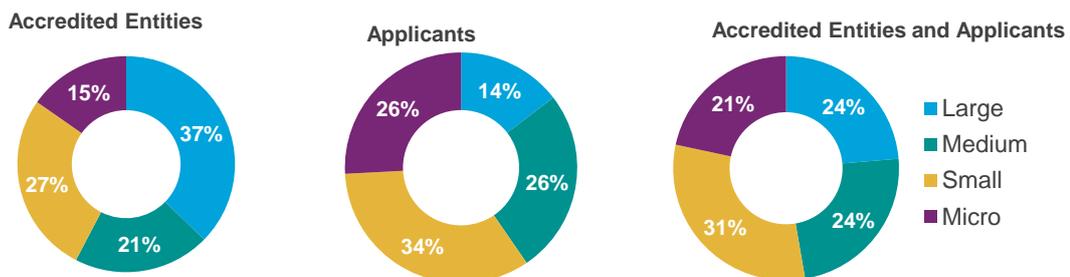
Figure 3: Potential financing instrument coverage by Accredited Entity and applicants



### 2.1.6. Project Size

As Figure 4 demonstrates, the total portfolio of AEs and applicants is fairly evenly split across the four sizes of projects, with a slight larger proportion of small than any other size. The current portfolio contains more entities accredited to deliver large projects, symptomatic of the relatively large proportion of big international entities such as EBRD or UNDP. The pipeline of applicants contains proportionately more small and micro sized entities, reflecting the greater diversity of entities in the earlier stages of the accreditation process.

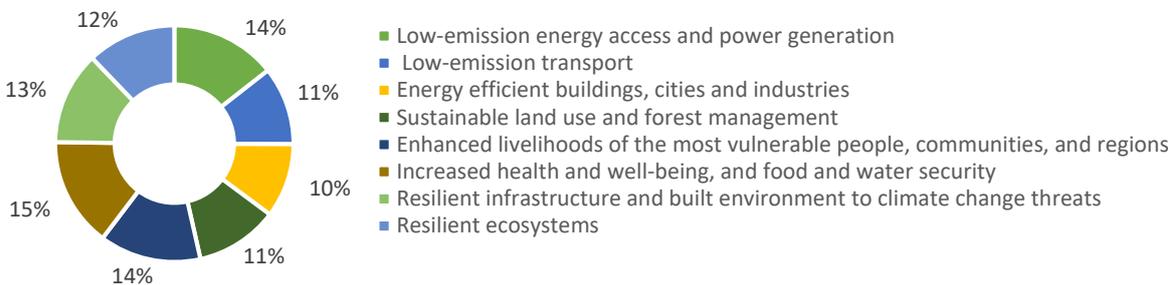
Figure 4: Potential size of project by Accredited Entity and applicants



**2.1.7. Results area**

The results areas offered by accredited entities is fairly evenly spread across the GCF’s eight results areas, as can be seen in **Figure 5**. When the pipeline entities are taken into consideration, this split varies only slightly (1% or less).

**Figure 5: Potential results areas covered by Accredited Entities and applicants**

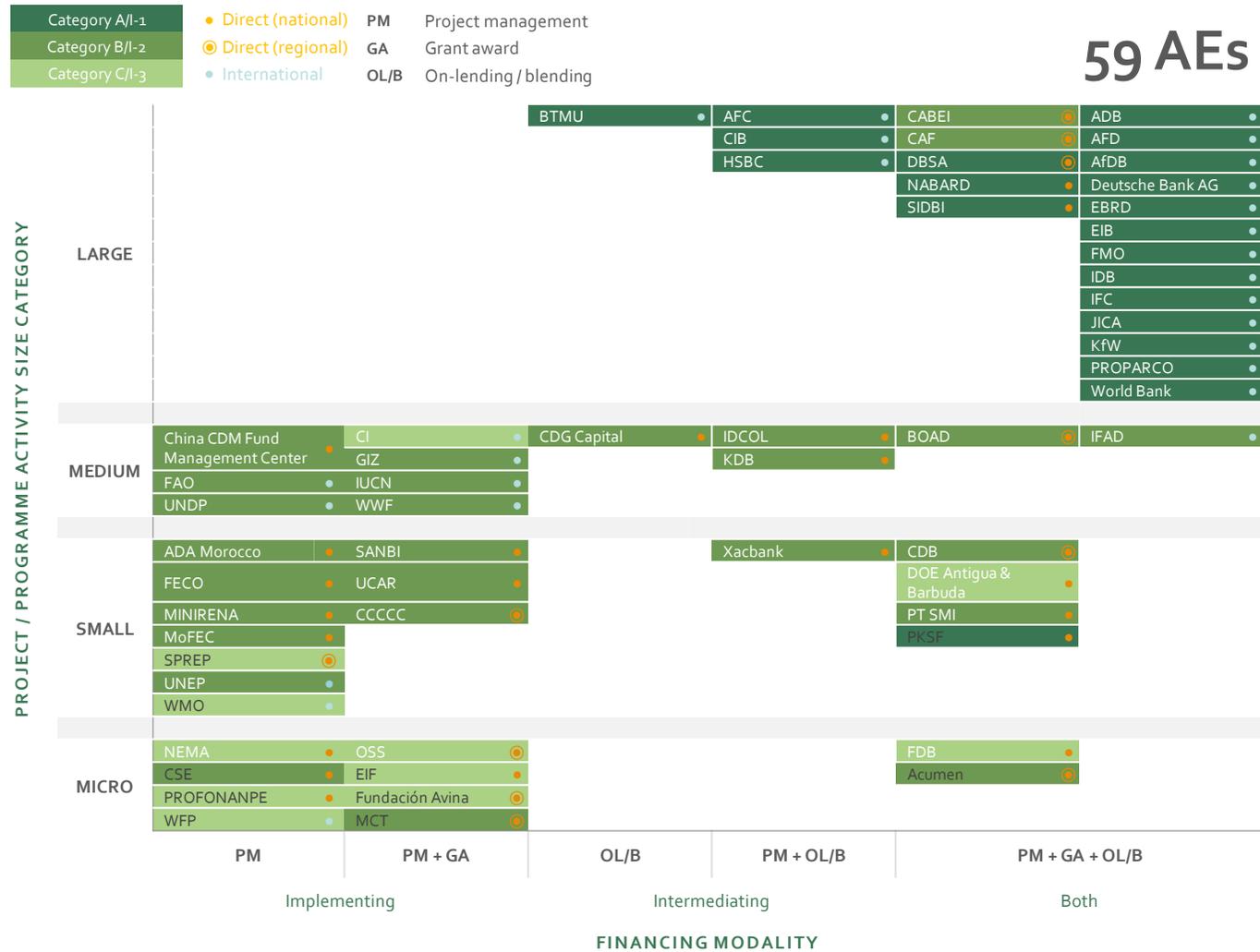


**2.1.8. Consolidated accreditation scope**

**Figure 6** consolidates information across different metrics and illustrates certain correlations that cannot be determined from looking at each individually.<sup>5</sup> It can clearly be seen that there is a direct correlation between IAEs and a broader accreditation scope (by size and type of instrument). 13 out of 18 entities (72%) accredited with the maximum scope (i.e. large projects across all types of financing modalities) are IAE, and in fact only 2 national entities and 3 regional entities are accredited to deliver large projects at all.

<sup>5</sup> Source: GCF

Figure 6: Portfolio of Accredited Entities<sup>6</sup>



<sup>6</sup> Ibid

## 2.2 The alignment of GCF's AE portfolio with its mandate and strategy

### 2.2.1. Mandate, strategy and key performance indicators

The GCF does not have a defined 'target portfolio' of AEs, either on a consolidated basis, or by any of the metrics noted in Section 2.1 (geography, size, sector and financial instrument). The Secretariat's annual Work Programme does contain a Results Framework but this focuses on operational than strategic targets, and is only annual in nature. In B.13, following a request from the Board, the Accreditation Committee presented a 'Strategy on Accreditation'.<sup>7</sup> Consideration of the strategy was deferred to B.14 but no decision was subsequently made, other than on an approach to prioritise certain underrepresented entities in the accreditation process (discussed in Section 2.4.1). In B.18, the Board then requested the development of various policy documents on aspects of the accreditation process and the independent review of the entire accreditation process (the subject of this report).

In the absence of strategic accreditation KPIs, it is difficult to comment precisely on whether or not the current portfolio and pipeline is in line with a Board mandated strategy and therefore to measure the Secretariat's effectiveness in accrediting the right number and type of entities. We recommend that this gap is addressed and that longer-term targets are set by which the performance of the accreditation process can be measured.

The GCF Governing Instrument<sup>8</sup> and the GCF Strategy<sup>9</sup> do, however, set out a number of operational principles and priorities which frame the overall objectives of the organisation. By measuring the opinion of various stakeholders of the performance of the accreditation framework against these priorities, we can gather some evidence on whether or not the GCF is delivering on its mandate.

#### Board members and alternates

We received feedback from fourteen Board and alternate Board members, eleven from developed countries and three from developing countries. **Figure 8** (overleaf) shows the extent to which Board members agree that the **design**<sup>10</sup> of the GCF accreditation framework is allowing the GCF to optimally implement its mandate. Overall, the results are positive. The data highlights a number of areas where the design is seen as particularly strong, including in catalysing financing from the public sector and providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change. The design of the accreditation framework is seen as less optimal with regards to seeking a balance between adaptation and mitigation and promoting the paradigm shift towards a low-emission and climate-resilient development pathway. **Figure 9** (also overleaf) then shows the extent to which the Board members believe that the **current operational reality**<sup>11</sup> of the framework is allowing the GCF to optimally implement its mandate. The general profile of the results have worsened – meaning that the Board does not believe that the framework is operating as it was designed. Particular worsening of opinion can be seen in several areas which are key to the mandate and objectives of the GCF, namely:

- the Fund being flexible;
- the Fund being scalable;
- pursuing a country driven approach; and
- catalysing climate finance at a national level and from the private sector.

In terms of absolute numbers, **Figure 7** shows that, whilst Board members generally agree that the number of entities accredited as a whole is facilitating the fulfilment of GCF's mandate, there is less satisfaction with the number of DAEs, private sector entities and the geographical distribution of entities' potential activities.

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<sup>7</sup> GCF/B.13/12

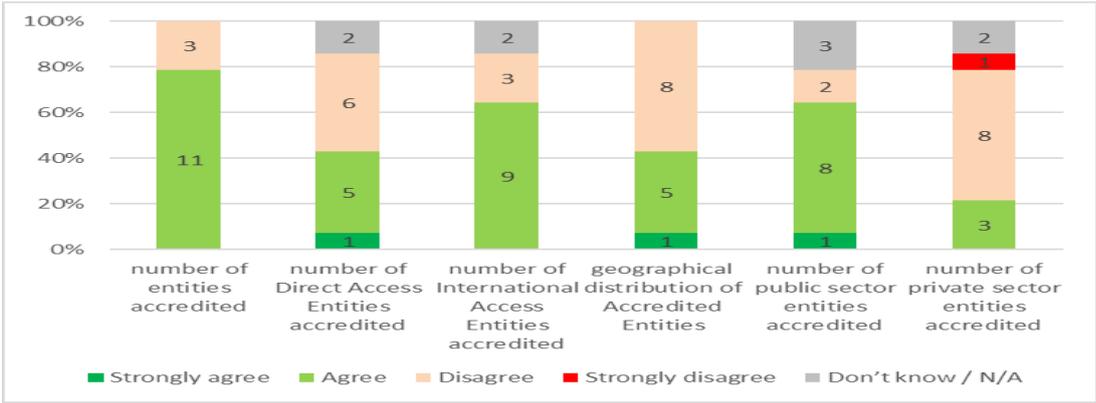
<sup>8</sup> [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

<sup>9</sup> Initial Strategic Plan for the GCF [https://www.greenclimate.fund/documents/20182/761223/Initial\\_Strategic\\_Plan\\_for\\_the\\_GCF.pdf/bb18820e-abf0-426f-9d8b-27f5bc6fafeb](https://www.greenclimate.fund/documents/20182/761223/Initial_Strategic_Plan_for_the_GCF.pdf/bb18820e-abf0-426f-9d8b-27f5bc6fafeb)

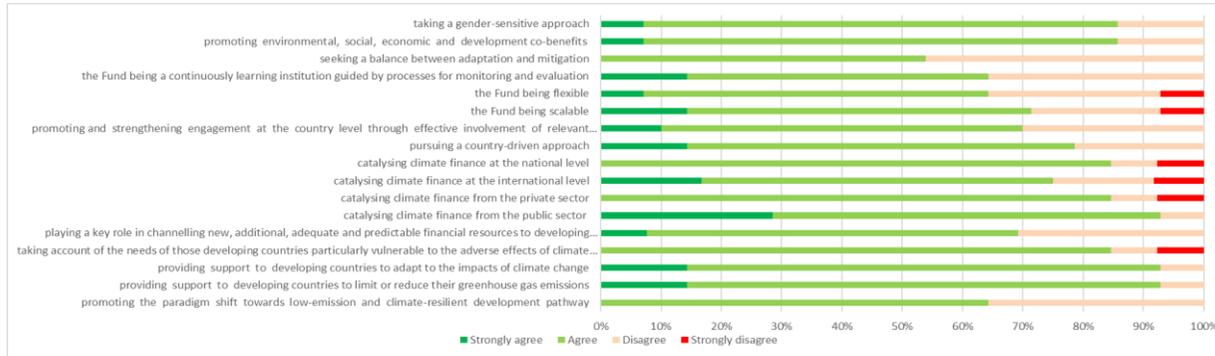
<sup>10</sup> We have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The design refers to the theoretical framework of accreditation as a prerequisite of working with the GCF as an accredited entity. The current operational reality refers instead to the framework as it is currently being implemented

<sup>11</sup> Ibid

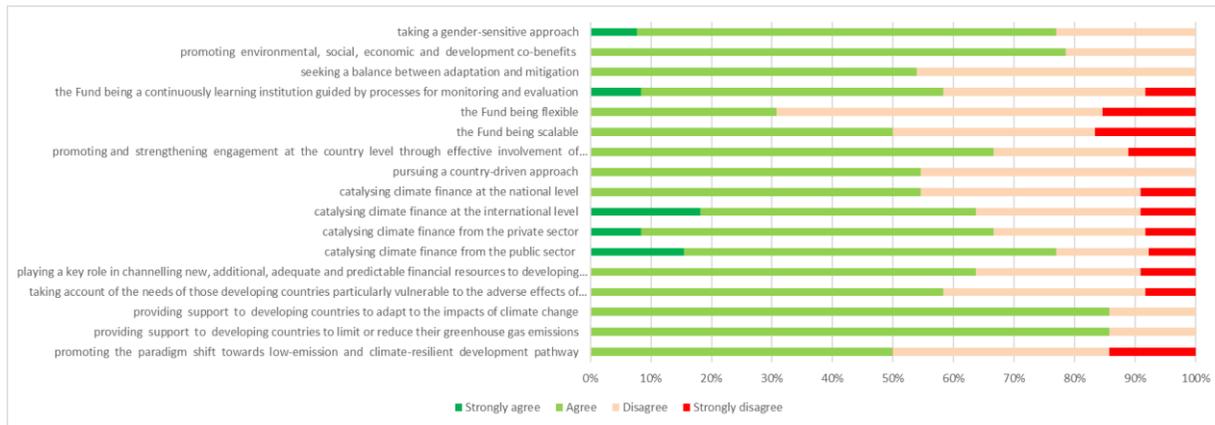
**Figure 7: Board member thoughts on whether the number of accredited entities are facilitating the fulfilment of the GCF's mandate**



**Figure 8: Board Member responses - "To what extent do you agree that the design of the GCF accreditation framework is allowing the GCF to optimally implement its mandate with regards to:"**



**Figure 9: Board Member responses - "To what extent do you agree that the operational reality of the GCF accreditation framework is allowing the GCF to optimally implement its mandate with regards to:"**



### National Designated Authorities (NDAs) and Focal Points

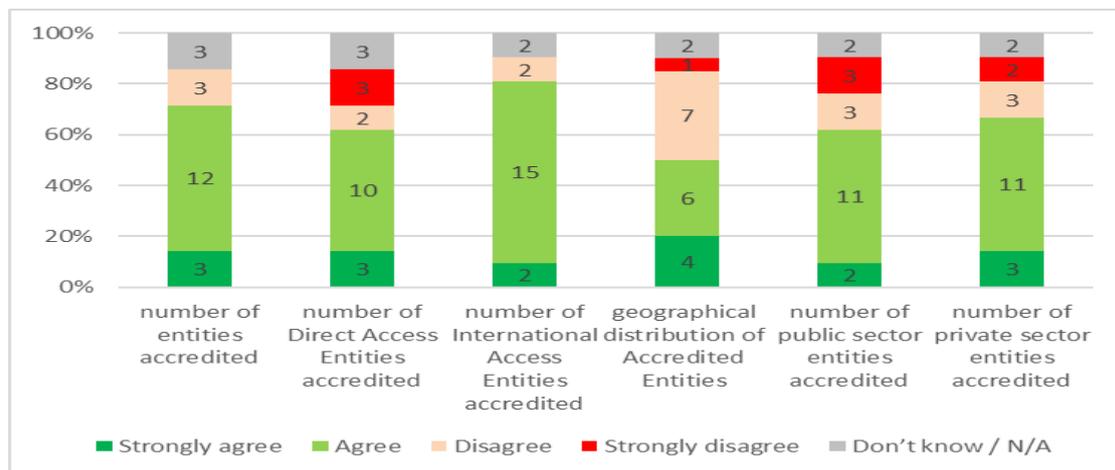
We also asked NDAs/Focal Points (hereafter 'NDAs') about the extent to which the **design and current operational reality**<sup>12</sup> of the accreditation framework are optimal, both with respect to their own country needs and priorities and those of developing countries as a whole. On the whole, NDAs agree that both the design and operational reality of the framework should allow GCF to fulfil its mandate, with the notable weakness being that it does not optimally catalyse climate finance from the public and private sectors, or at an international level.

**Figure 10** shows that, as with the Board, whilst NDAs generally agree that the number of entities accredited is facilitating the fulfilment of GCF's mandate, there is some disagreement with regards to the number of DAEs, public and private sector entities. Moreover, close to half of NDA respondents indicate that the geographical distribution is not optimal. We also asked NDAs about the objectives, sectoral experience and geographical reach of accredited entities and a sizeable minority did not agree that the framework was providing the results that are needed (see **Figure 11**).

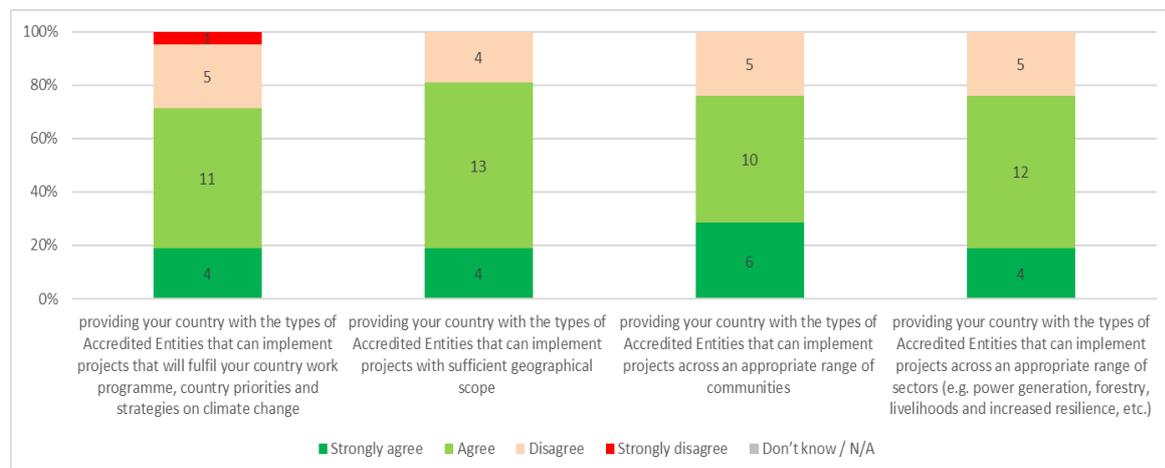
Around half of NDA respondents felt that the GCF was missing opportunities to work with certain entities and projects, with comments such as:

- "In our countries we have agencies with a lot of experience and also these agencies know the reality of the country but sometimes, due to the lack of information and financial resources, the agencies don't start the process of accreditation with the GCF";
- "International AEs do not engage sufficiently with national partners; many opportunities are missing".

**Figure 10: NDA views on whether the number of accredited entities are facilitating the fulfilment of the GCF's mandate**



**Figure 11: NDA response to 'To what extent do you agree that the current results/outcomes of accreditation are facilitating the fulfilment of the GCF's mandate?'**



<sup>12</sup> Ibid

## Active Observers (AOs)

We received feedback from three Active Observers (AOs). All agreed that the **design and operational reality**<sup>13</sup> of the GCF accreditation framework is allowing the GCF to optimally implement its mandate regarding catalysing climate finance at the international level and from the public sector. It was notable, however, that whilst all respondents agreed that the design of the accreditation framework should also allow GCF to pursue a country driven approach, opinion was divided in terms of the operational reality and two thirds of respondents feel that the current operation of the framework is not providing the results intended. It was particularly noted that “*AEs seem to very narrowly equate country ownership with engagement with the NDA and receiving the letter of no objection*” and that the accreditation requirements and processes favour certain large-scale organisations at the expense of small organisations, national entities and civil society organisations, which may struggle to provide sufficient evidence to satisfy criteria but may conversely have capacity to effectively channel GCF resources towards innovative projects and to meet the needs of the most vulnerable. This is an opinion that we heard from several other stakeholders during our assignment. The active observers felt strongly that the GCF is missing opportunities to work or engage with certain entities and projects, such as those with a strong gender/climate focus, Indigenous Peoples and other marginalized population groups.

### 2.2.2. Limits and quotas

From our interviews and surveys, we noted a lack of consensus on whether or not there should be a cap on the number of entities which are accredited by the GCF, or on whether or not there should be quotas applied for different types of entity. In the interviews, some respondents thought that there should already be well over 100 accredited entities, whilst others thought that 100 should be the cap. In percentage terms, the Board was split 60:40 against a limit on the number of entities, and similarly against quotas for any particular group of entities. The NDAs/Focal points had similarly divided views on the overall limit (55:45) but were slightly more in favour of having quotas, with approximately 65% supporting quotas based on size, sector and types of financial instruments used. Active observers almost unanimously disagreed with the idea of quotas.

### 2.2.3. Benchmarks

The Global Environment Facility (GEF) has so far accredited 18 Agencies as Implementing Partners, and the Adaptation Fund (AF) has accredited 46. However, these two entities do not necessarily serve as useful comparators, due to their relative size and operational priorities. The AF, for example, has received contributions or pledges of US\$715m<sup>14</sup> and so is much smaller than the GCF, with a narrower focus of operations – adaptation and local ownerships, which necessarily requires smaller scale projects and a higher number of entities through which to deliver. Given that GCF has a mandate to be innovative in developing the global climate financing strategy, and that climate financing structures and modalities are still at an early stage of development in many countries, there is limited immediate use of using benchmarks from different sectors. Rather, internal benchmarks should be developed from those country programmes that are ‘ahead of the curve’, to be used as markers by which comparable countries can measure themselves against, in terms of number and types of entity that best suit the context of the country concerned.

## 2.3 Factors influencing the portfolio’s size and mix

### 2.3.1. Understanding of the role of Accredited Entity

There was consensus from all interviewees on the notion that any accredited entities should be strongly aligned with, and committed to, the mandate and objectives of the GCF. Several interviewees remarked, however, that there is a lack of guidance on what type of entity the GCF is looking for to do this, and that the accreditation process operates on a ‘first come, first served’ basis.

We asked both accredited and pipeline entities about their motivation for becoming accredited and Board and NDAs about their understanding of the role of the AE. The results generally aligned with the defined mandate – only 3 out of 102 pipeline entities, 1 out of 16 AEs and 2 out of 21 NDAs didn’t identify that accreditation enabled an entity to implement one or more projects or to oversee other entities in implementing such projects. Around 20% of entities indicated that they were seeking accreditation to raise visibility, but none of these selected this as their sole motivation. All Board members who responded to our survey confirmed their understanding that an AE is expected to oversee projects (as an Implementing Entity) and could also execute projects (as an Executing Entity). Approximately 65% of the Board did not, however, recognise and/or agree that the function of an AE could be to bring forward projects from other organisations. This could be a potential way of addressing the lack of project proposals currently being brought forward by AEs (see Section 3). The NDAs surveyed were more aware of this role (with 65% responding that this is a responsibility of an AE).

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<sup>13</sup> Ibid

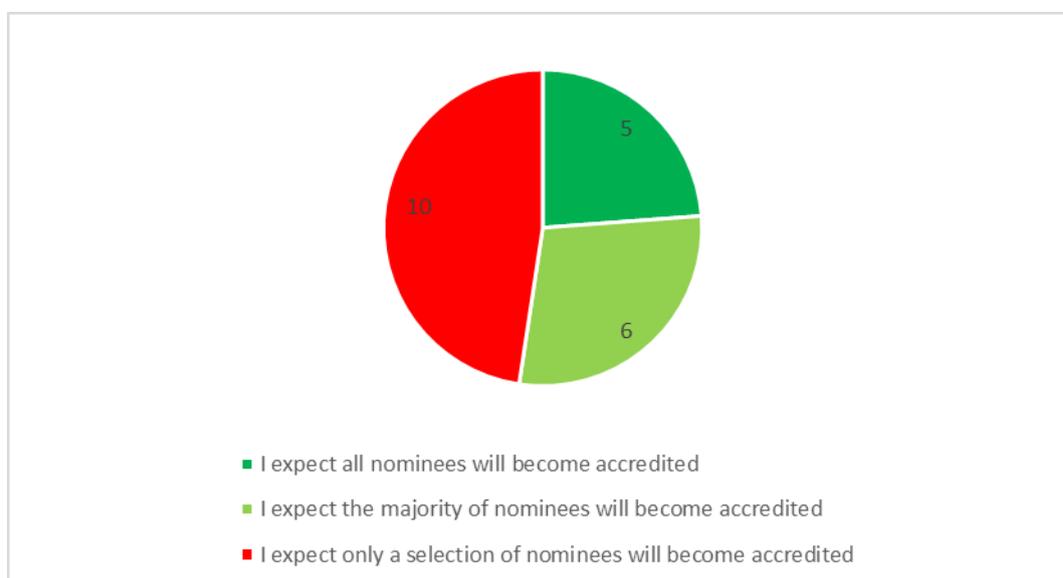
<sup>14</sup> Source: World Bank Website 8 May 2018

### 2.3.2. Visibility of the accreditation process

Our surveys indicate that entities first hear about the GCF (and the role of accredited entity) from a variety of sources. The most frequently noted sources amongst AEs were the GCF website (25%), other AEs (25%), or from a close involvement in the establishment or ongoing business of the GCF or UNFCCC. Only two respondents indicated that the NDA had been the source of information. For those entities in the pipeline, however, the NDA was much more frequently cited (35% of all respondents). The number of DAEs was broadly comparable in the two survey populations (50% and 60% respectively), indicating that the intended operational modality of accreditation – that the NDA identifies and proposes potential DAEs - may not have been the driver for the first ‘batch’ of entities accredited by the GCF but that it is becoming increasingly so. We asked the NDAs how they identified potential AEs and there were many good examples of how they aim to get the widest possible spread of entities that are also in line with their country’s priorities, for example: ‘by a participative and inclusive approach and meeting with many stakeholders’ and ‘we raise awareness to all potential candidates and somehow assess their chances and suitability before recommending them for accreditation’.

Figure 12 shows the expectations of NDAs when they make their proposals for accreditation to the GCF. As can be seen, almost half of respondents expect that only a selection of nominees will be accredited. Whilst we do not know from the survey results why this is the case, it warrants further investigation given that a.) the NDAs should be driving the number and type of entities accredited by the GCF, and should be proposing those that they believe best fit their country’s requirements, and b.) the GCF’s role is to guide and support the NDAs when making their nominations, in order that they propose those that are the most likely to succeed in becoming accredited and fulfilling the role of an AE.

Figure 12: NDA expectations when nominating entities for accreditation



The other most frequently mentioned sources of information on the GCF mentioned by pipeline entities were the GCF website (16%), or ‘Other’ (21%). Further detailed provided for ‘Other’ spoke mainly about close relations with / knowledge of the GCF or the UNFCCC. Perhaps reflective of the frequency with which entities mentioned *previous* relationships with GCF / UNFCCC as a reason for which they knew about the accreditation process, sizeable minorities of both the Board (29%) and NDAs (24%) indicated that the GCF needs to be more proactive in raising the visibility of accreditation.

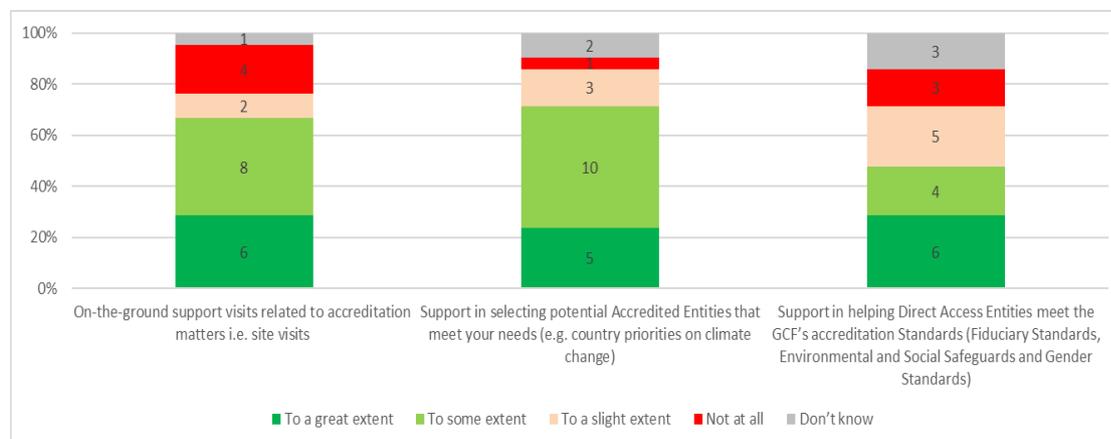
### 2.3.3. Roles of and support from NDAs and GCF in the accreditation process (DAEs only)

From the results of our surveys, 96% of DAEs (accredited and pipeline) are confident that they understand the role of the NDA in the accreditation process. Some assurance that this understanding is at least partly correct can be taken from responses to the survey question “*How and at what stages does your entity plan to engage with National Designated Authorities / Focal Points?*”, to which only two pipeline entities indicated that engagement with the NDA is not key. All AEs indicated that engagement was/should be from the very earliest stages of the process.

The feedback regarding the level of support received from NDAs was also quite positive, although with greater scope for improvement. 16% of pipeline entities and 33% of AEs that responded to this question said that they disagreed or strongly disagreed that they were sufficiently supported by their NDA. We cannot determine from our survey results if this is by design on the part of the NDAs (acknowledging the fact that NDAs should be determining and proposing to the GCF those entities which align with their own climate change priorities) but the increase in levels of satisfaction (i.e. greater amongst pipeline than accredited entities) would indicate that the NDA is more involved in the supporting entities through accreditation than was previously the case.

When it comes to the level of support that NDAs receive from the GCF, our survey results indicate that there is certainly an appetite for more. **Figure 13** shows that ca. 30% of respondent NDAs are not entirely satisfied with the on-the-ground support received and ca. 40% with the support given to help DAEs meet the GCF's accreditation standards. Our interviews have indicated that, whilst the GCF would very much like to provide greater support to NDAs, resource constraints and indeed the demands of the accreditation process have made this practically difficult.

**Figure 13: NDA feedback regards the extent to which they are satisfied with GCF support to their country**



### 2.3.4. Transparency of the accreditation process

There is divided opinion on the level of transparency of the accreditation process, somewhat determined by type of entity being asked. Positively, a large majority (82%) of DAEs - both pipeline and accredited - agree or strongly agree that the process is sufficiently transparent and 80% of NDAs are of the same opinion. This agreement drops amongst private sector entities to 68% and to only 30% amongst IAEs. Furthermore, a very significant number (87%) of Board respondents think that the process is not sufficiently transparent. This may, however, be explained by the intended level of involvement of the Board in the process – they only formally know of the entities in the pipeline when they are presented for approval.

## 2.4 Initiatives undertaken to address imbalances

### 2.4.1 Prioritisation and its effectiveness

Board Decision B.14/08 on prioritisation provides some insight into the Board's thoughts on the suitability of the current portfolio and its gaps / weaknesses.<sup>15</sup> The Decision aimed to prioritise certain entities in the accreditation pipeline which were deemed underrepresented in the portfolio or which met certain strategic priorities of the GCF, including:

- National direct access entities (DAEs);
- Entities in the Asia-Pacific and Eastern European region (AP and EE);
- Private sector entities in particular those in developing countries.

We asked the Board and NDA their views on the success of the initiative and, of those that felt able to give a view, 81% of NDA representatives and 73% of Board members thought that it had been a success. This is borne out by the statistics, which show that since 14 October 2016 (the date of decision B.14/08) and up to and including B.19, the following changes to the accreditation portfolio have occurred:

	B.14 % of mix (41 AEs)*	Post B.14 % of mix (59 AEs)	% change
<b>ACCREDITED (Stage II.2)</b>			
DAEs	44%	54%	<b>+10%</b>
AP ad EE	43%	45%	<b>+2%</b>
Private Sector	15%	14%	<b>-1%</b>
<b>Stage II.1 (AP review)</b>			
DAEs	73%	67%	<b>-6%</b>
AP ad EE	52%	51%	<b>-1%</b>
Private Sector	9%	28%	<b>+19%</b>

<sup>15</sup> [https://www.greenclimate.fund/documents/20182/409835/GCF\\_B.14\\_17\\_-\\_Decisions\\_of\\_the\\_Board\\_\\_\\_fourteenth\\_meeting\\_of\\_the\\_Board\\_\\_12-14\\_October\\_2016.pdf/da61a7d6-f3dc-4342-a744-a03257a33ed7](https://www.greenclimate.fund/documents/20182/409835/GCF_B.14_17_-_Decisions_of_the_Board___fourteenth_meeting_of_the_Board__12-14_October_2016.pdf/da61a7d6-f3dc-4342-a744-a03257a33ed7)

	B.14 % of mix (41 AEs)*	Post B.14 % of mix (59 AEs)	% change
<b>Stage I (completeness review)</b>			
DAEs	55%	56%	+1%
AP ad EE	43%	42%	-1%
Private Sector	25%	29%	+4%

\*this is inclusive of any entities which were accredited at B.14, before the decision on prioritisation had been made. This results in 41 accredited entities, 11 entities at Stage II.2 and 64 entities at Stage II.1).

The table shows that, in many cases, there is a strong increase in the proportion of prioritised entities, at all stages, although this is certainly not equal across the board.

#### 2.4.2. Readiness Support

As at the 30 April, over US\$1.02 million of readiness support had been committed to DAEs seeking pre-accreditation support, allocated for conducting institutional gap assessments against the GCF standards for accreditation. A further US\$1.83 million of support had been approved for accredited DAEs to further strengthen their institutional capabilities post-accreditation and US\$4.67 million for project preparation support for accredited DAEs. The general consensus, within and outside of the GCF Secretariat, is that this support is beneficial. 100% of NDAs who were able to comment rated it a success, and all three of the respondent active observers and 70% of the Board agreed. Commitment and disbursement figures are, however, low. The total Readiness Programme budget is US\$190 million and only 12% of this has been disbursed. The issues of imbalances in types of AEs and the programme portfolio (Section 3) and the difficulties of certain entities in meeting the accreditation standards (Section 5) should make the take-up of this assistance a key priority for the GCF.

## 2.5 Conclusions and recommendations

### Conclusions

Our overall conclusion is that, whilst the accreditation framework is designed appropriately in terms of facilitating a portfolio that can meet the objectives of the GCF, it is not operating optimally. The current portfolio of entities does not adequately reflect the GCF's 'country-driven' mandate and it is particularly unrepresentative of private sector entities. It also has a sub-optimal geographical distribution. The range of financial instruments offered by AEs is skewed towards more 'traditional' developmental financing pathways (grants) and International Access Entities dominate the entities accredited for other financial instruments (loans, equity and guarantees), as well as those accredited for larger activity sizes. Although the prioritisation initiative has gone some way to address imbalances, the current portfolio does not seem to be as transformative as GCF's stakeholders would like.

It is important to note, however, that Direct Access Entities, as a result of their size and track record in delivering climate change projects, are most likely to be accredited for smaller sized projects and a larger number of these will be required to leverage desired levels of investment. This has an operational impact on the GCF. International Access Entities, although not country-driven and owned in the same way as DAEs, are generally more able to spend at scale, leverage larger amounts of co-financing and require less operational support from the GCF. In order to maximise amounts of funds disbursed but operate within resource constraints of the Secretariat for managing AEs and associated programmes, and ensure country ownership, a mixture of type and size of entities is essential.

Access to the accreditation process thus far seems to have been limited – the portfolio of already accredited entities cited existing relationships with UNFCCC or GCF as their primary source of information about accreditation, and NDAs do not seem to have had a great degree of influence on the 'early adopters' of GCF accreditation. There is clear evidence that either private sector entities have not engaged with the accreditation process, or they have not been encouraged to engage. There is evidence that this is changing, however, and that NDAs are becoming more influential in the process of nominating country level entities. Whilst acknowledging that responsibility for proposing direct access entities for accreditation lies with the NDAs, the GCF should ensure that they provide adequate support to ensure that the NDA accreditation strategies are aligned with their overall mandate and objectives, assisting them to select the correct entities and providing capacity support for those entities with relevant needs.

### Recommendations

**R1: Accreditation Strategy and Prioritisation.** The Board should work with the Secretariat to design and operationalise an accreditation strategy, containing clear targets, actions, timelines and performance indicators to facilitate the size and mixture of accredited entities that the GCF requires to fulfil its mandate. In accordance with GCF's commitment to pursue a country driven approach, this should be driven by Country Work Programmes, and in light of the limited number of CWP's finalised thus far, we would recommend that the GCF ensures that development

of such strategies are given strategic priority, through the allocation of adequate resources (either through readiness support, or via direct outreach from the Secretariat). In the absence of such a strategy, prioritisation of applicants should continue, in order to address any current imbalances in the portfolio. Targets for the performance of the accreditation process, for example the time take to complete the various stages, should be prominent within the operational work programme of the Secretariat and should be aspirational in nature, acknowledging any resourcing issues that may influence the achievement of such targets as risks in the GCF's risk register.

**R2: Engagement with NDAs.** The GCF's Governing Instrument states that they will pursue a country-driven approach and promote and strengthen engagement at the country level through effective involvement of relevant institutions and stakeholders. Whilst national accreditation strategies should of course be country owned, it can be expected that there should be alignment with the GCF's priorities, potentially via an alignment with the Nationally Determined Contributions (NDCs). Given that the current AE portfolio is not yet optimised, and that there are gaps at developing country level, the GCF therefore has a mandate by which to directly promote and facilitate stakeholder engagement at country level, to ensure that the correct types of entities are applying. Increased direct engagement with NDAs (and potentially other stakeholders), or greater promotion of readiness funding to assist NDAs do this themselves, would facilitate this.

**R3: Direct outreach / visibility.** The GCF can also conduct direct outreach and visibility activities, via its website and other marketing material, or through its networks. By promoting the transformative mandate and innovative financing mechanisms more widely, a wider circle of International Access entities (outside the 'usual suspects' oft-quoted in our interviews and survey) could be reached. This may also attract attention from Direct Access Entities which can be directed to a relevant NDA. As part of this outreach, and given the shortage of project proposals that have resulted from the current AE portfolio (See Section 3), the GCF should more clearly define and publicise alternative roles or modalities of interaction with the GCF (such as readiness delivery partner or executing entity) in order to filter out entities from the accreditation process that are not a good fit for an AE role. NDAs should also be equipped with this knowledge. 85% of both NDAs and Board members who responded to our survey are in support of defining and implementing such alternative routes.

### 3. GCF'S PROGRAMME PORTFOLIO

GCF's operating model is such that only entities that have gone through the accreditation process can implement projects/programmes. Accredited Entities (and non-accredited entities in limited, targeted requests for proposals issued by the GCF) can submit Concept Notes and Funding Proposals, but a Funded Activity Agreement (FAA) for an approved project can only be signed with an entity that has signed an Accreditation Master Agreement (AMA).

In this section, we consider:

1. *What portfolio of projects have been approved by the GCF, or are in the pipeline (Section 3.1)?*
2. *To what extent does this portfolio align with the organisation's mandate and strategy (Section 3.2)?*
3. *If relevant, what factors are impacting the GCF's ability to approve projects in line with its mandate and strategy (Section 3.3)?*
4. *If relevant, what has the GCF done to redress any misalignments in its portfolio of projects and how successful has this been (Section 3.4)?*

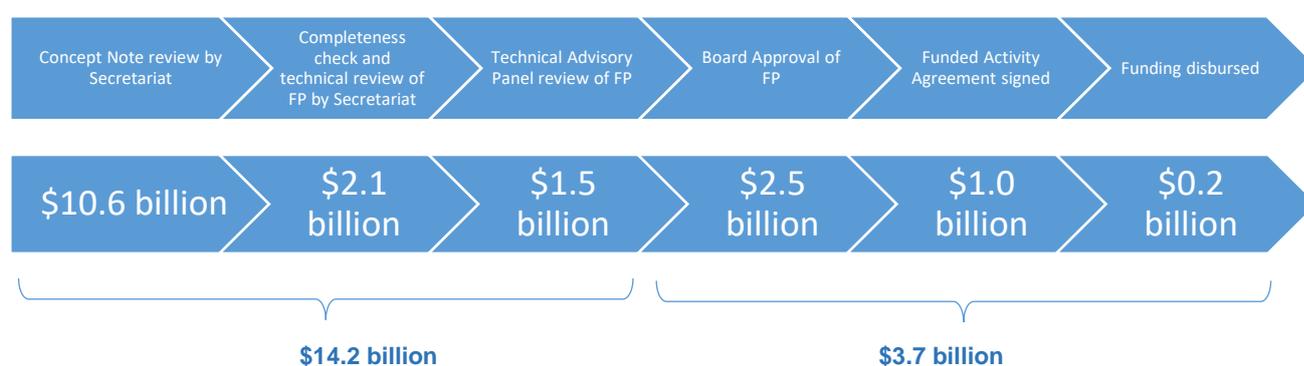
In Section 3.5, we draw conclusions and make associated recommendations.

### 3.1 The Concept Note and Funding Proposal portfolio

#### 3.1.1 The overall portfolio

As at 15 March 2018, the GCF Board had approved US\$3.7 billion of Funding Proposals. The pace of approval has increased exponentially, from US\$1,173 million in the whole 2017 to US\$1,095 million in the first Board meeting of 2018 alone. The B.19 approvals counted for almost 50% of the total KPI for 2018.<sup>16</sup> Another US\$3.6 billion of funding proposals have been received, US\$1.5 billion of which have been submitted to the Independent Technical Advisory Panel (ITAP) for review.

**Figure 14: Pipeline of Concept Note and Funding Proposals**



Up to and including the Board Decisions made in B.19, the GCF had approved 77 funding proposals, for a total of US\$ 3.7 billion.<sup>17</sup> Only US\$1.0 billion (27%) of this amount, however, has been committed via signed Funded Activity Agreements and disbursements only total US\$155 million (4%). GCF's projection for disbursements by the end of 2017 was US\$160 – 250 million<sup>18</sup> and for 2018 is US\$750 million.<sup>19</sup>

<sup>16</sup> 2018 Results Framework

<sup>17</sup> Figure includes funding proposals agreed in Euros, using an exchange rate of EUR 1 = USD 1.1227, from the United Nations Operational Rates of Exchange, effective at 1 March 2018. One approved project (FP029 from DBSA) has lapsed as of 23 October 2017, thus the total number of funding proposals to be implemented is 76 projects.

<sup>18</sup> 2017 Results Framework

<sup>19</sup> Ibid.

### 3.1.2. Direct and International Access Entities

As **Figure 15** shows, only 20 (26%) of the 77 approved proposals are with DAEs, for a total value of US\$0.56 billion, making up 15% of the total approved amount.

**Figure 15: Approved Funding Proposals, analysed by type of entity (Direct vs International Access)**



Furthermore, as **Figure 16** shows, 62 of the 77 approved proposals are from just fourteen entities, only four of which are Direct Access. The top five IAEs are responsible for implementing 67% of the total approved funding.

**Figure 15: Table of all AEs with more than one approved Funding Proposal**

2,973	International / Direct Access	No. of approved FPs	Value US\$	% of total approved FPs
1. EBRD	International	5	731,926,993.87	20%
2. UNDP	International	17	519,009,154.00	14%
3. World Bank	International	8	476,550,000.00	13%
4. IDB	International	7	402,700,000.00	11%
5. EIB <sup>20</sup>	International	2	318,500,000.00	9%
6. ADB	International	6	264,950,000.00	7%
7. KfW	International	2	166,012,269.94	4%
8. NABARD	Direct	2	134,357,000.00	4%
9. CAF	Direct	2	107,528,147.00	3%
10. Acumen	Direct	2	51,000,000.00	1%
11. AFD	International	2	42,944,785.28	1%
12. EIF	International	3	28,800,000.00	1%
13. XacBank	Direct	2	28,650,050.00	1%
14. WFP	International	2	19,257,107.00	1%
		<b>62</b>	<b>3,292,185,507.09</b>	<b>88%</b>

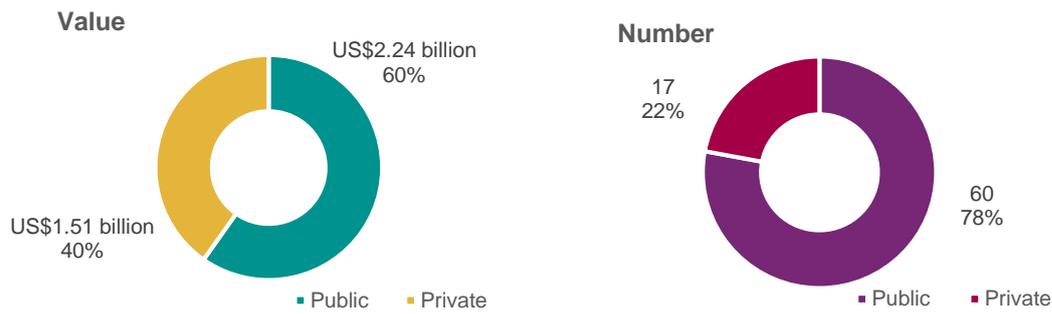
When we consider pipeline Concept Notes and Funding Proposals (i.e. those not yet approved), the balance does not notably change, with 63% of CNs and 71% of FPs coming from IAEs.

### 3.1.3. Private vs Public entities

Only 17 of the 77 funding proposals are from private sector entities, although these proposals account for 40% (US\$1.51 billion) of the total value. Looking forward, however, the value of private sector CNs and FPs in the pipeline is 49% and 44% respectively.

<sup>20</sup> One of the two funding proposals (US\$ 54million) is jointly implemented with Conservation International Foundation.

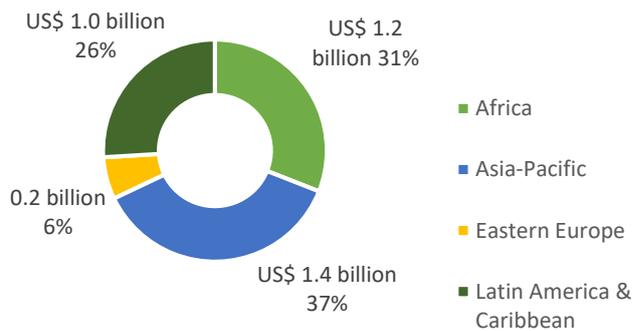
**Figure 17: Approved Funding Proposals analysed by type of entity (Public vs Private)**



### 3.1.4. Geographical location of projects

As **Figure 18** shows, the value of approved funding proposals are heavily weighted towards Africa (31%) and the Asia Pacific (37%) and the percentage share increases slightly when the value of pipeline CNs and FPs are taken into account (33% and 38% respectively), an increase that comes at the cost of Eastern Europe (EE), which only makes up 2% of the pipeline. The proportion of CNs and unapproved FPs relating to Latin America and Caribbean (LAC) remains the same.

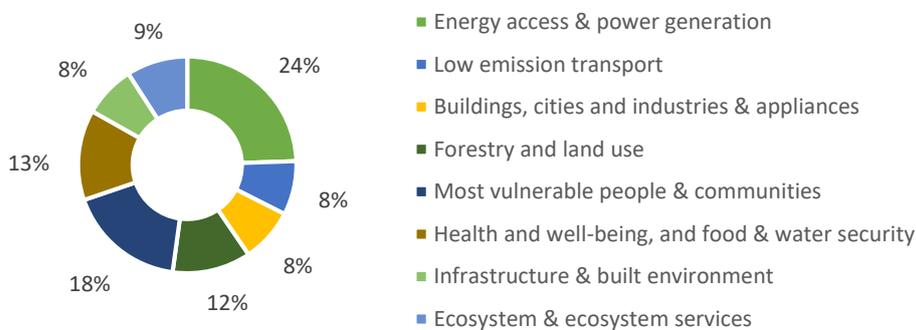
**Figure 18: Value of approved Funding Proposals analysed by geographical location**



### 3.1.5. Results areas

When we look at the results areas over which the approved FPs are spread (**Figure 19**), we can see that the split is not as evenly spread as indicated in the accreditation scope of the entities concerned.

**Figure 19: Spread of approved Funding Proposals analysed by GCF results areas**



### 3.1.6. Funded Activity Agreements (FAA)

For 27 of the 77 approved proposals, FAAs have been signed. As can be seen from the table below, the percentage split of these FAAs across public / private and Direct and International Access are broadly in line with those of all approved proposals.

Year of signature of FAA	No. of FAA signed	Value of FAA signed (US\$ million)	Private / Public sector split by number of FAA		Private / Public sector split by value of FAA		Direct / International split by number of FAA		Direct / International split (value US\$ million)	
			No.	%	Value	%	No	%	Value	%
<b>Total</b>	27	1,232	5 / 22	19 / 81	586 / 646	48 / 52	9 / 18	33 / 67	171 / 1,061	14 / 86
<b>All FPs</b>				22 / 78		40 / 60		26 / 74		15 / 85

## 3.2 The alignment of GCF's programme portfolio with its mandate and strategy

### 3.2.1. Mandate, strategy and key performance indicators

In theory, and in accordance with GCF's mandate to ensure that activities are country driven, any KPIs for the number and type of projects approved and under implementation should be drawn from Country Work Programmes (CWPs), with which Accredited Entities' Work Programmes should be aligned. However, as at B.19, although 55 countries were at various stages of implementation of activities to design their CWP or CWP briefs, only 3 had been finalised, against a target of 20.<sup>21</sup> 44 Accredited Entities have submitted their Entity Work Programme briefs. This notwithstanding, of those NDAs who responded to our survey, 100% agreed that the projects approved by the Board were sufficiently linked to their CWP or needs and priorities, perhaps through alignment with country strategies formulated for purposes / entities other than the GCF.

Although the CWPs are not therefore in a sufficient state of completeness to form the formal basis of the GCF's project strategy, the organisation does have an overarching mandate and the Secretariat's Annual Work Plans and Results Framework crystallise this into operational targets. Key KPIs of relevance to this assignment include GCF's commitment to:

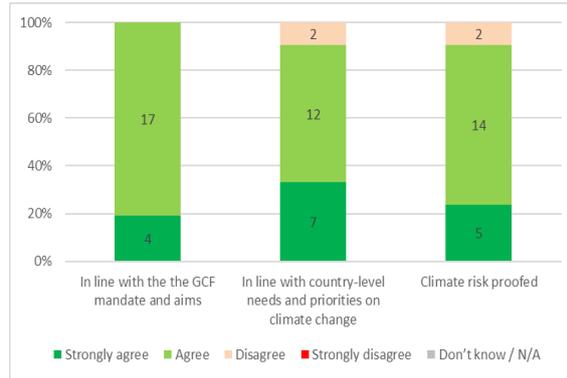
- promote country ownership – 50% of all proposals should be from Direct Access Entities. This target has clearly not been met, as only 15% of the value of approved funding proposals are from DAEs. The pipeline of CNs and FPs will not change this substantially;
- encourage private sector involvement, through a dedicated Private Sector Facility with its own set of annual KPIs. Approved funding should be split approximately 50:50 between the public and private sector. Although closer to being achieved than the DAE:IAE target, the actual results are some way off, with only 40% of approved funding proposals being from private sector entities. The CN and FP pipeline does, however, seem to be addressing this imbalance.

### Board and NDAs

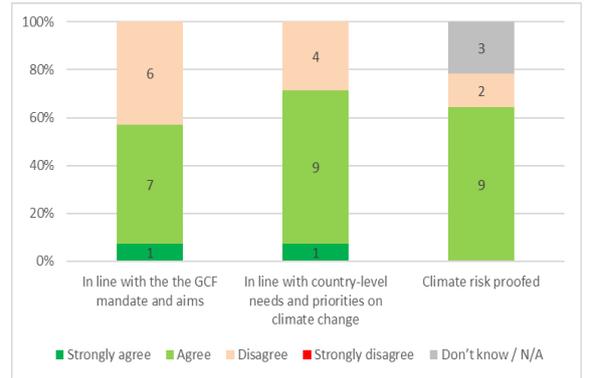
Our survey results indicate that respondent NDAs believe that proposals have a strong level of alignment with GCF mandate and their country-level needs (**Figure 20**). Board respondents, however, disagree, most notably with regards to alignment with the GCF mandate, where over 40% of respondents do not think that projects are aligned (**Figure 21**). Approximately 30% of Board respondents also disagree that projects are aligned with country-level needs. The views of active observers were divided.

<sup>21</sup> GCF 2017 Results Framework

**Figure 20: NDA views on potential projects brought forward**



**Figure 21: Board views on potential projects brought forward**



### 3.3 Factors influencing the size and mix of portfolio of FPs

#### 3.3.1. The impact of the AE portfolio on FP pipeline

The portfolio of AEs will obviously impact the FPs bring brought forward, as entities are accredited for a certain size, financial instrument, environmental and social risk level and geographical area.

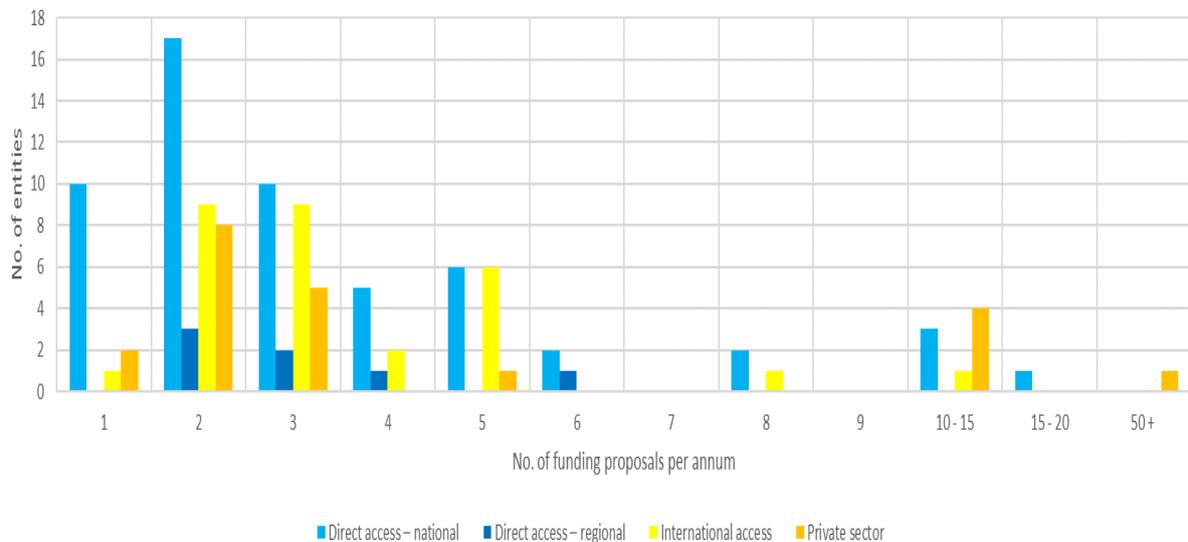
#### 3.3.2. Identifying projects

We asked pipeline entities if they have projects ready to propose to the GCF upon accreditation. 85% of private sector entities, 86% of IAEs and 86% of regional DAEs replied to the affirmative, but only 66% of national DAEs said the same. Looking at this by stage of accreditation, it was notable that the absence of pipeline was most notable amongst those entities which have an OAS account but have not yet submitted an accreditation application. It could be a significant risk to GCF if entities are seeking accreditation without a clear vision for bringing forth viable projects to the Fund, and gives weight to the idea that evidence of a pipeline should be a prerequisite for accreditation.

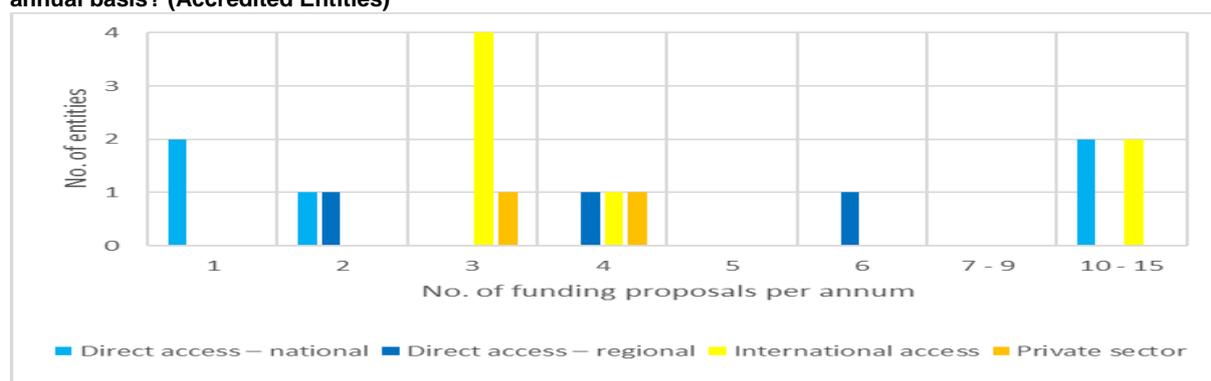
We also asked accredited and pipeline entities how many quality funding proposals they estimated that they would be able to bring forward per annum. As can be seen in **Figures 22 and 23**, a very small number of entities responded that only one proposal would be possible, indicating that entities do at least have an understanding of what is expected of them as AEs, confirming the evidence discussed in Section 2.3.1. The respondents to our survey indicated a broad range of methods for identifying and selecting projects, including internal idea generation, liaison with country partners and GCF, but most respondents highlighted the key driver as country needs and demands.

We also noted that 69% of AE respondents stated that they had identified projects that were outside of their accreditation scope.

**Figure 22: How many quality funding proposals do you think your entity is able to propose to the GCF on an annual basis? (accreditation pipeline)**



**Figure 23: How many quality funding proposals do you think your entity is able to propose to the GCF on an annual basis? (Accredited Entities)**



### 3.3.3. Submitting Concept Notes

All but one of the AE respondents to our survey had submitted a Concept Note (CN). 70% of the pipeline respondents to the survey, however, had not yet submitted a CN, although perhaps this is to be expected, given that CNs can only be submitted by a non-accredited entity in response to GCF requests for proposals. When we explored the reasons for the low number of submissions, the overwhelming response from the entities was that they were waiting for the accreditation process to complete. Several entities expressed the opinion that the accreditation process was so lengthy and labour intensive, and the outcome so uncertain, that they did not want to raise expectations amongst project stakeholders or waste time on developing CNs that might not yield any results. This indicates that a significant amount of time is being lost by conducting the processes in succession, rather than in parallel, although this is understandable from the point of view of the entities. Secondly, it seems that entities are not sufficiently aware of the importance of project pipeline (and therefore project delivery) to accreditation. If the GCF were to require evidence of project pipeline as part of accreditation, then this message would be significantly strengthened. Evidence of developed project concepts could in fact be beneficial to an entity's application, by demonstrating their commitment to the objectives of the GCF and proactivity in contributing to them.

### 3.3.4. Converting Concept Notes to projects

It is clear from the statistics in Section 3.2 that the conversion rate of CNs to FPs is far below expectations. In our surveys, we explored some of the reasons why CNs had not materialised into projects. In response to the question '**Why have the projects that your entity hoped to deliver with GCF financing not come to fruition?**', AEs responded that either AMA negotiation is still ongoing (one noting that this had been the case for 'several years') projects were still under review and negotiation or, in one case, projects were on hold because they were outside of the entity's scope.

### 3.3.5. Developing Funding Proposals

We asked pipeline entities what were the main obstacles to increasing the number of quality of funding proposals. The main areas of note, which should correspond to GCF's remedial actions were:

- Applicant's limited internal resources, including technical resources;
- Very complicated and bureaucratic requirements from the GCF;
- Lengthy process, compounded by a backlog of projects under consideration at the GCF;
- Insufficient funding to prepare projects;
- Time is needed to liaise with counterparts and build consensus.

We asked the same question of the AEs and Active Observers, who highlighted the following common obstacles (and potential solutions):

- Overall length and cost of the process – and shortage of PPF funds to support this. The process and timeline of the project submission cycle could be clarified;
- Amount of time required, including for complex feasibility studies and due diligence and for the completion of the FAA negotiation. Templates and document requirements are too complex and should be simplified;
- Lack of responsiveness / knowledge from the GCF Secretariat. 43% of AEs felt that they were not sufficiently supported by the GCF during the identification and development of FPs, with particular dissatisfaction amongst IAEs. The GCF Secretariat's institutional structure and capacity of the contact points should be reviewed to ensure that technical knowledge is available as required;
- Limited human and technical resource in potential beneficiaries – and shortage of capacity building funds. Greater and quicker access to the PPF should be facilitated for financial and technical support;
- Time needed to engage with an NDA. Better coordination and support could be provided for NDAs on what AE may be best placed to deliver a specific project. More regional coordinators could be assigned to support the preparation of the funding proposal.

## 3.4 Initiatives undertaken to address imbalances

### 3.4.1. Project Preparation Facility

As at the end of March 2018, 48 Project Preparation Facility requests had been received, for a total value of US\$51 million. US\$31 million (US\$2 million approved) has been requested by 10 IAEs across 26 separate requests. The remaining US\$20 million has been requested by 13 DAEs across 22 separate requests. Views on the facility from AEs was mixed. Whilst there was support for the idea in principle, there were comments that the process was lengthy and onerous, and that guidance from the GCF was somewhat lacking.

## 3.5 Conclusions and recommendations

### Conclusions

Our overall conclusion is that the accreditation and funding proposal process has not resulted in a project portfolio that is in line with the GCF's objectives, either in terms of overall size or by some of the key metrics by which the organisation is measuring its performance – country ownership and private sector involvement. This is in part due to the entities that GCF has accredited - perhaps as expected from the portfolio of AEs, the approved Funding Proposals are dominated by large, international organisations. 2018 has seen a strong start in terms of Board approval for funding proposals but we note that the Concept Note and Funding Proposal pipeline does not have a substantially different profile to that of the projects already approved – it is still heavily weighted towards International Access entities. Further action is clearly needed to address the AE portfolio, as discussed in Section 2, in order to accredit a sufficient number of DAEs to generate FPs.

Accredited and pipeline entities state that they understand their role in bringing forward projects (although perhaps not early enough in the accreditation process) and all have ambitious targets in terms of the volume of FPs that they wish to submit.

There are numerous factors that have influenced the size and spread of the current project portfolio. Some entities are not aware that the funding proposal process can proceed in parallel to accreditation in the case of specific Requests for Proposals issued by the GCF, and are therefore waiting for the first to complete before they begin the second. As will be seen in Section 4, this has significant time implications, and so action is needed to ensure that it is less of a linear series of events. It is also a case of resources and priorities - project development takes time and effort and entities have indicated that the process is onerous, duplicative and that support from GCF is lacking. Furthermore, there is no guarantee of success at accreditation – NDAs, for example, have a 50% expectation that a significant proportion of their nominated entities will not progress. An unwillingness of entities to invest in project development is therefore understandable. For those entities that have submitted CNs and FPs in parallel to applying for accreditation, the length of the accreditation process has meant that some approved FPs have been put on hold because the entity has not yet signed an Accreditation Master Agreement. There is no question - the length, complexity and unpredictability of the accreditation process is reducing the flow of viable projects.

Lack of internal resources and capacity to prepare funding proposals is also a key barrier to both accredited and pipeline entities. Access to the assistance provided by the Project Preparation Facility appears limited and without this, the process is prohibitively expensive to certain entities.

### Recommendations

**R4: Project Preparation Facility and Readiness.** Access to funding for support in the development of funding proposals should be broadened, particularly for Direct Access Entities. A substantial amount of funding has been allocated for the purposes of such capacity building, but the take-up and disbursement is currently relatively low. The availability of PPF and Readiness support should therefore be publicised more widely, either directly through an increased GCF presence on the ground or through NDAs. This should be done at very early stages of the accreditation process, alongside the visibility activity recommended in R2 and R3. The GCF should support NDAs in the selection of suitable candidates for this support and in making the application process as quick and easy as possible.

**R5: Communication.** The GCF, either directly or via NDAs, should continue to raise the visibility and extend the reach of RfPs, making it clear to entities that accreditation is not necessary in order to submit CNs in response to these (although it does remain a condition for signing an Funded Activity Agreement and implementing a project). The GCF should communicate that engagement with RfPs could strengthen accreditation applications.

**R6: GCF roles and structures.** The GCF should carry out a detailed review of the funding proposal process, taking into account the survey feedback from this assignment (see also Section 4). It should include within its scope the templates used in the application process and the capacity, roles, responsibilities and structure of the project appraisal team in meeting the objectives of the process. We understand that an exercise is already underway to review the 2<sup>nd</sup>

level due diligence carried out at FP stage, which is intended, in part, to identify any unnecessary burdens to entities or the GCF.

**R7: Evidence of project pipeline.** The GCF should continue to make it clear to all entities interested in accreditation that funding proposals are expected – and should even consider making evidence of a viable project pipeline a requirement for accreditation. For reaccreditation of the current portfolio, track record in this regard should be considered. 65% of Board members who replied to our survey expressed support for this idea. Only 55% of NDA respondents felt the same, often the same respondents who flagged issues of capacity within DAEs. Flexibility could be exercised for entities who would find this requirement challenging to meet, but only on the condition that a funding proposal is submitted within a certain time period. This does of course have resource implications for the Secretariat, because these project pipelines will have to be quality reviewed for viability. However, we foresee that a relatively light touch due diligence is all that would be required at this stage.

**R8: Alternative routes for project delivery.** The GCF should formalise any proposed alternative pathways for entities to deliver projects and publicise these to relevant entities and NDAs. These are pathways by which accreditation is not a pre-requisite for project delivery and include, at present, an non-accredited entity looking for an AE through which to propose a project to GCF, or the Project Specific Assessment Approach. The latter would allow non-accredited entities to deliver one project and/or accredited entities to deliver projects outside of their accreditation scope, and is discussed further in Section 6.

# 4. THE ACCREDITATION AND FUNDING PROPOSAL PROCESS

The portfolio of accredited entities and funding proposals analysed in Sections 2 and 3 result from processes designed and established by the GCF following the approval of the framework in the 7<sup>th</sup> meeting of the Board. The processes are multi-phased and complex and involve a number of different actors and tools.

In this section, we consider:

1. How long do the accreditation and funding proposal processes take and is this appropriate (**Section 4.1**)?
2. How much do the accreditation and funding proposal processes cost and is this appropriate (**Section 4.2**)?
3. Is the accreditation process fit for purpose in terms of the structure of the entities involved, the allocation of tasks and the arrangement of process steps (**Section 4.3**)?
4. Are the tools supporting the process, such as IT application or checklists, fit for purpose (**Section 4.4**)?

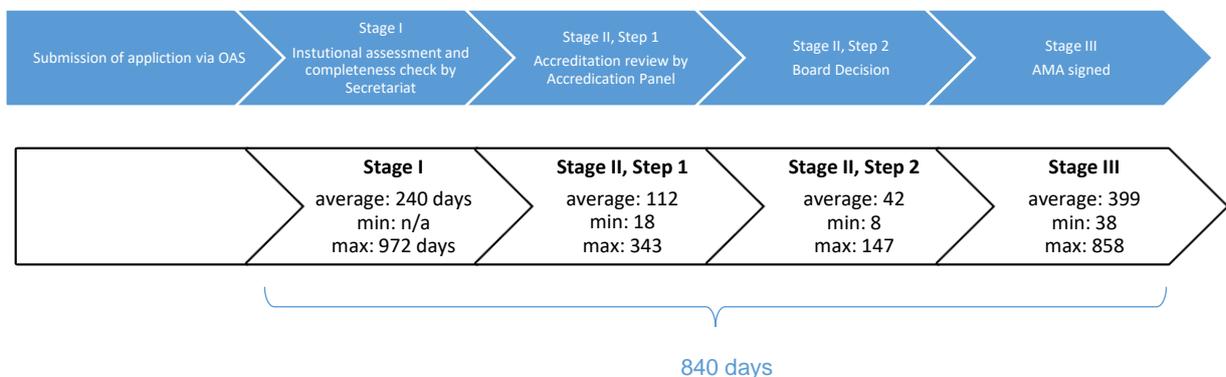
In Section 4.5, we draw conclusions and make associated recommendations.

## 4.1 Length and cost of the accreditation process

### 4.1.1. Timeline and resources

The accreditation process consists of three main stages. The first is the receipt of the accreditation application, and the institutional assessment and completeness check conducted by the Secretariat (with additional resources provided by external consultants as necessary). The second stage is divided into two steps, the first being the independent review of the application by the Accreditation Panel, and the second the Board review and decision. The third stage is the negotiation and signature of the Accreditation Master Agreement. **Figure 24** shows that, in total, the three stages take an average of 840 days, with the longest amount of time taken for the completeness check and the negotiation of the AMA.

**Figure 24: The average, minimum and maximum number of days taken to complete each stage of the accreditation process**

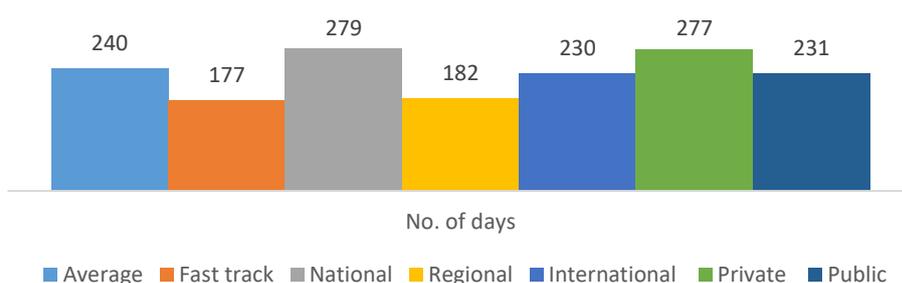


#### Stage I - Institutional assessment and completeness check by Secretariat (77 entities)

The institutional assessment and completeness check conducted by the Secretariat begins when the entity submits an application vis OAS and has paid accreditation fees.<sup>22</sup> The Secretariat utilises a number of external consultants to assist in these checks, both individuals and firms. It took an average of **240 days** for this stage to be completed, with a notably higher amount of time taken by national and private sector entities – see **Figure 25**. This timeframe includes both the time for review by the Secretariat and responses by the applicant.

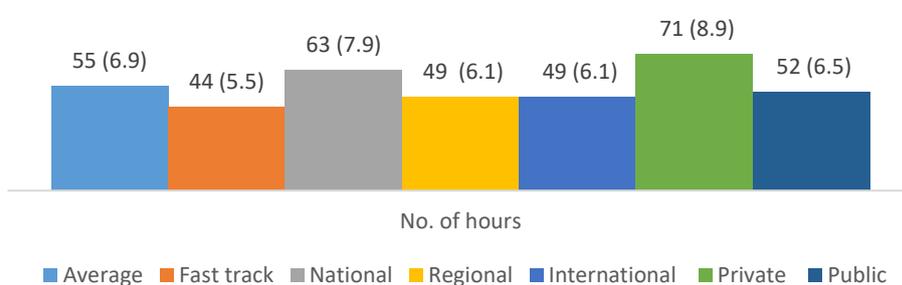
<sup>22</sup> In the earliest stages of the accreditation process, and in order to expedite the accreditation of entities, the GCF Secretariat began the Stage I review before accreditation fees were paid. For those entities, we have treated ‘started the clock’ in terms of counting the number of days to complete Stage I with the submission of the application.

**Figure 25: Average number of days to complete Stage I (Secretariat review) by type of entity**



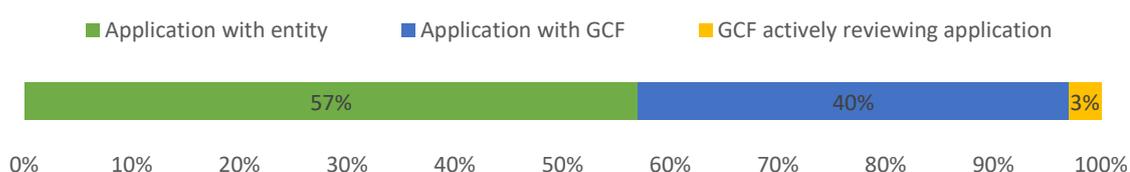
The average length of time taken for the GCF Secretariat to complete their review and send out their first set of clarification questions was **44 days**. On average, **three rounds of clarifications** were required between the GCF and the entity concerned, and only nine entities could be progressed to stage II on the basis of just one set of clarifications. A number of factors drive these statistics (readiness of the entities, clarity of the guidance from the GCF) and these are discussed further in section 4.3.

**Figure 26: Average number of hours (days) spent on Stage I (Secretariat review) by type of entity**



In total, 57% of the absolute number of days taken for entities to progress to Stage II was time when clarification questions were with the entity and the Secretariat was awaiting a reply. Of the 43% of time in which the application was with the Secretariat, the average amount of time spent on actually reviewing each accreditation application was **6.9 days** (55 hours). This is 3% of the total time taken on Stage I and approximately 7% of the total length of time in which the application was with the Secretariat. This could indicate a bottleneck of some sort, which is discussed further in Section 4.3.

**Figure 27: Split of time between entity and GCF in Stage I (Secretariat review)<sup>23</sup>**

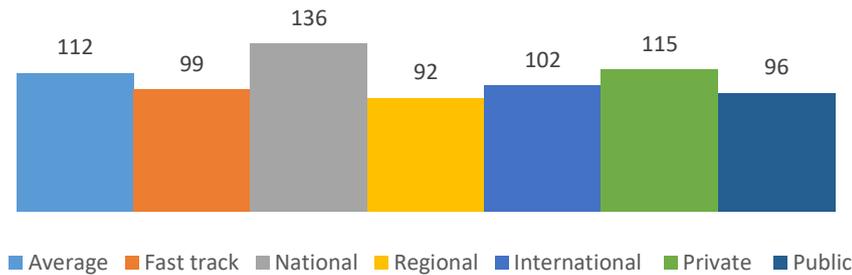


### Stage II.1 – Review by Accreditation Panel (59 entities)

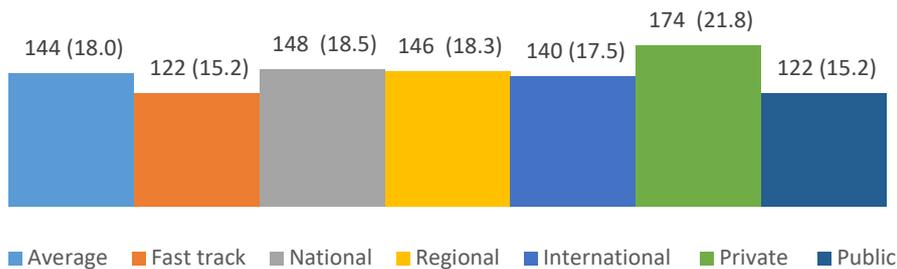
The review conducted by the Accreditation Panel begins when the Secretariat notifies them of the completion of Stage I. The Accreditation Panel consists of 6 members and 2 external consultants. The Chair allocates each application to a two-member team (consisting of a fiduciary expert and an ESS/Gender expert). It takes on average **112 days** for this stage to be completed, with a notably higher amount of time again spent on national and private sector entities – **see Figure 28**. This timeframe includes both the time for review by the Accreditation Panel and responses by the applicant. In terms of absolute days taken for the AP’s review, the average is **18.0**, with more again needed for private sector entities (**Figure 24**).

<sup>23</sup> Time spent by the entity on accreditation tasks is not discernible from the survey data

**Figure 28: Average number of days to complete Stage II.1 (Accreditation Panel review), by type of entity**

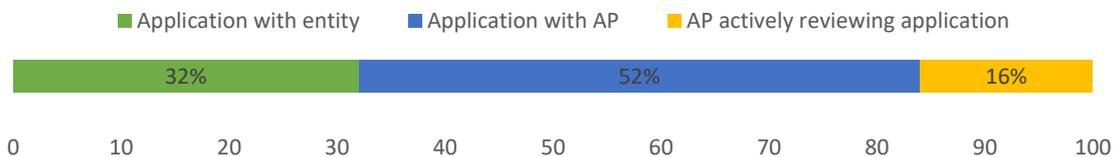


**Figure 29: Average number of hours spent on Stage II.1 (Accreditation Panel review) by type of entity**



On average, **two rounds of clarifications** were required between the Accreditation Panel and the entity concerned, and forty-four entities (75%) completed the process within two sets of clarifications. In total, 68% of the absolute number of days taken for entities to progress to Stage II.2 was time when the application was with the AP. This may be indicative of bottlenecks.

**Figure 30: Split of time between entity and GCF in Stage II.1<sup>24</sup>**

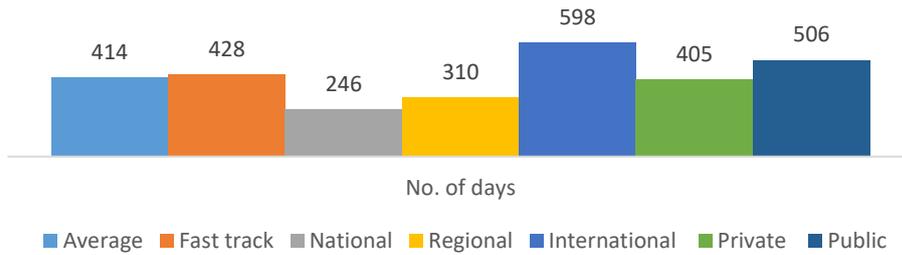


**Stage III – Negotiation and signature of Accreditation Master Agreement (41 entities)**

Once the approval for accreditation has been given by the Board, the negotiation of the AMA begins. **Figure 31** shows that this takes, on average, a considerable **414 days** to complete, with significantly more time needed for international and public sector entities. It must be noted that these statistics include the investment of time in the negotiation of the first AMAs, for which there was no template and which were negotiated on an entity specific basis.

**Figure 31: Average number of days to complete Stage III (signature of AMA), by type of entity**

<sup>24</sup> Time spent by the entity on accreditation tasks is not discernible from the survey data

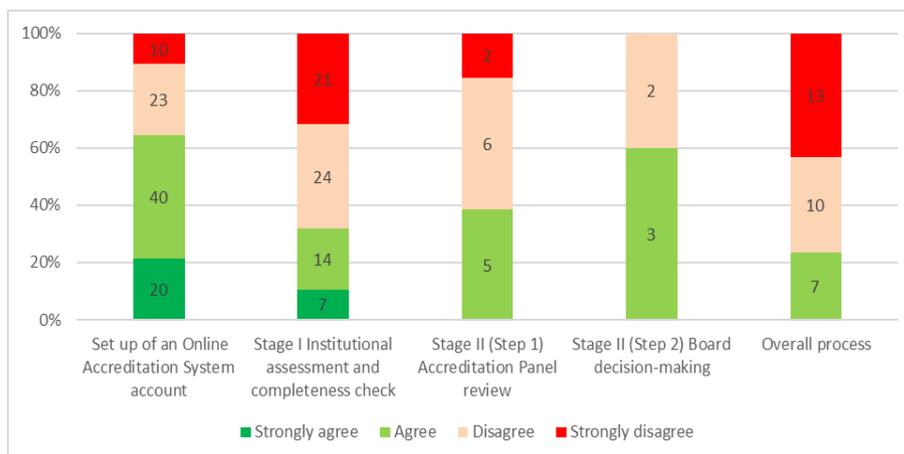


#### 4.1.2. Reasonableness of the length of time taken

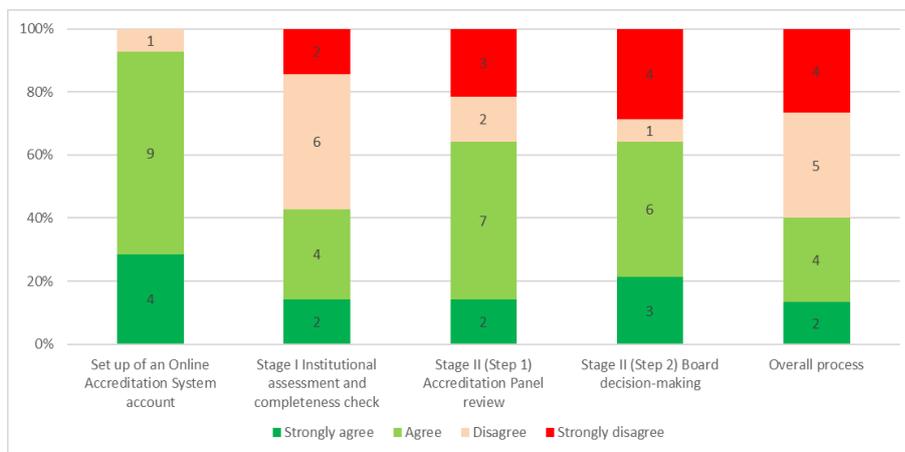
##### AEs and pipeline

In our surveys, we asked AEs and pipeline entities whether or not they agreed that the length of time taken to complete the process was reasonable. **Figure 32** shows that pipeline entities very clearly disagreed (ca. 75% responded disagreed or strongly disagreed), with particular issues at Stages I (Secretariat review) and II.1 (Accreditation Panel). Accredited entities disagreed to a lesser extent (ca. 60% agreeing or strongly agreeing that the time taken was reasonable – see **Figure 33**) but they also had particular issues with Stage I.

**Figure 32: Accreditation pipeline entity responses regarding whether the length of time taken to complete each of the accreditation stages was reasonable**



**Figure 33: Accredited entity responses regarding whether the length of time taken to complete each of the accreditation stages was reasonable**

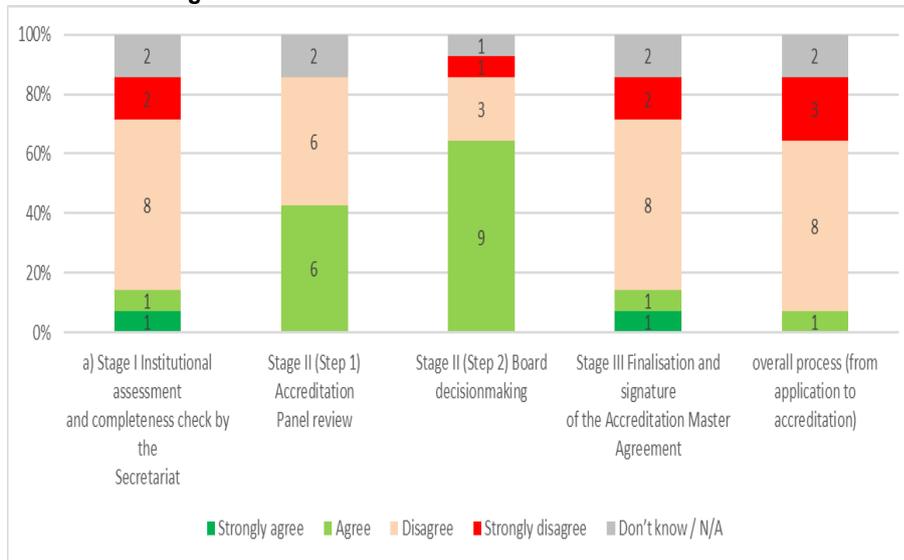


##### Board and NDAs

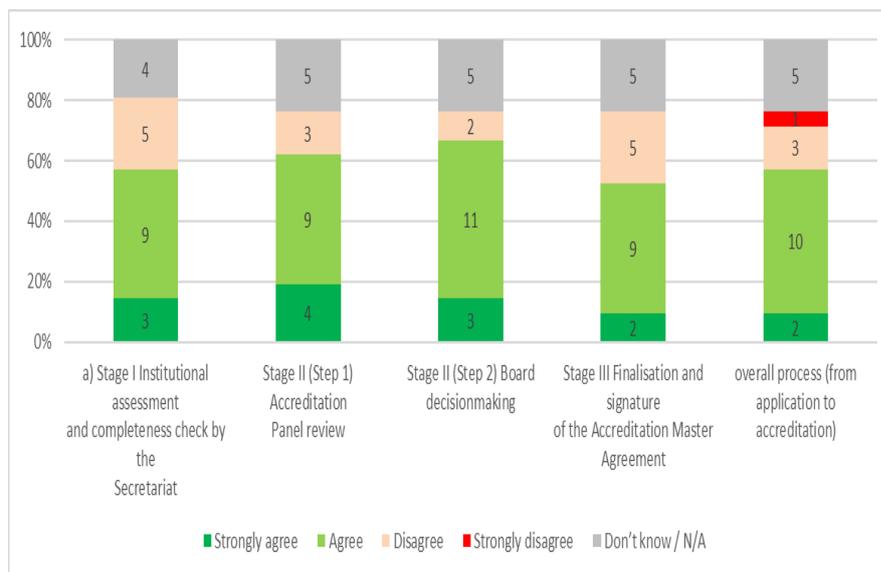
We also asked the Board and NDAs about the reasonableness of the time taken for the accreditation process and received similarly negative feedback – **Figure 34** shows that the Board almost unanimously disagreed that it was reasonable, with

particular issues around Stage I (completeness check) and III (AMA negotiation), which are both managed by the Secretariat. Whilst significantly less critical than the Board feedback, a substantial minority of NDA respondents also felt that the process took longer than was reasonable (Figure 35).

**Figure 34: Board - “To what extent do you agree that the length of time taken to complete the following accreditation stages is reasonable?”**



**Figure 35: NDA - “To what extent do you agree that the length of time taken to complete the following accreditation stages is reasonable?”**



The stakeholders whom we interviewed about the time taken to complete this process had mixed opinions about the necessity for and implications of the length of the process. Some interviewees were fairly phlegmatic – and spoke about the need for proportionality: the amounts of funding disbursed by the GCF are considerable and therefore it is reasonable that time is taken to complete the process. Other interviewees were, however, clear that the pace has implications for the overall success of the GCF. Several mentioned private sector in particular; due to the innovative nature of projects or the fast operational pace of the entities concerned – there is often a high degree of obsolescence in the projects proposed, and a lengthy or bureaucratic process has a significant impact.

The time actually spent by the Secretariat on review tasks at Stage I amounts to only 7% of the total amount of time taken to reply to an entity. For the Accreditation Panel review (Stage II.1), this statistic is 24%. If the review tasks could be done immediately upon receipt of entity responses, the overall time for Stage I and II.1 could be reduced by around 40% and 52% respectively, amounting to over 5 months. This would depend on resources being available to conduct the review tasks immediately, which may be facilitated by the use of further external resource (see recommendations).

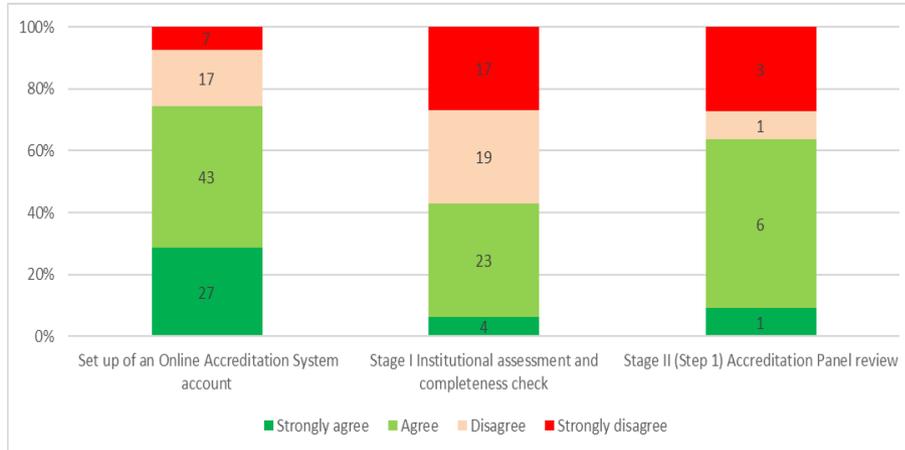


### 4.1.3. Reasonableness of the resources required

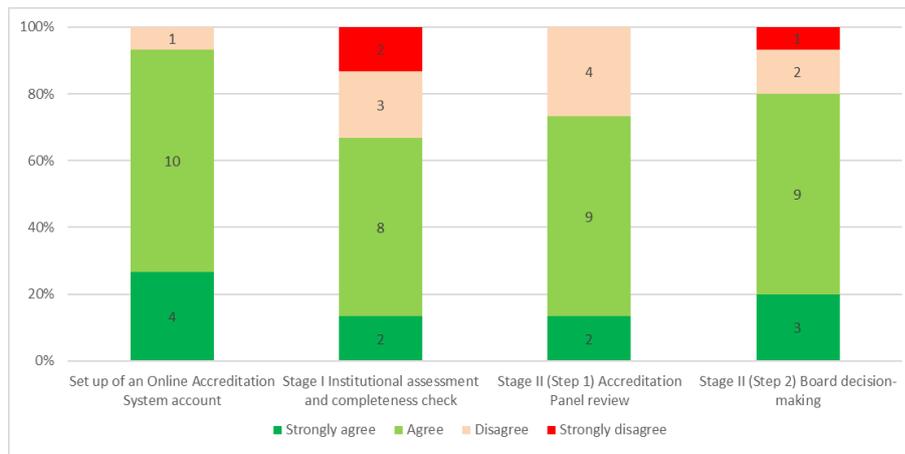
#### AEs and pipeline

In our surveys, we also asked AEs and pipeline entities whether or not they agreed that the number of person-days taken to complete the accreditation process was reasonable. **Figure 36** shows that pipeline entities disagreed with regards to the set-up of an OAS account (26%) and also to Stage I (57%). Accredited entities disagreed to a lesser extent, as can be seen from **Figure 37**.<sup>25</sup>

**Figure 36: Accreditation pipeline entity responses regarding whether the number of person-days spent to complete each of the accreditation stages was reasonable**



**Figure 37: Accredited entity responses regarding whether the number of person-days spent to complete each of the accreditation stages was reasonable**

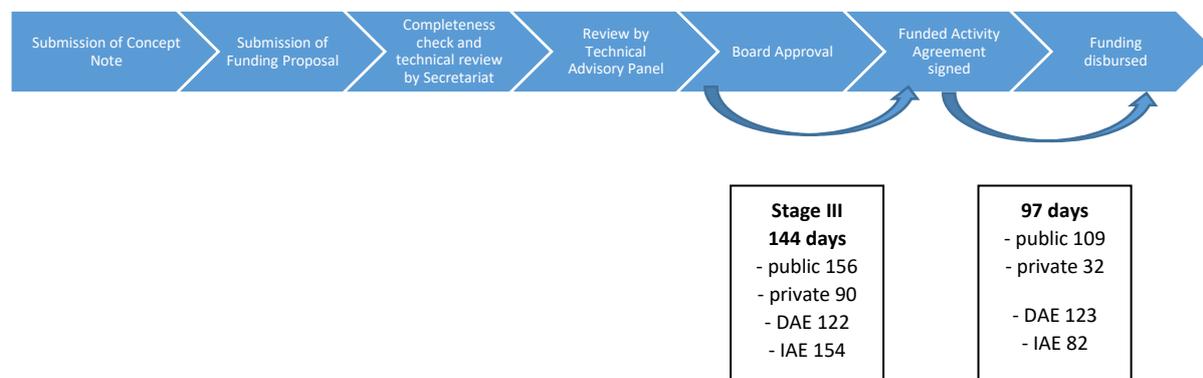


<sup>25</sup> This analysis does not take into account any difference in opinion between prioritised and non-prioritised entities.

## 4.2 Length and cost of the funding proposal process

The funding proposal process is similar to that of accreditation, following similar steps from receipt of a proposal to disbursement of funding. The first stage is the submission of the funding proposal (on the basis of an approved concept note), and a completeness check and technical review by the Secretariat. The second stage is divided into two steps, the first being the independent review of the application by the Independent Technical Advisory Panel (ITAP), and the second the Board review and decision. The third stage is the negotiation and signature of the Funded Activity Agreement (FAA).

**Figure 38: funding proposal process**



### Stage I - II – Secretariat and ITAP review

Data on the time spent on Stage I and II is limited, and so it is not possible to carry out a detailed analysis of each stage of the process. The feedback presented in Section 3 on the obstacles facing entities in preparing FPs, however, indicates dissatisfaction with the length of time taken. We also asked accredited entities to compare the effort required to prepare FPs for GCF as opposed to other funds / financiers. 75% of respondents indicated that the GCF required more. The reasons for this included:

- The GCF's procedural documentation requirements, including complicated templates;
- Lack of clear documentation, guidance, process or policies from the GCF;
- External expertise is required to develop the proposal and access to PPF is restricted;
- The up-front investment required by an entity is considerable and therefore expensive.

### Stage III – Negotiation and signature of Funded Activity Agreement (27 FAAs)

As at 15 March 2018, of the 77 approved funding proposals, only 27 FAAs have been signed, in an average of 140 days. As can be seen from **Figure 38** above, public sector entities take substantially longer to complete each stage, although only 6 FAAs for private sector entities have been signed so far, 3 of which are with the same accredited entity.

## 4.3 Factors influencing the time and resources taken for accreditation and funding proposal process – structures, roles and responsibilities

There are a number of factors influencing how long, and how labour intensive, the accreditation and funding proposal processes are. We have divided these into two sections: Section 4.3 relating to the structure of the processes and the individual roles and tasks undertaken and Section 4.4 relating to the tools supporting the process.

### 4.3.1. Duplication of tasks

#### Within the accreditation process

We noted from our interviews and survey responses a strong feeling that there is duplication of work at both accreditation and funding proposal stage, both for the reviewers and reviewees. 44% of AEs stated that they agreed or strongly agreed that there were duplications in the accreditation process and 25% of entities in the pipeline felt the same way. For pipeline entities, this opinion was strongest at Stage II (38% of respondents). The sense from respondents was that this duplication reflected redundancies in the process and therefore potential for efficiency gains. By way of illustration, at Stage I the Secretariat (supported by external consultants) conducts a 'completeness' check, verifying that all questions in the application have been answered and documents provided. This is then handed over to the Accreditation Panel for a quality review of these responses / documents against the relevant Standards. Both actors in this process indicate that the delineation between 'checking completeness' and 'reviewing quality' is somewhat blurred.

### Between the accreditation and funding proposal process

Several actors also feel that there is duplication between the accreditation and project proposal process, with 42% of AEs who responded to the survey agreeing that there is a degree of overlap, over half of whom felt that this duplication was significant. Areas of particular note were the double review of internal controls, such as procurement processes, or the overlap of the discussion of legal terms in the Funded Activity Agreements and Accreditation Master Agreements. Several comments were made that the Secretariat staff at the funding proposal stage are not aware of the accreditation process, and the information that has been requested, reviewed and discussed therein. We know that the GCF Secretariat are in the process of undergoing a review of the second level due diligence, which aims in part to tackle some of these issues.

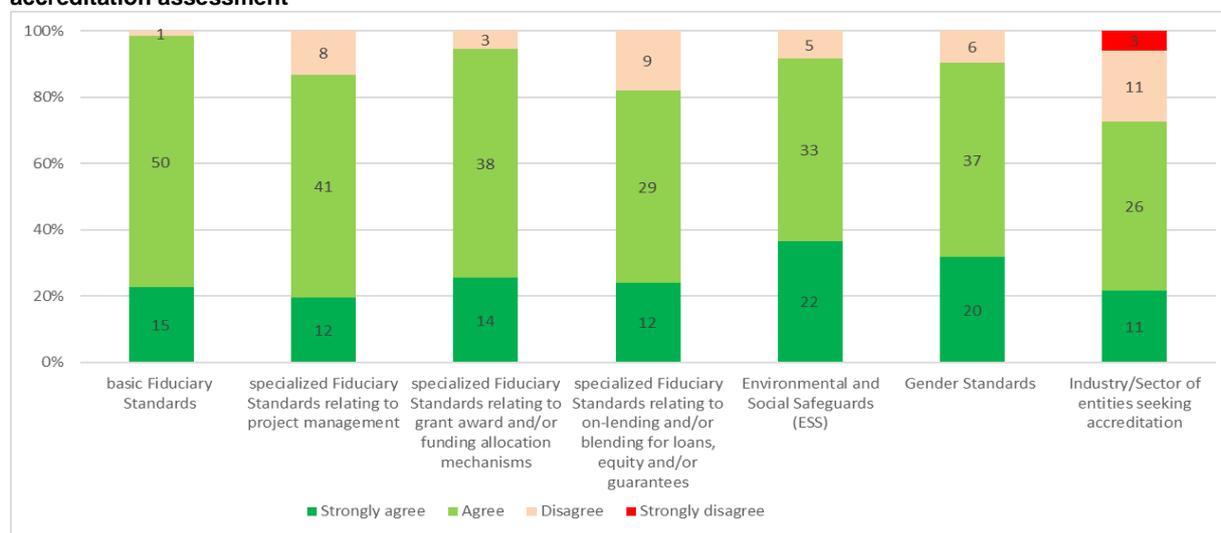
### 4.3.2. GCF expertise

#### Secretariat

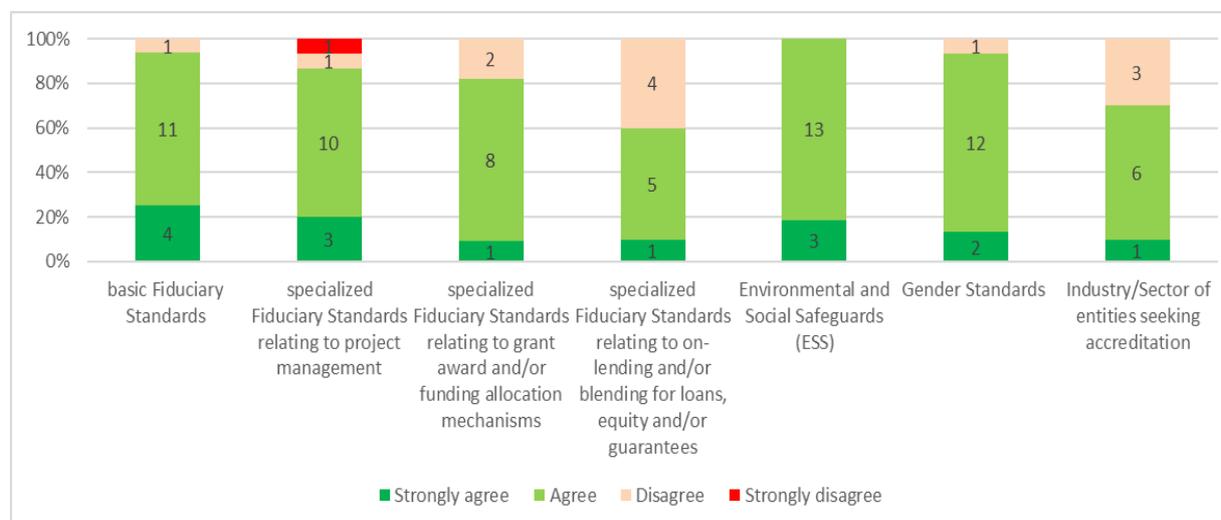
Overall, there was a very strong endorsement from NDAs and accredited and pipeline entities of the expertise of the Secretariat, as can be seen from **Figures 39 - 41**. One potential area for strengthening appears to be the GCF's knowledge of specific industries or sectors, although the survey results did not elaborate on a particular area of weakness. An outlier from the general consensus were the Active Observers, who expressed strong disagreement that there was adequate expertise in ESS and Gender Standards.

A number of Accreditation Panel members expressed the opinion that, whilst they were generally satisfied that the skills of the Secretariat were sufficient, there had been examples of variable quality in the outputs received at the close of Stage I.

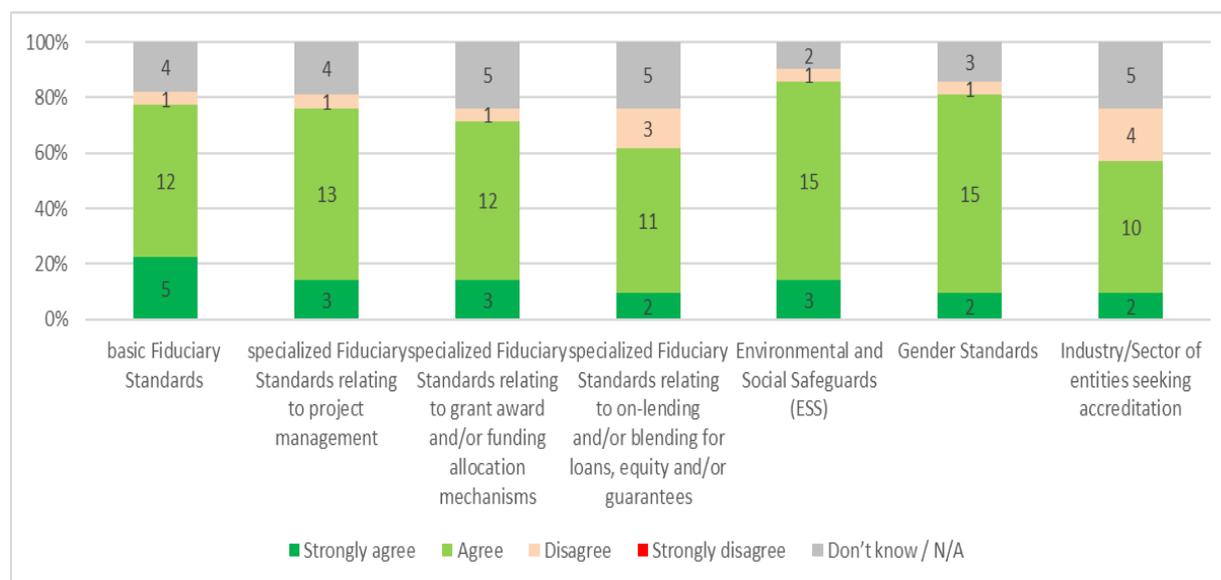
**Figure 39: Entities in the pipeline views of the sufficiency of GCF Secretariat staff expertise to enable a robust accreditation assessment**



**Figure 40: Accredited entities views of the sufficiency of GCF Secretariat staff expertise to enable a robust accreditation assessment**



**Figure 41: NDA views of the sufficiency of GCF Secretariat staff expertise to enable a robust accreditation assessment**



#### Accreditation Panel

We noted a similar endorsement of the AP's expertise, with only 8% of survey respondents (across Board, NDAs and Active Observers) indicating that their skills were not sufficient. There were some views raised that some of the tasks carried out by the AP (input of data into the OAS system, for example) did not represent good value for money, given their level of experience, expertise and cost to the GCF.

#### 4.3.3. Bottlenecks in the accreditation process

There is a level of concern at the speed with which the large pipeline of entities is passing through the accreditation process, particularly given concerns over the lack of funding proposals. Notwithstanding the issues discussed in Section 2 around the selection and suitability of entities who enter the process, it is notable that no entities were proposed to the Board for approval in B.19. This was also the case in B.16. From discussions, it is apparent that a shortage of resources to carry out the accreditation process - both at Secretariat and Accreditation Panel level - has been a key cause of this backlog. We understand that, although the Secretariat has had one open position on accreditation, limited availability of suitable candidates has meant that additional capacity has not been unlocked. For various reasons, including a lack of Board approval, the AP was not functional from 17 October 2017 to 29 February 2018.

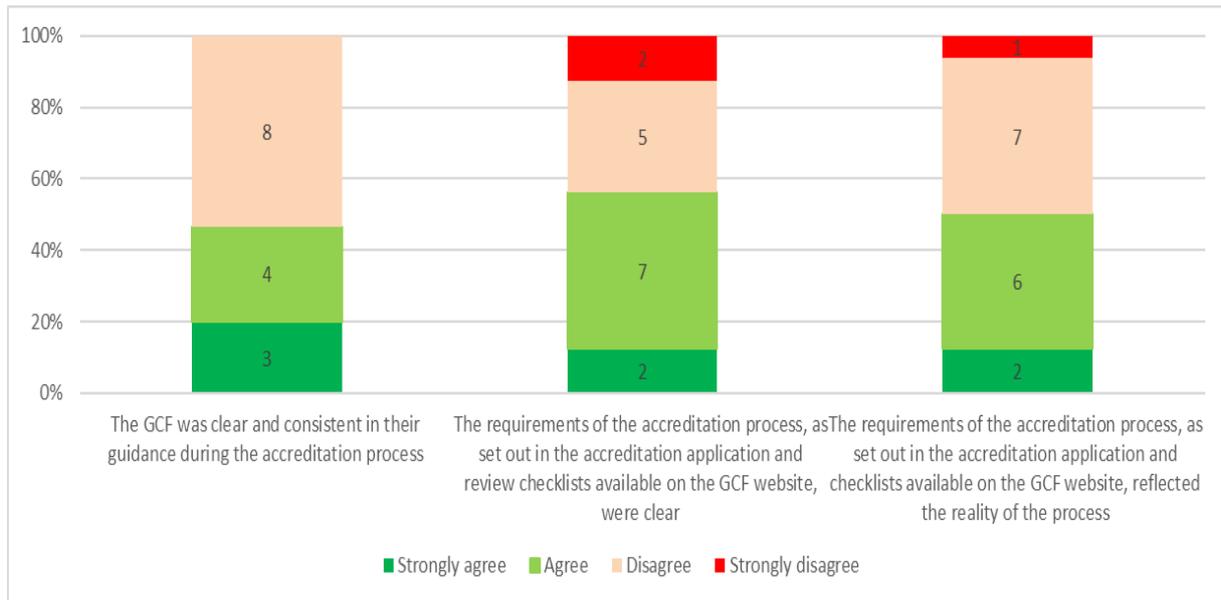
We asked accredited and pipeline entities about the responsiveness of the Secretariat during the accreditation process and 20% of AEs and 31% of pipeline entities felt that it had not been sufficient.

It is our opinion that the capacity issues that have significantly impacted the progress of entities through accreditation should now ease - a new AP is now operational and, although there will be an inevitable period of embedding, this is being approached proactively, with face-to-face meetings planned between the members. The Secretariat has filled their vacant position and has a full complement of staff within its accreditation department. An FTE of 220 days would, if solely dedicated to the review of accreditation applications, be able to review approximately 30 additional Stage I applications per year.

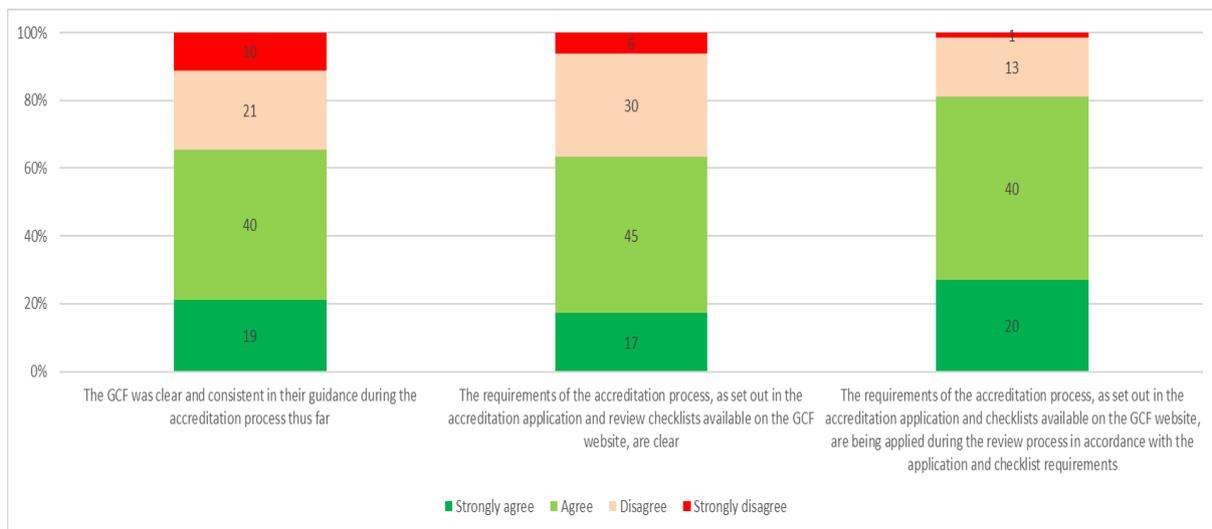
#### 4.3.4. Clarity of instructions and consistency of responses from GCF

We noted above that an average of three rounds of clarifications were required between the GCF and entities as they were progressing through Stage I of the process. In our surveys, we asked accredited and pipeline entities their views on the clarity and consistency of guidance received from GCF (via the website and through direct contact). The results are informative: 53% of AEs and 34% of applicants who responded indicated that GCF had not been clear and/or consistent. In addition, and as **Figure 42** shows, the issues around clarity also refer to the guidance available indirectly, via the GCF website.

**Figure 42: Accredited entity views on GCF guidance**



**Figure 43: Accreditation pipeline perceptions of GCF guidance**



#### 4.3.5. Capacity of entities

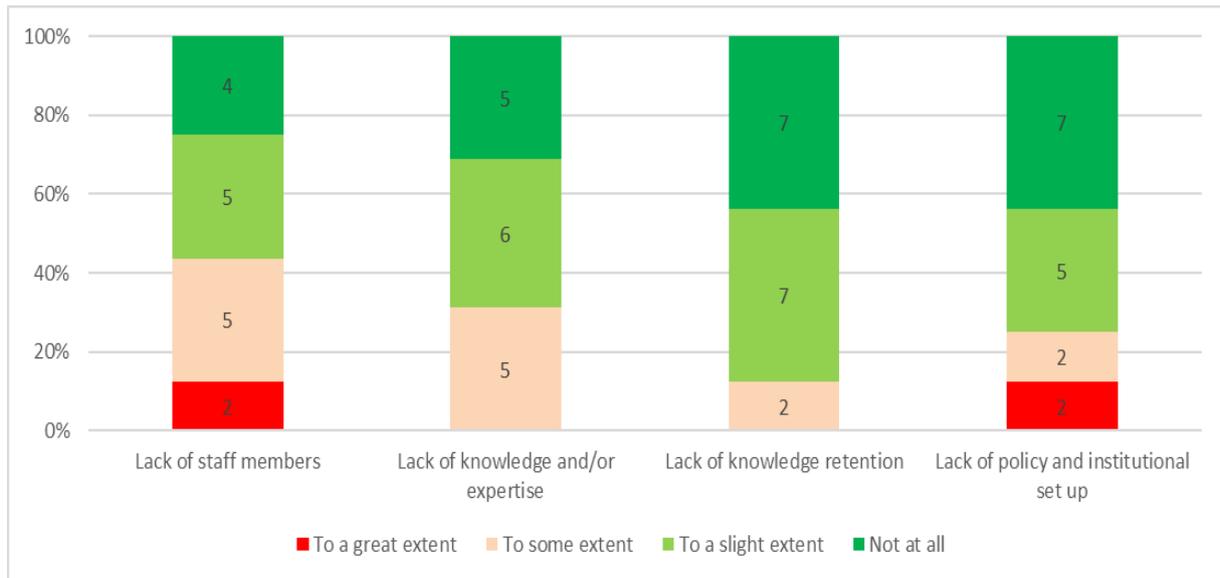
##### Accreditation process

One of the issues highlighted during our interviews was the variability in the standard of the completed accreditation questionnaires received from the applicant entities. We asked the entities who in their organisation had completed these questionnaires and whilst a reassuring majority (68% of pipeline and 70% of accredited entities) stated that applications were completed by managerial staff, ca. 15% stated that junior staff had had this responsibility – which may have influenced the quality of the information provided to the GCF. Interviews with the Secretariat and Accreditation Panel certainly indicated that this was the case. In addition, 11% of surveyed pipeline entities indicated that their accreditation application had been completed by an external consultant. Whilst this may drive quality in the applications, the issues around the later availability of such consultants and the potential loss of institutional knowledge, negatively impacts sustainability and may also slow down the accreditation process.

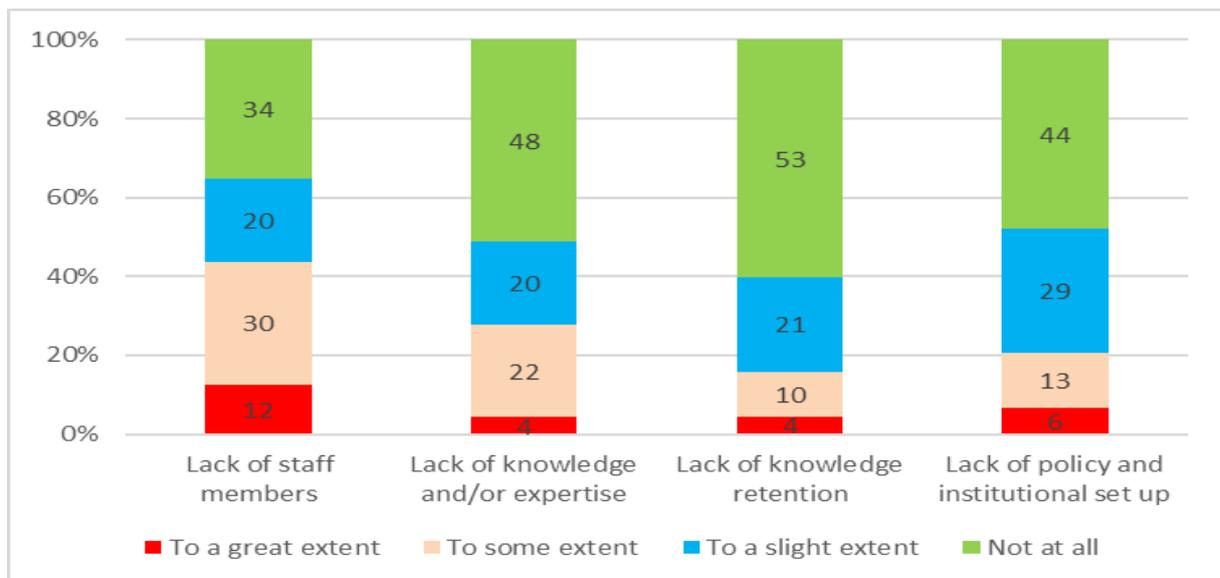
##### Project proposal process

In Section 3, we discussed the pace of commitment and disbursement of GCF funds. In order to explore some of the factors that behind this, we asked accredited and pipeline entities about the factors that limit their ability to propose FPs to the GCF. As **Figure 44 and 45** show, capacity shortages impact both survey populations, along with gaps in knowledge and/or expertise. Both of these factors can be addressed via Readiness or PPF support from the GCF, which we have discussed in Section 3.

**Figure 44: Extent to which a selection of factors limit the ability of AE to develop project funding proposals**



**Figure 45: Extent to which a selection of factors limit the ability of pipeline entities to develop project funding proposals**



## 4.4 Factors influencing the time and resources taken for accreditation and funding proposal process – tools, documentation and communication

### 4.4.1. Documentation required

Our interviews indicated that one of the key obstacles in the accreditation process is the type and volume of information requested during the application. Issues raised included the sheer volume of information requested, which has particular implications for small entities (who may not have documents available in electronic format) or those entities for whom English is not the working language, as the GCF currently operates the accreditation process only in English. We note that the GCF requires only an English summary of translated documents, rather than the document translated in full, and that this is indicated on the application form. This does not seem, however, to have influenced the opinions of the survey respondents, who frequently mentioned that this is a particularly problematic issue.

Translation requirements may compound other issues – several interviewees indicated that the design of the accreditation questionnaire is such that the precise definition of what is needed, or the objective of a specific question, is sometimes lacking – meaning that more documentation is submitted than might be strictly necessary (in the hope that one part will

meet the requirements of the request). This clearly results in a particular burden for those entities who must translate all documents submitted. It may well be that more experienced accreditees (or individuals completing the application form) can exercise professional judgement in this regard, but we have already indicated in Section 4.3.5 that these are not always the individuals who are completing the application.

In a significant percentage of cases, the confidentiality of documentation seems to create an obstacle – 43% of private sector pipeline entities and 31% of international entities were uncomfortable with providing the information requested, in light of confidentiality, data protection and competition considerations.

#### 4.4.2. IT applications

From interviews with those individuals for whom OAS is integral to their tasks, our impressions were that investment is needed to make it fully fit for purpose. Some technical limitations were highlighted (for example, that data input by an applicant must be extracted into a separate working document outside of the system, because the functionality does not facilitate review within the system). We understand that a review is planned for the coming months.

#### 4.4.3. Questionnaires

As noted above, our interviews highlighted the fact that some entities do not understand what is being asked of them in the accreditation questionnaires. Whilst there is consensus on the appropriateness of the rigor and relevance of the standards, the ways in which entities can demonstrate compliance with these naturally varies between types of entities (an MDB and a private equity firm, for example). Several of our interviewees felt that, because there was a lack of guidance or assistance in this regard, not only was the process becoming more time consuming and bureaucratic, but that it was in fact limiting accessibility for certain types of entities.

#### 4.4.4. Reporting

As noted in Section 4.1, several iterations of accreditation applications are required for most applications. The necessity for transparency and clarity means that this process is quite labour intensive (queries must be drafted and reviewed, and then officially communicated to the entities). Communication is generally done by the Secretariat and the AP, rather than the external contractors, and this obviously adds a reporting burden and potential inefficiency.

## 4.5 Conclusions and recommendations

### Conclusions

The accreditation and funding proposal processes are considered, amongst the majority of stakeholders, to take much longer than they should. The general opinion is that an optimal length for the accreditation process should be between 6 and 12 months, whereas the average actual time taken is 28 months. The skills and expertise of the Secretariat and Panel were widely endorsed – but the capacity was criticised, as levels of responsiveness appear to have been adversely impacted by a shortage of resource. With regards to the Accreditation Panel, the lack of a Board decision on the appointment of members meant that the Panel was out of operation from 17 October 2017 to 29 February 2018, meaning that no entities were presented for board approval in B.19.

Stage I (Secretariat completeness check) and Stage III (AMA negotiation) are the stages at which most time elapses. In support of resource pressures mentioned above, the time actually spent reviewing by the Secretariat at Stage I amounts to only 7% of the total amount of time taken to reply to an entity. For the Accreditation Panel review (Stage II.1), this statistic is 24%. If the review tasks could be done immediately upon receipt of entity responses, the overall time for Stage I and II.1 could be reduced by around 40% and 52% respectively, amounting to over 5 months.

There is evidence of duplication, both within the accreditation process, where the Secretariat and Accreditation Panel are carrying out similar tasks, and also between the accreditation and funding proposal processes, where the same processes are checked in the context of both institutional and project accreditation.

The review of private sector and national entities takes above average amounts of time at each stage of the process, often notably so. This is pertinent, given that the amount of time taken to become accredited poses particular risks to private sector entities, whose projects have a higher turnover and obsolescence rate. The notable exception is at the negotiation of the AMA and FAA, where the international access entities' agreements have proven most time consuming. Some of these delays have been due to extensive negotiations over the extent to which the policies of large international institutions can be aligned with those of the GCF, but we understand that many of these fundamental discussions have now been had, and there is a degree of precedent with which to facilitate and expedite such discussions going forward. For other organisations, including those who do not perhaps understand the implications of the AMA until the point of negotiation, there are ways of avoiding such a logjam at Stage III of both the accreditation and funding proposal process.

The accreditation communication protocols are slow and cumbersome – multiple iterations (up to 7 rounds in one case) of queries can pass back and forth between the Secretariat and the entity before the AP review has even begun. Whilst this is sometimes because an entity lacks capacity to prepare a quality response (which we discuss in Section 2 and

3), there are also issues in the accessibility and relevance of the questionnaire itself to entities which may have a different way of demonstrating compliance with certain criteria, for example private sector organisations. There are also indications that the clarity and consistency of descriptions of the accreditation and funding proposal process, both from publicly available information and from GCF responses, is not optimal.

The overall accreditation process requires voluminous amounts of documentation to be submitted and reviewed, and this poses a particular issue for entities not operating in English. Work is already being carried out to streamline the accreditation questionnaire and remove any superfluity and duplication and the possibility of extending the application languages has been discussed. The IT application (OAS) is not entirely fit for purpose.

## Recommendations

### **R8: Restructuring of accreditation review process.**

In order to relieve pressure on the Secretariat and allocate roles in the most efficient way, we recommend a new process arrangement by which an entity would pass from submission of application to proposal to the Board in the following way:

- Stage I (completeness check) and Stage II.1 (quality review) would be combined into one step, with one consolidated checklist;
- This step should be outsourced to one of a pre-determined panel of external service providers, selected by the GCF via a competitive procedure, and who show demonstrable experience in all areas of the standards, plus an understanding of the GCF's mandate and objectives;
- The length of the process (and onsite visit – see R9 below) would be dependent on the size of the entity and the standards being assessed, but could take, on average, two weeks. A team of two individuals would be recommended. As we have seen in Section 4.1, the current process utilises, on average, 25 person-days;
- The assessments could be tendered directly by the entity concerned, driving competition and value for money. In order not to disadvantage entities for whom the cost would be prohibitive, the GCF could organise a method for subsidisation;
- The Secretariat of the GCF would oversee and project manage the process and quality assure the contractual performance of the external consultants, for example, adherence to deadlines, completeness of outputs and timely provision of documents and supporting working papers (the quality assurance of the ultimate outcome of the accreditation review and recommendation would be the responsibility of the AP). The Secretariat would continue to work with the NDAs to ensure that only relevant and appropriate entities entered into the process and an assessment could not be contracted without the approval of the NDA, in liaison with GCF;
- The AP would act as independent oversight, ensuring the quality and consistency of the reviews conducted by the external service providers. The AP members would operate as a team, jointly reviewing the outcome of each assessment and collectively making a judgement on whether or not the entity can be proposed to the Board. This would be done in face-to-face meetings for maximum efficiency. Care would have to be taken not to duplicate the earlier stage of the process and Terms of Reference, objectives and tasks would need to be very clearly defined. The time required by the AP on each entity would be greatly reduced, as they would not be reviewing the documentation supporting the accreditation application (unless it was particularly pertinent to the results of the review of the external consultants). The time required for documentation of their own review would also be greatly reduced, and there need not be a requirement for the AP to use OAS. For the purposes of illustration, each AP member could be allocated 1-2 hours to read the summation prepared by the external consultant and 1-2 hours for discussion as a team. The external consultants could join these discussions remotely, in order to be able to respond to any questions or clarifications in a timely manner;
- Care would need to be taken to ensure that the Secretariat has continuing responsibility for relationship management and adequate knowledge management systems should be put in place to retain information within the GCF. If responsibility for the execution of the accreditation process was outsourced in the way described above, the resultant resources freed up at the Secretariat could be used for these outreach and liaison roles.

**R9: Onsite visits.** Conducting the accreditation review described in R8 in situ at the entity's premises would bring a number of benefits. It would allow for on-the-spot review of documentation, addressing issues of confidentiality and negating the need to upload large files into OAS. The service provider could operate in the language of the entity. It would reduce the need for multiple iterations of written clarifications arising from a desk based review process and also allow review visits to be timetabled, allowing for a structured workload and avoiding a bottleneck of accreditations before a Board meeting. Finally, it would make it more likely that the senior management of the entity would 'own' the process, if they were to interact directly with the assessor over a condensed period of time. The costs of the onsite visit would be incorporated into the bids of the service providers and would not involve the AP, but members of the Secretariat may wish to attend for the purposes of visibility and relationship building.

**R10: Streamline checklist.** We understand that the accreditation checklist is already being streamlined by the Accreditation Panel and the Secretariat. We recommend that this review is finalised and the new tool operationalised as soon as possible. It should be prepared in languages other than English (and the opportunity extended to entities to submit completed questionnaires in other languages). This could be facilitated by service providers who could operate in the language of the entity.

**R11: Tailor checklist.** The requirements for accreditation set out in the checklist should be accessible to and understandable by all types of entity who want to interact with the GCF – equally accessible to, for example, a national bank, an NGO and a private equity firm. The checklist should set out the overarching requirements of the standards, phrased on the basis of principles, accompanied by guidance that ‘translates’ the documentary evidence required into terminology that each type of entity can understand, referring to documents that would be relevant to their context. The provision of example policies, for example, would be helpful. The precise number of variations that would be required would be subject to discussion, but in order to be able to quality manage the guidance, we would suggest there being no more than five different iterations.

**R12: OAS upgrade.** If any changes are made to the accreditation process, the OAS system must be revisited at the same time. Update of the system needs to be done in close collaboration with the AP and Secretariat, to ensure that user testing takes full account of the needs of the process and key actors. We understand that a review of this system is already timetabled for 2018.

**R13: Early agreement of the AMA.** Engagement on the requirements of the AMA should begin at an earlier stage of the process than is currently the case. This could be done either by requiring an ‘agreement in principle’ at the stage of submission of application, or by the opening of discussions and negotiation with the Office of the General Counsel earlier. For example, negotiation could be started as soon as the external application review has been conducted and it seems likely that the entity has met the majority of the required standards and will be passed to the AP for review and decision on whether or not to propose to the Board. In this scenario, the risk that time is wasted on entities who would not progress to accreditation is mitigated, but particular issues are flagged sufficiently early that the risk that discussions are held up by the signature of the AMA is also managed. Experience of previous negotiations (and solutions) can be utilised to frame these discussions. For the areas where the policies in the AMA relate to the standards assessed during accreditation, the assessment questionnaire should be designed such that it already flags any issues of non-alignment of policies. The GCF should also placing consider a time limit on the negotiation process.

**R14: Incentives for entities to complete the process quickly.** We noted in Section 4.1 that almost 60% of the time taken to complete the Stage I accreditation process is when application queries from the GCF are with the entity concerned. This amounts to 137 days. Similarly, at AP stage, the application questions are with the entity for, on average, 35 days. Whilst some of these delays may be due to a lack of readiness of the entity concerned, and would therefore be addressed by greater support (see Section 2), delays may also be due to prioritisation on the part of the entity. In order to ensure that the accreditation pipeline is not unnecessarily slowed by such entities. GCF should consider placing deadlines on the receipt of responses, failure to adhere to which will have implications for the entity concerned. We recommend 6 weeks as an initial deadline.

**R15: Visibility and clarity of the process.** The GCF should explore, via discussions with entities and NDAs, how fit-for-purpose their website and associated guidance is in explaining the process and requirements of accreditation. They should also increase transparency about how long the process will take and where an entity is within the accreditation process, perhaps through the online system.

**R16: Review of duplication.** We understand that the GCF Secretariat already has plans to review the 2<sup>nd</sup> level due diligence process, examining the most effective way by which to gain assurance over an entity’s ability to deliver a project. This will include an examination of how best to use the assurance already gained at accreditation and not to unnecessarily duplicate any processes.

## 5. THE ACCREDITATION STANDARDS

The GCF has a well-defined, Board-approved set of standards, to which they expect all potential AEs to adhere. The application form and checklists that are used by the Secretariat and Accreditation Panel during the accreditation assessment process are drawn directly from these standards. They currently incorporate **fiduciary**: both basic (core financial and administrative capacities and transparency and accountability, which draw on best practice models such as COSO and GAAP) and specialised (project management, grant management and on-lending/blending), **environmental and social safeguards**, which are drawn from the International Financial Corporation's Performance Standards and **gender**.

In this section, we consider

1. *How suitable is the framework of standards for the GCF's needs, in terms of types and number?*
2. *To what extent does fast-track accreditation meet its objectives – are there any other sources of assurance that can be utilised by the GCF?*
3. *What are the alternatives to a 'full compliance' model?*

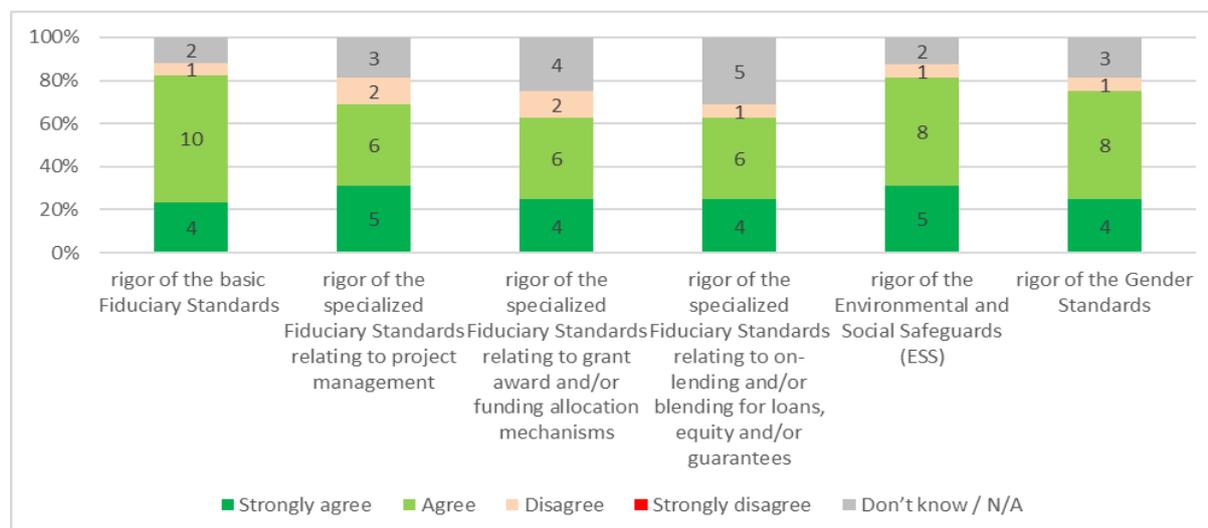
In Section 5.5, we draw conclusions and make associated recommendations.

### 5.1 Suitability of framework of standards

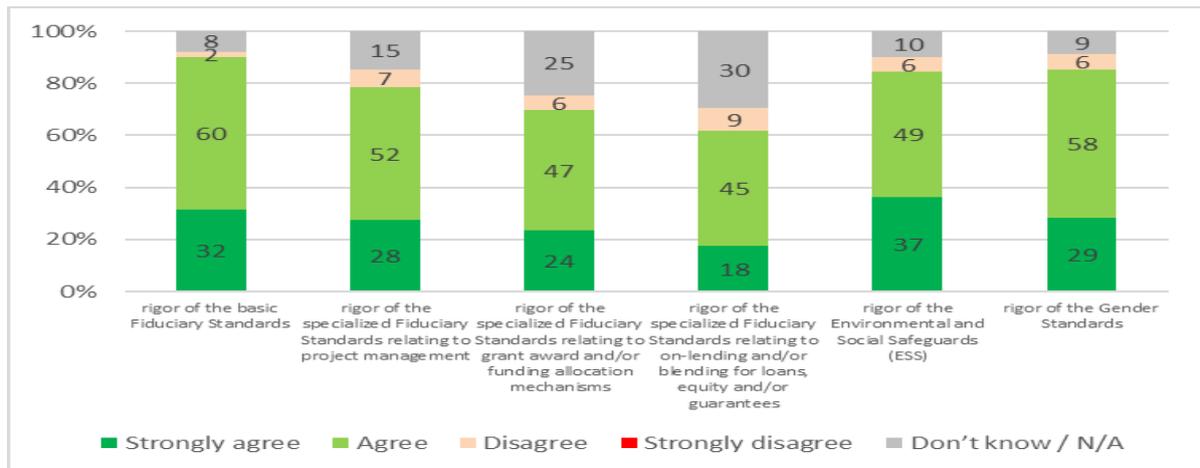
#### 5.1.1. Rigor of standards

As can be seen in **Figures 46 – 49**, there was a general consensus from interviews with stakeholders that the criteria by which organisations are deemed eligible for financing from the GCF must be stringent, and that any changes to the accreditation framework should not lessen the standards to which AEs must strive in their implementation of GCF-funded projects. This was considered particularly important when considering the mandate of the GCF to bring about a paradigm shift in development pathways to take account of climate change considerations. The standards are robust, complete and in-line with generally accepted best practice. There was little appetite amongst the stakeholders with whom we talked to make any significant changes to these standards and their aspirational nature.

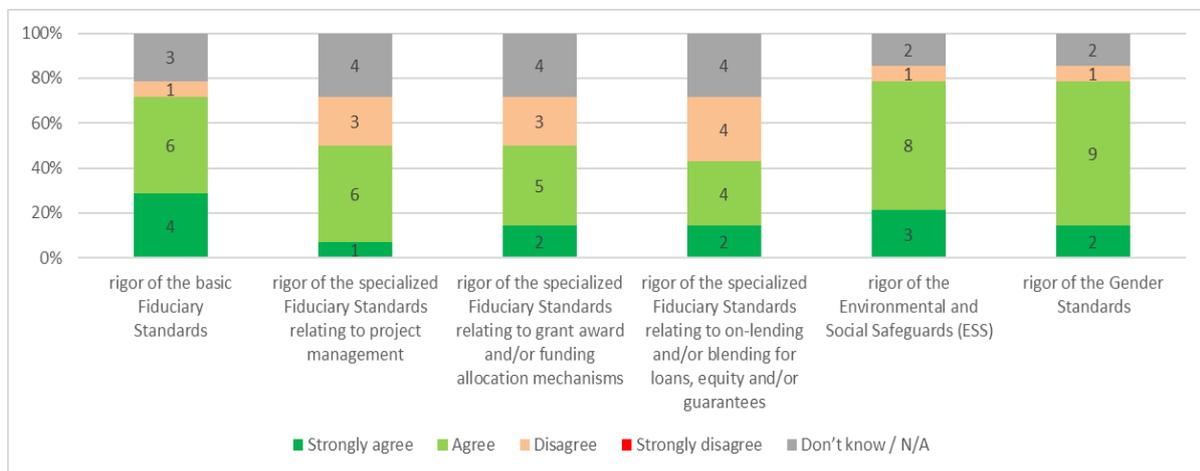
**Figure 46: AE views on 'the extent to which the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate.'**



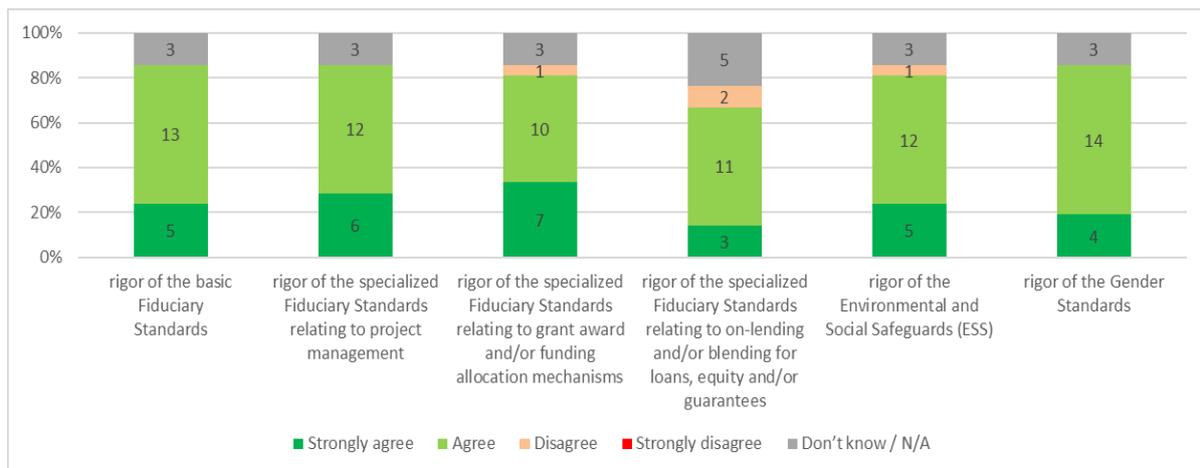
**Figure 47: Pipeline Entity views on ‘the extent to which the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate.’**



**Figure 48: Board views on ‘the extent to which the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate.’**

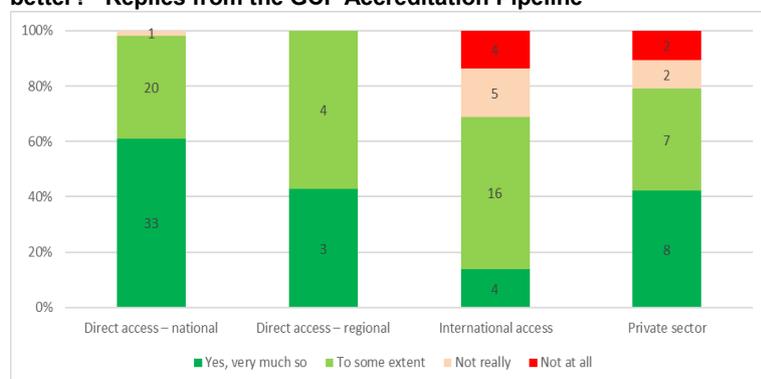


**Figure 49: NDA views on ‘the extent to which the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate.’**

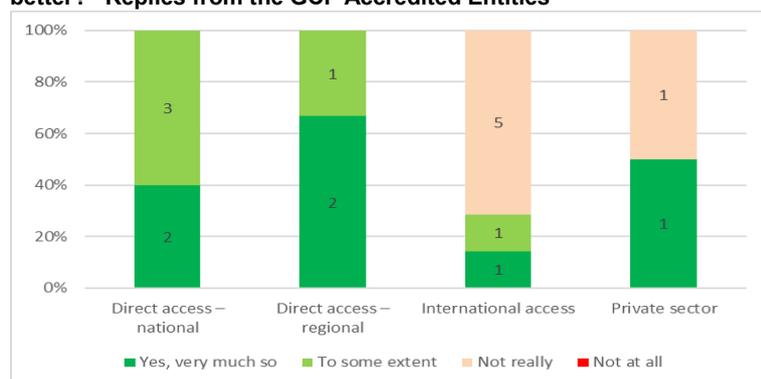


It is also clear from the survey results that the rigor of the standards is having an impact on the capacity of the organisations that are interacting with the GCF, thus fulfilling the GCF’s mandate of driving changes at an entity level. **Figures 50 and 51** show that the great majority of entities, both accredited and pipeline, across most types of organisation, believe that accreditation has helped their entity to develop for the better. The only notable exceptions are International Access Entities, and even then, mainly amongst entities already accredited. We would have expected such feedback, given that accredited IAEs are large, well developed multinational entities, many of whom have already passed an accreditation process with GEF, AF or EU DEVCO.

**Figure 50: “Do you think that going through accreditation has helped / is helping your entity develop for the better?” Replies from the GCF Accreditation Pipeline**



**Figure 51: “Do you think that going through accreditation has helped / is helping your entity develop for the better?” Replies from the GCF Accredited Entities**



### 5.1.2. Number of standards

It was noted that the complexity of the framework of Standards was increasing, with new elements being introduced on a rolling basis (e.g. Indigenous Peoples Policy, Policy on Prohibited Practices). Whilst this incremental growth is perhaps expected of a developing organisation, it also inevitably complicates the application of a single accreditation process and, some interviewees expressed the opinion that the focus on climate change is at risk of being diluted. We have spoken in Section 4 on the need to consolidate and streamline the accreditation tools used by the Secretariat and Accreditation Panel, and are aware that the GCF are incorporating the standards into that exercise. The GCF should also begin to consider reaccreditation, and which standards and requirements will need to be reassessed or newly assessed at that point, for example with regards to the institutional commitment to reducing carbon footprint. We have seen no evidence that the assessment of compliance with these new policies would fall outside of the skillset of the elements of the current accreditation framework.

## 5.2 Fast-track accreditation and other sources of assurance

On the whole, stakeholders were supportive of the concept of fast-track accreditation, whereby the GCF places reliance on due diligence carried out by the GEF, AF or EU DEVCO as part of their own assessment of potential entities. Concerns were noted around the ability to monitor gaps in these entity’s standards vis-à-vis the GCF’s own, particularly with regards to evidence for the track record required by the GCF. Multiple concerns were also raised around the limited access to ‘conditions’ or caveats imposed by other entities as part of these processes – as these are not necessarily publicly available.

The fast-track process does, however, seem to result in a faster accreditation process. The average time taken for a fast-tracked entity to complete the Stage I check is currently 177 days, as compared to 240 days for a non fast-tracked entity.

Several interviewees and survey respondents proposed the extension of the fast-track modality to cover other sources of assurance for compliance with the GCF's Standards, as follows:

- With particular relevance to private sector entities, which many stakeholders feel are disadvantaged by the indicators for fiduciary good practice as they are currently framed within the GCF's accreditation framework, some GCF stakeholders support reliance on due diligence procedures conducted by **reputable financial regulators**, such as national stock exchanges or credit rating systems;
- Several AEs or pipeline entities suggested that national banks, governmental agencies, or even the NDA themselves, could provide assurance over the operation of key controls;
- Several interviewees suggested that reliance could be placed on an entity's **history of working with MDBs or other AEs**. This could be further enhanced by examining specific roles that are entrusted to MDB implementing partners, such as procurement;
- In an effort to expand the limited list of organisations for which 'fast track' can be applied, the GCF could liaise with **other donor organisations or bilateral agencies** who work fully or partly via a decentralised modality (i.e. with implementing partners and limited central control of project execution) and who utilise robust and independent due diligence procedures when selecting their partner entities. Whilst we realise that risk and political sensitivities must be taken into account (by transferring responsibility for due diligence, the GCF would not transfer the accountability if something were to go wrong), wider considerations of the harmonisation of development funding should also be taken into account. In the longer-term, the GCF could consider partnering with other entities to drive a global framework of assurance, thus reducing the burden of due diligence on the very entities that are least equipped to deal with it.

Support for the extension of fast-track possibilities appears to be mixed, however – 79% of Board members and 59% of pipeline entities responding to our survey agreed that the modality should be extended, but 67% of NDAs and 63% of AEs disagreed. Issues were also raised around 'bad track record', namely that greater checks should be done on the track record of potentially accredited entities with regards to environmental or social impact of previous projects.

## 5.3 Alternatives to a 'full compliance' model

There was general consensus that, whilst compliance with the GCF standards was relatively easy for certain types of entity, these were not necessarily the entities that would meet the needs of the GCF in fulfilling its mandate and that therefore, the nature of the Standards and the accreditation framework's application of these in allowing an entity to access funding was impeding progress. In **Figure 52** overleaf, survey results seem to indicate that accredited DAEs and private sector entities faced more difficulties than their IAE counterparts in complying with elements of the standards and in Section 2 and 3, we have discussed how this may have negatively impacted upon the portfolio of entities and funding proposals. In **Figure 53**, which presents the results from the survey of entities in the pipeline, it seems that there is no single group of entities who finds the process 'easier' than others, but this does include entities at different stages of the process.

### 5.3.1. Risk appetite

There is a clear recognition, across all stakeholders, that a tension exists between GCF's need to get things done, and to have appropriate safeguards in place. There is notable external criticism of the GCF's pace of disbursement of funding<sup>26</sup> but it was repeatedly mentioned in our stakeholder interviews that, particularly for a new organisation, a misstep in the allocation of funds to an organisation which is later shown to have an adverse impact on the environment, for example, could be disastrous.

The GCF's overall risk appetite states that 'In order to realize significant impact and promote paradigm shift to meet the Fund's strategic objectives, the Fund is willing to accept considerable uncertainties around investment risks in return for impact potential to be evaluated on a case-by-case basis recognizing specific specifics of each proposal.' It is unclear how this acceptance of a significant amount of risk translates into the decisions of the GCF Secretariat and Board about which entities to accredit. It is telling that of the Board members who responded to our survey, almost 60% stated that the GCF is taking too little risk in the pursuit of its objectives.

The flexing of the accreditation model to increase access, whilst retaining tight control of standards, could help to redress this balance.

### 5.3.2. Prioritisation of standards

As mentioned above, there has been a recent proliferation of new policies at GCF. It was felt by some interviewees that there was a risk of a reduced focus on the driving mandate of GCF to combat climate change and that standards be should in some way more tightly focused on environmental requirements vis-à-vis, for example, gender. This could be operationalised via a prioritisation of standards, identifying those for which there could be no-compromise, as compared

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<sup>26</sup> <https://www.devex.com/news/the-green-climate-fund-commits-billions-but-falls-short-on-disbursements-92648>

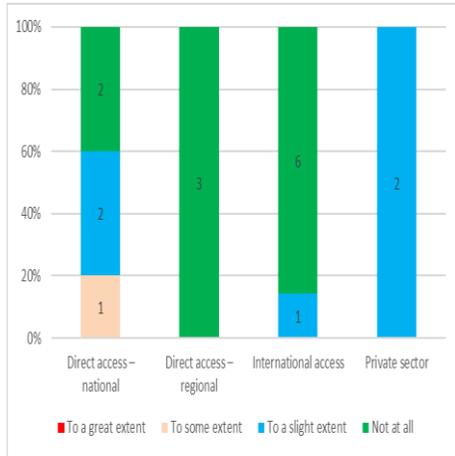
with those against which levels of compliance could potentially be flexed to allow accreditation of some form (see risk based approach, below).

### **5.3.3. Consortium accreditation**

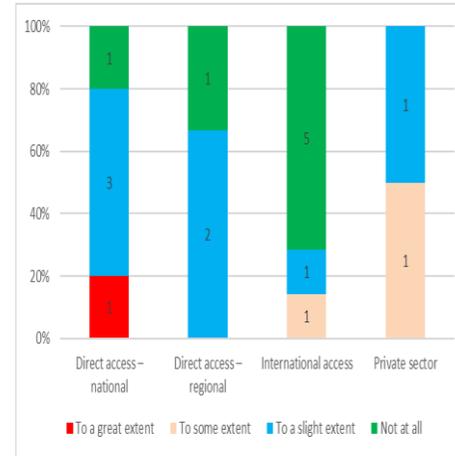
An alternative to single-entity accreditation could be consortium accreditation, whereby two or more entities who do not meet the standards individually but as a group, apply for accreditation together. The NDAs were 95% supportive of this idea, the Board less so (30% disagree). It is not clear the extent to which this would actually increase the population of entities – it is likely that issues of sharing legal accountability between the members of the consortium would discourage potential applicants. In addition, the role of the ‘implementing entity’ is one of overall management, supervision and oversight of executing entities, and the dilution of such responsibilities across a number of entities may pose risks to the successful delivery of the accredited entity’s responsibilities. GCF would achieve better results by promoting a model whereby different entities come together on a discrete project, taking the roles of implementing and executing entity, or the provision of specialist expertise, for example.

**Figure 51: To what extent have the following key requirements of GCF accreditation proved challenging for your entity to comply with (accredited entities)**

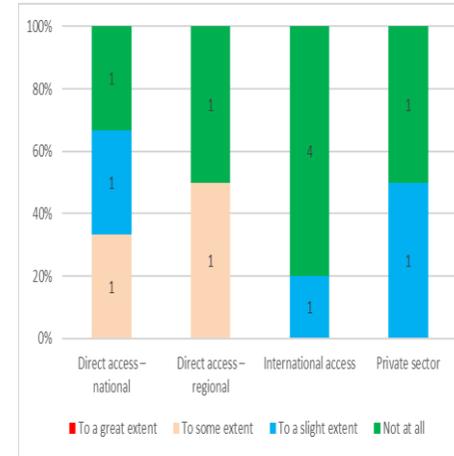
**Basic Fiduciary Standards**



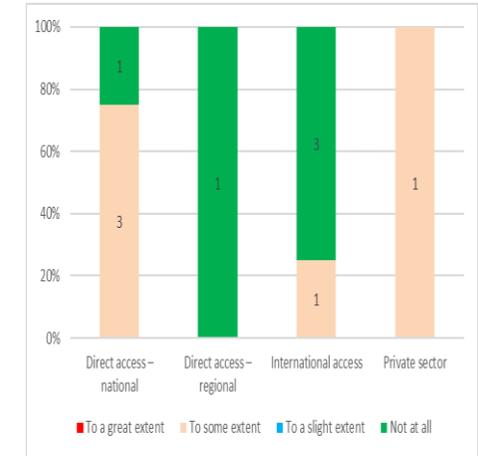
**Fiduciary Standards relating to project management**



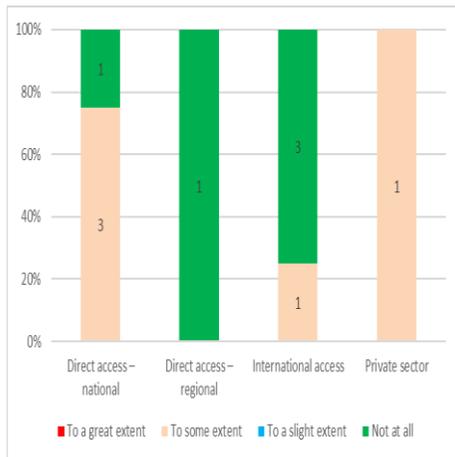
**Fiduciary Standards relating to grant award and/or funding allocation mechanisms**



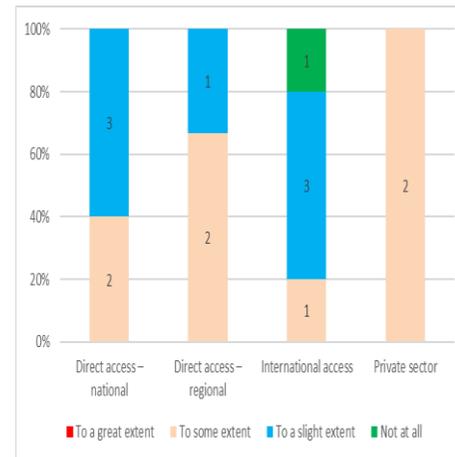
**Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees**



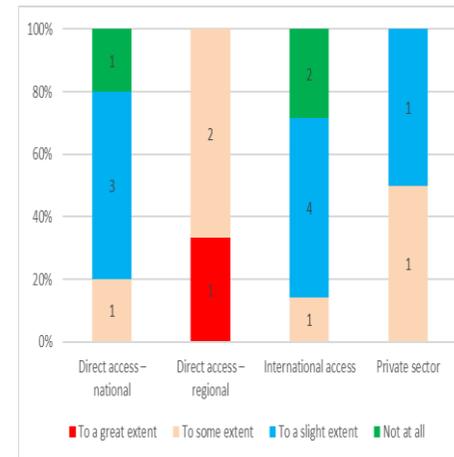
**Environmental and Social Safeguards (ESS)**



**Gender Standards**

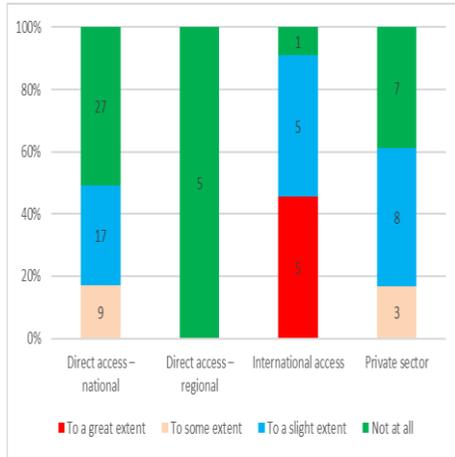


**Evidence of track record**

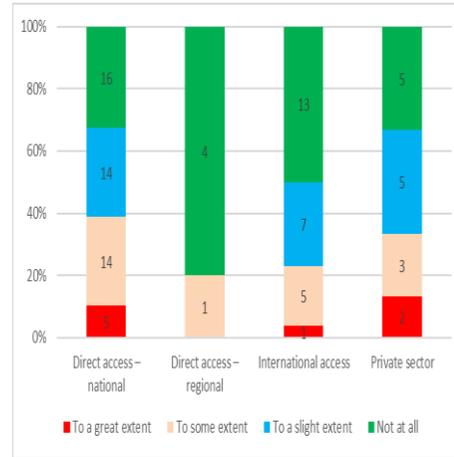


**Figure 52: To what extent have the following key requirements of GCF accreditation proved challenging for your entity to comply with (accreditation pipeline)**

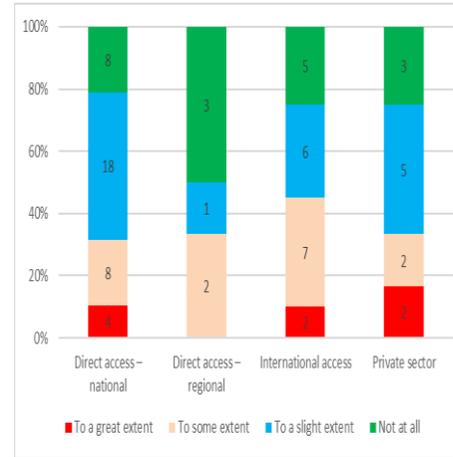
**Basic Fiduciary Standards**



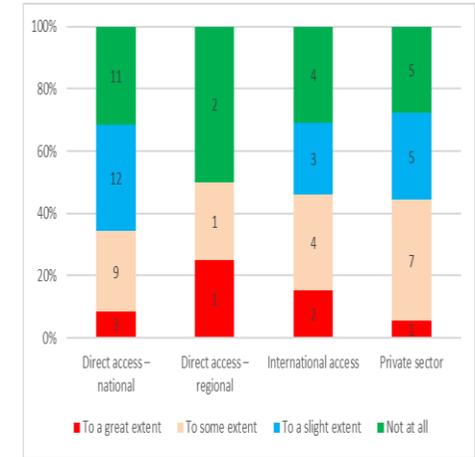
**Fiduciary Standards relating to project management**



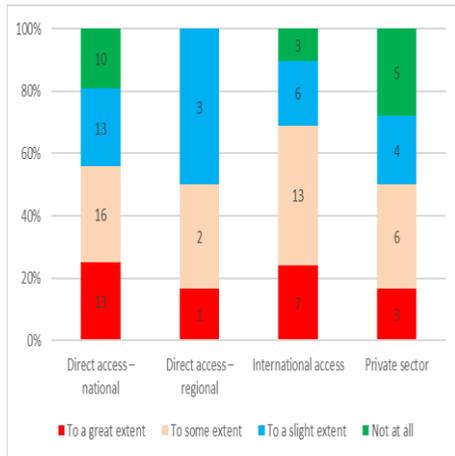
**Fiduciary Standards relating to grant award and/or funding allocation mechanisms**



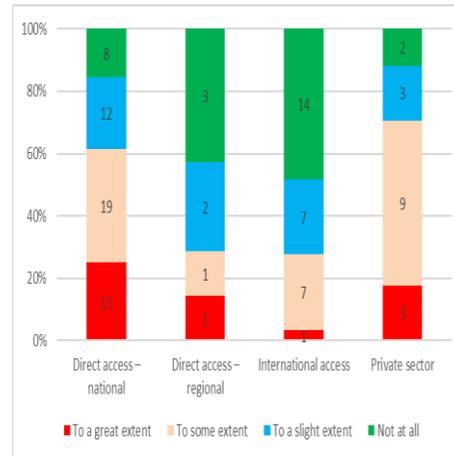
**Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees**



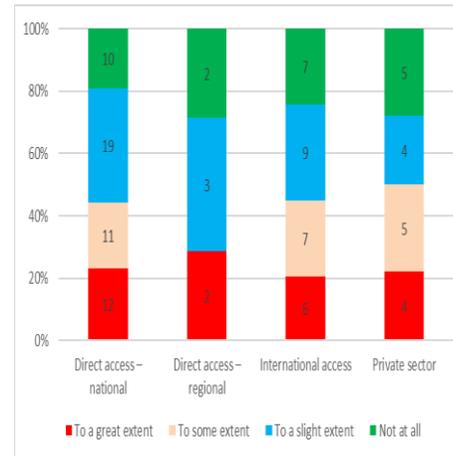
**Environmental and Social Safeguards (ESS)**



**Gender Standards**



**Evidence of track record**



### 5.3.4. Risk and control based approach

As discussed in Section 4, a certain amount of judgement is currently being applied during the accreditation process, albeit only within specific parameters. This is driven partly by an understanding of the accreditors that the standards and the framework by which they are assessed are more difficult for certain types of entities than others.

It is clear from the results of the accreditation process thus far that 100% compliance with the GCF's standards is only possible for a certain number of entities at the point at which they apply for accreditation. There are many reasons for this, including size (and therefore proportionality of some of the requirements), the maturity of the processes of the entities and their experience and track record in managing donor funds with the focus required by the GCF in areas such as gender.

The GCF applies a system of 'conditions', whereby an entity can be accredited, but with certain gaps identified which must be filled by a certain point in time e.g. before a first disbursement is made. GCF also applies limits to the size of projects for which an entity can be accredited, on the basis of the assessment of capacity conducted through the process. Whilst responsive to risk, these controls may be overly restrictive and incompatible with the GCF's mandate to promote a paradigm shift in the approach to climate change development pathways. A small start-up with a ground-breaking, innovative project, but which does not have the form or maturity of internal control system expected by a large, multilateral donor, may be locked out of the process.

There are a number of potential refinements to the accreditation process that could address this:

- The GCF could **direct such an organisation to another entity**, one that has been, or is likely to be, accredited on the basis of their size and sophistication of internal controls. This would bring the projects to development, but would however mean that the entity may lose a degree of control over the project, the project and its 'owner' may become less agile, and capacity will not be built at the right level to facilitate future engagement of such an entity;
- The GCF could develop **'tiered' accreditation**, by which entities are graded on their level of compliance with the standards and awarded a ranking. Rather than this restricting the size of project that they are permitted to implement, it could trigger a different level of requirements for monitoring and reporting to GCF, together with an assurance framework which requires on the ground monitoring and control. A scoring methodology could be developed for this purpose, incorporating data on the prioritisation and risk of certain specific standards.
- An entity could be permitted to deliver a **project on a trial basis**, on the basis of which full accreditation could be pursued. This would not require the institutional standards of the full accreditation process, but would allow an entity to access financing. This would build capacity at the necessary levels and allow GCF access to innovative projects. A form of this model is already being developed via by the Secretariat in the Project Specific Assessment Approach.

## 5.4 Conclusions and recommendations

### Conclusions

There is a general consensus that the standards applied by the GCF in their accreditation framework, in their alignment with international best practices, are entirely appropriate. There is little appetite from any stakeholders for changing the detail or principle of the chosen requirements, the stringent nature of which can be justified by positive feedback from entities who have undergone the accreditation process and, through it, seen institutional change for the better.

Fast-track accreditation is broadly effective – it seems to reduce the time spent in the accreditation process – although it is not without issues, namely surrounding the need to ensure full alignment of alternative standards with the GCF's requirements and to guarantee access to 'findings' or limitations on accreditation via one of the fast-tracked routes. There is appetite for the extension of the fast-track modality, as the current possibilities for fast-track are limited in scope and are not appropriate for key target populations of entities (e.g. DAEs and private sector).

Whilst stakeholders generally agree that the stringency of the standards is justified, they do recognise that accessibility to accreditation is easier for some entities than others. There is a clear tension between the need to disburse funding more rapidly than is currently the case, and the GCF's responsibility for safeguarding its reputation and the climate change movement as a whole. The majority of the Board respondents to our survey think that the GCF is too risk averse. Some stakeholders were open to the consideration of a 'risk based' model, which might allow funding to flow into entities who had not passed the accreditation process, with the expectation that increased project monitoring and evaluation would take place.

### Recommendations

- **R17: Fast-track accreditation with conditions.** The GCF should evaluate the usefulness of fast-track accreditation for entities that are accredited with conditions, information on which is difficult to obtain from the accrediting institution concerned. If liaison with the entity and the accrediting body (GEF, AF, EU DEVCO) does not yield timely and useful information, then the fast-track modality should not be applied.
- **R18: Extension of fast-track modality.** 70% of Board members who responded to our survey are in support of this, and 90% of NDAs. The GCF should conduct a thorough scoping review into the use of other third party sources

of due diligence. The results should be clearly framed to the Board, with careful analysis of impacts (no. of potential AEs, impact on the speed of accreditation process), obstacles and risks (access to information, quality of regulators) and suggestions on how this risk might be managed to an acceptable level. This should be done on a regular basis to take account of any new sources of due diligence that might be useable.

- **R19: Prioritisation of standards and risk-control based approach** The GCF should consider a prioritisation of standards – in which core, ‘non-negotiable’ requirements or sub-requirements are identified, as compared with those against which levels of compliance could potentially be flexed to allow accreditation to be a risk-control based approach, such as:
  - The GCF could **direct an organisation that doesn’t meet all the ‘core’ requirements to another entity**, one that has been, or is likely to be, accredited on the basis of their size and sophistication of internal controls;
  - The GCF could develop **‘tiered’ accreditation**, by which entities are graded on their level of compliance with the standards and awarded a ranking. Rather than this restricting the size of project that they are permitted to implement, it could trigger a different level of requirements for monitoring and reporting to GCF, together with an assurance framework which requires on the ground monitoring and control. Whilst this will have significant resource implications for the GCF, it would undoubtedly increase the GCF’s chances of reaching DAEs, a key driving mandate. The Board members who responded to our survey are 70% in favour of adopting such an approach, and almost all of the NDAs feel the same.
- **R20: Risk appetite.** The GCF’s risk appetite statement clearly states that the GCF is able to take considerable risk in order realise significant impact. The Board should codify further how this level of risk manifests itself in the process and decisions on accreditation and the types of entities that the GCF is willing to accredit. This could draw upon the prioritisation of standards discussed above, in that it could codify the point at which an entity that does not meet all core requirements, but yet promises to deliver innovative projects, could be approved – based on a transparent, risk-reward scenario.

## 6. ALTERNATIVE MODALITIES

### 6.1 Direct management

An alternative to the decentralised management approach that the GCF has adopted as its operational modality is 'direct management', by which the GCF Secretariat, possibly via an on-the-ground network, would have a much closer involvement in the implementation of projects, either on a project-by-project basis, or by providing cross-cutting services such as procurement.

This would, obviously, reduce the GCF's exposure to many of the risks associated with project delivery, but would also have a significant resource implication. It is not a role that was foreseen for the organisation at its establishment, and is not aligned with the country-owned and country driven approach. 80% of NDAs who responded to our survey disagreed that this was a viable option and 70% of Board members. We have therefore not explored this an alternative modality.

### 6.2 Project Specific Assessment Approach

The GCF Secretariat has developed, and already presented at B.19, the Project Specific Assessment Approach (PSAA), a modality by which a non-accredited entity could propose (and ultimately deliver) a project with GCF funds. In order to qualify, the entity would be accredited on a 'project basis', whereby only the systems and controls relevant to the project in question would be reviewed, rather than the wider scope of accreditation on an 'institutional basis'. A revised approach, amended for Board feedback in B.19, is being presented in B.20. We asked Board and NDA members whether or not they were supportive of this modality and 80% of both respondent populations responded in the affirmative.

The PSAA would, as it is designed, respond to many of the issues surrounding accreditation and the shortage of funding proposals. It would allow institutions without the level of maturity of internal controls or policies necessary for institutional accreditation to nonetheless bring forward project ideas. If the process is administratively 'lighter', and therefore quicker, there is a lower risk that projects would become obsolete during the accreditation process. It would also allow those entities who are accredited, but not with the scope necessary for the delivery of certain projects, to still bring these forward for assessment by the GCF. Crucially, it would allow entities to develop track record and demonstrate commitment to the GCF, which could then strengthen their accreditation application.

Opposition generally arises around the PSAA's impact on the accreditation model, both logistically (in terms of diverting Secretariat resource away from accreditation, compounding an already lengthy process) and conceptually – lessening the value of accreditation in itself. Many opposing voices talked about the need for the Secretariat to ensure that the PSAA does not devalue accreditation as a modality, or antagonise those entities who had come through the process or were in the pipeline. They are also concerned with protecting the transformative elements of large-scale projects. The Secretariat is aware of, and has addressed these comments in its revised paper for B.20, and the evidence gathered during our assignment indicates that it is a pragmatic solution, even if only an interim one, to a difficult and complex problem.

# Annex 1: List of documents reviewed

1. Relevant Board Decisions:
  - “Business Model Framework: Access Modalities – Accreditation “(decision B.05/08)
  - “Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund’s fiduciary principles and standards and environmental and social safeguards” (decision B.07/02)
  - “Guidelines for the operationalization of the fit-for-purpose accreditation approach” (decision B.08/02)
  - “Gender policy and action plan” (decision B.09/11)
  - “Assessment, including gap analysis, of institutions accredited by other relevant funds” (decision B.08/03)
  - “Identification of relevant potential international private sector best-practice fiduciary principles and standards and environmental and social safeguards” (decision B.08/05)
  - “Application documents for submissions of applications for accreditation” (decision B.08/06)
  - “Comprehensive information disclosure policy of the Fund” (decision B.12/35);
  - “Consideration of accreditation proposals” (decisions B.09/07, B.10/06, B.12/30, B.14/09, B.14/10, B.14/11, B.15/09, B.17/13 and B.18/05)
  - “Accreditation master agreements” (decision B.12/31), including the “Interim policy on prohibited practices” contained in Exhibit A of the template
  - “Investment framework” (decision B.07/06)
  - “Initial results management framework of the Fund” (decisions B.07/04 and B.08/07)
  - “Use of other financial instruments” (decision B.08/12)
  - “GCF risk management framework” (decision B.17/11)
  - “Policies related to prohibited practices, anti-money laundering and countering the financing of terrorism”, including the “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10)
  - “Interim policy on fees for accredited entities” (annex II to decision B.11/10)
  - “Initial monitoring and accountability framework for accredited entities” (decision B.11/10)
  - “Strategic plan for the Green Climate Fund” (decision B.12/20)
  - “Strategy on accreditation” (decisions B.13/19 and B.14/08)
2. Board meeting reports regarding accreditation matters
3. Templates for OAS account requests, nominations by National Designated Authorities or focal points, applications, Stage I and Stage II (Step 1) Checklists, recommendations for accreditation
4. Sample applications and Stage I and Stage II (Step 1) review assessments for Accredited Entities and applicants
5. Sample internal memoranda regarding the progression of applicants from Stage I to Stage II
6. Accreditation recommendations for Board consideration
7. Information on the accreditation process regarding cost, time and resources, including:
  - Fees for accreditation applications
  - Costs, including for those associated with the Secretariat and Accreditation Panel’s reviews of applications
8. Information on the legal arrangements with Accredited Entities, particularly the Accreditation Master Agreement (AMA) and Funded Activity Agreement(s) (FAA(s)), including on timing of key milestones including:
  - template AMA
  - the start of negotiations
  - agreement on AMA text
  - signing of the AMA
  - closing conditions of effectiveness
  - effectiveness
9. Information on Accredited Entities, including on performance:
  - Mapping of coverage of Accredited Entity portfolio, including countries, sectors and results areas
  - Submission of concept notes and funding proposals following accreditation
  - Approval of funding proposals
  - Closing accreditation- and project-related conditions
  - Implementation of projects, including on disbursement
  - Monitoring and reporting

## Annex 2: Stakeholder map

Group	Interviews	Survey
Secretariat	Y	
Consultants supporting the Stage I review	Y	
Accreditation Panel	Y	
Consultants supporting the Stage II review	Y	
Board and Alternate Members of the Board		Y
Accreditation Committee	Y	
Active Observers (Civil Society Observers and Private Sector Observers)		Y
National Designated Authorities (NDAs) and Focal Points		Y
Accredited Entities		Y
Applicants		Y
External stakeholders: DG DEVCO, GEF and Adaptation Fund	Y	

# Annex 3: Interview Topic Guide - Accreditation Committee

## Alignment of accreditation framework with GCF's strategic aims

1. In your opinion, has the accreditation framework resulted in a **number and mix of accredited entities** that are in line with the strategic aims of the GCF? If not, in what way?
2. In your opinion, has the accreditation framework resulted in a number and type of **project proposals** that are in line with GCF strategic aims? If not, in what way?
3. Do you think that there is an 'ideal' number of accredited entities? If so, what is this - in total and/or per year? What would the profile of these accredited entities be (e.g. scale, size, activities)?
4. In your opinion, to what extent do you think the GCF business model (wherein there is a two-step process of due diligence (accreditation followed by project proposal)) delivers on the GCF mandate and objectives?
5. In your opinion, is the distinction between the Standards and/or degree of due diligence applied at the **accreditation** level and at the **project proposal** level adequate? If not, what can be done to increase/decrease the distinction.

## Fiduciary, ESS and Gender Standards

6. Do you think that the Standards applied by the GCF for accreditation are suitable for the organisation's requirements? Are there any more suitable alternatives?
7. What are your views on fast-track accreditation? Do you have any suggestions for how the fast track accreditation could be expanded i.e. alternative sources of assurance on which reliance could be placed?
8. Can you give examples of any particular requirements of the Standards that are problematic for:
  - a. certain groups of entities e.g. Direct Access, Private sector entities
  - b. all entities
9. Do you think that the requirements of the GCF for entities to demonstrate compliance with the Standards in terms of policy/process AND track record are appropriate? Are there any more suitable alternatives?
10. How effective are 'conditions' as a way of ensuring that entities meet the required standards?
11. What would be your views on allowing entities to deliver projects even though they have not fully complied with the GCF's standards e.g. on a risk and control basis?

## Accreditation Process

12. What are your thoughts on the length of time taken for entities to become accredited? If this is too long, what is your understanding of the main reasons for this?
13. What are your thoughts on the appropriateness of the **level of resources** utilised by the GCF on accreditation activities (Secretariat, Accreditation Panel, Board, external firms such as KPMG and PwC)? If these are too much, what is your understanding of the reasons for this?
14. What are your thoughts on the **size / structure / roles** of the Secretariat (including staff directly responsible for accreditation and those broadly supporting the process) – are these sufficient for them to be able to fulfil their objectives?
15. What are your thoughts on the **size / structure / roles / performance** of the Accreditation Panel – are these sufficient for it to be able to fulfil its objectives?
16. Do you feel that there are any potential efficiency gains in the accreditation process?
17. Do you see any duplication between the work that the Secretariat carries out at Stage I and the Accreditation Panel's work in Stage II?
18. What are your thoughts on having the Stage I and Stage II review processes combined under one review and one reviewer or group of reviewers? What are the advantages and disadvantages?

## Alternative approaches

19. What are your suggestions to improve the:
- a. current accreditation **process** (e.g. streamlining, outsourcing, changes to roles and responsibilities)?
  - b. current accreditation **modality** (e.g. new access routes, including the Project Specific Accreditation Approach)?
  - c. **balance and diversity** of Direct Access and International Access entities (e.g. different minimum standards, direct management of projects, incremental accreditation)?

# Annex 4: Interview Topic Guide - Accreditation Panel

## Section 1: Introduction and your involvement in the accreditation process

1. Please briefly introduce yourself, and describe your background and your role on the AP.
2. Please provide an overview of the accreditation process from the point at which it moves into Stage II.
3. How does the team performing each accreditation review interact during the process – both with each other and with the Panel Chair?
4. How often does the AP meet as a group? Do you think that this is sufficient? Do you meet in person or via skype/teleconference – if the latter, how effective is this?

## Section 2: Alignment of accreditation framework with GCF's strategic aims

5. In your opinion, to what extent does the GCF business model (wherein there is a two-step process of due diligence (accreditation followed by project proposal)) delivers on the GCF mandate and objectives?
6. In your opinion, should there be greater distinction than currently exists between the Standards and/or degree of due diligence applied at the accreditation level and at the project proposal level?
7. Has the accreditation framework resulted in a portfolio that delivers on the strategic aims of the GCF in terms of the number and mix of accredited entities? If not, in what way?
8. Do you think that there is an 'ideal' number of accredited entities? If so, what is this - in total and/or per year? What would the profile of these accredited entities be (e.g. scale, size, activities, international vs direct access, private vs public, etc.)?

## Section 3: The Standards

9. Do you think that the Standards applied by the GCF for accreditation are suitable for the organisation's requirements as you understand them? Please distinguish between Fiduciary (basic and specialized), ESS and Gender Standards as necessary.
10. From your experience of reviewing applications, do you think that access to accreditation is particularly difficult for certain groups of entities e.g. Direct Access or Private Sector entities?
11. What are your views on fast-track accreditation? Do you have any suggestions for how the fast track accreditation could be expanded i.e. alternative sources of assurance on which reliance could be placed?
12. Do you think that the requirements of the GCF for entities to demonstrate compliance with the Standards in terms of policy/process AND track record are appropriate? Are there any more suitable alternatives?
13. Are you allowed to exercise any judgement in your assessment of entities? Please give an example.
14. How effective are 'conditions' as a way of ensuring that entities meet the required standards?
15. What would be your views on allowing entities to deliver projects even though they have not fully complied with the GCF's standards e.g. on a risk and control basis?

## Section 4: The accreditation process

16. What are your thoughts on the amount of documentation that the GCF requires applicants to submit as part of the accreditation process?
17. What are your thoughts on the Stage I outputs that you receive from the Secretariat – in terms of quality, completeness, appropriateness of judgements made? Do you feel that the entities that are reaching Stage II are suitable, in terms of their potential level of compliance with GCF Standards? If not, do you feel the potential gaps have been appropriately identified by the Secretariat?
18. Do you feel that you have enough time to complete the Stage II process effectively?
19. What are your thoughts on the length of time taken for entities to become accredited? If this is too long, what is your understanding of the main reasons for this?
20. What are your thoughts on the appropriateness of the level of resources utilised by the GCF on accreditation activities (Secretariat, Accreditation Panel, Board, external firms such as KPMG and PwC)?

21. What are your thoughts on the appropriateness of the level of resources utilised by the entities on accreditation activities?
22. Do you see any duplication between the work that the Secretariat carries out at Stage I and the Accreditation Panel's work in Stage II?
23. What are your thoughts on having the Stage I and Stage II review processes combined under one review and one reviewer or group of reviewers? What are the advantages and disadvantages?
24. Do you feel that the current approach to the Stage II assessment is effective? What are the advantages and disadvantages of the remote review of applications? What other methods could be applied? E.g. desk review via the Online Accreditation System, teleconference calls, on-site interviews, etc.
25. Do you feel that there are any potential efficiency gains in the accreditation process?

**Section 5: The Accreditation Panel**

26. Thinking of the AP as a whole, do you think that there are any knowledge/skills gaps?
27. Do you think that the size and structure of the AP is appropriate for its function?
28. Have there been any cases where resource constraints have impacted upon the speed of the assessment process?
29. Are there ever disagreements amongst the panel as to which entities should be recommended for accreditation, or on the recommendation itself? Please explain the process if this is the case.

**Section 6: Alternative modalities**

30. Do you have any thoughts on, or experience with, other modalities that might fruitfully be used by GCF to fulfil its mandate, including the Project Specific Assessment Approach?

Do you have any other comments on GCF's accreditation framework and processes that we have yet to discuss?

# Annex 5: Interview Topic Guide – GCF staff

## Introduction

1. What is your involvement in the operation of the accreditation process and/or what is your understanding of how it works?

## Alignment of accreditation framework with GCF's strategic aims

2. Has the accreditation framework resulted in a portfolio that delivers on the strategic aims of the GCF in terms of the number and mix of accredited entities? If not, in what way?
3. Do you think that there is an 'ideal' number of accredited entities? If so, what is this - in total and/or per year? What would the profile of these accredited entities be (e.g. scale, size, activities)?
4. In your opinion, has the accreditation framework resulted in a number and type of **project proposals** that are in line with GCF strategic aims? If not, in what way?

## Fiduciary, ESS and Gender Standards

5. Does the GCF's choice of Fiduciary, ESS and Gender Standards facilitate the participation of entities that meet the GCF's strategic aims? If not, can you please elaborate on any specific issues or suggested alternative Standards?
6. Can you give examples of any particular requirements of the Standards that are problematic for:
  - c. certain groups of entities e.g. Direct Access
  - d. all entities

## Accreditation Process

7. How long, in your opinion, should the accreditation process take at each key stage? What are your thoughts on the actual length of time taken for entities to become accredited? If this is too long, what is your understanding of the main reasons for the delay?
8. What are your thoughts on the appropriateness of the **level of resources** utilised by the GCF on accreditation activities (Secretariat, Accreditation Panel, Board, external firms such as KPMG and PwC)? If these are too much, what is your understanding of the reasons for this?
9. What are your thoughts on the **size / structure / roles** of the Secretariat (including staff directly responsible for accreditation and those broadly supporting the process) – are these sufficient for them to be able to fulfil their objectives?
10. What are your thoughts on the **size / structure / roles / performance** of the Accreditation Panel – are these sufficient for it to be able to fulfil its objectives?
11. What are your thoughts on the appropriateness of the level of resources utilised by the entities on accreditation activities? If these are too much, what is your understanding of the reasons for this?
12. Do you see any overlaps or duplication of activities between the:
  - a. different stages of the accreditation process (including the roles of Secretariat, KPMG/PWC, Accreditation Panel, Accreditation Committee)
  - b. accreditation and project proposal process?
13. In your opinion, should there be greater distinction than currently exists between the Standards and/or degree of due diligence applied at the **accreditation** level and at the **project proposal** level?

## Capacity Building

14. What are your thoughts on the role and usefulness of readiness support and capacity building activities? Does this complement and/or support the accreditation process?
15. How long, in your opinion, should the GCF plan for entities to fulfil the actions identified during the readiness assessment (e.g. how long should it take for an entity to 'be ready')?

## Alternative approaches

16. What are your suggestions to improve the:
  - d. current accreditation **process** (e.g. streamlining, outsourcing, changes to roles and responsibilities)?
  - e. current accreditation **modality** (e.g. new access routes, including the Project Specific Accreditation Approach)?

- f. **balance** of Direct Access and International Access entities (e.g. different minimum standards, direct management of projects, incremental accreditation)?

# Annex 6: Interview Topic Guide – External Consultants

## Alignment of accreditation framework with GCF's strategic aims

1. In your opinion, to what extent does the GCF business model (wherein there is a two-step process of due diligence (accreditation followed by project proposal)) delivers on the GCF mandate and objectives?
2. In your opinion, should there be greater distinction than currently exists between the Standards and/or degree of due diligence applied at the **accreditation** level and at the **project proposal** level?

## Fiduciary, ESS and Gender Standards

3. Do you think that the Standards applied by the GCF for accreditation are suitable for the organisation's requirements as you understand them? Please distinguish between Fiduciary (basic and specialized), ESS and Gender Standards as necessary.
4. From your experience of reviewing applications, do you think that access to accreditation is particularly difficult for certain groups of entities e.g. Direct Access or Private Sector entities?
5. Are you aware of alternative Standards that might be appropriate for use by GCF? Please distinguish between Fiduciary (basic and specialized), ESS and Gender Standards as necessary.
6. What are your views on fast-track accreditation? Do you have any suggestions for how the fast track accreditation could be expanded i.e. alternative sources of assurance on which reliance could be placed?
7. What are your views, if any, on allowing entities to deliver projects even though they have not fully complied with the GCF's standards e.g. on a risk and control basis?

## Accreditation Process

8. Given that the Stage I Institutional Assessment and Completeness Check focuses on the alignment of the organization seeking accreditation with the GCF mandate and objectives, and on the completeness of the application:
  - a. Does the accreditation process facilitate the identification of organizations that may contribute to the GCF mandate and objectives from those that may not? If not, what changes could be made to facilitate this differentiation?
  - b. What are your thoughts on the accreditation applications that you receive from entities via the GCF Secretariat in terms of quality and level of completeness? Do you feel that the entities that are in the accreditation pipeline are suitable, in terms of their potential level of compliance with GCF Standards? Does this change when you compare the initial application to a second or later version? If so, why is this the case?
9. Do you think that the requirements of the GCF for entities to demonstrate compliance with the Standards in terms of policy/process AND track record are appropriate? Are there any more suitable alternatives?
10. Are you expected to exercise any judgement in your assessment of entities? Please give an example.
11. What are your thoughts on the amount and type of documentation that the GCF requires applicants to submit as part of the accreditation process?
12. Do you feel that you have enough time to complete the Stage I process effectively?
13. Do you feel that the current approach to the Stage I assessment is effective? What are the advantages and disadvantages of the remote review of applications? What other methods could be applied? E.g. desk review via the Online Accreditation System, teleconference calls, on-site interviews, etc.
14. Do you see any duplication between the work that the Secretariat carries out at Stage I and your review?
15. Do you see any duplication between the work that is undertaken in Stage I and the Stage II review by the Accreditation Panel?
16. What are your thoughts on having the Stage I and Stage II review processes combined under one review and one reviewer or group of reviewers? What are the advantages and disadvantages?
17. Do you feel that there are any potential efficiency gains in the accreditation process?

# Annex 7: Interview Topic Guide – EU DEVCO

## Design of system

1. Please provide a high-level overview of your accreditation process, covering key actors, process steps and tools/documents.
2. How long, on average, does it take you to accredit an entity?
3. How did you develop your Standards? Which sources of best practice did/do you use?
4. Does your system take account of other accreditations / certifications that an applicant may have received (e.g. ISO, other organizations)?
5. Do you have a defined target portfolio of accredited entities? If so, is this split across categories such as international and national, different financing sizes/ranges/brackets, type of financial instrument or method/modality of providing financing, or sectors? How were the targets set? How have you designed your framework and process to reach these targets? What measures have you taken if the targets are not met?
6. Are there examples of where your interests differ from those of your accredited entities? If so, how do you reconcile this?
7. Once an organisation is accredited, can it bring any project proposal to you for consideration? If not, how do you define the parameters of the projects they can propose?

## Application of system

8. In determining whether an entity can be accredited against a particular standard, do you require a process to be operating, a policy to be in place or a track record to be demonstrated, or anything else? Please explain the rationale for this approach and what you do if your preferred level of evidence is not available (e.g. if a track record cannot be demonstrated).
9. How do your due diligence processes differ between institutional accreditation and project approval (for entities already accredited)? Is there any overlap between the two? Are there areas that you check at institutional level but not at project level, or vice versa?
10. Do you apply a pass/fail approach i.e. do your entities have to pass all *relevant* requirements before you embark upon a project with them? If not, what level of flexibility do you allow and how do you apply this through the accreditation process?
11. Do you apply the principles of risk in the accreditation process and/or subsequent monitoring of entities, at an institutional or project level? How is this implemented in practice, at both an institutional and project level (e.g. additional monitoring, stricter contractual requirements)? Does this monitoring bring added value?
12. Do you require continuous compliance with the Standards? If so, how do you monitor and enforce this e.g. do you require periodic reviews of compliance at the institutional level, or re-accreditation?
13. Which areas of your accreditation framework pose most difficulties to your entities - the Standards themselves, the level of evidence required to demonstrate compliance, providing access to this evidence, or anything else?
14. Have your accredited entities proposed the number and type of projects that you had anticipated at the start of their accreditation process? If not, why not? How have you supported them in this process?

## Other methods of engagement

15. Do you distinguish an Implementing Entity from an Executing Entity, in definition or on contractual / legal basis?
16. Do you have other ways to engage with entities on projects other than through accreditation? If so, how? How does this contractually differ from how you operate under accreditation ?

## Closing remarks

17. What are the top three lessons that you've learned from the development and application of your framework and process?
18. Do you have any views on the design / application of the GCF's accreditation framework and processes?

# Annex 8: Survey – Board Members and Alternates

## Section 1 – This section is about the GCF mandate and business model.

1. What activities do you expect an accredited entity to perform?
  - a. Develop project funding proposals to be funded by the GCF;
  - b. Bring forth funding proposals from other organizations to be funded by the GCF;
  - c. Raise awareness of the GCF;
  - d. Implement GCF-funded projects;
  - e. Monitor and report on GCF-funded projects under implementation;
  - f. Oversee GCF-funded projects executed by other organizations (Executing Entities);
  - g. Engage with National Designated Authorities and/or Focal Points;
  - h. Other: if so, please enter your responses here.

To what extent do you agree that the **design** of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

**Note:** we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **design** refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. The **current operational reality** refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.

**The GCF accreditation framework:** see decision B.07/02:  
[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument:  
[https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
2. promoting the paradigm shift towards a low-emission and climate-resilient development pathway					
3. providing support to developing countries to limit or reduce their greenhouse gas emissions					
4. providing support to developing countries to adapt to the impacts of climate change					
5. taking account of the needs of those developing countries particularly vulnerable to the adverse effects of climate change.					
6. playing a key role in channelling new, additional, adequate and predictable financial resources to developing countries					
7. catalysing climate finance from the public sector					
8. catalysing climate finance from the private sector					
9. catalysing climate finance at the international level					

10. catalysing climate finance at the national level					
11. pursuing a country-driven approach					
12. Promoting and strengthening engagement at the country level through effective involvement of relevant institutions and stakeholders					
13. The Fund being scalable					
14. The Fund being flexible					
15. The Fund being a continuously learning institution guided by processes for monitoring and evaluation					
16. Seeking a balance between adaptation and mitigation,					
17. promoting environmental, social, economic and development co-benefits					
18. taking a gender-sensitive approach.					

19. For any questions where you 'strongly disagreed', please explain your answer.

--

20. What are the key strengths of the GCF accreditation framework in allowing the GCF to fulfil its mandate, if any?

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To what extent do you agree that the **current operational reality** of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

**Note:** we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **design** refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. **The current operational reality** refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.

**The GCF accreditation framework:** see decision B.07/02:  
[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument:  
[https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
21. promoting the paradigm shift towards low-emission and climate-resilient development pathway					

22. providing support to developing countries to limit or reduce their greenhouse gas emissions					
23. providing support to developing countries to adapt to the impacts of climate change					
24. taking account of the needs of those developing countries particularly vulnerable to the adverse effects of climate change.					
25. playing a key role in channelling new, additional, adequate and predictable financial resources to developing countries					
26. catalysing climate finance from the public sector					
27. catalysing climate finance from the private sector					
28. catalysing climate finance at the international level					
29. catalysing climate finance at the national level					
30. pursuing a country-driven approach					
31. Promoting and strengthening engagement at the country level through effective involvement of relevant institutions and stakeholders					
32. The Fund being scalable					
33. The Fund being flexible					
34. The Fund being a continuously learning institution guided by processes for monitoring and evaluation					
35. Seeking a balance between adaptation and mitigation,					
36. promoting environmental, social, economic and development co-benefits					
37. taking a gender-sensitive approach.					

38. For any questions where you 'strongly disagreed', please explain your answer.

--

**Section 2 – This section is about the specifics of the accreditation framework**

<i>To what extent do you agree that the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate?</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
39. rigor of the basic Fiduciary Standards					
40. rigor of the specialized Fiduciary Standards relating to project management					
41. rigor of the specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
42. rigor of the specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
43. rigor of the Environmental and Social Safeguards (ESS)					
44. rigor of the Gender standards					

<i>To what extent do you agree with the following statements?</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
45. The accreditation process is sufficiently transparent					
46. The accreditation process is sufficiently accessible					

<i>To what extent do you agree that the expertise of the GCF Secretariat staff is suitable to enable a robust accreditation assessment of:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
47. basic Fiduciary Standards					
48. specialized Fiduciary Standards relating to project management					
49. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
50. specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					

51. Environmental and Social Safeguards (ESS)					
52. Gender standards					
53. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the expertise of the Accreditation Panel is sufficient to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
54. basic Fiduciary Standards					
55. specialized Fiduciary Standards relating to project management					
56. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
57. specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
58. Environmental and Social Safeguards (ESS)					
59. Gender standards					
60. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the length of time taken to complete the following accreditation stages is reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
61. Stage I Institutional assessment and completeness check by the Secretariat					
62. Stage II (Step 1) Accreditation Panel review					
63. Stage II (Step 2) Board decision-making					
64. Stage III legal arrangements					
65. overall process (from application to accreditation)					

66. How long do you think the accreditation process should take overall?

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67. Should the possibility for the GCF to place reliance on other sources of assurance for the institutional systems and capacity of accredited entities (i.e. fast track accreditation) be broadened? Yes/No  
If so, what sources of assurance should be used?

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68. Do you think there is scope for simplifying / streamlining the accreditation process? Please explain your answer

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**Section 3 – This section is about the results and outcomes of the accreditation framework**

*To what extent do you agree that the current results/outcomes of accreditation are facilitating the fulfilment of GCF's mandate?*

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
69. Number of entities accredited					
70. Number of Direct Access Entities accredited					
71. Number of International Access Entities accredited					
72. Geographical distribution of Accredited Entities					
73. Number of public sector entities accredited					
74. Number of private sector entities accredited					

*To what extent do you agree that there should be...*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
75. a limit on the number of entities accredited?					
76. a quota of Accredited Entities based on the size of the entity					
77. a quota of Accredited Entities based on the geographical location in which the entity intends to operate					
78. a quota of direct access Accredited Entities and international access Accredited Entities					
79. a quota of Accredited Entities based on the sectors					

in which the entity has experience					
80. a quota of Accredited Entities based on the type of financial instruments that the entity intends to use					

81. How many Accredited Entities should there be in total?

82. Do you think that access to the accreditation process is currently limited for any of the following types of entity:

- a. Direct Access Entities
- b. International Access Entities
- c. Entities that intend to manage projects
- d. Entities that intend to award grants and/or allocate funding
- e. Entities that intend to on-lend/blend
- f. Entities that intend to undertake equity investments
- g. Entities that intend to provide guarantees
- h. Private sector overall

Please explain your answer.

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83. To what extent do you agree that the GCF is sufficiently pro-active in encouraging accreditation? Strongly agree/ Agree/ Disagree/ Strongly disagree

84. Do you feel GCF is missing opportunities to work with certain entities (and projects)? If so, please explain.

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**Section 4 – This section is about the transition from accreditation to funding proposals and project implementation**

85. How would you rate the quality of the funding proposals that are being presented to the Board for consideration? High quality/ good quality/ average quality/ poor quality/ very poor quality

To what extent do you agree that the potential projects brought forward are:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
86. In line with the GCF mandate and aims					
87. In line with country-level needs and priorities on climate change					
88. Climate risk proofed					

To what extent do you agree that the GCF is doing enough to:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
89. Facilitate the project pipeline of Accredited Entities					
90. Facilitate the project pipeline of non-accredited entities, either through accredited entities or through those that will seek to become accredited in parallel to responding to the GCF's Request for Proposals.					

How successful have Accredited Entities been in the following activities:					
	Very successful	Somewhat successful	Somewhat unsuccessful	Very unsuccessful	Don't know / N/A
91. Addressing climate change priorities of developing countries					
92. Developing entity work programmes					
93. Developing concept notes					
94. Developing funding proposals					
95. Implementing GCF projects					
96. Monitoring and reporting on GCF projects under implementation					
97. Overseeing GCF-funded projects executed by other organisations (Executing Entities)					

98. Have the Executing Entities selected by the Accredited Entities been prepared to execute projects?

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99. Should there be a greater incentive for Accredited Entities to bring projects forward, including taking on proposals from other entities? Yes/No  
If yes, please elaborate on what might incentivize Accredited Entities to bring projects forward?

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100. What do you think are the main obstacles to increasing (a) the number and (b) the requested values of funding proposals from Direct Access Entities, by order of importance?

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<i>To what extent have the following initiatives been successful in increasing the number of project proposals that are in line with the GCF mandate?</i>					
	Very successful	Somewhat successful	Somewhat unsuccessful	Very unsuccessful	Don't know / N/A
101. Board prioritisation decision on entities in the accreditation process					
102. Simplified Approval Process (SAP)					
103. Request For Proposals (RFPs)					
104. Readiness and Project Preparation Facility support					

**Section 5 – This section is about the risk appetite of the GCF**

105. What degree of risk does the accreditation framework allow GCF to take in the selection of its accredited entities, in relation to its risk appetite? Too much risk/ appropriate level of risk/ too little risk

**Section 6 – Going forward and complementary/alternative ways of operating**

<i>To what extent do you agree that the GCF should do the following?</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
106. improve the design of the existing accreditation framework					
107. improve the operationalization of the existing accreditation framework					
108. introduce different modalities for engaging with entities					

<i>To what extent do you agree that the following options may help GCF in delivering on its mandate:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
109. accepting a consortium arrangement, whereby two complementary entities fulfil all accreditation requirements together (but not separately)					
110. placing greater reliance on 3rd party due diligence in the accreditation process (e.g. credit rating agencies, auditors, stock market listings, etc.)					
111. applying different ratings of accreditation for varying levels of compliance with accreditation standards					
112. requiring a fully formulated project concept note prior to accreditation					
113. developing a Project Specific Assessment Approach to accreditation (refer to the proposal in Annex II of document <a href="https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f">https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f</a> ).					
114. applying less comprehensive initial accreditation standards applying to the institutional-level, combined with increased and ongoing post-accreditation monitoring, evaluation and assurance at the project-level					
115. GCF itself engaging in direct management of projects, or parts thereof					

116. What are your thoughts on the Project Specific Assessment Approach

Note: (refer to the proposal in Annex II of document

[https://www.greenclimate.fund/documents/20182/953917/GCF\\_B.19\\_28\\_-\\_Further\\_development\\_of\\_the\\_accreditation\\_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f](https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f),

which will be further developed and presented to the Board as early as its 20<sup>th</sup> meeting for further consideration).

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117. Please give details of three things that would improve the GCF accreditation framework (if any)?

# Annex 9: Survey – National Designated Authorities and Focal Points

## Section 1 – This section is about accreditation and your country priorities

1. What activities do you expect an accredited entity to perform?
  - a. Develop project funding proposals to be funded by the GCF;
  - b. Bring forth funding proposals from other organizations to be funded by the GCF;
  - c. Raise awareness of the GCF;
  - d. Implement GCF-funded projects;
  - e. Monitor and report on GCF-funded projects under implementation;
  - f. Oversee GCF-funded projects executed by other organizations (executing entities);
  - g. Engage with National Designated Authorities and/or Focal Points;
  - h. Other: if so, please enter your responses here.

1. In light of your country's needs and priorities on climate change, to what extent do you agree that the **design** of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

*Note: we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **design** refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. The **current operational reality** refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.*

**The GCF accreditation framework:** see decision B.07/02:

[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11 - Decisions of the Board - Seventh Meeting of the Board 18-21 May 2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
2. promote the paradigm shift towards low-emission and climate-resilient development pathway					
3. provide support to limit or reduce their greenhouse gas emissions					
4. provide support to adapt to the impacts of climate change					
5. play a key role in channelling new, additional, adequate and predictable financial resources to your country					
6. catalyse climate finance from the public sector					
7. catalyse climate finance from the private sector					
8. catalyse climate finance at the international level					
9. catalyse climate finance at the national level					
10. enable a country-driven approach					

11. Promote and strengthen engagement at country level through effective involvement of relevant institutions and stakeholders					
12. Seek a balance between adaptation and mitigation,					
13. promote environmental, social, economic and development co-benefits					
14. take a gender-sensitive approach.					

15. For any questions where you 'strongly disagreed', please explain your answer.

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**In light of your country's needs and priorities on climate change, to what extent do you agree that the current operational reality of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:**

*Note: we have distinguished between the design of the GCF accreditation framework and its current operational reality. The design refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. The current operational reality refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.*

**The GCF accreditation framework:** see decision B.07/02:

[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument:

[https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
16. promote the paradigm shift towards low-emission and climate-resilient development pathway					
17. provide support to limit or reduce their greenhouse gas emissions					
18. provide support to adapt to the impacts of climate change					
19. play a key role in channelling new, additional, adequate and predictable financial resources to your country					
20. catalyse climate finance from the public sector					
21. catalyse climate finance from the private sector					
22. catalyse climate finance at the international level					
23. catalyse climate finance at the national level					

24. enable a country-driven approach					
25. Promote and strengthen engagement at your country level through effective involvement of relevant institutions and stakeholders					
26. Seek a balance between adaptation and mitigation,					
27. promote environmental, social, economic and development co-benefits					
28. take a gender-sensitive approach.					

29. For any questions where you 'strongly disagreed', please explain your answer.

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**Section 2 – This section is about the accreditation framework and the GCF mandate**

**Thinking now not just of your own country but of all developing countries**, to what extent do you agree that **the design of** the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

*Note: we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **design** refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. The **current operational reality** refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.*

*The **GCF mandate**: the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
30. promoting the paradigm shift towards low-emission and climate-resilient development pathway					
31. providing support to developing countries to limit or reduce their greenhouse gas emissions					
32. providing support to developing countries to adapt to the impacts of climate change					
33. taking account of the needs of those developing countries particularly vulnerable to the adverse effects of climate change.					
34. playing a key role in channelling new, additional, adequate and predictable financial resources to developing countries					
35. catalysing climate finance from the public sector					
36. catalysing climate finance from the private sector					

37. catalysing climate finance at the international level					
38. catalysing climate finance at the national level					
39. pursuing a country-driven approach					
40. Promoting and strengthening engagement at the country level through effective involvement of relevant institutions and stakeholders					
41. The Fund being scalable					
42. The Fund being flexible					
43. The Fund being a continuously learning institution guided by processes for monitoring and evaluation					
44. Seeking a balance between adaptation and mitigation,					
45. promoting environmental, social, economic and development co-benefits					
46. taking a gender-sensitive approach.					

47. For any questions where you 'strongly disagreed', please explain your answer.

--

48. What are the key strengths of the GCF accreditation framework in allowing the GCF to fulfil its mandate, if any?

--

**Thinking again not just of your own country but of all developing countries**, to what extent do you agree that the **current operational reality** of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

*Note: we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **current operational reality** refers to the framework as it is currently being implemented. The **design** refers instead to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity.*

*The **GCF mandate**: the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
49. promoting the paradigm shift towards low-emission and climate-resilient development pathway					

50. providing support to developing countries to limit or reduce their greenhouse gas emissions					
51. providing support to developing countries to adapt to the impacts of climate change					
52. taking account of the needs of those developing countries particularly vulnerable to the adverse effects of climate change.					
53. playing a key role in channelling new, additional, adequate and predictable financial resources to developing countries					
54. catalysing climate finance from the public sector					
55. catalysing climate finance from the private sector					
56. catalysing climate finance at the international level					
57. catalysing climate finance at the national level					
58. pursuing a country-driven approach					
59. Promoting and strengthening engagement at the country level through effective involvement of relevant institutions and stakeholders					
60. The Fund being scalable					
61. The Fund being flexible					
62. The Fund being a continuously learning institution guided by processes for monitoring and evaluation					
63. Seeking a balance between adaptation and mitigation,					
64. promoting environmental, social, economic and development co-benefits					
65. taking a gender-sensitive approach.					

66. . For any questions where you 'strongly disagreed', please explain your answer.

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**Section 3 – This section is about specifics of the accreditation framework**

<i>To what extent do you agree that the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate?</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
67. rigor of the basic Fiduciary Standards					
68. rigor of the specialized Fiduciary Standards relating to project management					
69. rigor of the specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
70. rigor of the specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
71. rigor of the Environmental and Social Safeguards (ESS)					
72. rigor of the Gender standards					

<i>To what extent do you agree with the following statements?</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
73. The accreditation process is sufficiently transparent					
74. The accreditation process is sufficiently accessible					

<i>To what extent do you agree that the expertise of the GCF Secretariat staff is sufficient to enable robust accreditation assessment of:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
75. basic Fiduciary Standards					
76. specialized Fiduciary Standards relating to project management					
77. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
78. specialized Fiduciary Standards relating to on-lending and/or blending for					

loans, equity and/or guarantees					
79. Environmental and Social Safeguards (ESS)					
80. Gender standards					
81. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the expertise of the Accreditation Panel is sufficient to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
82. basic Fiduciary Standards					
83. specialized Fiduciary Standards relating to project management					
84. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
85. specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
86. Environmental and Social Safeguards (ESS)					
87. Gender standards					
88. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the length of time taken to complete the following accreditation stages is reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
89. Stage I Institutional assessment and completeness check					
90. Stage II (Step 1) Accreditation Panel review					
91. Stage II (Step 2) Board decision-making					
92. Stage III legal arrangements					
93. overall process (from application to accreditation)					

94. How long do you think the accreditation process should take overall?

--

95. Should the possibility for the GCF to place reliance on other sources of assurance for the institutional systems and capacity of accredited entities (i.e. fast track accreditation) be broadened? Yes/No  
If so, what sources of assurance should be used?

--

96. Do you think there is scope for simplifying / streamlining the accreditation process? Please explain your answer

--

97. Are you aware that the GCF readiness and preparatory support programme also provides support to entities (including pre-, during and post-accreditation)? Yes or No

<i>To what extent are you satisfied with the extent to which GCF provides support to your country through the following activities:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
98. On-the-ground support visits related to accreditation matters i.e. site visits					
99. Support in selecting potential Accredited Entities that meet your needs (e.g. country priorities on climate change)					
100. Support in helping Direct Access Entities meet the GCF's accreditation Standards (Fiduciary Standards, Environmental and Social Safeguards and Gender Standards)					

101. Have you considered applying for / have you already applied for the GCF Readiness and Preparatory Support Programme to support a Direct Access Entity? If not, why not?

--

102. What type of support (other than through the GCF) would you consider obtaining in order to strengthen the capacities of Direct Access Entities (including those already accredited or in the process of seeking accreditation)?

--

**Section 4 – This section is about the results and outcomes of the accreditation framework**

<i>Thinking of not just your country but all developing countries, to what extent do you agree that the current results/outcomes of accreditation are facilitating the fulfilment of GCF's mandate?</i>					
<i>The GCF mandate: the GCF mandate is defined by the Governing Instrument: <a href="https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235">https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235</a></i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
103. Number of entities accredited					
104. Number of Direct Access Entities accredited					

105. Number of International Access Entities accredited					
106. Geographical distribution of Accredited Entities					
107. Number of public sector entities accredited					
108. Number of private sector entities accredited					

**Thinking of only your country**, to what extent do you agree that the current results/outcomes of accreditation are facilitating the fulfilment of GCF's mandate?

**The GCF mandate:** *the GCF mandate is defined by the Governing Instrument:* [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
109. Providing your country with the types of Accredited Entities that can implement projects that will fulfil your country work programme, country priorities and strategies on climate change					
110. Providing your country with the types of Accredited Entities that can implement projects with sufficient geographical scope					
111. Providing your country with the types of Accredited Entities that can implement projects across an appropriate range of communities					
112. Providing your country with the types of Accredited Entities that can implement projects across an appropriate range of sectors (e.g. power generation, forestry, livelihoods and increased resilience, etc.)					

*To what extent do you agree that there should be...*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
113. a limit on the number of entities accredited?					
114. a quota of Accredited Entities based on the size of the entity					
115. a quota of Accredited Entities based on the					

geographical location in which the entity intends to operate					
116. a quota of direct access Accredited Entities and international access Accredited Entities					
117. a quota of Accredited Entities based on the sectors in which the entity has experience					
118. a quota of Accredited Entities based on the type of financial instruments that the entity intends to use					

119. Do you think that access to the accreditation process is currently limited for any of the following types of entities:

- a. Direct Access Entities
- b. International Access Entities
- c. Entities that intend to manage projects
- d. Entities that intend to award grants and/or allocate funding
- e. Entities that intend to on-lend/blend
- f. Entities that intend to undertake equity investments
- g. Entities that intend to provide guarantees
- h. Private sector overall

Please explain your answer.

120. To what extent do you agree that the GCF is sufficiently pro-active in encouraging accreditation? Strongly agree/ Agree/ Disagree/ Strongly disagree

121. Do you feel GCF is missing opportunities to work with certain types of entities (and projects)? If so, please explain.

122. When nominating entities for accreditation, to what extent do you expect each and all nominations to be accredited: I expect all nominees will become accredited/ I expect the majority of nominees will become accredited/ I expect only a selection of nominees will become accredited

123. Please briefly explain your approach to selecting entities to be nominated e.g. how do you identify entities? Do you perform due diligence? Do you filter potential nominees?

**Section 5 – This section is about the transition from accreditation to funding proposals and project implementation**

124. How would you rate the quality of the funding proposals that are being presented to you for consideration? High quality/ good quality/ average quality/ poor quality/ very poor quality

To what extent do you agree that the potential projects brought forward are:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
125. In line with the GCF mandate and aims					
126. In line with country-level needs and priorities on climate change					

127. Climate risk proofed					
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128. What are the common issues that you see Direct Access Entities encounter when developing funding proposals?

--

To what extent do you agree that the GCF is doing enough to:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
129. Facilitate the project pipeline of Accredited Entities					
130. Facilitate the project pipeline of non-accredited entities, either through accredited entities or those that will seek to become accredited in parallel to responding to the GCF's Request for Proposals.					

How successful have Accredited Entities been in the following activities:					
	Very successful	Somewhat successful	Somewhat unsuccessful	Very unsuccessful	Don't know / N/A
131. Addressing climate change priorities of developing countries					
132. Developing entity work programmes					
133. Developing concept notes					
134. Developing funding proposals					
135. Implementing GCF projects					
136. Monitoring and reporting on GCF-funded projects under implementation					
137. Overseeing GCF-funded projects being executed by other organisations (Executing Entities)					

138. Have the Executing Entities selected by the Accredited Entities been prepared to execute projects?

--

139. Should there be a greater incentive for Accredited Entities to bring projects forward, including taking on proposals from other entities? Yes/No  
If yes, please elaborate on what might incentivize Accredited Entities to bring projects forward?

--

140. What do you think are the main obstacles to an increasing (a) the number and (b) the requested values of funding proposals from Direct Access Entities, by order of importance?

--

*To what extent have the following initiatives been successful in increasing the number of project proposals that are in line with the GCF mandate?*

	Very successful	Somewhat successful	Somewhat unsuccessful	Very unsuccessful	Don't know / N/A
141. Board prioritisation decision on entities in the accreditation process					
142. Simplified Approval Process (SAP)					
143. Request For Proposals (RFPs)					
144. Readiness and Project Preparation Facility support					

145. Are approved projects sufficiently linked to your country's work programme or needs and priorities on climate change? Yes, very much so/ To some extent / Not really / Not at all

*To what extent are you satisfied with GCF's provision to your country of the following support activities:*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
146. Support in developing project concept notes and funding proposals					
147. Support in identifying the right Accredited Entity to move project concept notes forward to a full funding proposal					
148. Support in how to select concept notes that best match your country needs/priorities on climate change					

149. What do you think would help potential entities in the country prepare funding proposals to the GCF?

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**Section 6 – Going forward and complimentary/alternative ways of operating**

*To what extent do you agree that the GCF should do the following?*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A

150. improve the design of the existing accreditation framework					
151. improve the operationalization of the existing accreditation framework					
152. introduce different modalities for engaging with entities					

To what extent do you agree that the following options may help GCF in delivering on its mandate:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
153. accepting a consortium arrangement, whereby two complementary entities fulfil all accreditation requirements together (but not separately)					
154. placing greater reliance on 3rd party due diligence in the accreditation process (e.g. credit rating agencies, auditors, stock market listings, etc.)					
155. applying different ratings of accreditation for varying levels of compliance with accreditation standards					
156. requiring a fully formulated project concept note prior to accreditation					
157. developing a Project Specific Assessment Approach to accreditation (refer to the proposal in Annex II of document <a href="https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f">https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f</a> ).					
158. applying less comprehensive initial accreditation standards applying to the institutional-level, combined with increased and ongoing post-accreditation monitoring, evaluation and assurance at the project-level					
159. GCF itself engaging in direct management of projects, or parts thereof					

160. What are your thoughts on the Project Specific Assessment Approach

Note: (refer to the proposal in Annex II of document [https://www.greenclimate.fund/documents/20182/953917/GCF\\_B.19\\_28\\_-\\_Further\\_development\\_of\\_the\\_accreditation\\_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f](https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f), which will be further developed and presented to the Board as early as its 20<sup>th</sup> meeting for further consideration).

161. Please give details of three things that would improve the GCF accreditation framework (if any)?

**Section 7 - Other information**

162. Please select all that apply for the country for which you are an NDA or focal point	
Africa	
Asia Pacific	
Eastern Europe	
Latin America and the Caribbean	
SIDS	
LDC	

# Annex 10: Survey – Accredited Entities

## Section 1 – Your understanding of accreditation

1. How did you find about the GCF? Drop down: GCF website, National Designated Authority, GCF Secretariat, GCF Board, consultants (not with the GCF), Accredited Entities, Global Environment Facility / Adaptation Fund / DG DEVCO, Other: If other, please state.
2. Why did your entity want to become accredited'? Drop down options (multi select): To raise my entity's visibility / To allow my entity access to GCF financing to implement one (1) project by ourselves/ to allow my entity access to GCF financing to implement multiple (1+) projects by ourselves/ to allow my entity access to GCF financing to fund projects that we would oversee (rather than execute) / Other...please explain
3. What activities do you expect an accredited entity to perform?
  - a. Develop project funding proposals to be funded by the GCF;
  - b. Bring forth funding proposals from other organizations to be funded by the GCF;
  - c. Raise awareness of the GCF;
  - d. Implement GCF-funded projects;
  - e. Monitor and report on GCF-funded projects under implementation;
  - f. Oversee GCF-funded projects executed by other organizations (Executing Entities);
  - g. Engage with National Designated Authorities and/or Focal Points;
  - h. Other: if so, please enter your responses here.

4. What are the key strengths of the GCF accreditation framework in allowing the GCF to fulfil its mandate, if any?

*The GCF accreditation framework: see decision B.07/02:*

[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

*The GCF mandate: the GCF mandate is defined by the Governing Instrument:*

[https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

5. What are the key weaknesses of the GCF accreditation framework, if any?

## Section 2 – This section is about specifics of the accreditation framework

6. Who compiled your entity's accreditation application? Senior management, managers, junior staff, interns, consultants

7. Did you receive any support (in-kind or other) in the process of compiling the accreditation application?: Multi-selection matrix:  
GCF, Regional Adviser, National Designated Authority, Accredited Entity, Readiness Delivery Partner, consultant (not with the GCF), Other, None. If Other, please specify.
  - a. If applicable, please explain how these actors supported you?

<i>To what extent do you agree with the following:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
8. I was sufficiently supported by the hierarchy of my entity before and during the accreditation process					
9. I / my entity was sufficiently supported by the GCF before and during the accreditation process					
10. I / my entity understands the roles and responsibilities of the National Designated Authority / Focal Point in relation to the accreditation process					
11. I /my entity was sufficiently supported by the National Designated Authority / Focal Point before and during the accreditation process					
12. I / my entity was comfortable providing GCF with the information requested for the accreditation application (in light of confidential information, data protection, corporate secrets, performance data, etc. considerations)					
13. The GCF was responsive to my / my entity's accreditation application / questions before and during the accreditation process					
14. The GCF was clear and consistent in their guidance during the accreditation process					
15. The requirements of the accreditation process, as set out in the accreditation application and review checklists available on the GCF website, were clear					
16. From my entity's experience, the requirements of the accreditation process, as set out in the accreditation application and checklists available on the GCF website, reflected the reality of the application process					
17. The roles and responsibilities of the					

different actors in the accreditation process were clear (e.g. Stages I, II (Step 1), II (Step 2) and III)					
18. There was no duplication between the review stages of the accreditation process					
19. The accreditation process was sufficiently transparent					

20. For any questions where you 'strongly disagreed', please explain your answer.

--

*To what extent do you agree that the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate?*

**The GCF mandate:** *the GCF mandate is defined by the Governing Instrument:* [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
21. rigor of the basic Fiduciary Standards					
22. rigor of the specialized Fiduciary Standards relating to project management					
23. rigor of the specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
24. rigor of the specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
25. rigor of the Environmental and Social Safeguards (ESS)					
26. rigor of the Gender Standards					

27. To what extent did the GCF accreditation process require your entity to make changes e.g. amend or introduce new standards, policies, procedures and/or capacity? To a great extent, to some extent, to a slight extent, not at all

To what extent did the following key requirements of GCF accreditation prove challenging for your entity to comply with:

	To a great extent	To some extent	To a slight extent	Not at all	Don't know / N/A
28. Basic Fiduciary Standards					
29. Fiduciary Standards relating to project management					
30. Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
31. Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
32. Environmental and Social Safeguards (ESS)					
33. Gender Standards					
34. Evidence of track record					

35. For any questions where you selected 'to a great extent', please explain your answer.

--

36. Do you think that the accreditation process has helped your entity improve? Yes, very much so/ To some extent / Not really / Not at all

37. Was your entity eligible to use fast track accreditation? Yes/No

38. Should the possibility for the GCF to place reliance on other sources of assurance for the institutional systems and capacity of accredited entities (i.e. fast track accreditation) be broadened? Yes/No  
If yes, what sources of assurance should be used?

--

To what extent do you agree that the expertise of the GCF Secretariat staff is sufficient to enable a robust accreditation assessment of:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
39. basic Fiduciary Standards					
40. specialized Fiduciary Standards relating to project management					
41. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
42. specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					

43. Environmental and Social Safeguards (ESS)					
44. Gender Standards					
45. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the expertise of the Accreditation Panel is sufficient to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
46. basic Fiduciary Standards					
47. specialized Fiduciary Standards relating to project management					
48. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
49. specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
50. Environmental and Social Safeguards (ESS)					
51. Gender Standards					
52. Industry/Sector of entities seeking accreditation					

53. Please estimate how many weeks it took your entity to complete each of the stages of the accreditation process:  
*Note – we are concerned here about the length of time taken to progress through each stage. We ask about how many person-days it required of your entity to complete each stage in a later question.*
- Set up of an Online Accreditation System account
  - Stage I Institutional assessment and completeness check
  - Stage II (Step 1) Accreditation Panel review
  - Stage II (Step 2) Board decision-making

To what extent do you agree that the <b>length of time</b> taken to complete each of the accreditation stages was reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
54. Set up of an Online Accreditation System account					
55. Stage I Institutional assessment and completeness check					
56. Stage II (Step 1) Accreditation Panel review					

57. Stage II (Step 2) Board decision-making					
58. Overall process					

59. Please estimate how many person-days (including time of external consultants) it took your entity to complete each stage of the accreditation process:
- Set up of an Online Accreditation System account
  - Stage I Institutional assessment and completeness check
  - Stage II (Step 1) Accreditation Panel review
  - Stage II (Step 2) Board decision-making

To what extent do you agree that the <b>number of person-days</b> spent by your entity to complete each of the accreditation stages was reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
60. Set up of Online Accreditation System account					
61. Stage I Institutional assessment and completeness check					
62. Stage II (Step 1) Accreditation Panel review					
63. Stage II (Step 2) Board decision-making					
64. Overall process					

65. Has your entity signed an Accreditation Master Agreement? Yes/No If yes, how many weeks did this take to negotiate? How many person-days did your entity spend on this?

66. How much did it cost your entity to complete all stages of the accreditation process, from applying for an OAS account to becoming accredited (excluding the negotiation of the AMA)?

Accreditation cost items	USD
Staff costs	
Consultants	
Accreditation application fee	
Translation	
Other	

67. Do you feel that there is scope for simplifying / streamlining of the accreditation process? Please explain your answer

--

**Section 3 – This section is about the transition from accreditation to funding proposals and project implementation**

- 68. Did your entity have a project pipeline ready to propose to the GCF prior to beginning the accreditation application? Yes/No
- 69. Does your entity have an Entity Work Programme? If yes,
  - (a) Does your entity work programme capture the full pipeline of projects you intend to propose to the GCF?
  - (b) Does your entity work programme contain information regarding your entity's needs in terms of support (e.g. readiness and Project Preparation Facility)?
- 70. Has your entity submitted concept notes to the GCF? Yes, In response to a GCF Request for Proposal / Yes, not in response to a Request for Proposal / No If no, why not?
- 71. How does your entity choose which projects to propose to the GCF?

- 72. Has your entity identified potential projects that are outside its accreditation scope? Yes/No If yes, has this prevented your entity from submitting such projects? Yes/No
- 73. How many quality funding proposals do you think your entity is able to propose to the GCF on an annual basis?
- 74. How and at what stages does your entity engage with National Designated Authorities / Focal Points when it is developing potential projects for the GCF?

- 75. What are the main obstacles to increasing the number of quality funding proposals that your entity can present to the GCF?
- 76. What kind of support would your entity need to overcome those obstacles?
- 77. Has your entity applied or does it intend to apply for Project Preparation Facility funding to support the development of quality funding proposals?  
If not, why not?  
If yes, and if you have received funding, was the Project Preparation Facility funding helpful in developing funding proposals? If not, why not?
  - a. Please elaborate if you have faced any difficulties?
  - b. Please provide any suggestions for improvement.
- 78. Often times, readiness support is provided through external consultants, potentially walking away with the knowledge they initially brought in. In your view, what is the most efficient way to internalize the provided knowledge within the institution?
- 79. Do you have examples in which innovative tools were deployed to make sure the knowledge would be kept within the institution?  
  
Has your entity used external consultants to provide readiness support? If so, how have you internalized the expertise and knowledge that they brought to your entity?
- 80. Do you think that developing funding proposals for the GCF requires more resources than for other funds/financers? If yes, why do you think that it is the case? Please provide examples if relevant.
- 81. If your entity has put forward project proposals for GCF funding, have you noted any duplication between GCF requirements at the funding proposal review stage vis-a-vis the accreditation stage? Yes, very much so/ To some extent / Not really / Not at all

Please explain:

- 82. Would you say that your entity's capacities in terms of project development are:
  - (a) Very limited
  - (b) Limited
  - (c) Medium
  - (d) Robust
  - (e) Very robust

<i>To what extent are your entity's project development capacities limited in the following areas:</i>					
	To a great extent	To some extent	To a slight extent	Not at all	Don't know / N/A
83. Lack of staff members;					
84. Lack of knowledge and/or expertise;					
85. Lack of knowledge retention;					
86. Lack of policy and institutional set up					

<i>To what extent do you agree with the following:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
87. The accreditation process has enabled or will enable my entity to engage more efficiently in conducting projects with other organizations in the climate finance space than otherwise would have been possible					
88. The accreditation process has enabled my entity to access additional finance					
89. I / my entity was sufficiently supported by the GCF during the identification and development of funding proposals					
90. I / my entity understands the roles and responsibilities of the National Designated Authority / Focal Point in relation to the accreditation process					
91. I / my entity was sufficiently supported by the NDA / Focal Point before and during the identification and development of funding proposals					

92. Have the projects that your entity hoped to deliver with GCF financing come to fruition? If not, please explain why this is the case.

93. Should there be a greater incentive for Accredited Entities to bring projects forward, including taking on proposals from other entities?
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94. If you do not execute the projects that your entity is implementing or intermediating, how do you choose Executing Entities?

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**Section 6 – Going forward and complimentary/alternative ways of operating**

95. What three things might improve the GCF accreditation framework (if any)?

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96. What are your thoughts on the Project Specific Assessment Approach

Note: (refer to the proposal in Annex II of document [https://www.greenclimate.fund/documents/20182/953917/GCF\\_B.19\\_28\\_-\\_Further\\_development\\_of\\_the\\_accreditation\\_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f, which will be further developed and presented to the Board as early as its 20<sup>th</sup> meeting for further consideration](https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f, which will be further developed and presented to the Board as early as its 20<sup>th</sup> meeting for further consideration)).

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**Section 7 - Other information**

97. Please state whether you are Direct access – national Direct access – regional International access Private sector	
98. Please state the regions that your entity intends to operate in using GCF resources for projects/programmes as an Accredited Entity	
Africa	
Asia Pacific	
Eastern Europe	
Latin America and the Caribbean	
SIDS	
LDC	

# Annex 11: Survey – Pipeline Entities

## Section 1 – Your understanding of accreditation

1. How did you find about the GCF? Drop down: GCF website, National Designated Authority, GCF Secretariat, GCF Board, consultants (not with the GCF), Accredited Entities, Global Environment Facility / Adaptation Fund / DG DEVCO, Other: If other, please state.
2. Why did you want to become accredited? Drop down options (multi select): To raise my organisation’s visibility / To allow my entity access to GCF financing to implement one (1) project by ourselves/ to allow my entity access to GCF financing to implement multiple (1+) projects by ourselves/ to allow my entity access to GCF financing to fund projects that we would oversee (rather than execute) / Other...please explain
3. What activities do you expect an accredited entity to perform?
  - a. Develop project funding proposals to be funded by the GCF;
  - b. Bring forth funding proposals from other organizations to be funded by the GCF;
  - c. Raise awareness of the GCF;
  - d. Implement GCF-funded projects;
  - e. Monitor and report on GCF-funded projects under implementation;
  - f. Oversee GCF-funded projects executed by other organizations (Executing Entities);
  - g. Engage with National Designated Authorities and/or Focal Points;
  - h. Other: if so, please enter your responses here.

4. What are the key strengths of the GCF accreditation framework in allowing the GCF to fulfil its mandate, if any?

*The GCF accreditation framework: see decision B.07/02:*

[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

*The GCF mandate: the GCF mandate is defined by the Governing Instrument:*

[https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

5. What are the key weaknesses of the GCF accreditation framework, if any?

## Section 2 – This section is about specifics of the accreditation framework

6. Who is compiling your entity’s accreditation application? Senior management, managers, junior staff, interns, consultants
7. Did your entity receive any support (in-kind or other) in the process of compiling the accreditation application: Multi-selection matrix:  
GCF, Regional Adviser, National Designated Authority, Accredited Entity, Readiness Delivery Partner, consultant (not with the GCF), Other, None. If Other, please specify.
  - a. If applicable, please explain how these actors are supporting you?

8. To what extent do you agree with the following:

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
a) I have been sufficiently supported by the hierarchy of my entity before and					

during the accreditation process thus far					
b) I / my entity have been sufficiently supported by the GCF before and during the accreditation process thus far					
c) I / my entity understands the roles and responsibilities of the National Designated Authority / Focal Point in relation to the accreditation process					
d) I / my entity have been sufficiently supported by the NDA / Focal Point before and during the accreditation process thus far					
e) I / my entity are comfortable providing GCF with the information requested by the GCF for the accreditation application (in light of confidential information, data protection, corporate secrets, performance data, etc. considerations)					
f) The GCF has been responsive to my / my entity's accreditation application / questions before and during the accreditation process					
g) The GCF has given clear and consistent guidance during the accreditation process					
h) The requirements of the accreditation process, as set out in the accreditation application and review checklists available on the GCF website, are clear					
i) The requirements of the accreditation process, as set out in the accreditation application and checklists available on the GCF website, are being applied during the review process in accordance with the application and checklist requirements					
j) The roles and responsibilities of the different actors in the accreditation process are clear (e.g. Stages I, II (Step 1), II (Step 2) and III)					
k) There has been no duplication between the review stages of the					

accreditation process thus far					
l) The accreditation process is sufficiently transparent					

For any questions where you 'strongly disagreed', please explain your answer.

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9. To what extent do you agree that the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate?

*The GCF mandate: the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
a) rigor of the basic Fiduciary Standards					
b) rigor of the specialized Fiduciary Standards relating to project management					
c) rigor of the specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
d) rigor of the specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
e) rigor of the Environmental and Social Safeguards (ESS)					
f) rigor of the Gender Standards					

10. To what extent has the GCF accreditation process required your entity to make changes e.g. amend or introduce new standards, policies, procedures and/or capacity? To a great extent, to some extent, to a slight extent, not at all

11. To what extent have the following key requirements of GCF accreditation proved challenging for your entity to comply with:

	To a great extent	To some extent	To a slight extent	Not at all	Don't know / N/A
a) Basic Fiduciary Standards					
b) Fiduciary Standards relating to project management					
c) Fiduciary Standards relating to grant award and/or					

funding allocation mechanisms					
d) Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
e) Environmental and Social Safeguards (ESS)					
f) Gender Standards					
g) Evidence of track record					

For any questions where you selected 'to a great extent', please explain your answer.

--

12. Do you think that going through accreditation has helped / is helping your entity improve? Yes, very much so/ To some extent / Not really / Not at all
13. Were you able to use the fast track accreditation approach? Yes/No
14. Should the possibility for the GCF to place reliance on other sources of assurance for the institutional systems and capacity of accredited entities (i.e. fast track accreditation) be broadened? Yes/No  
If so, what sources of assurance should be used?

--

15. To what extent do you agree that the expertise of the GCF Secretariat staff is sufficient to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
a) basic Fiduciary Standards					
b) specialized Fiduciary Standards relating to project management					
c) specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
d) specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
e) Environmental and Social Safeguards (ESS)					
f) Gender Standards					
g) Industry/Sector of entities seeking accreditation					

16. To what extent do you agree that the expertise of the Accreditation Panel is sufficient to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
a) basic Fiduciary Standards					
b) specialized Fiduciary Standards relating to project management					
c) specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
d) specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
e) Environmental and Social Safeguards (ESS)					
f) Gender Standards					
g) Industry/Sector of entities seeking accreditation					

17. Please estimate how many weeks it took your entity to complete each of the stages of the accreditation process (where applicable):

*Note – we are concerned here about the length of time taken to progress through each stage. We ask about how many person-days it required of your entity to complete each stage in a later question.*

Note: we understand that your organization is currently undergoing the accreditation process. We therefore ask that you please indicate n/a for those accreditation stages that are not applicable.

- a. Set up of an Online Accreditation System account
- b. Stage I Institutional assessment and completeness check
- c. Stage II (Step 1) Accreditation Panel review
- d. Stage II (Step 2) Board decision-making

18. To what extent do you agree that the <b>length of time</b> taken to complete each of the accreditation stages was reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
a) Set up of an Online Accreditation System account					
b) Stage I Institutional assessment and completeness check					
c) Stage II (Step 1) Accreditation Panel review					

19. Please estimate how many person-days (including time of external consultants) it took your entity to complete each stage of the accreditation process, where applicable:

Note: we understand that your organization is currently undergoing the accreditation process. We therefore ask that you please indicate n/a for those accreditation stages that are not applicable.

- a. Set up of an Online Accreditation System account
- b. Stage I Institutional assessment and completeness check
- c. Stage II (Step 1) Accreditation Panel review

20. Where applicable, to what extent do you agree that the <b>number of person-days</b> spent by your entity to complete each accreditation task was reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
a) Set up of an Online Accreditation System account					
b) Stage I Institutional assessment and completeness check					
c) Stage II (Step 1) Accreditation Panel review					

21. From your experience so far, do you feel that there is scope for simplifying / streamlining of the accreditation process? Please explain your answer

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**Section 3 – This section is about the transition from accreditation to project implementation**

- 22. Does your entity have a pipeline of potential projects ready to propose to the GCF if you are accredited?
- 23. How many quality funding proposals do you think your entity is able to propose to the GCF on an annual basis?
- 24. What are the main obstacles to increasing the number of quality funding proposals that your entity can present to the GCF?
- 25. Has your entity submitted concept notes to the GCF? Yes, In response to a GCF Request for Proposal /Yes, not in response to a GCF Request for Proposal /No If no, why not?

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- 26. To what extent do you understand the roles and responsibilities of the National Designated Authority / Focal Point in relation to project proposals? Scale
- 27. How and at what stages does your entity plan to engage with National Designated Authorities / Focal Points when you are developing potential projects for the GCF?
- 28. Would you say that your entity's capacities in terms of project development are:
  - (a) Very limited
  - (b) Limited
  - (c) Medium
  - (d) Robust
  - (e) Very robust

29. To what extent are your entity's project development capacities limited in the following areas:					
	To a great extent	To some extent	To a slight extent	Not at all	Don't know / N/A
a) Lack of staff members;					
b) Lack of knowledge and/or expertise;					
c) Lack of knowledge retention;					
d) Lack of policy and institutional set up					

30. Should there be a greater incentive for Accredited Entities to bring projects forward, including taking on proposals from other entities? Yes/No  
If yes, please elaborate on what such incentives could be?

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31. If your entity will not execute the projects that you intend to implement or intermediate, how will you choose Executing Entities?

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**Section 4 – Going forward and complimentary/alternative ways of operating**

32. What three things might improve the GCF accreditation framework (if any)?

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33. What are your thoughts on the Project Specific Assessment Approach

Note: (refer to the proposal in Annex II of document [https://www.greenclimate.fund/documents/20182/953917/GCF\\_B.19\\_28\\_-\\_Further\\_development\\_of\\_the\\_accreditation\\_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f](https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f), which will be further developed and presented to the Board as early as its 20<sup>th</sup> meeting for further consideration).

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**Section 7 - Other information**

34. Please state whether you are Direct access – national Direct access – regional International access Private sector	
35. Please state the regions that your entity intends to operate in using GCF resources for projects/programmes, if accredited	
Africa	
Asia Pacific	
Eastern Europe	
Latin America and the Caribbean	
SIDS	

LDC	
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36. Please state your current stage of the accreditation process:	
Set up of an Online Accreditation System account, yet to submit the application	
Stage I Institutional assessment and completeness check	
Stage II (Step 1) Accreditation Panel review	

37. Did your benefit from GCF readiness support on accreditation? Yes / No / N/A	
38. Did your benefit from readiness support on accreditation from an organization other than the GCF? Yes / No / N/A If yes, please indicate the organization or the type of the organization if the name cannot be stated.	

# Annex 12: Survey – Active Observers

## Section 1 – This section is about the GCF mandate and business model.

1. What activities do you expect an accredited entity to perform?
  - a. Develop project funding proposals to be funded by the GCF;
  - b. Bring forth funding proposals from other organizations to be funded by the GCF;
  - c. Raise awareness of the GCF;
  - d. Implement GCF-funded projects;
  - e. Monitor and report on GCF-funded projects under implementation;
  - f. Oversee GCF-funded projects executed by other organizations (Executing Entities);
  - g. Engage with National Designated Authorities and/or Focal Points;
  - h. Other: if so, please enter your responses here.

To what extent do you agree that the **design** of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

**Note:** we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **design** refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. The **current operational reality** refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.

**The GCF accreditation framework:** see decision B.07/02:

[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
2. promoting the paradigm shift towards a low-emission and climate-resilient development pathway					
3. providing support to developing countries to limit or reduce their greenhouse gas emissions					
4. providing support to developing countries to adapt to the impacts of climate change					
5. taking account of the needs of those developing countries particularly vulnerable to the adverse effects of climate change.					
6. playing a key role in channelling new, additional, adequate and predictable financial resources to developing countries					
7. catalysing climate finance from the public sector					
8. catalysing climate finance from the private sector					
9. catalysing climate finance at the international level					

10. catalysing climate finance at the national level					
11. pursuing a country-driven approach					
12. Promoting and strengthening engagement at the country level through effective involvement of relevant institutions and stakeholders					
13. The Fund being scalable					
14. The Fund being flexible					
15. The Fund being a continuously learning institution guided by processes for monitoring and evaluation					
16. Seeking a balance between adaptation and mitigation,					
17. promoting environmental, social, economic and development co-benefits					
18. taking a gender-sensitive approach.					

19. For any questions where you 'strongly disagreed', please explain your answer.

--

20. What are the key strengths of the GCF accreditation framework in allowing the GCF to fulfil its mandate, if any?

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To what extent do you agree that the **current operational reality** of the GCF accreditation framework is allowing GCF to optimally implement its mandate with regards to:

**Note:** we have distinguished between the **design** of the GCF accreditation framework and its **current operational reality**. The **design** refers to the theoretical framework of accreditation as a prerequisite of working with GCF as an accredited entity. **The current operational reality** refers instead to the framework as it is currently being implemented. We ask about the current operational reality in a later question.

**The GCF accreditation framework:** see decision B.07/02:  
[https://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board_18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument:  
[https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
21. promoting the paradigm shift towards low-emission and climate-resilient development pathway					

22. providing support to developing countries to limit or reduce their greenhouse gas emissions					
23. providing support to developing countries to adapt to the impacts of climate change					
24. taking account of the needs of those developing countries particularly vulnerable to the adverse effects of climate change.					
25. playing a key role in channelling new, additional, adequate and predictable financial resources to developing countries					
26. catalysing climate finance from the public sector					
27. catalysing climate finance from the private sector					
28. catalysing climate finance at the international level					
29. catalysing climate finance at the national level					
30. pursuing a country-driven approach					
31. Promoting and strengthening engagement at the country level through effective involvement of relevant institutions and stakeholders					
32. The Fund being scalable					
33. The Fund being flexible					
34. The Fund being a continuously learning institution guided by processes for monitoring and evaluation					
35. Seeking a balance between adaptation and mitigation,					
36. promoting environmental, social, economic and development co-benefits					
37. taking a gender-sensitive approach.					

38. For any questions where you 'strongly disagreed', please explain your answer.

--

**Section 2 – This section is about the specifics of the accreditation framework**

To what extent do you agree that the following aspects of the GCF accreditation framework are appropriate in enabling the GCF to fulfil its mandate?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
39. rigor of the basic Fiduciary Standards					
40. rigor of the specialized Fiduciary Standards relating to project management					
41. rigor of the specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
42. rigor of the specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
43. rigor of the Environmental and Social Safeguards (ESS)					
44. rigor of the Gender standards					

To what extent do you agree with the following statements?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
45. The accreditation process is sufficiently transparent					
46. The accreditation process is sufficiently accessible					

To what extent do you agree that the expertise of the GCF Secretariat staff is suitable to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
47. basic Fiduciary Standards					
48. specialized Fiduciary Standards relating to project management					
49. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
50. specialized Fiduciary Standards relating to on-lending and/or					

blending for loans, equity and/or guarantees					
51. Environmental and Social Safeguards (ESS)					
52. Gender standards					
53. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the expertise of the Accreditation Panel is sufficient to enable a robust accreditation assessment of:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
54. basic Fiduciary Standards					
55. specialized Fiduciary Standards relating to project management					
56. specialized Fiduciary Standards relating to grant award and/or funding allocation mechanisms					
57. specialized Fiduciary Standards relating to on-lending and/or blending for loans, equity and/or guarantees					
58. Environmental and Social Safeguards (ESS)					
59. Gender standards					
60. Industry/Sector of entities seeking accreditation					

To what extent do you agree that the length of time taken to complete the following accreditation stages is reasonable?					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
61. Stage I Institutional assessment and completeness check by the Secretariat					
62. Stage II (Step 1) Accreditation Panel review					
63. Stage II (Step 2) Board decision-making					
64. Stage III legal arrangements					
65. overall process (from application to accreditation)					

66. How long do you think the accreditation process should take overall?

--

67. Should the possibility for the GCF to place reliance on other sources of assurance for the institutional systems and capacity of accredited entities (i.e. fast track accreditation) be broadened? Yes/No  
If so, what sources of assurance should be used?

--

68. Do you think there is scope for simplifying / streamlining the accreditation process? Please explain your answer

--

**Section 3 – This section is about the results and outcomes of the accreditation framework**

*To what extent do you agree that the current results/outcomes of accreditation are facilitating the fulfilment of GCF's mandate?*

**The GCF mandate:** the GCF mandate is defined by the Governing Instrument: [https://www.greenclimate.fund/documents/20182/574763/Governing\\_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235](https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235)

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
69. Number of entities accredited					
70. Number of Direct Access Entities accredited					
71. Number of International Access Entities accredited					
72. Geographical distribution of Accredited Entities					
73. Number of public sector entities accredited					
74. Number of private sector entities accredited					

*To what extent do you agree that there should be...*

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
75. a limit on the number of entities accredited?					
76. a quota of Accredited Entities based on the size of the entity					
77. a quota of Accredited Entities based on the geographical location in which the entity intends to operate					
78. a quota of direct access Accredited Entities and international access Accredited Entities					
79. a quota of Accredited Entities based on the sectors					

in which the entity has experience					
80. a quota of Accredited Entities based on the type of financial instruments that the entity intends to use					

81. How many Accredited Entities should there be in total?

82. Do you think that access to the accreditation process is currently limited for any of the following types of entity:

- i. Direct Access Entities
- j. International Access Entities
- k. Entities that intend to manage projects
- l. Entities that intend to award grants and/or allocate funding
- m. Entities that intend to on-lend/blend
- n. Entities that intend to undertake equity investments
- o. Entities that intend to provide guarantees
- p. Private sector overall

Please explain your answer.

--

83. To what extent do you agree that the GCF is sufficiently pro-active in encouraging accreditation? Strongly agree/ Agree/ Disagree/ Strongly disagree

84. Do you feel GCF is missing opportunities to work with certain entities (and projects)? If so, please explain.

--

**Section 4 – This section is about the transition from accreditation to funding proposals and project implementation**

85. How would you rate the quality of the funding proposals that are being presented to the Board for consideration? High quality/ good quality/ average quality/ poor quality/ very poor quality

To what extent do you agree that the potential projects brought forward are:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
86. In line with the GCF mandate and aims					
87. In line with country-level needs and priorities on climate change					
88. Climate risk proofed					

To what extent do you agree that the GCF is doing enough to:					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
89. Facilitate the project pipeline of Accredited Entities					
90. Facilitate the project pipeline of non-accredited entities, either through accredited entities or through those that will seek to become accredited in parallel to responding to the GCF's Request for Proposals.					

How successful have Accredited Entities been in the following activities:					
	Very successful	Somewhat successful	Somewhat unsuccessful	Very unsuccessful	Don't know / N/A
91. Addressing climate change priorities of developing countries					
92. Developing entity work programmes					
93. Developing concept notes					
94. Developing funding proposals					
95. Implementing GCF projects					
96. Monitoring and reporting on GCF projects under implementation					
97. Overseeing GCF-funded projects executed by other organisations (Executing Entities)					

98. Have the Executing Entities selected by the Accredited Entities been prepared to execute projects?

--

99. Should there be a greater incentive for Accredited Entities to bring projects forward, including taking on proposals from other entities? Yes/No  
If yes, please elaborate on what might incentivize Accredited Entities to bring projects forward?

--

100. What do you think are the main obstacles to increasing (a) the number and (b) the requested values of funding proposals from Direct Access Entities, by order of importance?

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<i>To what extent have the following initiatives been successful in increasing the number of project proposals that are in line with the GCF mandate?</i>					
	Very successful	Somewhat successful	Somewhat unsuccessful	Very unsuccessful	Don't know / N/A
101. Board prioritisation decision on entities in the accreditation process					
102. Simplified Approval Process (SAP)					
103. Request For Proposals (RFPs)					
104. Readiness and Project Preparation Facility support					

**Section 5 – This section is about the risk appetite of the GCF**

105. What degree of risk does the accreditation framework allow GCF to take in the selection of its accredited entities, in relation to its risk appetite? Too much risk/ appropriate level of risk/ too little risk

**Section 6 – Going forward and complementary/alternative ways of operating**

<i>To what extent do you agree that the GCF should do the following?</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
106. improve the design of the existing accreditation framework					
107. improve the operationalization of the existing accreditation framework					
108. introduce different modalities for engaging with entities					

<i>To what extent do you agree that the following options may help GCF in delivering on its mandate:</i>					
	Strongly agree	Agree	Disagree	Strongly disagree	Don't know / N/A
109. accepting a consortium arrangement, whereby two complementary entities fulfil all accreditation requirements together (but not separately)					
110. placing greater reliance on 3rd party due diligence in the accreditation process (e.g. credit rating agencies, auditors, stock market listings, etc.)					
111. applying different ratings of accreditation for varying levels of compliance with accreditation standards					
112. requiring a fully formulated project concept note prior to accreditation					
113. developing a Project Specific Assessment Approach to accreditation (refer to the proposal in Annex II of document <a href="https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f">https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f</a> ).					
114. applying less comprehensive initial accreditation standards applying to the institutional-level, combined with increased and ongoing post-accreditation monitoring, evaluation and assurance at the project-level					
115. GCF itself engaging in direct management of projects, or parts thereof					

116. What are your thoughts on the Project Specific Assessment Approach

Note: (refer to the proposal in Annex II of document [https://www.greenclimate.fund/documents/20182/953917/GCF\\_B.19\\_28\\_-\\_Further\\_development\\_of\\_the\\_accreditation\\_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f](https://www.greenclimate.fund/documents/20182/953917/GCF_B.19_28_-_Further_development_of_the_accreditation_framework.pdf/0bce4f71-3d21-4cf5-bdc3-b02bd9bf828f), which will be further developed and presented to the Board as early as its 20<sup>th</sup> meeting for further consideration).

117. Please give details of three things that would improve the GCF accreditation framework (if any)?