



**GREEN
CLIMATE
FUND**

Meeting of the Board
6 – 8 July 2019
Songdo, Incheon, Republic of Korea
Provisional agenda item 21

GCF/B.23/04

13 June 2019

Consideration of accreditation proposals

Summary

This document presents an overview of accreditation progress up to 31 May 2019; an overview of the pipeline of applicant entities with information on support to direct access entities; and an overview of the portfolio of accredited entities, including the status of accredited entities addressing accreditation conditions. The document also presents accreditation proposals for consideration by the Board.

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I. General mandate

1. In decision B.08/02, paragraph (a), the Board recalled that all entities, including subnational, national, regional and international entities, can apply for accreditation to GCF.
2. Areas of work related to accreditation matters include the following:
 - (a) The pipeline of entities, particularly supporting direct access entities, seeking accreditation;
 - (b) Relationship management of accredited entities (AEs); and
 - (c) Preparing for the re-accreditation process.
3. In addition to the above, the Secretariat supports the work of the Accreditation Committee and the Accreditation Panel (AP).
4. This document presents an overview of accreditation progress up to 31 May 2019. In particular, it includes an overview of the pipeline of applicant entities with information on support to direct access entities and an overview of the portfolio of AEs, including the status of AEs addressing accreditation conditions. The document also presents accreditation proposals for consideration by the Board.

II. Recommended action by the Board

5. It is recommended that the Board:
 - (a) Take note of the information presented in document GCF/B.23/04 titled “Consideration of accreditation proposals”; and
 - (b) Approve the draft decision presented 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) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10);
 - (d) “Policy on Prohibited Practices” (decision B.22/19);
 - (e) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
 - (f) “Gender policy and action plan” (decision B.09/11);
 - (g) “Indigenous Peoples Policy” (decision B.19/11);
 - (h) “Assessment, including gap analysis, of institutions accredited by other relevant funds” (decision B.08/03);
 - (i) “Country programming, readiness and preparatory support” (decision B.13/32);

- (j) “Application documents for submissions of applications for accreditation” (decision B.08/06);
- (k) “Policy on fees for accreditation” (decision B.08/04);
- (l) “Revised policy on fees for accredited entities” (decision B.19/09);
- (m) “Comprehensive information disclosure policy of the Fund” (decision B.12/35);
- (n) “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, B.18/05, B.21/16 and B.22/09);
- (o) “Legal and formal arrangements with accredited entities” (decision B.09/08);
- (p) “Accreditation master agreements” (decision B.12/31);
- (q) “Strategic plan for the Green Climate Fund” (decision B.12/20);
- (r) “Strategy on accreditation” (decisions B.13/19 and B.14/08);
- (s) “Matters related to the accreditation framework and policy gaps: Co-Chairs’ proposal (decision B.18/04);
- (t) “Further development of the accreditation framework” (decision B.19/13);
- (u) “Accreditation framework review, including the project specific framework approach” (document GCF/B.20/17);
- (v) “Accreditation framework review” (decision B.22/16); and
- (w) “Strategy to increase funding proposals from direct access entities” (document GCF/B.20/04).

IV. Overview of the pipeline of applicant entities

4.1 Status of applications for accreditation

7. Since the opening of the call for accreditation applications on 17 November 2014 and up to 31 May 2019, 84 entities have been accredited and a pipeline of 220 entities have been issued accounts on the online accreditation system,¹ the web-based portal through which applicants submit their accreditation applications.² Of these, 114 entities have submitted an application, which includes 15 applications under the Stage II (Step 1) AP review (including those entities being recommended at the twenty-third meeting of the Board (B.23)), 64 applications under the Stage I Institutional Assessment and Completeness Check by the Secretariat and 35 entities that have submitted an application but for which accreditation application fees are pending payment in order to begin Stage I. A total of 106 entities have access to the online accreditation system but have yet to submit their application.

8. The submitted applications received to date reflect considerable diversity in geographical representation, the type of activities to be undertaken using GCF resources if accreditation is approved and the type of accreditation being sought (e.g. project/programme activity size, fiduciary function and environmental and social risk category), and whether they

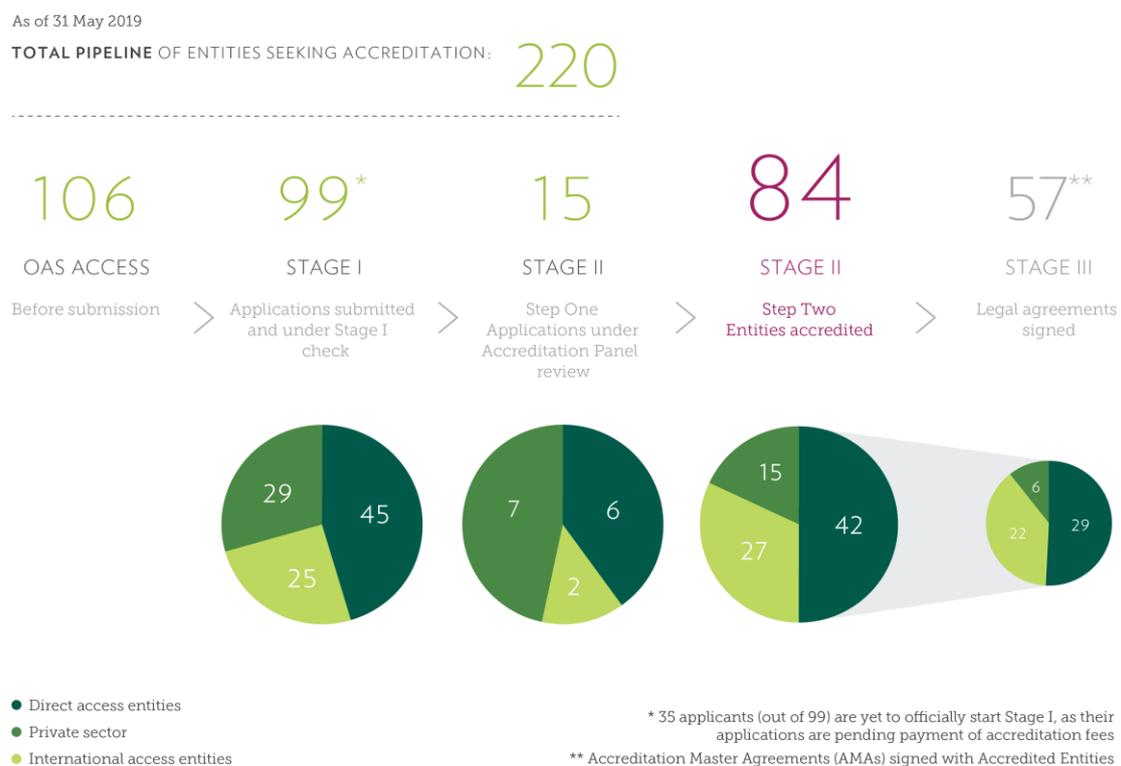
¹ Available at <<https://accreditation.gcfund.org/>>.

² In decision B.07/02, paragraph (o), the Board requested the AP, in collaboration with the Accreditation Committee and the Secretariat, to report annually to the Board on the status of applications for accreditation.

are from the public or private sector. The distribution of applications received as at 31 May 2019 is available on the GCF website³ and is summarized in figure 1.

9. In addition to applications for accreditation, nine applications from AEs to upgrade their accreditation types have been received, of which four upgrades were approved by the Board in decision B.15/09, paragraph (f), decision B.18/05, paragraph (d), decision B.21/16, paragraph (d) and decision B.22/09, paragraph (d). The remaining five entities include four direct access AEs and one international access AE. Two direct access AEs are currently in Stage II (Step 1) and are being recommended by the AP for the Board’s consideration at B.23. The other three AEs are currently in Stage I. The AEs are seeking to upgrade their accreditation type for increased size categories, additional fiduciary functions (e.g. grant award and/or funding allocation mechanisms) and higher environmental and social risk categories.

Figure 1: Status of accreditation applications (as at 31 May 2019)



Abbreviation: OAS = online accreditation system.

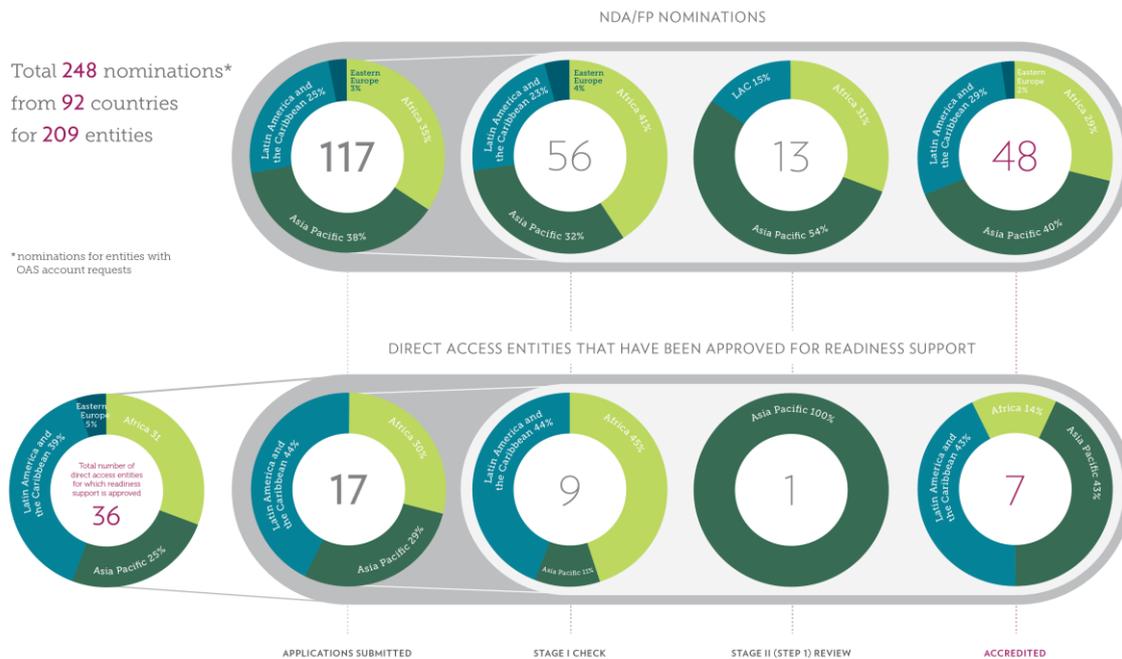
10. Figure 2 shows the geographical coverage for national and regional entities nominated for accreditation by national designated authorities (NDAs) and focal points, of which 117 entities have submitted an accreditation application, and of those 48 have been accredited. Thirty-six direct access entities have received support through the Readiness and Preparatory Support Programme (Readiness Programme) to prepare for accreditation, of which 7 entities have been accredited and an additional 10 entities have submitted an application for accreditation and are in the process.

³ The “Number of entities at each stage” is updated on a monthly basis and is available at <<http://www.greenclimate.fund/how-we-work/getting-accredited/ae-composition>>. Monthly information is available from 30 September 2015 onwards.

Figure 2: Direct access entities nominated for accreditation (as at 31 May 2019)

ACCREDITATION STATE OF PLAY DIRECT ACCESS ENTITIES

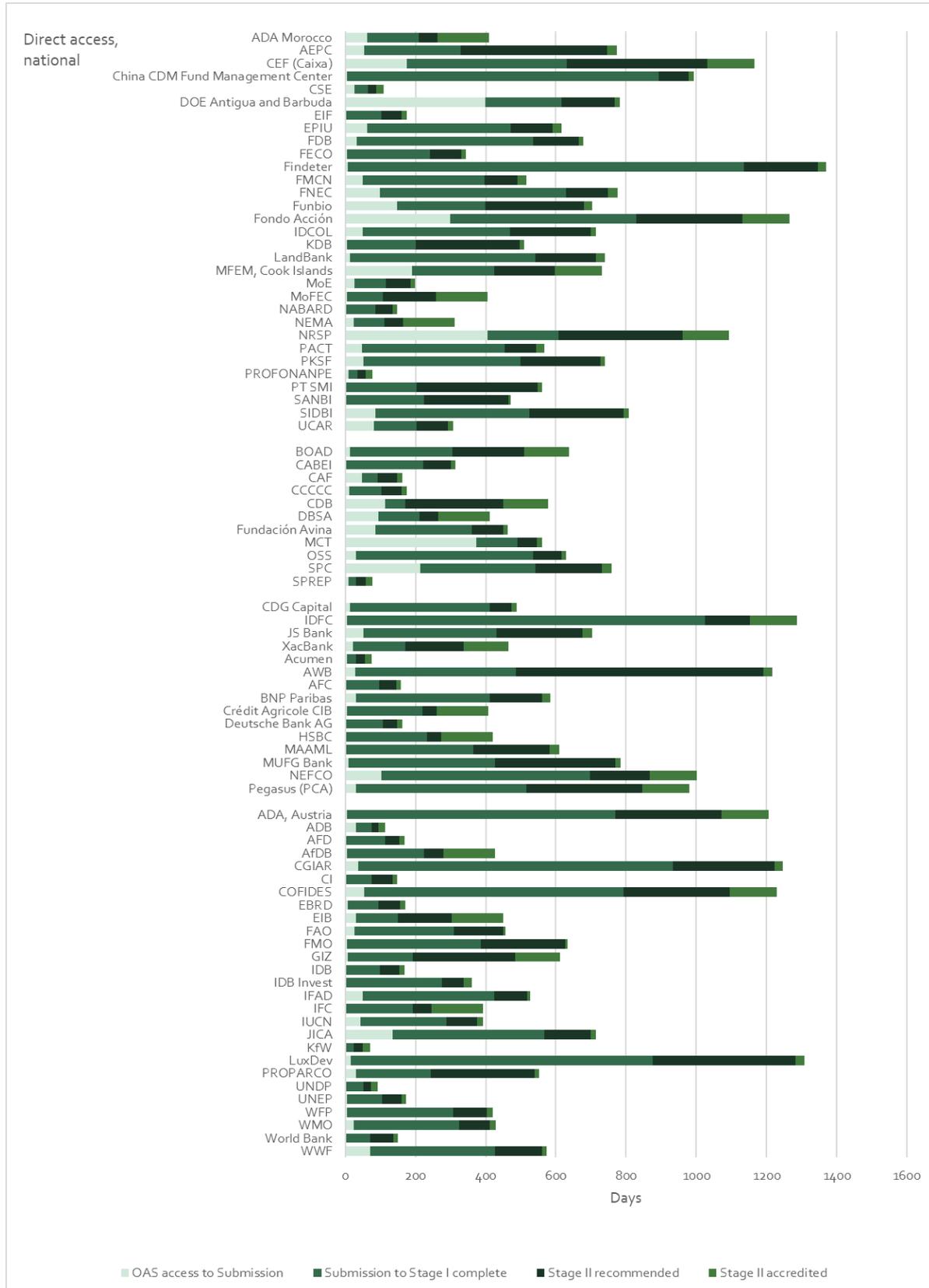
As of 31 May 2019



Abbreviations: LAC = Latin America and the Caribbean, NDA/FP = national designated authority or focal point, OAS = online accreditation system.

11. The time taken to process applicants has varied and depends on the entity’s capacity and the modalities for which it is applying, in addition to factors such as resources available to process applications and the workload from the growing pipeline of applicants. Based on the dates of key milestones and not accounting for actual active time spent by the applicants or GCF, from opening an online accreditation system account to approval by the Board, it took between 2.3 and 44.9 months to accredit the 84 AEs – noting that 45 of them were fast-tracked and 39 were normal-tracked – reflecting an average of 18.1 months (see figure 3). This includes an average time frame for application review by the Secretariat and the AP and responses by applicants of 16.5 months; however, the active time for review is shorter. There is an increasing number of applications under the normal-track accreditation process and those applying for more criteria or functions, which generally require more time for review than applications that are fast-track eligible and those applying only for project management functions.

Figure 3: Time frame from online accreditation system access to accreditation for the 84 accredited entities (as at 31 May 2019)



Abbreviations: Acumen = Acumen Fund, Inc., ADA Austria = Austrian Development Agency, ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AEPC = Alternative Energy Promotion

Center, AFC = Africa Finance Corporation, AFD = Agence Française de Développement, AfDB = African Development Bank, AWB = Attijariwafa Bank, BNP Paribas = BNP Paribas S.A., BOAD = Banque Ouest Africaine de Développement (West African Development Bank), CABEI = Central American Bank for Economic Integration, CAF = Corporación Andina de Fomento, CCCCC = Caribbean Community Climate Change Centre, CDB = Caribbean Development Bank, CDG Capital = CDG Capital S.A., CEF = Caixa Econômica Federal, China CDM Fund Management Center = China Clean Development Mechanism Fund Management Center, CI = Conservation International Foundation, COFIDES = Compañía Española de Financiación del Desarrollo S.A. S.M.E., Crédit Agricole CIB = Crédit Agricole Corporate and Investment Bank, CSE = Centre de Suivi Ecologique, DBSA = Development Bank of Southern Africa, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, DOE Antigua and Barbuda = Department of Environment of Antigua and Barbuda, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, EIF = Environmental Investment Fund of Namibia, EPIU = Environmental Project Implementation Unit of the Ministry of Nature Protection of the Republic of Armenia, FAO = Food and Agriculture Organization of the United Nations, FECO = Foreign Economic Cooperation Office, Ministry of Environmental Protection of China, FDB = Fiji Development Bank, Findeter = Financiera De Desarrollo Territorial S.A., FMCN = Fondo Mexicano para la Conservación de la Naturaleza A.C., FMO = Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., FNEC = National Fund for the Environment of Benin, Fondo Acción = Fondo para la Acción Ambiental y la Niñez, Funbio = Fundo Brasileiro para a Biodiversidade, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, HSBC = HSBC Holdings plc and its subsidiaries, IDB = Inter-American Development Bank, IDB Invest = Inter-American Investment Corporation, IDCOL = Infrastructure Development Company Limited, IDFC Bank = IDFC Bank Limited, IFAD = International Fund for Agricultural Development, IFC = International Finance Corporation, IUCN = International Union for Conservation of Nature, JICA = Japan International Cooperation Agency, JS Bank = JS Bank Limited, KDB = Korea Development Bank, KfW = Kreditanstalt für Wiederaufbau, LandBank = LandBank of the Philippines, LuxDev = Luxembourg Agency for Development Cooperation, MAAML = Macquarie Alternative Assets Management Limited, MCT = Micronesia Conservation Trust, MFEM, Cook Islands = Ministry of Finance and Economic Management of the Cook Islands, MoE = Ministry of Environment of Rwanda (formerly, Ministry of Natural Resources of Rwanda (MINIRENA)), MoFEC = Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, MUFG Bank = MUFG Bank, Ltd. (formerly, Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)), NABARD = National Bank for Agriculture and Rural Development, NEFCO = Nordic Environment Finance Corporation, NEMA = National Environment Management Authority of Kenya, NRSP = National Rural Support Programme, OAS = online accreditation system, OSS = Sahara and Sahel Observatory, PACT = Protected Areas Conservation Trust, Pegasus (PCA) = Pegasus Capital Advisors, PKSF = Palli Karma-Sahayak Foundation, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, PROPARCO = Société de Promotion et de Participation pour la Coopération Economique, PT SMI = PT Sarana Multi Infrastruktur, SANBI = South African National Biodiversity Institute, SIDBI = Small Industries Development Bank of India, SPC = The Pacific Community, SPREP = Secretariat of the Pacific Regional Environment Programme, UCAR = Unidad para el Cambio Rural (Unit for Rural Change) of Argentina, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, WFP = World Food Programme, WMO = World Meteorological Organization, World Bank = International Bank for Reconstruction and Development and International Development Association, WWF = World Wildlife Fund, Inc., XacBank = XacBank LLC.

4.2 Implementing the prioritization of entities

12. In decision B.21/16, paragraph (e), the Board decided that future accreditation decisions by the Board should aim to bring forward AEs that fill the mandate on balance, diversity, coverage and ability to advance the objectives of GCF. To that end, in paragraph (d)(i)–(v) of the same decision, the Board prioritized a list of entities up to the end of the twenty-third meeting of the Board.

13. Since 20 October 2018 (date of decision B.21/16) and up to 31 May 2019, the Secretariat has progressed seven new entities from Stage I to Stage II, six of which are direct access entities. Among these, four direct access entities are from countries that do not yet have an AE. In addition, the Secretariat has progressed two direct access AEs seeking to upgrade their accreditation scope from Stage I to Stage II (Step 1).

14. The application by the Secretariat and the AP of this and previous Board decisions⁴ on prioritization has resulted in the following:

⁴ In addition to decision B.21/16, paragraph (e), this includes Board decisions B.14/08, paragraph (d), B.18/04, paragraph (c), and B.19/13, paragraph (c).

- (a) Thirty of the 43 entities (70 per cent) that have been recommended by the AP following completion of Stage II (Step 1) and that have been accredited by the Board in Stage II (Step 2) are direct access entities and nine are private sector entities;
- (b) Thirty-six of the 48 entities (75 per cent) that have completed Stage I are direct access entities. This includes four entities since decision B.21/16, paragraph (e)(i), that would be the first direct access entities to be accredited for their respective countries. Fifteen of the 48 entities (31 per cent) are private sector entities, of which 11 are direct access and four are international access entities; and
- (c) Regarding requests for proposals:
 - (i) Eleven of the 13 entities (85 per cent) that have submitted concept notes or funding proposals to GCF in response to the request for proposals for a pilot phase of enhancing direct access are accredited. Out of the 11 entities, four (36 per cent) were accredited after the adoption of prioritization decision B.14/08. Of the remaining two entities not yet accredited, one direct access entity is in Stage II (Step 1) and one direct access entity has submitted its accreditation application, pending payment of accreditation fees in order to commence the Stage I review;
 - (ii) Out of the 30 shortlisted proposals in response to the request for proposals for the micro, small and medium-sized enterprise pilot programme, 17 projects (57 per cent) came from an AE. Of the remaining 13 projects, 3 entities (23 per cent) have been accredited following decision B.14/08 and the other entities have yet to request for an online accreditation system account or to submit their application for accreditation; and
 - (iii) Out of the 30 shortlisted proposals in response to the request for proposals for mobilizing funds at scale, 14 projects (47 per cent) currently have an entity that is accredited. Of the remaining 16 projects, two (12 per cent) have an entity that is under the Stage I review and 14 (88 per cent) do not have an AE, the entity has yet to request an online accreditation system account or the entity has yet to submit its application for accreditation.

15. The Secretariat is continuing to work with direct access entities that have submitted applications for accreditation, and direct access entities seeking to launch an accreditation application. Additionally, through regional workshops and structured dialogue events, the Secretariat is working with NDAs and focal points to identify entities that may be nominated to seek accreditation to GCF.

4.3 Accelerating direct access

16. The Secretariat is continuing to support subnational, national and regional public and private sector entities seeking, or in the process of, accreditation in order to ensure a balance of diversity, in accordance with decision B.09/07, paragraphs (d) and (g), and decision B.10/06, paragraph (h). This has been addressed by:

- (a) Guiding and supporting the 209 direct access entities nominated by the NDAs or focal points of 92 countries in four regions throughout the application process, including via conference calls;
- (b) Providing institutional gap assessments for 36 direct access entities nominated by 41 countries from different geographical/regional areas seeking accreditation and action plans based on the gap assessments to address any identified gaps;

- (c) Using an online accreditation self-assessment tool⁵ in order to assess preparedness for the accreditation process, which may be accessed by any organization, as well as NDAs and focal points, for the purposes of identifying organizations to nominate for accreditation. As at 31 May 2019, 1,519 users, including NDAs/focal points considering nominating entities and entities themselves, had completed the questionnaire; and
- (d) Engaging a roster of institutions that will provide technical and capacity-building support to both applicant and accredited direct access entities in environmental, social and gender aspects.
17. Regarding the pre-accreditation support to the entities indicated in paragraph 16(b) above, as at 31 May 2019:
- (a) In-depth institutional assessments against the GCF standards and action plans had been completed for 29 entities nominated by 35 countries. Of these:
- (i) Seventeen entities have submitted their accreditation applications, of which:
1. Seven entities (Caixa Econômica Federal, Central American Bank for Economic Integration, Fondo para la Acción Ambiental y la Niñez, Micronesian Conservation Trust, National Fund for the Environment of Benin, the National Rural Support Programme, and the Pacific Community) have been accredited;
 2. One entity is in Stage II (Step 1);
 3. Seven entities are in Stage I; and
 4. Two entities have submitted applications, pending payment of accreditation fees to thereafter commence Stage I; and
- (ii) In addition, the other 12 entities are working towards closing the identified gaps and intend to thereafter submit their application, and others are in discussion with their NDA to seek additional readiness support to close the identified gaps; and
- (b) Readiness support is under way for the remaining seven entities.
18. The Secretariat has also compiled a roster of institutions that will provide technical and capacity-building support both to applicants and to accredited direct access entities in relation to environmental, social and gender aspects of their institutional capacities. The institutions selected for the roster have been notified and the legal arrangements have been completed. The Secretariat is working with four entities that have expressed their interest in accessing this support, in consultation with the respective NDA or focal point to develop terms of reference. Out of these entities, environmental and social safeguards support has been completed for two entities currently in Stage II and Stage I. This support is under way for a third entity and is under approval for a fourth entity.

V. Overview of the portfolio of accredited entities

19. The Board accredited 84 entities through decisions B.09/07, B.10/06, B.12/30, B.14/10, B.14/11, B.15/09, B.17/13, B.18/05, B.21/16 and B.22/09. The AEs demonstrate a variety of accreditation types through the application of the fit-for-purpose approach, and reflect a geographical and institutional balance (see table 1). Information on the various accreditation

⁵ The tool, developed with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH and the World Resources Institute, is available at <<https://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool>>.

types is contained in annex II. Details of entities accredited by the Board to date have been published on the GCF website, including the names of the entities, their contact details and the accreditation types.⁶

Table 1: Range of options for countries to partner with GCF accredited entities per region: the number of accredited entities in each type of capacity (cumulative, as at 31 May 2019)

Region	Fiduciary functions ^a					E&S risk category ^a			Size of an individual project or activity within a programme ^b	
	Project management ^c	Providing grants, including through grant award and/or funding allocation ^d	Blended finance			C/ I-3	B/ I-2	A/ I-1	Micro and small sizes	Medium and large sizes
			Loans	Equity	Guarantees					
AF	44	26	27	21	23	48	40	19	48	31
AP	47	27	33	23	23	51	41	18	51	33
EE	27	16	18	14	15	29	25	15	29	22
LAC	47	34	28	20	22	49	39	21	49	30
SIDS	40	29	24	19	19	41	33	19	41	26
LDCs	44	29	27	19	20	47	39	19	47	29

Abbreviations: AF = Africa, AP = Asia Pacific, EE = Eastern Europe, E&S = environmental and social, LAC = Latin America and the Caribbean, LDCs = least developed countries, SIDS = small island developing States.

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

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

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

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

20. As the portfolio of AEs grows, further entity relations management and support to entities, particularly direct access entities, is needed. Such institution-level support and relationship management work includes providing a dedicated focal point to guide AEs in engaging with GCF, developing and operationalizing the entity work programmes (EWPs), support in further developing institutional capacities and/or addressing accreditation conditions through the Readiness Programme, reaching legal arrangements (i.e. accreditation master agreements (AMAs)), monitoring institutional-level requirements under the GCF monitoring and accountability framework (MAF) and supporting the re-accreditation process.

21. The Secretariat continues to follow up with AEs on accreditation conditions recommended by the AP. These AEs have already closed or are making significant progress in closing the gaps identified by the AP in its assessment of their applications. The status of AEs

⁶ Available at <<http://www.greenclimate.fund/how-we-work/tools/entity-directory>>.

addressing their conditions is contained in annex III, which is reported to the Board for information purposes in accordance with decision B.10/06, paragraph (e).

22. Following the Board's consideration of the AMA template at its twelfth meeting, the Secretariat has progressed in entering into legal arrangements with AEs. As at 31 May 2019, 57 signed AMAs were available on the GCF website.⁷ Further details are contained in the limited distribution document GCF/B.23/Inf.01/Add.01 titled "Status of accreditation master agreements and funded activity agreements".⁸

5.1 Entity work programmes

23. In line with the Strategic Plan for GCF, the Secretariat is working with 84 AEs to update or develop the EWPs. The Secretariat has developed a new EWP template which is intended to guide discussions with entities towards a more proactive, strategic and partnership-oriented approach to programming and pipeline development with the GCF. The template requests entities to align their project ideas with country priorities as well as to provide information on how potential projects would address countries' climate ambitions. The template also seeks to capture AEs' capabilities and their vision for working with the GCF.

24. As at 31 May 2019, a total of 70 EWPs have been received, including 15 updated EWPs and 11 first submissions by newly accredited entities in the new template from 19 direct access entities and 7 international access entities. The Secretariat is currently in the process of reviewing those submissions.

25. The remaining AEs are continuing to develop or update their EWPs on a periodic basis, typically at least twice per year.

5.2 Support for accredited direct access entities

26. The Secretariat has continued to provide support for accreditation and direct access AEs via the Readiness Programme, in line with the outcomes and objectives contained in annex IV to

⁷ Available at <<http://www.greenclimate.fund/library/-/docs/list/383065>>. AMAs have been signed with Acumen Fund, Inc., Agency for Agricultural Development of Morocco, Asian Development Bank, Africa Finance Corporation, Agence Française de Développement, African Development Bank, Banque Ouest Africaine de Développement, Central American Bank for Economic Integration, Corporación Andina de Fomento, Caribbean Community Climate Change Centre, Caribbean Development Bank, CDG Capital S.A., China Clean Development Mechanism Fund Management Center, Conservation International Foundation, Centre de Suivi Ecologique, Development Bank of Southern Africa, Department of Environment of Antigua and Barbuda, Deutsche Bank Aktiengesellschaft, European Bank for Reconstruction and Development, European Investment Bank, Environmental Investment Fund of Namibia, Fiji Development Bank, Food and Agriculture Organization of the United Nations, Foreign Economic Cooperation Office, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., Fundo Brasileiro para a Biodiversidade, Fundación Avina, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, Inter-American Development Bank, Infrastructure Development Company Limited, International Fund for Agricultural Development, International Finance Corporation, International Union for Conservation of Nature, Japan International Cooperation Agency, Korea Development Bank, Kreditanstalt für Wiederaufbau, Micronesia Conservation Trust, Ministry of Environment of Rwanda (formerly, Ministry of Natural Resources of Rwanda), Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, MUFG Bank, Ltd. (formerly Bank of Tokyo-Mitsubishi UFJ, Ltd.), National Bank for Agriculture and Rural Development, National Environment Management Authority of Kenya, Sahara and Sahel Observatory, Société de Promotion et de Participation pour la Coopération Economique, Palli Karma-Sahayak Foundation, Peruvian Trust Fund for National Parks and Protected Areas, PT Sarana Multi Infrastruktur, South African National Biodiversity Institute, Secretariat of the Pacific Regional Environment Programme, Unidad para el Cambio Rural (Unit for Rural Change) of Argentina, United Nations Development Programme, United Nations Environment Programme, World Food Programme, World Meteorological Organization, International Bank for Reconstruction and Development and International Development Association (World Bank), World Wildlife Fund, Inc. and XacBank LLC.

⁸ To be considered by the Board at B.23.

decision B.22/11, paragraph (f). The Secretariat is also continually assessing the demand for readiness support as identified by NDAs/focal points through country programming and by AEs in their EWPs. Further details on the EWPs is contained in section 5.1 above.

27. The Secretariat maintains a steady dialogue with all direct access AEs and continues to explore opportunities to provide further technical support to NDAs and direct access AEs for developing high-quality funding proposals.

28. The Secretariat invited 14 direct access AEs to attend the Adaptation Week at the margins of the NAP Expo held in Songdo, Incheon, Republic of Korea from 8 to 12 April 2019. The objectives of sponsoring direct access entities during the event were to strengthen their capacity in adaptation planning; support them in making themselves acquainted with global trends on adaptation and climate change, and conceptual frameworks and methodologies in the climate finance landscape; and to organize bilateral meetings with the Secretariat to strengthen project ideas by developing them into high-quality adaptation projects/programmes.

29. Four national direct access AEs (Environmental Project Implementation Unit of the Ministry of Nature Protection of the Republic of Armenia; Ministry of Finance and Economic Management of the Cook Islands; Palli Karma-Sahayak Foundation; and the Secretariat of the Pacific Regional Environment Programme) and one regional direct access AE (Banque Ouest Africaine de Développement (West African Development Bank)) received targeted strategic engagement support (namely, AMA negotiation and finalization, assistance with finalizing their EWPs, guidance on structuring readiness support, and assistance in developing their pipeline of projects) and technical assistance on project preparation through in-country missions.

30. The Secretariat is also working with entities recently accredited to pilot a six-month on-boarding plan. Through this approach, the Secretariat aims to provide guidance to accelerate the ability of newly accredited direct access entities to complete their AMA negotiations, develop their EWPs, and prepare and submit funding proposals. As part of the plan, the Secretariat is also engaging with direct access entities on readiness support that may be needed, addressing accreditation conditions, and preparing and submitting Project Preparation Facility (PPF) applications.

31. Regarding PPF, as at 31 May 2019, the Secretariat was working on a pipeline of 33 active PPF applications with letters of no objection from the NDAs/focal points. Out of these 33 applications, 27 have been approved and endorsed (21 approved of which 14 are from direct access entities; 6 endorsed of which 5 are from direct access entities). Out of the 33 applications, 23 are from direct access entities. Of the six PPF applications not yet approved or endorsed, four are pending their associated concept notes being strengthened and cleared as per GCF investment criteria to enable PPF support. The Secretariat is currently providing technical assistance to seven direct access entities to help them to strengthen their concept notes and associated PPF applications. Further details are contained in document GCF/B.23/Inf.05 titled "Status of the GCF pipeline, including the status of Project Preparation Facility requests".⁹

5.3 Accredited entity monitoring and reporting

5.3.2 Monitoring and accountability framework: accredited entity level reporting

32. The GCF MAF establishes the main monitoring and evaluation tools related to AEs on two levels:¹⁰

⁹ To be considered by the Board at B.23.

¹⁰ Decision B.11/10.

- (a) AE compliance (section 1.1 of MAF), addressing institutional requirements in relation with its accreditation and re-accreditation process; and
- (b) Funded activity monitoring (section 1.2 of MAF), addressing specific requirements for each GCF-funded activity.
33. AE compliance comprises annual self-assessments, a mid-term review and, if needed, ad hoc compliance reviews.
34. In order to operationalize MAF regarding institutional-level reporting, the Secretariat and AP developed a template to facilitate self-assessments by AEs. Following consultations with AEs in November 2018, a revised template has been shared with all AEs. The Secretariat requested self-assessment reports based on the revised template from 59 AEs who had been accredited for more than 6 months as at 31 December 2018 for the purpose of facilitating self-assessment reports for the calendar year 2018. On the basis of the GCF fiduciary standards, environmental and social safeguards and gender policy assessed during accreditation, AEs are asked to self-assess whether any changes have occurred since accreditation or the latest institutional-level reporting to the GCF, to describe the nature of any changes or modifications identified, and to indicate how each change or modification impacts the status of accreditation and obligations of the AE as per the AMA.
35. The deadline for calendar year 2018 reporting was 28 February 2019. The Secretariat, at the request of some AEs, issued extensions. As at 31 May 2019, a total of 45 AEs had submitted annual self-assessment reports:
- (a) All 38 AEs with signed and effective AMAs as at 31 December 2018 provided the reports to the Secretariat; and
- (b) Out of the 21 AEs that have yet to sign and make effective their AMAs, 7 AEs (33 per cent) provided the reports to the Secretariat.
36. Out of the 45 AEs who submitted self-assessment reports for calendar year 2018, 38 AEs (84 per cent) indicated that they had changes during the reporting period that relate to various components assessed during accreditation (e.g. updates to policies) and indicated that the changes have either positive or no impact on the status of accreditation and obligations of the AE as per the AMA. Should the AEs have changes that are significant and impact the obligations of an AE as an AE, the relevant documents will be reviewed by the Secretariat and the AP.

5.3.3 **International access entities strengthening the capacities of potential direct access entities for accreditation**

37. In decision B.10/06, paragraph (i), the Board decided that “all international entities, as an important consideration of their accreditation application, shall indicate how they intend to strengthen capacities of, or otherwise support, potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of the Fund in order to enhance country ownership and that they report annually on these actions”. International access AEs are requested to report annually on these actions, as per MAF and the AMA.
38. In order to operationalize this reporting requirement, the Secretariat developed a template to facilitate international access AEs in their reporting on such support, including to direct access entities already accredited, those in the accreditation pipeline or potential candidates. Following consultations with AEs in November 2018, a revised template was shared with all AEs. The Secretariat requested reports based on the revised template from 26 international access AEs who had been accredited for more than 6 months as at 31 December 2018 for the purpose of facilitating their reporting on such support for the calendar year 2018.

39. The deadline for calendar year 2018 reporting was 28 February 2019. The Secretariat, at the request of some AEs, issued extensions. As at 31 May 2019, a total of 26 international access AEs had submitted reports:

- (a) All 14 international access AEs with signed and effective AMAs as at 31 December 2018 provided the reports to the Secretariat; and
- (b) Out of the 12 international access AEs that have yet to sign and make effective their AMAs, 4 AEs (33 per cent) provided the reports.

40. Collectively, the international access AEs reported on 162 initiatives/engagements through which they provided support to various direct access entities, including those that are already accredited, in the pipeline or potential candidates, to strengthen their capacities in the areas of good governance, fiduciary standards, environmental and social safeguards, gender policy and building a track record. The support was delivered through various means such as training, engaging the direct access entities as partners or executing entities in projects and programmes, developing support materials and tools, and consultancy, as well as informal discussions and in-kind support.

VI. Applications in Stage II (Step 1) review

41. Applicants that have completed both Stage I and Stage II (Step 1) may be recommended for accreditation by the AP for consideration by the Board when they reach Stage II (Step 2).

42. A total of four new applicants (applicants 086 to 089) are presented by the AP for accreditation by the Board at B.23. These include three national entities applying under the direct access modality (two of which will be the first direct access entity for their country and one of which is a private sector entity) and one entity is applying under the international access modality.

43. In addition, two direct access AEs (Infrastructure Development Company Limited based in Bangladesh, and the Secretariat of the Pacific Regional Environment Programme based in Samoa) are recommended by the AP for upgrades in their accreditation type.

44. The applicants have been found by the AP to be able to operate across a broad range of activities. The fit-for-purpose approach continues to provide the flexibility with which to match applicants' objectives and capacity on the one hand with the objectives and requirements of GCF on the other. The new applicants are being recommended for various accreditation types:

- (a) Two applicants are being recommended for small-scale,¹¹ one for medium-scale¹² and one for large-scale¹³ projects or activities within a programme;
- (b) Using resources to manage and implement projects in most cases (three applicants), as well as through on-lending and/or blending (two applicants) or awarding grants through mechanisms (three applicants);

¹¹ As per annex I to decision B.08/02, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above USD 10 million and up to and including USD 50 million for an individual project or an activity within a programme".

¹² As per annex I to decision B.08/02, "medium" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above USD 50 million and up to and including USD 250 million for an individual project or an activity within a programme".

¹³ As per annex I to decision B.08/02, "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above USD 250 million for an individual project or an activity within a programme".

(c) With capacities to manage projects/programmes with medium environmental and social risk (category B/intermediation 2 (I-2))¹⁴ (three applicants); and high environment and social risk (category A/intermediation 1 (I-1))¹⁵ (one applicant); and

(d) Two out of the four new applicants meet the gender requirements of GCF.

45. For each of the applicants – in cases where the applicant does not fully meet the requirements of GCF – the AP recommends conditions for those applicants on how to address these aspects by improving or further developing their policies, procedures and competencies, for which technical support for direct access entities could be sought from GCF. The Secretariat and the AP have worked closely with the entities being recommended to minimize recommending entities with conditions. Nonetheless, in cases where gaps have been identified at the institutional level (e.g. where they relate to systems, policies and procedures), conditions have been recommended by the AP to be met by the applicant either prior to the submission of the first funding proposal to the Board or prior to first disbursement by GCF for the first GCF-funded project/programme.

46. Such conditions have been proposed for fiduciary, environmental and social, and gender-related reasons in order to strengthen project monitoring and evaluation processes; grant award mechanisms (including provisions and/or terms for the suspension, reduction or termination of grants awarded in the event of the final beneficiary failing to comply with its obligations); provisions for public disclosure of information, including procedures for disclosing information regarding grant award decisions; procedures pertaining to anti money laundering and countering the financing of terrorism; environmental and social policies and gender policies and action plans. The AP also provides a small number of remarks that the applicants may wish to consider.

47. The applicants are presented in this document, as contained in annexes IV–IX, for consideration by the Board for accreditation. A summary of recommendations by the AP for entities to be considered by the Board for accreditation or upgraded is presented in table 2 below.

48. For all conditions of accreditation proposed, the entity will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition(s). The AP will thereafter assess whether the condition(s) has/have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes.

¹⁴ As per annex I to decision B.07/02, category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

¹⁵ As per annex I to decision B.07/02, category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

Table 2: Summary of recommended accreditation types and conditions

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
APL086 Banco Nacional de Desenvolvimento Econômico e Social (BNDES)	Direct access, national (Brazil)	Large	Basic fiduciary standards; Specialized fiduciary standard for project management; Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees)	High risk (category A/intermediation 1 (I-1))	<u>Condition to be met prior to the submission of the first funding proposal to the Board:</u> 1. Provision of evidence of the adoption by the applicant of a gender policy consistent with the Gender Policy of the GCF.
APL087 Ministry of Water and Environment (MWE) of the Republic of Uganda	Direct access, national (Uganda)	Small	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for grant award and/or funding allocation mechanisms	Medium risk (category B/intermediation 2 (I-2))	<u>Conditions to be met prior to the submission of the first funding proposal to the Board:</u> 1. Provision of evidence of the approval by the applicant of the following: a. A project implementation manual that applies to the institutional level of the applicant; b. A framework for performance monitoring and evaluation for the water and environment sector; and c. A monitoring and evaluation policy for the water and environment sector, which must include provisions for the public disclosure of evaluation reports for GCF projects/programmes; and

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					2. Provision of evidence of the development by the applicant of guidelines for prevention, detection and investigation procedures pertaining to anti-money laundering and countering the financing of terrorism.
APL088 Ecobank Ghana Limited (EGH)	Direct access, national (Uganda), private sector	Medium	Basic fiduciary standards; and Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees)	Medium risk (category B/I-2)	<u>Conditions to be met prior to the submission of the first funding proposal to the Board:</u> 1. Provision of evidence of the approval by the applicant's Board of the Environmental and Social Risk Policy and Procedure Manual; and 2. Provision of evidence of the adoption by the applicant of a gender action plan consistent with the requirements of the GCF Gender Policy.
APL089 Enabel, Agence belge de Développement (Enabel)	International access	Small	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for grant award and/or funding allocation mechanisms	Medium risk (category B/I-2)	<u>Condition to be met prior to the submission of the first funding proposal to the Board:</u> 1. Provision of evidence of the adoption by the applicant of a policy on information disclosure of environmental and social information for GCF projects/programmes consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes.
Infrastructure Development Company Limited (IDCOL)	Direct access, national (Bangladesh)	Medium (no change)	Basic fiduciary standards (no change); Specialized fiduciary standard for project management (no change);	Medium risk (category B/I-2) (no change)	<u>Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant:</u> 1. Provision of evidence of the adoption by the applicant of a standardized procedure for disclosing information to the public regarding its grant award decisions for

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
			<p>Specialized fiduciary standard for grant award and/or funding allocation mechanisms (upgrade); and</p> <p>Specialized fiduciary standard for on-lending and/or blending (for loans) (no change)</p>		<p>GCF-funded projects/programmes, containing the following:</p> <ol style="list-style-type: none"> a. Type and content of information on grant award decisions to be provided; b. Media/channels through which information on grant award decisions will be provided; and c. Timelines within which information on grant award decisions will be made public; and <p>2. Provision of evidence of the inclusion by the applicant in its standardized grant agreement provisions and/or terms for the suspension, reduction or termination of grants awarded in the event of the final beneficiary failing to comply with its obligations for GCF-funded projects/programmes. The provisions and/or terms should include terms for the recovery of funds paid to grantees in respect of expenditures which are unauthorized or fall outside the eligibility criteria of the grants awarded.</p>
Secretariat of the Pacific Regional Environment Programme (SPREP)	Direct access, regional (Asia Pacific)	Medium (upgrade)	<p>Specialized fiduciary standard for project management (no change); and</p> <p>Specialized fiduciary standard for grant award and/or funding allocation mechanisms (upgrade)</p>	Medium risk (category B/I-2) (upgrade)	None.

^a “Size” refers to the total projected costs at the time of application, irrespective of the portion that is funded by GCF, for an individual project or an activity within a programme. Four size categories (micro, small, medium and large) are defined in annex I to decision B.08/02 (annex I to document GCF/B.08/45).

^b “Fiduciary functions” refers to the basic fiduciary standards, the specialized fiduciary standard for project management, the specialized fiduciary standards grant award and/or funding allocation mechanisms and specialized fiduciary standards for on-lending and/or blending (for loans, equity and/or guarantees), as per annexes I and II to decision B.07/02 (annexes I and II to document GCF/B.07/11).

^c “Environmental and social risk category” refers to category C/intermediation 3, category B/intermediation 2 and category A/intermediation 1, as per annex I to decision B.07/02.

Annex I: Draft decision of the Board

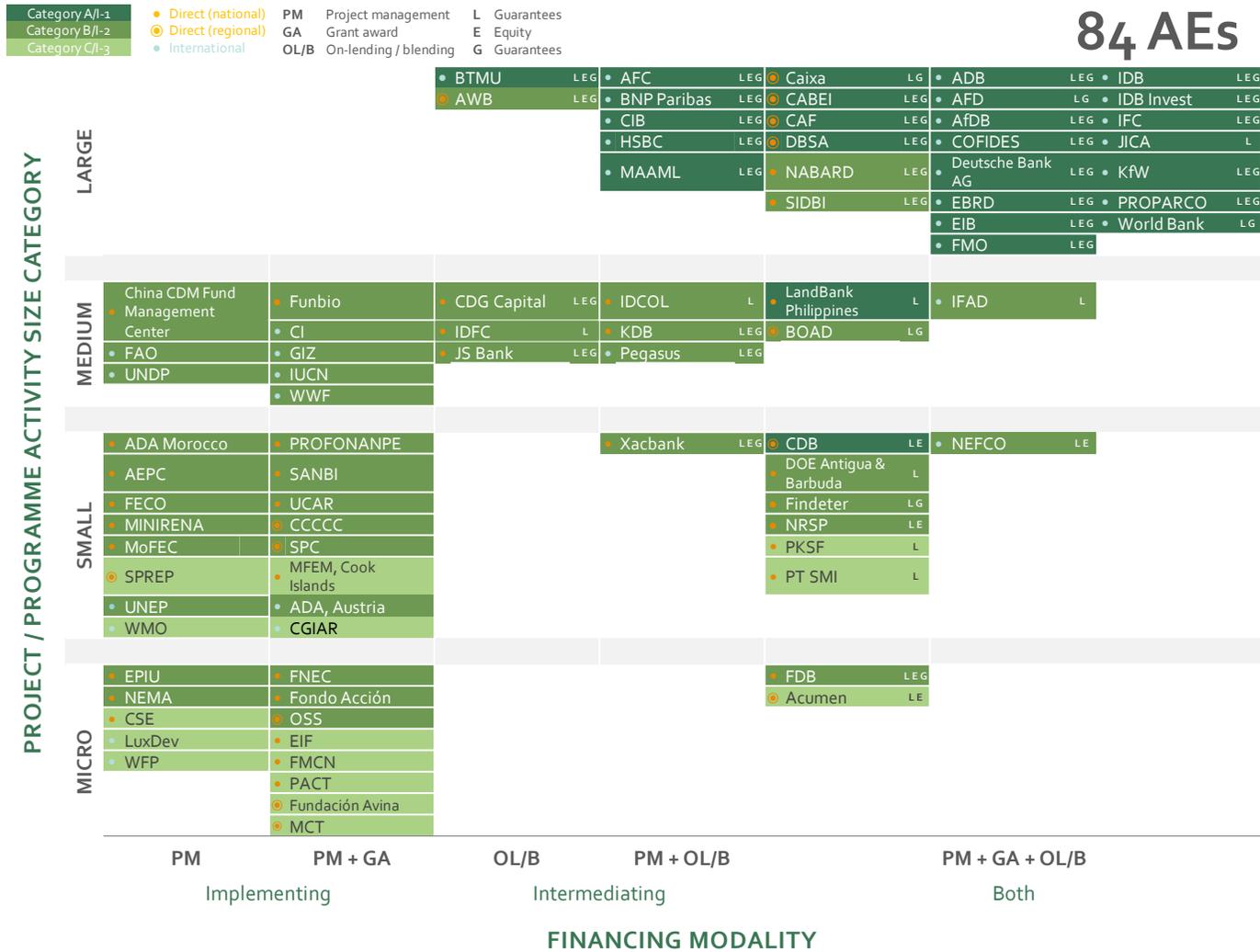
The Board, having considered document GCF/B.23/04 titled “Consideration of accreditation proposals”:

- (a) Takes note with appreciation of the assessments conducted by the Secretariat and the Accreditation Panel contained within the relevant annexes for the following applicants:
 - (i) Applicant 086 (APL086) is the Banco Nacional de Desenvolvimento Econômico e Social (BNDES, the Brazilian Development Bank), based in Brazil, as contained in annex IV;
 - (ii) Applicant 087 (APL087) is the Ministry of Water and Environment (MWE) of Uganda, as contained in annex V;
 - (iii) Applicant 088 (APL088) is Ecobank Ghana Limited (EGH) based in Ghana, as contained in annex VI; and
 - (iv) Applicant 089 (APL089) is Enabel based in Belgium, as contained in annex VII;
- (b) Accredits applicants APL086, APL087, APL088 and APL089 pursuant to paragraph 45 of the Governing Instrument for the GCF, and subject to, and in accordance with, the assessments by the Accreditation Panel contained in the relevant annexes for each of the applicants;
- (c) Takes note with appreciation of the assessments conducted by the Secretariat and the Accreditation Panel contained within the relevant annexes for the following applicants seeking to upgrade their accreditation type:
 - (i) Infrastructure Development Company Limited (IDCOL), based in Bangladesh, as contained in annex VIII; and
 - (ii) Secretariat of the Pacific Regional Environment Programme (SPREP), based in Samoa, as contained in annex IX;
- (d) Agrees to upgrade the accreditation type of the Infrastructure Development Company Limited (IDCOL) as contained in decision B.17/05, paragraph (b), subject to, and in accordance with, the assessment by the Accreditation Panel contained in annex VIII;
- (e) Agrees to upgrade the accreditation type of Secretariat of the Pacific Regional Environment Programme (SPREP) as contained in decision B.09/07, paragraph (b), subject to, and in accordance with, the assessment by the Accreditation Panel contained in annex IX;
- (f) Takes note that, pursuant to decision B.08/03, paragraph (k) and that the entity, as contained in paragraph (a)(ii) above and listed in annex X, was reviewed under the normal track as per the assessment contained in annex V, the Secretariat, in consultation with the Accreditation Panel, is proposing that the eligibility to apply under the fast-track accreditation process be extended to those entities listed in annex X; and
- (g) Decides that those entities referred to in annex X are also eligible to apply under the fast-track accreditation process for the standards of GCF in accordance with decision B.08/03, paragraph (g), for entities under the Adaptation Fund.

Annex II: Accredited entities and accreditation categories

1. A mapping of the 84 accredited entities and their accreditation scope (e.g. financing modalities, size category and environmental and social risk category) as at 31 December 2018 are shown in figure 4 below. Some accredited entities have conditions, remarks or recommendations attached to their accreditation; refer to decisions B.09/07, B.10/06, B.12/30, B.14/10, B.14/11, B.15/09, B.17/13, B.18/05, B.21/16 and B.22/09 and their relevant annexes for further details.

Figure 4: Mapping of GCF accredited entities and their accreditation scopes (as at 31 May 2019)



Abbreviations: Acumen = Acumen Fund, Inc., ADA Austria = Austrian Development Agency, ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AEPC = Alternative Energy Promotion Center, AFC = Africa Finance Corporation, AFD = Agence Française de Développement, AfDB = African Development Bank, AWB = Attijariwafa Bank, BNP Paribas = BNP Paribas S.A., BOAD = Banque Ouest Africaine de Développement (West African Development Bank), CABEI = Central American Bank for Economic Integration, CAF = Corporación Andina de Fomento, CCCC = Caribbean Community Climate Change Centre, CDB = Caribbean Development Bank, CDG Capital = CDG Capital S.A., CEF = Caixa Econômica Federal, China CDM Fund Management Center = China Clean Development Mechanism Fund Management Center, CI = Conservation International Foundation, COFIDES = Compañía Española de Financiación del Desarrollo S.A. S.M.E., Crédit Agricole CIB = Crédit Agricole Corporate and Investment Bank, CSE = Centre de Suivi Ecologique, DBSA = Development Bank of Southern Africa, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, DOE Antigua and Barbuda = Department of Environment of Antigua and Barbuda, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, EIF = Environmental Investment Fund of Namibia, EPIU = Environmental Project Implementation Unit of the Ministry of Nature Protection of the Republic of Armenia, FAO = Food and Agriculture Organization of the United Nations, FECO = Foreign Economic Cooperation Office, Ministry of Environmental Protection of China, FDB = Fiji Development Bank, Findeter = Financiera De Desarrollo Territorial S.A., FMCN = Fondo Mexicano para la Conservación de la Naturaleza A.C., FMO = Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., FNEC = National Fund for the Environment of Benin, Fondo Acción = Fondo para la Acción Ambiental y la Niñez, Funbio = Fundo Brasileiro para a Biodiversidade, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, HSBC = HSBC Holdings plc and its subsidiaries, IDB = Inter-American Development Bank, IDB Invest = Inter-American Investment Corporation, IDCOL = Infrastructure Development Company Limited, IDFC Bank = IDFC Bank Limited, IFAD = International Fund for Agricultural Development, IFC = International Finance Corporation, IUCN = International Union for Conservation of Nature, JICA = Japan International Cooperation Agency, JS Bank = JS Bank Limited, KDB = Korea Development Bank, KfW = Kreditanstalt für Wiederaufbau, LandBank = LandBank of the Philippines, LuxDev = Luxembourg Agency for Development Cooperation, MAAML = Macquarie Alternative Assets Management Limited, MCT = Micronesia Conservation Trust, MFEM, Cook Islands = Ministry of Finance and Economic Management of the Cook Islands, MoE = Ministry of Environment of Rwanda (formerly, Ministry of Natural Resources of Rwanda (MINIRENA)), MoFEC = Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, MUFG Bank = MUFG Bank, Ltd. (formerly, Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)), NABARD = National Bank for Agriculture and Rural Development, NEFCO = Nordic Environment Finance Corporation, NEMA = National Environment Management Authority of Kenya, NRSP = National Rural Support Programme, OAS = online accreditation system, OSS = Sahara and Sahel Observatory, PACT = Protected Areas Conservation Trust, Pegasus (PCA) = Pegasus Capital Advisors, PKSF = Palli Karma-Sahayak Foundation, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, PROPARCO = Société de Promotion et de Participation pour la Coopération Economique, PT SMI = PT Sarana Multi Infrastruktur, SANBI = South African National Biodiversity Institute, SIDBI = Small Industries Development Bank of India, SPC = The Pacific Community, SPREP = Secretariat of the Pacific Regional Environment Programme, UCAR = Unidad para el Cambio Rural (Unit for Rural Change) of Argentina, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, WFP = World Food Programme, WMO = World Meteorological Organization, World Bank = International Bank for Reconstruction and Development and International Development Association, WWF = World Wildlife Fund, Inc., XacBank = XacBank LLC.

Annex III: Status of accredited entities addressing accreditation conditions

1. To date 84 entities have been recommended by the Accreditation Panel (AP) and accredited by the Board, some of which were accredited with conditions and/or remarks from the AP. All accredited entities (AEs) are required to submit to the AP, through the Secretariat, information and supporting documents on how they have addressed the condition(s). The AP thereafter assesses whether the condition(s) has/have been met. Following decision B.10/06, paragraph (e), the AP assessment of accreditation conditions is communicated to the Board by the Secretariat, on behalf of the AP, for information purposes.

2. The following AEs have previously “fulfilled and closed” all of their accreditation conditions:

- (a) Africa Finance Corporation (AFC);¹
- (b) Agency for Agricultural Development of Morocco (ADA Morocco);²
- (c) Centre de Suivi Ecologique (CSE);³
- (d) Corporación Andina de Fomento (CAF);⁴
- (e) Deutsche Bank AktienGesellschaft (Deutsche Bank AG);⁵
- (f) Deutsche Gesellschaft for Internationale Zusammenarbeit (GIZ) GmbH;⁶
- (g) Development Bank of Southern Africa (DBSA);⁷
- (h) Fondo para la Acción Ambiental y la Niñez (Fondo Acción);⁸
- (i) Fundación Avina (Fundación Avina);⁹
- (j) International Union for Conservation of Nature (IUCN);¹⁰
- (k) National Bank for Agriculture and Rural Development (NABARD);¹¹
- (l) Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO);¹²
- (m) South African National Biodiversity Institute (SANBI);¹³
- (n) Unidad Para el Cambio Rural (Unit for Rural Change) of Argentina (UCAR);¹⁴
- (o) United Nations Environment Programme (UNEP);¹⁵

¹ See annex V to document GCF/B.15/16.

² As footnote 1 above.

³ As footnote 1 above.

⁴ As footnote 1 above.

⁵ See annex IV to document GCF/B.19/Rev.01.

⁶ As footnote 5 above.

⁷ As footnote 1 above.

⁸ See annex III to document GCF/B.22/02.

⁹ See annex IV to document GCF/B.21/17.

¹⁰ See annex IV to document GCF/B.17/05.

¹¹ As footnote 1 above.

¹² See annex III to document GCF/B.22/02.

¹³ As footnote 10 above.

¹⁴ See annex IV to document GCF/B.18/09.

¹⁵ See annex III to document GCF/B.11/03.

(p) World Meteorological Organization (WMO);¹⁶ and

(q) XacBank LLC (XacBank).¹⁷

3. The following AEs have fulfilled and closed all of their accreditation conditions since the twenty-second meeting of the Board and up to 31 May 2019 (refer to table 3 for more details):

(a) Caribbean Community Climate Change Centre (CCCCC);

(b) Environmental Investment Fund of Namibia (EIF); and

(c) Fondo Mexicano para la Conservación de la Naturaleza A.C. (FMCN).

4. The following AEs have fulfilled and closed some of their accreditation conditions since the twenty-second meeting of the Board and up to 31 May 2019 (refer to table 3 for more details):

(a) Fiji Development Bank (FDB);

(b) MUFG Bank, Ltd. (MUFG Bank) (formerly, Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU); and

(c) Sahara and Sahel Observatory (OSS).

5. The AEs included in the table below may also have recommendations or remarks raised by the AP as part of the recommendation for accreditation for those entities, which may be “fulfilled” or “in progress”.

6. While the recommendations or remarks from the AP, as contained in the assessment for each AE, are not included in the table below, the AP and the Secretariat continuously follow up on the progress that AEs are making towards addressing such recommendations or remarks.

¹⁶ As footnote 1 above.

¹⁷ See annex IV to document GCF/B.16/13.

Table 3: Status of accredited entities addressing accreditation conditions (as at 31 May 2019)

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Acumen Fund, Inc. (Acumen) ¹ (upgrade)	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme that has a grant award and/or funding allocation mechanism to be undertaken by the applicant	Fully implement all actions which are listed in the action plan provided in the “Implementation Roadmap” document as having a target completion date on or before the end of the second quarter of 2018; and	Fulfilled and closed	Refer to document GCF/B.22/02
			Provide documentary evidence of the implementation of the actions mentioned above; and	Fulfilled and closed	Refer to document GCF/B.22/02
		Condition to be met within one year of the first disbursement by GCF for an approved project/programme that has a grant award and/or funding allocation mechanism to be undertaken by the applicant	Provide evidence that the applicant has engaged an external auditor to review the technical assistance facility (TAF); and	In progress	The appointment of an auditor by the end of 2019 is planned
		Within 120 days of year-end of the first year of TAF grant-making activity utilizing GCF funds	Submit the first audit report of the TAF within 120 days of year-end of the first year of TAF grant-making activity utilizing GCF funds.	In progress	The grant-making activities will be triggered after the first disbursement by GCF to the TAF

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
African Development Bank (AfDB) ²	Fiduciary	Conditions to be met for an approved project/programme that has an equity structure to be invested in by GCF to be undertaken by the applicant	1. Prior to the first disbursement from GCF to the equity issuer, submit draft terms of reference for the annual audit, which has to be included in the constitutional document of the equity issuer, for review and approval by GCF; and	In progress	This condition is triggered only for an approved project/programme that has an equity structure to be invested in by GCF to be undertaken by the entity. The entity agreed to submit draft terms of reference for the annual audit
			2. Undertaking in the funded activity agreement to provide GCF on an annual basis for the first three consecutive years with annual audit reports and information on the status of recommendations that may arise from such reports. After the first three years, GCF will review the need to extend this condition	In progress	This condition is triggered only for an approved project/programme that has an equity structure to be invested in by GCF to be undertaken by the entity. The entity agreed it would provide GCF on an annual basis for the first three consecutive years with annual audit reports and information on the status of recommendations that may arise from such reports
Alternative Energy Promotion Centre (AEPC) ³	ESS	Conditions to be met prior to submission of the first funding proposal to the Board	1. Provision by the applicant of a copy of the second environmental and social safeguards (ESS) performance review, scheduled for July 2019. The second performance review should confirm steady progress with respect to implementing the recommendations of the 2017/2018 performance review regarding institutional strengthening; and	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			2. Provision of evidence by the applicant that its staff has received further training on the International Finance Corporation performance standards. Such evidence shall be in the form of training events and training materials	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Condition to be met within one year from the accreditation decision	<p>Provision by the applicant of a report from an independent consultant or accounting firm confirming that in the previous calendar year the following actions have been or are continuing to be undertaken:</p> <p>a. Senior management has updated its strategic planning and is addressing most of the recommendations from its strategic plan, its audit reports and other oversight studies and is taking action on those not yet implemented;</p>	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			b. The computer systems and website are fully operative for that year and are subject to an external security review;		The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			c. The Compliance and Ethics Subcommittee of the applicant's Board continues to exercise its fiduciary		The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			oversight and has performed all of the duties set out in section 9 of its terms of reference; and		from the entity on the expected time frame for providing the information
			d. The applicant provided appropriate oversight over procurement procedures carried out by executing entities		The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Condition to be met within two years and six months from the accreditation decision	Provision by the applicant of an external quality review of the Compliance and Ethics Subcommittee of its Board and the compliance unit covering the period 2019 to 2020	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Condition to be met upon submission of the first evaluation report for the first GCF-funded project/programme undertaken by the applicant	Provision of evidence by the applicant of the public disclosure of the first evaluation report for the first GCF-funded project/programme in accordance with the applicant's information disclosure policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Austrian Development Agency (ADA Austria) ⁴	Fiduciary	Condition to be met within three years following the approval by the Board of the	Provide evidence in the form of two (2) examples showing that project progress monitoring reports and evaluation results and reports are disseminated in	In progress	The entity has confirmed that it will provide the required information after the first GCF-funded project/programme has reached a stage where project progress monitoring reports and

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		first GCF-funded project/programme to be undertaken by the applicant	accordance with the applicant's information disclosure policy		evaluation results and reports are generated and disseminated in accordance with its information disclosure policy
Attijariwafa Bank (AWB) ⁵	Fiduciary	Conditions to be met prior to submission of the first funding proposal to the Board	Provision by the applicant of the report on the external quality review of the internal audit of the applicant's group, which is planned for 2019, that confirms that the internal audit function operates in accordance with the professional standards of the Institute of Internal Auditors as required by its charter;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence by the applicant of the adoption of a policy for overseeing, assessing and reviewing the procurement procedures carried by executing entities of GCF-funded projects/programmes;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS		Provision of evidence by the applicant that the 2018 E&S policy was communicated in full to its staff and is made available on the applicant's website;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Provision of evidence by the applicant that it has implemented its March 2019 E&S and gender capacity development plan;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS Gender	Conditions to be met with the submission of the first funding proposal to GCF	Provision by the applicant of its ESMF or ESMP as part of the first funding proposal. The ESMF or ESMP should describe the applicant's programme-/project-specific approach to E&S risk and identification of impacts, including categorization, mitigation management and monitoring plan, reporting process and external communications system based on the applicant's 2018 E&S framework and in line with the E&S risk category B/I-2 and category C/I-3 projects/programmes; and	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision by the applicant of the gender assessment and action plan as part of the first funding proposal, as relevant	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Condition to be met on an annual basis for two consecutive years starting from the date	Provision of evidence by the applicant of the publication of the information for the first GCF-funded project/programme on the applicant's website:	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	<ul style="list-style-type: none"> a. Name, address and nationality (in the case of individuals) or place of incorporation (in the case of legal entities) of the beneficiary; b. Brief summary of the project/programme and purpose of the funding; and c. Funded amount with details, such as rate and period, among others; information on intermediate (e.g. annual) and final results of GCF-funded projects/programmes, such as actual versus planned results and outcomes; adherence to budgets, cost, timelines and timelines within which the award information will be made public 		from the entity on the expected time frame for providing the information
	ESS	Condition to be met within two (2) years following the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of a report on the effectiveness of its ESMS. The ESMS review should highlight lessons learned and provide recommendations to improve the ESMS	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Banque Ouest Africaine de Développement	Fiduciary, ESS and gender	Conditions prior to the first disbursement by GCF for an approved	Provide a plan for improving the monitoring of compliance with the applicant's fiduciary, E&S and gender-	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response

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(BOAD, West African Development Bank) ⁶		project/programme to be undertaken by the applicant	related standards, as well as any conditions in general that it applies to its financing, including for projects financed by GCF;		from the entity on the expected time frame for providing the information
	Fiduciary	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Develop a process for publicly disclosing information on beneficiaries and the results of projects and programmes that are financed by GCF; and	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions prior to submitting a request for GCF financing of a medium-sized grant award programme	Test and prove by way of having approved and successfully implemented for a minimum period of one year a small-sized grant award programme	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
BNP Paribas S.A. (BNP Paribas) ⁷	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of guidelines and methodologies for overseeing, assessing and reviewing the procurement procedures of beneficiary institutions for projects/programmes financed with GCF resources	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of a policy on information disclosure of E&S assessment documents for projects/programmes financed with GCF resources, consistent with the	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			requirements of the GCF Information Disclosure Policy for E&S risk categories A/I-1 and B/I-2 projects/programmes		from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant on the adoption of a gender policy and procedures consistent with the GCF Gender Policy, and the curriculum vitae of gender expert(s) responsible for implementing the gender policy for projects/programmes financed with GCF resources	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Caixa Econômica Federal (CEF) ⁸	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of written confirmation that the applicant has made the required arrangements to ensure that it will secure the engagement of services for a post-implementation independent evaluation for each GCF-funded project/programme	In progress	The entity has been in the process of preparing an internal handbook to regulate procedures for GCF-funded activities/projects/programmes, including the engagement of services for post-implementation independent evaluation. The entity anticipates providing the handbook to GCF by July 2019
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Approval by the applicant of a consultation and information disclosure policy consistent with requirements of the GCF Information Disclosure Policy for Category A/I-1 and Category B/I-2 projects/programmes	In progress	The AP requested the entity to provide an addendum to the entity's information disclosure policy approved in July 2018 in order to fully comply with the GCF Information Disclosure Policy for category A/I-1 and category B/I-2 projects/programmes

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Approval by the applicant of a revised gender policy consistent with the requirements of the GCF Gender Policy	In progress	The entity anticipates providing its gender policy in line with the GCF Gender Policy by October 2019
Caribbean Community Climate Change Centre (CCCCC) ⁹	Fiduciary	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Relating to the internal audit function and “know-your-customer” procedure: (i) Adopt, through its audit committee, the audit charter as its frame of reference;	Fulfilled and closed	Refer to document GCF/B.15/16
			(ii) Submit its internal audit plan for the next financial year, 2016; and	Fulfilled and closed	Refer to document GCF/B.18/09
			(iv) Establish a “know-your-customer” procedure as part of its anti-money laundering and countering the financing of terrorism procedure	Fulfilled and closed	Refer to document GCF/B.12/07
		Conditions to be met on an annual basis for the three consecutive years, starting with the financial year 2016	Relating to the internal audit function: Submit internal audit reports annually for three consecutive financial years, starting with the financial year 2016	Fulfilled and closed	The entity submitted its 2016 internal audit report. The entity’s management response as of June 2017 indicated that the entity has several remaining areas for improvements to be addressed, but that it was in the process of designing the necessary policies and procedures and updating the manuals Subsequently, the AP reviewed the internal audit reports for financial years 2017 and 2018. The AP took note of the entity’s updates to its policies and manuals, as well as the management response on the recommendations

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					of the internal auditor, which were in particular on the IT systems updates, fixed assets, budgeting and forecasting, cash and investments, and petty cash. Generally, all the processes were found to be executed in accordance with the policies and recommendations that were contained in the internal audit report for financial year 2016 were fulfilled. The AP considers that the information provided is sufficient to close this condition
	Gender	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Adopt a gender policy consistent with the GCF Gender Policy to be applied in projects and programmes funded by GCF	Fulfilled and closed	Refer to document GCF/B.12/07
Caribbean Development Bank (CDB) ¹⁰	ESS	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Demonstrate that the permanent external communications mechanism is fully functioning, in particular by identifying the staff assigned to manage, document and respond to communications, questions or complaints on the environmental and social performance of projects	Fulfilled and closed	Refer to document GCF/B.22/02
	Fiduciary	Condition prior to the first disbursement by GCF for an approved	Establish an appropriate system for providing public access to information on the periodic progress of individual	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		project/programme to be undertaken by the applicant	projects/programmes, including budget utilization, in relation to grant funding		from the entity on the expected time frame for providing the information
CDG Capital S.A. (CDG Capital) ¹¹	Fiduciary	Condition to be met by the applicant prior to submitting the first funding proposal to GCF wherein the applicant would be providing GCF resources through a financial intermediary	Submit a description of the approach the applicant will undertake to assess the financial intermediary as the executing entity	Fulfilled and closed	Refer to document GCF/B.20/13
		Condition to be met prior to the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant	Provide, on the applicant's website, a description of the arrangements and procedure for managing complaints before, during and after the investigation process	Fulfilled and closed	Refer to document GCF/B.19/14/Rev.01
		Condition to be met on an annual basis for three consecutive years starting with the end of the first year of the implementation of the first GCF-funded project/programme	Provide evidence that the reports on beneficiaries and results during implementation of all GCF-funded activities were prepared and published in accordance with the applicant's procedures for public access to information	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	ESS	Conditions to be met for each funding proposal	Provide in its funding proposal an E&S management framework that describes the applicant's project-specific approach to E&S risk and impact categorization, mitigation and management, E&S monitoring and reporting	In progress	The entity has been requested to provide information to address the condition at such time as it submits a GCF funding proposal
	Gender	Conditions to be met for each funding proposal	Provide in its funding proposal a gender action plan that reflects the applicant's adequate competency in terms of human and financial resources and a system for maintaining data that addresses gender aspects in line with the GCF Gender Policy	In progress	The entity has been requested to provide information to address the condition at such time as it submits a GCF funding proposal
CGIAR ¹²	Fiduciary	Condition to be met prior to the signature of the accreditation master agreement for completion of Stage III of the accreditation process	Develop a Policy for anti-money laundering (AML) and countering the financing of terrorism (CFT) and prohibited practices consistent with the GCF basic fiduciary standards, GCF AML/CFT Policy and the GCF General Principles on Prohibited Practices	In progress	The entity has developed a draft policy for AML and CFT and anticipates approval by its management team by June 2019
		Condition to be met on an annual basis for three consecutive years, starting from the end of the calendar year 2018	Provide a summary of the implementation milestones and impact of the financial risks management improvements undertaken based on its governance structure adopted in 2016	In progress	The entity provided an executive summary of the implementation milestones achieved regarding its governance and financial risk management enhancements. Two dashboards developed by the entity provide practical examples of the results attained with governance enhancements:

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<ol style="list-style-type: none"> Trust Fund Contributions Dashboard (available at https://www.cgiar.org/funders/trust-fund/trust-fund-contributions-dashboard/); and Trust Fund Disbursements Dashboard (available at https://www.cgiar.org/funders/trust-fund/trust-fund-disbursements/) <p>The condition is met for the 2018 calendar year. In order to fully close the condition, the entity is requested to submit the reports for the calendar years 2019 and 2020</p>
China Clean Development Mechanism Fund Management Center (China CDM Fund Management Center) ¹³	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide documentary evidence of the establishment of an adequately staffed and fully functional internal audit unit; and	In progress	Development of procedures for establishing the entity's internal audit unit is ongoing. The entity has made progress in preparing regulations for a functioning internal audit. The entity's training materials for implementing the internal audit regulations have been drafted. The AP is waiting for a response from the entity on the expected time frame for providing the required information
	ESS		Adopt a policy on the disclosure of E&S information consistent with the GCF Information Disclosure Policy; and	In progress	The entity has drafted an E&S information disclosure policy for the GCF projects/programmes to be implemented and has drafted the training materials for implementing the E&S information disclosure policy. The AP is waiting for a response from the

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					entity on the expected time frame for providing the information
	Fiduciary	Condition to be met on an annual basis for the three consecutive years starting from the date of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide documentary evidence of oversight and assessment of the procurement procedures of executing entities in GCF-funded projects/programmes funded by GCF	In progress	<p>The entity has drafted a procurement supervision regulation to be implemented on GCF projects/programmes and has drafted training materials for implementing the procurement regulation. The AP is waiting for a response from the entity on the expected time frame for providing the information</p> <p>The entity has committed itself to providing, on an annual basis for three consecutive years following the first disbursement by GCF, evidence of oversight and assessment of the procurement procedures of executing entities for projects/programmes funded by GCF</p>
Compañía Española de Financiación del Desarrollo S.A. S.M.E. (COFIDES) ¹⁴	Fiduciary	Condition to be met within three years following the approval by the Board of the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence in the form of two (2) examples showing that reports on the independent evaluation of project results are disseminated in accordance with the applicant's information disclosure policy	In progress	The entity has committed itself to meeting this condition within the stipulated time frame
Crédit Agricole Corporate and Investment Bank (Crédit Agricole) ¹⁵	Fiduciary	Condition prior to the first disbursement by GCF for an approved project/programme to	Develop a process for publicly disclosing information on beneficiaries and results of projects and programmes that are financed by GCF. This process should be aligned with the requirements of GCF	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the entity	regarding disclosure of project information		from the entity on the expected time frame for providing the information
	ESS	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Develop a tracking system or register within the external communications mechanism to document questions or complaints received from the general public and from clients, as well as responses to them, for projects and programmes financed by GCF; and	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Gender	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Develop a gender policy or approach in line with the Gender Policy of GCF and obtain gender competencies to implement the policy/approach on projects and programmes funded by GCF	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Department of Environment of Antigua and Barbuda (DOE) ¹⁶	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide evidence of having an approved procedure for the public disclosure of grant award decisions, which shall contain at least the following information: a. Name, address and nationality (in case of individuals) or place of incorporation (in case of legal entities) of the beneficiary; b. Purpose of the grant; and	Fulfilled and closed	Refer to document GCF/B.22/02

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			c. Grant amount awarded and, where applicable, the maximum percentage of grant co-financing		
	ESS		Provide evidence of an approved technical manual and an environmental and social safeguards policy that establish the procedures and requirements related to environmental and social safeguards for projects/programmes	Fulfilled and closed	Refer to document GCF/B.22/02
	Fiduciary	Conditions to be met on an annual basis for the three consecutive years starting at the beginning of the second year of implementation (with the first deadline falling at the end of the first quarter of the second year of implementation) of the first GCF-funded project/programme through a grant award and/or funding allocation mechanism	Provide evidence of the public disclosure of the monitoring and evaluation reports for any GCF-funded project/programme implemented through the applicant's grant award programme, as well as of the annual reports on the results of the operation of the revolving fund programme	In progress	This condition is to be met on an annual basis for three consecutive years. If implementation for the Enhancing Direct Access project begins in 2019, the evidence sought in this condition is anticipated to be provided by the entity in 2021. If implementation for the EDA project begins in 2020, the evidence sought in this condition is anticipated to be provided by the entity in 2022
			Provide the minutes of the applicant's technical evaluation committee meetings evidencing the process of consideration and approval of any grant proposals received under a grant award project/programme	In progress	This condition is to be met on an annual basis for three consecutive years. If implementation for the EDA project begins in 2019, the evidence sought in this condition is anticipated to be provided by the entity in 2021. If implementation for the EDA project begins in 2020, the evidence sought in this condition is anticipated to be provided by the entity in 2022

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Environmental Investment Fund of Namibia (EIF) ¹⁷	Fiduciary	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Undertake an initial internal audit of its operations. The items to be addressed in the internal audit should include:	Fulfilled and closed	Refer to document GCF/B.17/05
			1. A sample review of three grant awards, including contractual arrangements for risk, assessed against its procedures;		
			2. Confirmation that its procurement practice complies with national law; and	Fulfilled and closed	Refer to document GCF/B.17/05
			3. A review of the new information technology control framework;	Fulfilled and closed	Refer to document GCF/B.17/05
			Submit the internal audit plan for the next financial year, 2016;	Fulfilled and closed	Refer to document GCF/B.15/16
			Submit the revised procurement policy and procedures; and	Fulfilled and closed	Refer to document GCF/B.17/05
		Publish information on its grant award mechanism and process on its website	Fulfilled and closed	Refer to document GCF/B.17/05	
		Conditions to be met on an annual basis for the three consecutive years, starting with the financial year 2016	Submit internal audit reports annually for three consecutive financial years, starting with the financial year 2016	Fulfilled and closed	The entity has provided reports on the internal audits carried out in three consecutive financial years (2016/17, 2017/18 and 2018/19). All the reports include management responses/actions on audit recommendations. The AP considers that the information provided is sufficient to close this condition

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of the Republic of Armenia ¹⁸	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption by its Board of Directors of a formal procedure ensuring the independence and impartiality of the grievance resolution team members;	In progress	The entity has been in the process of developing the procedure and anticipates finalizing it by July 2019
			Provision of evidence by the applicant of environmental and social (E&S) mitigation management, and monitoring and evaluation reporting for the applicant's projects/programmes in line with the applicant's E&S policy;	In progress	The entity has project-level environmental and social management plans for two projects approved by the Adaptation Fund, and the AP is waiting for a response from the entity on the expected time frame for providing the information The entity also commits to providing the monitoring and evaluation reports to the AP after the first monitoring and evaluation report has been prepared
			Provision of evidence by the applicant of the adoption by its Board of Directors of a policy on information disclosure of E&S assessment documents for GCF-funded projects/programmes, consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes;	In progress	The entity anticipates that the development and elaboration of a policy on information disclosure of E&S assessment documents will begin in June 2019
			4. Provision of evidence by the applicant of the adoption by its Board of Directors of a policy on project-level grievance mechanisms that the applicant will	In progress	The entity anticipates that the development and elaboration of a policy on project-level grievance mechanisms will begin in June 2019

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			require its executing entities to establish and implement for GCF-funded projects/programmes; and		
	Gender		5. Provision of evidence by the applicant of the adoption by its Board of Directors of a gender policy and related procedures required to implement its gender policy consistent with the GCF Gender Policy	In Progress	The entity anticipates that the development and elaboration of a gender policy and related procedures will begin in June 2019
Fiji Development Bank (FDB) ¹⁹	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to GCF	Develop its information disclosure policy and provide evidence of an established system of disclosure which complies with the requirements of the GCF fiduciary standard for on-lending and/or blending for the disclosure of project/programme information, including providing access to information on the applicant's website	Fulfilled and closed	<p>The entity provided a copy of its Information Disclosure Policy approved by its board on 29 March 2018</p> <p>After review of the Information Disclosure Policy the AP determined that the entity's Information Disclosure Policy satisfies the requirements of the GCF basic fiduciary standard. However, the AP requested the entity to upload this policy on its website in order to fulfil the condition</p> <p>The entity published its Information Disclosure Policy on its website (refer to <https://www.fdb.com.fj/green-banking2/> under the "Strategic Policies" heading). The AP considers that the information provided is sufficient to close this condition</p>

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			Provide an anti-money laundering and countering the financing of terrorism policy consistent with the GCF interim policy on prohibited practices, including providing access to this policy on the applicant's website. Furthermore, the applicant is required to provide evidence of an established system mainstreamed in its lending manuals to ensure consistency with the GCF interim policy on prohibited practices both for its own operations and that of its executing entities for projects/programmes financed by GCF. This includes making provision for prohibited practices in financing agreements and the procurement of goods and services, where relevant	In progress	As requested by the AP, the entity published its Anti-Money Laundering Policy and its Insider Trading & Countering the Financing of Terrorism Policy on its website. These policies can be found at < https://www.fdb.com.fj/green-banking2/ > under the "Strategic Policies" heading Regarding mainstreaming the entity's prohibited practices principles into its lending operations, the entity has indicated "that the relevant clauses of the prohibited practices will be incorporated in the Loan Offer Letter and Lending Policy, "Exclusion" Section. This will be done once the AP closes this condition as the change has to happen post this process." In order to close this condition, the AP requests that the entity provide a draft of the Loan Offer Letter and the Lending Policy Exclusion Section so that the AP can assess the content of these documents
	ESS		Provide an organizational chart indicating where the designated staff members responsible for making E&S risk categorization decisions are located in the organization and their reporting lines	Fulfilled and closed	Refer to document GCF/B.21/17
	Gender		Finalize and provide the new gender policy that is under development and	Fulfilled and closed	Refer to document GCF/B.21/17

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			identify the associated procedures, tools and competencies required to implement the gender policy		
	ESS	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide evidence of the establishment of an external communication channel, which may include a website to receive, register and respond to any E&S-related complaints	Fulfilled and closed	Refer to document GCF/B.21/17
	Fiduciary		Complete the design of, and integrate in its operations (strategy, policy, procedures, systems), the applicant's enterprise-wide risk management and control framework as anticipated in the applicant's Enterprise Wide Risk Management Development and Implementation Plan, including provision within the control framework for an independent evaluation function which reviews the applicant's Credit Assessment Memorandum	In progress	<p>The AP noted that the entity has made substantial progress on the development of its enterprise-wide risk management policy, which is currently being reviewed by an external qualified institution.</p> <p>The AP requests that the entity provide a copy of the following documents once they are available:</p> <ol style="list-style-type: none"> 1. The enterprise-wide risk management framework, policy and procedures document approved by the entity's Board; and 2. The revised Standard Operating Procedure Document

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<p>Develop a procurement policy for GCF-funded projects/programmes which is disclosed on the applicant's website, and mainstream the policy in the applicant's lending manuals to ensure that the procurement processes for all of the projects financed by GCF are fair and transparent, promote efficient procurement and provide for a dispute resolution process and public disclosure of contract award</p>	Fulfilled and closed	<p>The entity provided a copy of its approved Procurement Policy for GCF-funded projects/programmes. The AP considers that the information provided is sufficient to close this condition</p>
			<p>Provide a written progress report from the applicant's management to demonstrate the steps the applicant has taken to address all of the recommendations of the independent credit review. The progress report should, among other things, include: a. A thorough risk audit prior to any new activities being commenced, which would include the plans to become a deposit taking institution and the re-introduction of any new microfinance lending activities by the applicant; and b. An update or completed review of the applicant's credit policy, which should include further guidance on the exceptions to the applicant's credit policy</p>	In progress	<p>The AP noted that the entity expects to complete the requested report by mid-2019. The AP requests that the entity provide a copy of the requested report when it is available</p>

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			Update the terms of reference of the credit risk subcommittee of the applicant's board	Fulfilled and closed	The entity provided a copy of its Board Resolution number 3/607, which was addressed under its Board meeting topic "Revision of the Credit Risk Committee Charter of 2010". In this resolution, the entity's Board "approved the revised Credit Committee Charter...". The AP considers that the information provided is sufficient to close this condition
	Fiduciary	Conditions to be met on an annual basis for three consecutive years starting with the applicant's financial year 2017/2018	Provide an annual audit plan and an annual audit report including an external audit of the first GCF-funded project, if any and, if different, of the first GCF-funded project that involves guarantees and equity investments by and from GCF, respectively, once the project is under implementation, and a final independent evaluation. The period of reporting may be extended depending on the commencement date of the project(s)	In progress	This condition will need to be addressed once the first GCF-funded project that involves guarantees and equities is under implementation by the entity
			Provide progress reports on the items mentioned in the credit review, as listed in document GCF/B.18/23, annex V, paragraph 47 (b)(ii)(4)	In progress	The AP noted that the entity expects to complete the requested report by mid-2019. The AP requests that the entity provide a copy of the requested report when it is available

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Financiera De Desarrollo Territorial S.A. (Findeter) ²⁰	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the development and adoption of a policy on prohibited practices that is consistent with the GCF General Principles on Prohibited Practices and GCF AML/CFT Policy, and that includes specific procedures to address coercive, collusive, obstructive and abusive practices, and conflicts of interest, other than what is covered in the applicant's code of ethics. This policy should include provisions to protect whistle blowers	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence by the applicant of the adoption of a register of external inquiries and complaints received and responses to be applied in GCF-funded projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions to be met prior to the first disbursement for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of the adoption of a policy, including relevant procedures, for overseeing procurement activities of beneficiary institutions and executing entities	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence by the applicant of the adoption of a policy on the projects and loan beneficiaries information disclosure, including, inter alia:	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<ul style="list-style-type: none"> a. Type or nature of information to be disclosed; b. Media or channels through which information will be disclosed, including a dedicated website that would be used for publication and disclosure of the information related to the GCF-funded projects/programmes, including: <ul style="list-style-type: none"> i. Name, address and nationality (in case of individuals) or place of incorporation (in case of legal entities) of the beneficiary; ii. Brief summary of project and purpose of the funding; iii. Funded amount with details like rate, period, etc.; and iv. Information on intermediate (e.g. annual) and final results of the GCF-funded projects/programmes, such as actual versus planned results and outcomes; adherence to budgets, cost, timelines and timelines within which the award information will be made public. 		

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Provision of evidence by the applicant of the adoption of a policy and procedures for the independent evaluation of projects/programmes, including the terms of reference for the evaluation body and of a policy on evaluation disclosure	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by the GCF for the first approved project/programme to be undertaken by the applicant	Provision of evidence of the publication of the information indicated in paragraph 79(b)(ii)(2) of annex XIV to document GCF/B.21/17 with regard to three projects and/or programmes undertaken (preferably climate change mitigation or adaptation projects/programmes)	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of a policy which requires the applicant's executing entities to carry out project-level disclosure of E&S assessment documents for GCF-funded projects/programmes, consistent with the requirements of the GCF Information Disclosure Policy for E&S risk Category B/1-2 projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Provision of evidence by the applicant of the adoption of a policy on project-level grievance mechanisms that the applicant will require of its executing entities to establish and implement	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of a gender policy which is consistent with the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
National Fund for Environment and Climate (FNEC) of Benin ²¹	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	1. Provision of evidence by the applicant that a revision of the anti-fraud policy has been undertaken and that the recommendations of the review have been adopted	In progress	The entity anticipates providing the information by the end of July 2019
			2. Provision of evidence by the applicant of the adoption of an anti-money-laundering/countering the financing of terrorism (AML/CFT) policy, approved by the Board of FNEC and consistent with the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy	In progress	The entity anticipates providing the information by the end of July 2019
			3. Provision of evidence by the applicant of the adoption of a policy on E&S information disclosure for its GCF-funded	In progress	The entity anticipates providing the information by the end of July 2019

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			projects/programmes consistent with the GCF Information Disclosure Policy		
	ESS	Condition to be met with the submission of the first funding proposal to GCF	Provision by the applicant of its environmental and social management framework (ESMF) or environmental and social management plan (ESMP) as part of the first funding proposal. The ESMF or ESMP should describe the applicant's programme-/project-specific approach E&S risk and impacts identification, including categorization, mitigation management and monitoring plan and reporting process based on the applicant's 2017 E&S framework and in line with E&S risk category B/I-2 and category C/I-3 projects/programmes, as relevant	In progress	The entity is in the process of developing three project proposals. An environmental and social management framework (ESMF) or environmental and social management plan (ESMP) will be submitted as part of the first funding proposal, depending on the case
		Condition to be met within two (2) years following the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of a report on the effectiveness of its environmental and social management system (ESMS). The ESMS review should highlight lessons learned and recommendations to improve the ESMS	In progress	The work on the report will be triggered by the first disbursement by GCF for the first GCF-funded project/programme. The effectiveness review of the ESMS will be completed within two years of the first disbursement by GCF for the first GCF-funded project/programme

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Fundo Brasileiro para a Biodiversidade (Funbio) ²²	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence in the form of a report showing that the applicant has established a system for compiling and reporting data on financial irregularities or fraud in its operations	In progress	The entity anticipates providing the report by the end of May 2019
		Condition to be met within two (2) years following the approval by the Board of the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence showing that the applicant provides public access to information on the progress of GCF-funded projects/programmes, including budget utilization, in accordance with its information disclosure policy as updated and approved pursuant to paragraph 53(b)(i)(3) above	In progress	The entity anticipates providing the evidence by the end of May 2019
	ESS	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence of the development of a policy to periodically review the effectiveness of the applicant's E&S and gender management system	In progress	The entity anticipates providing the E&S procedures and E&S policy update by the end of May 2019
			Provide evidence that the applicant has updated and approved its information disclosure policy consistent with requirements of the GCF Information Disclosure Policy for Category B/I-2 projects/programmes	In progress	The entity anticipates providing its information disclosure policy by the end of May 2019

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<p>Provide evidence that the applicant has updated the following tools and procedures to reflect the requirements of the applicant's E&S policy adopted in 2018:</p> <ul style="list-style-type: none"> a. Environmental social impact assessment procedures to screen for cumulative and supply-chain impacts; b. E&S and gender questionnaire; c. Project supervision checklist; and d. Gender indicators 	In progress	The entity anticipates to provide the information by the end of May 2019
	ESS and Gender	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence to show that the applicant has implemented its E&S and gender capacity development plan in 2019 (e.g. list of training events and E&S and gender topics; list of participants; or correct use of new tools)	In progress	The entity anticipates providing the evidence by mid-July 2019
HSBC Holdings plc and its subsidiaries (HSBC) ²³	Fiduciary	Condition to be met on an annual basis	Provide the Fund, through the Secretariat, with its annual reports that disclose information on regulatory compliance	In progress	The entity has been requested to provide the annual reports for 2016, 2017 and 2018 when they become available

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		Conditions from decision B.12/30, paragraphs (e-g), contained in document GCF/B.12/32. The Accreditation Panel is to report at the fourteenth and sixteenth meetings of the Board whether the results of its reviews of these conditions would alter its recommendation to accredit the applicant	(e) Notes that the Accreditation Panel has recommended the accreditation of applicant 26 and further notes that in its review the Accreditation Panel identified a potential information gap associated with the implementation of its Global Standards programme, which overviews the applicant's progress in implementing stronger anti-money laundering and sanctions compliance mechanisms (Global Standards);	Fulfilled and closed	No action from the AP or the entity is required
			(f) Requests that the Accreditation Panel review prior to the fourteenth and sixteenth meetings of the Board, the applicant's progress in implementing its Global Standard, including a review of material external information. Further requests that the Accreditation Panel report to the Board on whether the results of these reviews would alter its recommendation to accredit the applicant;	Fulfilled and closed	Refer to document GCF/B.16/13
			(g) Approves the accreditation of applicant 26 subject to the condition that the Board has the ability to temporarily or permanently suspend the applicant's accreditation based on the recommendation of the Accreditation Panel following its reviews;	Fulfilled and closed	No action from the AP or the entity is required

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	1. Provide the Fund, through the Secretariat, with a letter of comfort executed by the appropriate authority within the applicant entity stating that it is taking the necessary actions to strengthen its internal controls related to compliance with relevant regulations, including, but not limited to, risk management, management of operational risk, and anti-money laundering and countering the financing of terrorism;	Fulfilled and closed	Refer to document GCF/B.15/16
			2. Develop a process for publicly disclosing information on beneficiaries and results of projects and programmes that are financed by GCF. This process should be aligned with the requirements of GCF regarding disclosure of project information; and	In progress	The entity informed GCF that it intends to align its process with GCF requirements. During the process of establishing the method for disclosing the relevant information, the entity will follow the mechanism adopted with export credit agencies' financings and will advise executing entities accessing GCF funding that the project benefits and GCF funding will be publicly divulged
	Gender	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	3. Develop a gender policy or approach in line with the Gender Policy of GCF and obtain gender competencies to implement the policy/approach on projects and programmes funded by GCF	In progress	The entity informed GCF that it is consulting internally on the matter and an update with relevant information will thereafter be made available
	Fiduciary	Conditions to be met prior to the submission	Provision of evidence from the applicant of the establishment of its oversight	In progress	The entity has been requested to provide information on the efforts it is taking to address

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
IDFC Bank Limited (IDFC Bank) ²⁴		of the first funding proposal to the Board	procurement function and the procurement procedures that it and entities who receive GCF funds from the applicant will be required to comply with		the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence from the applicant of the establishment of a policy or guideline for providing information to the public regarding the applicant's decisions on on-lending and/or blending operations	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence from the applicant of the creation of a webpage on the applicant's website for disclosing information on beneficiaries and results from GCF-funded projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the establishment of its external communication system for environmental and social-related information that includes methods to (i) receive and register external communications from the public; (ii) screen and assess the issues raised and determine how to address them; (iii) provide, track and document responses, if any	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Approval by the applicant of a consultation and information disclosure policy consistent with the requirements of the GCF Information Disclosure Policy for I-2 projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence from the applicant of the establishment of its policy on project-level grievance mechanisms to be established by executing entities	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the adoption of a gender policy and procedures consistent with the Gender Policy of the GCF, and the curriculum vitae of a gender expert responsible for implementing the gender policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Infrastructure Development Company Limited (IDCOL) ²⁵	Fiduciary	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the establishment and introduction of the policies and processes listed below: a. Establish a process to monitor and assess the overall effectiveness of the internal audit function, including its procurement activities;	In progress	The entity had informed GCF that it has decided to use external auditors to carry out periodic assessments of the overall effectiveness of the internal audit function, including its procurement activities. The terms of reference for this task clearly required the external auditor to assess: (i) the effectiveness of the internal audit function; and (ii) the effectiveness of the entity's procurement activities and compliance with its own procurement guidelines and those of donor/funding agencies

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<p>The entity provided: (i) a copy of a procurement audit report; and (ii) the external auditor's Management Report following the audit of the entity's 2017 financial statements. However, the Management Report did not include any assessment of the effectiveness of the entity's internal audit function</p> <p>Subsequently, because the information provided was not yet satisfactory to fulfil the accreditation condition, the entity informed GCF that it will amend its internal audit charter to include a provision for periodic assessments of the effectiveness of the internal audit function, including procurement activities. The revised internal audit charter will be provided to GCF after it is approved by the entity's Board</p> <p>The entity also informed GCF that it will provide to GCF the updated internal control and compliance manual once amended and approved by the entity's Board (estimated July 2019)</p>
			<p>b. Adopt a code of conduct, approved by the applicant's board;</p>	<p>Fulfilled and closed</p>	<p>The entity confirmed that it has adopted a Code of Conduct, which was recently approved by the entity's Board. A copy of the approved Code of Conduct was reviewed by the AP, which found it to be satisfactory to meet the accreditation condition</p>

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			c. Adopt a project closure policy, approved by the applicant's board;	Fulfilled and closed	Refer to document GCF/B.20/13
			d. Adopt a policy on the public disclosure of project monitoring and evaluation reports, and project results, approved by the applicant's board; and	Fulfilled and closed	Refer to document GCF/B.20/13
			e. Adopt a policy on the public disclosure of information regarding the applicant's decisions on on-lending and/or blending operations, approved by the applicant's board	Fulfilled and closed	A copy of the entity's Lending Policy, which includes a provision for the public disclosure of information regarding the entity's decisions on on-lending and/or blending operations, was provided. The AP found this policy to be sufficient to address the accreditation condition
		Conditions to be met within one year of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide a copy of a procurement oversight/audit report; and	Fulfilled and closed	Refer to document GCF/B.20/13
			Provide evidence of monitoring of the observations contained in procurement oversight/audit reports and appropriate management response and actions	In progress	The entity provided a copy of the procurement audit for the financial year 2017. The entity will provide evidence of monitoring the observations contained in the audit report for financial year 2017, as well as on the management responses and actions as part of a follow-up procurement audit that was undertaken in 2018. The entity will provide the draft audit report once available (expected May 2019), as well as the final audit report

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Inter-American Investment Corporation (IDB Invest, formerly IIC) ²⁶	Fiduciary	Condition to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of a register to receive and address external comments, complaints and inquiries on E&S matters for GCF-funded projects/programmes	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Japan International Cooperation Agency (JICA) ²⁷	Fiduciary	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Develop a system for providing public access to information on the periodic progress of all GCF-funded activities	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Develop a policy of periodic independent reviews/external audits of all grant award programmes funded by GCF	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Develop policies/guidelines for providing information to the public regarding all decisions on blending operations funded by GCF	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Condition to be met within one year of the first disbursement by GCF for an approved project/programme to	Provide evidence of the implementation of the items identified in decision B.17/13, annex XVI, paragraph 45(b)(i)	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the applicant			
JS Bank Limited (JS Bank) ²⁸	Fiduciary	Condition to be met prior to the submission of the first funding proposal to the Board	Provision by the applicant of a report from an external independent audit firm on a quality assessment of the overall effectiveness of the applicant's internal audit function	Fulfilled and closed	The entity provided a copy of a report on an independent assessment of the overall effectiveness of its internal audit function. The AP considers the information sufficient to address the condition
		Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provision by the applicant of a sample report on assessments or review of the procurement procedures of beneficiary institutions, executing entities or project sponsors applied to GCF-funded projects/programmes	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions to be met within 60 days of completing the implementation of the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of the publication of the list of beneficiaries under the first GCF-funded project/programme	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence by the applicant of the publication of the results and outcomes of the first GCF-funded project/programme	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					response from the entity on the expected time frame for providing the information
Korea Development Bank (KDB) ²⁹	Gender	Condition(s) prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence that the applicant has further strengthened its competencies to implement its gender policy	Fulfilled and closed	Refer to document GCF/B.18/09
	Fiduciary	Additional condition(s): for every GCF funding proposal in which the applicant seeks to provide equity funds, the Secretariat shall ensure that the following conditions are met by the applicant	Disclosure of information regarding the equity exit strategy, including information regarding the intended purchasers of the equity participation upon the applicant's divestment	In progress	This condition is triggered for each GCF approved project/programme in which the entity seeks to provide equity funds
			The applicant shall be the equity investor of record in the proposed project; thus, equity investments through funds provided by third parties, such as the applicant's subsidiaries or private equity funds, shall not be accepted	In progress	This condition is triggered for each GCF approved project/programme in which the entity seeks to provide equity funds
LandBank of the Philippines (LandBank) ³⁰	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision by the applicant of the monitoring and evaluation policy for GCF-funded projects/programmes that has been adopted by the applicant's board, including the standardized templates for monitoring plans and reports, as well as the procedure on	In progress	The entity anticipates providing the information as requested by the end of May 2019

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			public disclosure of monitoring and evaluation reports		
			<p>Establishment by the applicant of a policy for providing information to the public regarding the applicant's decisions concerning on-lending and/or blending operations and results of the on-lending and blending operations. The policy should cover, inter alia:</p> <ul style="list-style-type: none"> a. Type or content of information to be provided; b. Media/channels through which information will be provided; c. Timelines within which the award information will be made public; and d. Results of the projects funded under the on-lending and blending mechanism 	In progress	The entity anticipates providing the information as requested by the end of May 2019
		Condition to be met on an annual basis for three consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to	Provision of evidence from the applicant on the publication of monitoring and evaluation reports in accordance with the applicant's procedure on the public disclosure of monitoring and evaluation reports	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the applicant			
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the adoption of a policy on information disclosure of E&S assessment documents for projects financed with GCF resources, consistent with the requirements of the GCF Information Disclosure Policy for Category A/I-1 projects/programmes	In progress	The entity anticipates providing the information as requested by the end of May 2019
			Provision of evidence from the applicant of the establishment of its policy on project-level grievance mechanisms to be established by executing entities	In progress	The entity anticipates providing the information as requested by the end of May 2019
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the approval of a gender policy and procedures consistent with the gender policy of the GCF, and the curriculum vitae of a gender expert responsible for implementing the gender policy	In progress	The entity anticipates providing the information as requested by the end of May 2019
Luxembourg Agency for Development Cooperation (LuxDev) ³¹	Fiduciary	Conditions to be met prior to submission of the first funding proposal to the Board	1. Provision by the applicant of evidence of the adoption by the applicant's Board of Directors of a stand-alone policy on prohibited practices for GCF-funded projects/programmes that fully complies with the GCF General Principles on Prohibited Practices	In progress	The entity anticipates providing the information as requested by the end of September 2019

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	ESS		2. Provision by the applicant of evidence of the adoption of a policy on requirements for the applicant's executing entities to include a project-level grievance redress mechanism	In progress	The entity is reviewing different grievance redress mechanisms (bench marking) to assess what format/modality of such a system best suits future GCF-funded projects and ongoing LuxDev projects. The entity anticipates providing the information as requested by the end of September 2019.
			3. Provision by the applicant of evidence on the establishment of a registry of E&S enquiries and complaints	In progress	The establishment of a registry of E&S enquiries and complaints will be done in conjunction with the above grievance redress mechanism and is part of this mechanism
	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	1. Provision by the applicant of evidence of the declaration of conflict of interest signed by the applicant's employees and other contracted parties with regard to the first GCF-funded project/programme	In progress	The entity started to work internally with the concerned departments (e.g. human resources and procurement) to draft a "declaration in lieu of oath" to be signed by the applicant's employees and other contracted parties, and which covers, inter alia, conflict of interest, prohibited practices and sexual harassment. This oath would not be limited to GCF-funded projects/programmes
			2. Provision by the applicant of evidence of the adoption by the applicant's Board of Directors of a public disclosure policy on periodic project reports for GCF-funded projects/programmes	In progress	The entity has indicated that it will address this condition following signing the accreditation master agreement with GCF

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Fiduciary	Condition to be met on an annual basis for two consecutive years, starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	1. Provision by the applicant of evidence of the publication of periodic project reports on the applicant's website	In progress	The entity has indicated that information on the publication of periodic project reports will be identified in funding proposals with respect to the implementation modalities and reporting requirements, and that evidence of the publication of periodic project reports on the entity's website will start with the first GCF funded project/programme
Macquarie Alternative Assets Management Limited (MAAML) ³²	Fiduciary	Conditions to be met on an annual basis for two consecutive years, starting from the date of the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	1. Provision of evidence by the applicant of the publication of the information contained in the upfront summary of the activities and annual summary reports related to the first GCF-funded project/programme, including: <ul style="list-style-type: none"> a. Name, address and nationality (in the case of individuals) or place of incorporation (in the case of legal entities) of the beneficiary; b. Brief summary of the project and purpose of the funding; c. Funded amount with details, such as rate, period, etc.; and b. d. Information on intermediate (e.g. annual) and final results of the GCF-funded projects/programmes such as actual versus planned results and 	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			outcomes; adherence to budgets, cost, timelines, and timelines within which the award information will be made public		
		Condition to be met upon submission of the first evaluation report for the first GCF-funded project/programme undertaken by the applicant	2. Provision of evidence by the applicant of the public disclosure of the first evaluation report for the first GCF-funded project/programme	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Micronesia Conservation Trust (MCT) ³³	Gender	Condition to be met for each funding proposal	Provide in its funding proposal a gender action plan that reflects the applicant's adequate competency in terms of human and financial resources and a system for maintaining data that addresses gender aspects in line with the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide an investigation procedure containing the description of the investigation process and corresponding follow-up actions to be taken	Fulfilled and closed	Refer to document GCF/B.22/02
			Provide anti-money laundering and countering the financing of terrorism	Fulfilled and closed	Refer to document GCF/B.19/14/Rev.01

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			policies that are fully in line with the GCF interim policy on prohibited practices		
			Provide an approved policy for the public disclosure of the decisions on grants awarded under a grant award programme	Fulfilled and closed	Refer to document GCF/B.21/17
		Condition to be met within one year of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the implementation of the policies and procedures referred to in decision B.17/13, annex XIV, paragraph 37(b)(ii)(3) with regard to the public disclosure of the results of the grants awarded under a grant award mechanism, under the projects/programmes approved and funded by GCF	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the adoption of the applicant's procedures for the mitigation, management and monitoring of the E&S risks and impacts, including those that are unanticipated, of its programmes	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provide evidence of the establishment of an external communication channel, which may include a website to receive, register and respond to E&S complaints	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MoFEC) ³⁴	ESS	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	1. Finalize the recruitment of an E&S expert to help to oversee the project management cycle under the applicant's facility; and	Fulfilled and closed	Refer to document GCF/B.19/14/Rev.01
			2. Develop an external communications mechanism, which provides a system to receive, document and respond to questions or complaints from the general public	Fulfilled and closed	Refer to document GCF/B.20/13
	Fiduciary	Conditions to be met on an annual basis for the three consecutive years, starting with the financial year 2016. All information shall be included on an annual basis within a semi-annual progress report consistent with the requirements of the GCF monitoring and accountability framework for accredited entities	1. Report progress in respect of all projects and programmes being undertaken. The report should include: a. Progress of activities vis-à-vis a plan with specific indicators;	In progress	The progress report presented for the fiscal year 2017, as well as a management letter dated 29 April 2019, which was signed by the entity's Director for United Nations Agencies, CRGE Facility and Regional Economic Cooperation, provided by MoFEC satisfies the requirements of this condition. However, the project and programme progress report for the fiscal year ending in June 2018 is still pending
			b. Budget variances and analysis;	In progress	Same as comment in 1(a) above
			c. Major risks and issues, if any, that may or are impacting the execution of a project/programme; and	In progress	Same as comment in 1(a) above
			d. Brief qualitative write-up, including the likelihood of the project achieving its	In progress	Same as comment in 1(a) above

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			planned objectives (results, budget and schedule)		
			2. Provide the annual audit reports of projects/programmes, including verification of assets, prepared by the office of the federal auditor general within four months of the close of each year to GCF;	In progress	The audited report provided by the entity satisfied the requirement of this condition for the 2017 financial year; however, the letter from the Office of the Federal Auditor General is still pending. Also, the entity will need to provide similar information for financial year ending in June 2018 in order to fully close this accreditation condition
			3. Provide the annual audit reports on procurement related to projects/ programmes where substantial procurement has been undertaken by an executing entity, which is not a public sector body, to GCF	In progress	<p>The entity provided further information as requested, pending the AP review. In response to the request from the AP, the entity certified in the management letter dated 13 August 2018, which was signed by the entity's Director for United Nations Agencies, CRGE Facility and Regional Economic Cooperation, that "no substantial procurement was undertake by a non-public sector executing entity during the reporting period."</p> <p>The AP considers the procurement certification provided by the entity as satisfactory to fulfil the requirements of this accreditation condition for the fiscal year ending in June 2016. However, the entity will need to provide similar information for the fiscal years ending in June 2017 and June 2018 in order to fully close this accreditation condition</p>

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Ministry of Finance and Economic Management (MFEM) of the Cook Islands ³⁵	Fiduciary	Condition to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision by the applicant of sample copies of two (2) reports on “know-your-customer” (KYC) due diligence undertaken in line with the applicant’s KYC procedures to combat money laundering and the financing of terrorism	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Ministry of Environment of Rwanda (MoE) (formerly, Ministry of Natural Resources of Rwanda (MINIRENA)) ³⁶	ESS	Condition in respect of any project/programme funded by GCF that invokes any of performance standards 2 to 8 until a mid-term review is undertaken for the purposes of determining the applicant’s competency in the five-year accreditation period meeting the ESS of GCF at the project level	Use external support, including from co-financiers, acceptable to GCF in order to help to prepare projects or programmes that invoke any of performance standards 2 to 8	Fulfilled and closed	Refer to document GCF/B.20/13
	Fiduciary	Conditions prior to the first disbursement by GCF for an approved project/programme to	Relating to the investigation function: (i) Publishing on its website the instructions and appropriate forms through which to log a complaint;	In progress	The entity informed GCF that it is making preparations to address the accreditation condition relating to its investigation function. The entity will keep GCF informed of developments in this regard

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the entity			
		Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	(ii) Preparing quarterly reports on case trends and maintaining a formal record of all complaints received; and	In progress	No comments at this time
		Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	(iii) Submitting a report of the incidents recorded with its Office of the Ombudsman for investigation on a monthly basis	In progress	No comments at this time
MUFG Bank, Ltd. (MUFG Bank) (formerly, Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)) ³⁷	Fiduciary	Condition to be met prior to signature of the accreditation master agreement for completion of Stage III of the accreditation process	Provide a report on an independent assessment of the effectiveness of the applicant's measures and actions for improving its anti-money laundering and sanctions compliance programmes	Fulfilled and closed	Refer to document GCF/B.18/09
	Fiduciary, Gender	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to	Provide evidence to show that the applicant: a. Carries out checks and audits of the payment and disbursement of funds under projects financed by the applicant;	In progress	The AP requests that the entity provides, when available, for the AP's assessment, copies of the report prepared by Pricewaterhouse Coopers to address this condition. The AP is waiting for a

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the applicant			response from the entity on the expected time frame for providing the information
			b. Has a publicly accessible and transparent procurement dispute resolution process;	Fulfilled and closed	The entity's procurement dispute resolution process is included in its revised Procurement Guidelines. The entity has provided evidence showing that the Procurement Guidelines, including the procurement dispute resolution process are made publicly accessible by posting them on its website. The AP considers the information sufficient to address the condition
			c. Has an appropriate mechanism with clear terms of reference for continuous oversight of the ethics function;	Fulfilled and closed	Refer to document GCF/B.18/09
			d. Has procedures for overseeing procurement activities of executing entities under GCF-funded activities;	Fulfilled and closed	The entity has provided a copy of its Procurement Guidelines, which include detailed procedures for overseeing procurement activities of executing entities under GCF-funded activities
			e. Has a policy requiring the public disclosure of procurement policies and procedures, and procurement contract awards under GCF-funded activities;	Fulfilled and closed	The entity has provided a copy of its Information Disclosure Policy, which has provisions for public disclosure of procurement policies and procedures, and procurement contract awards under GCF-funded activities. The entity has provided evidence showing that the policy is made publicly accessible by posting

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					it on its website. The AP considers the information sufficient to address the condition
			f. Has a policy and guidelines on the public disclosure of information regarding the applicant's decisions on on-lending and/or blending operations in respect of activities that would be funded by GCF; and	Fulfilled and closed	The entity has provided a copy of its Information Disclosure Policy, which includes adequate provisions for public disclosure of information regarding the applicant's decisions on on-lending/blending operations in respect of activities that would be funded by GCF. The entity has provided evidence showing that the policy is made publicly accessible by posting it on its website. The AP considers the information sufficient to address the condition
			g. Has adopted a gender policy in line with the GCF Gender Policy	Fulfilled and closed	The entity has provided a copy of its gender policy which is found by the AP to be in line with the GCF Gender Policy
		Condition to be met within one year of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the implementation of the items identified in paragraph 46(b)(ii) of annex XV to decision B.17/13	In progress	This condition is triggered by the first disbursement by GCF for an approved project/programme to be undertaken by the entity. The entity has been requested to provide information once available
National Environment Management	ESS	Condition prior to the first disbursement by GCF for an approved project/programme to	Use external support, including that from co-financiers, acceptable to GCF, to help to prepare projects or programmes that	In progress	The entity is receiving readiness support from GCF for the development of its projects in line with this condition. Relevant documentation will be made submitted once available

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Authority of Kenya (NEMA) ³⁸		be undertaken by the entity	invoke any of performance standards 2 to 8		
National Rural Support Programme (NRSP) of Pakistan ³⁹	Fiduciary	Conditions to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Development by the applicant of a mechanism to publicly disclose periodic progress reports of grant award activities, including information on budget utilization	In progress	The entity's willingness to publicly disclose the periodic progress reports of grant award activities, including information on budget utilization, is acknowledged. Currently, there is no grant award activity ongoing and the next round of grant awards will start by the end of the first quarter of 2019. Thereafter, the required periodic progress reports will be publicly disclosed on the entity's official website and GCF will be informed accordingly
			Publicly-publishing its guidelines for processing investigation cases, including standardized procedures for handling complaints and managing cases before, during and after the investigation process	In progress	The entity indicated that it has drafted its investigation guidelines, which will be reviewed by a consultant to be engaged under the proposed readiness grant from GCF. Thereafter, these guidelines will be publicly disclosed on the entity's official website when available
		Condition to be met at the accreditation mid-term review of the applicant	Provision of evidence from the applicant that bi-annual internal audits have been conducted for each GCF-funded project/programme	In progress	The entity indicated that this will be planned and followed for all GCF-funded projects/programme once the entity has approved the GCF-funded projects/programmes
	ESS	Condition to be met prior to submission of the first funding proposal to the Board	Submission of the applicant's environmental and social management framework (ESMF), as part of the relevant funding proposal, that describes the applicant's project-specific approach	In progress	The entity has committed itself to meeting this condition prior to submission of its first funding proposal to GCF

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			to environmental and social risk and impacts identification, including categorization, mitigation, management and monitoring and reporting process based on the applicant's ESSF, and in line with the E&S risk Category B/I-2 and Category C/I-3 projects/programmes		
Nordic Environment Finance Corporation (NEFCO) ⁴⁰	Fiduciary	Condition to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide one example of the project implementation plan prepared in accordance with the "Project Implementation Framework for GCF funded activities" contained in the applicant's "GCF-NEFCO Rules, Policies and Procedures"	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Palli Karma-Sahayak Foundation (PKSF) ⁴¹	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide evidence of an assessment of the effectiveness of the applicant's internal audit function	Fulfilled and closed	Refer to document GCF/B.20/13
			Provide a copy of a policy on the disclosure of financial conflicts of interest	Fulfilled and closed	Refer to document GCF/B.20/13
			Provide a copy of a whistle-blower protection policy or mechanism	Fulfilled and closed	Refer to document GCF/B.20/13
			Provide a copy of a policy on the public disclosure of project/programme monitoring and evaluation reports,	Fulfilled and closed	Refer to document GCF/B.20/13

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			including information on the periodic progress of individual projects		
			Provide a copy of a policy and guidelines on the public disclosure of information on the applicant's decisions on on-lending and blending operations	Fulfilled and closed	Refer to document GCF/B.20/13
		Conditions to be met within the first 15 months of the first disbursement by GCF for the first approved project/programme undertaken by the applicant	Provide evidence of the implementation of a policy on the public disclosure of project monitoring and evaluation reports, including information on the periodic progress of individual projects	In progress	The entity was requested to provide information on the efforts it is making to address the condition and has confirmed in writing that it will fulfil the condition within the stipulated time frame
			Provide evidence of the implementation of a policy and guidelines on the public disclosure of information on the applicant's decisions on on-lending and blending operations	In progress	The entity was requested to provide information on the efforts it is making to address the condition and has confirmed in writing that it will fulfil the condition within the stipulated time frame
		Condition to be met on an annual basis for three consecutive years, starting after the twelfth month following the first disbursement for any GCF-financed project/programme	Provide evidence of the publication of project monitoring and evaluation reports of all GCF-funded projects/programmes	In progress	The entity was requested to provide information on the efforts it is making to address the condition and has confirmed in writing that it will fulfil the condition within the stipulated time frame

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		undertaken by the applicant			
Pegasus Capital Advisors (PCA) ⁴²	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Development of a procurement policy (including procurement requirements at the executing entity level) that meets the relevant principles in the GCF basic fiduciary standards	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Establishment of the applicant's grievance redress mechanism and procedures to be applied at the institutional-level, together with a register for recording environmental and social-related complaints	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Approval by the applicant of a consultation and information disclosure policy consistent with the requirements of the GCF Information Disclosure Policy requirements for Category B/I-2 projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Revision of the applicant's Diversity and Inclusion policy (or the development of a stand-alone gender policy) consistent with the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

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Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) ⁴³ (upgrade)	Fiduciary	Conditions to be met on an annual basis for three consecutive years starting from the date of the first disbursement by the GCF for the first approved project/programme that has a grant award and/or funding allocation mechanism to be undertaken by the applicant	Provision by the applicant of an attestation letter issued by an external auditor which certifies that no duplication of grants awarded for the same activity has occurred, and that no retroactive grant award has been made for activities under implementation or completed at the time of application for the grant by the grant proponent	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision by the applicant of an attestation letter issued by an external auditor which certifies that the applicant has complied with the grant award guidelines established in its project procedures manual adopted in 2016, including procedures on the disclosure of material non-compliance	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Protected Areas Conservation Trust (PACT) ⁴⁴	ESS and Gender	Conditions prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide a copy of the applicant's approved E&S and gender capacity development plan for 2019 that shows capacity development for E&S and gender screening, categorization and monitoring in line with GCF interim ESS, and gender mainstreaming in line with the GCF Gender Policy. The applicant can provide evidence of training events; training materials; and screening, categorization and monitoring reports to address this condition	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<p>Provide evidence by the applicant to show the following updates to the applicant's procedures and tools:</p> <ul style="list-style-type: none"> a. E&S and gender monitoring form; b. Gender-sensitive communications strategy; and c. Monitoring and evaluation procedure that requires the applicant to review the adequacy of the executing entity's grievance redress mechanism during monitoring and evaluation of a project/programme 	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
PT Sarana Multi Infrastruktur (PT SMI) ⁴⁵	Fiduciary	Condition(s) associated with the GCF fiduciary standards to be addressed prior to first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Provide a formal plan for mainstreaming the multilateral procurement framework into the applicant's operations, including plans for resourcing the function and making provision for an annual audit as a standard process and provide for lessons learned. This should include provision for disclosure of contract awards on the applicant's website;	Fulfilled and closed	Refer to document GCF/B.22/02
			2. Further develop its grant management framework, ensuring the framework is mainstreamed into its overall operations. This includes further developing how the applicant intends to blend grants as part	In progress	The AP requests that the entity provide, when available, for the AP assessment a copy of the document guidelines/policy document for grant and/or loan management for GCF-funded

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			of both its direct and, in the future, its intermediated lending portfolio;		projects/programmes. Such a document could be acceptable for fulfilment of the condition
			3. Provide further evidence (in the form of two examples) of its compliance with its most recent AML/CFT policy in the context of its new mandate;	Fulfilled and closed	Refer to document GCF/B.21/17
			4. Provide for project disclosure on its website, including monitoring and evaluation of its projects;	In progress	<p>Ideally all PT SMI projects, for greater transparency, should be published on its website. However, to fulfil the accreditation condition, publication of information on GCF-funded projects/programmes is required.</p> <p>In terms of the type of information and content of publication it should be noted that the GCF fiduciary standard requires the following as a minimum:</p> <p>For grants:</p> <ol style="list-style-type: none"> 1. Public access to information on beneficiaries and results <p>The following information should be included (as a minimum):</p> <ol style="list-style-type: none"> (a) Name, address and nationality of the beneficiary; (b) Purpose of the grant; and

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<p>(c) Grant amount awarded and, where applicable, the maximum co-financing rate of the cost</p> <p>For loans:</p> <p>2. The information on beneficiaries contains the following information as a minimum:</p> <p>(a) Name, address and nationality of the beneficiary;</p> <p>(b) Purpose of the funding; and</p> <p>(c) Funded amount with details like rate, period, etc.</p> <p>3. The information on results of projects contains the following information as a minimum:</p> <p>(a) Actual vs. planned results/outcomes;</p> <p>(b) Adherence to budgets/cost/timelines; and</p> <p>(c) Brief summary of project</p>
			5. Provide the approved version of the risk management guidelines and procedures, including information on the segregation of duties;	Fulfilled and closed	Refer to document GCF/B.21/17
			6. Provide two examples of reports from its management information system; and	Fulfilled and closed	Refer to document GCF/B.22/02

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			7. Provide an English version of the outcome of the recent regulation associated with government guarantees where relevant for the applicant's sustainability	Fulfilled and closed	Refer to document GCF/B.22/02
	ESS	Condition(s) associated with the GCF interim ESS and Gender Policy to be addressed prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Demonstrate with one more example per procedural step, full application of the 2016 guidance including its 10 ESS, as well as the application of its gender policy (i.e. provide one screening exercise, one environmental and social impacts assessment (ESIA), one gap analysis, one corrective plan, one gender assessment, one project disclosure report, one monitoring report and one environmental and social impacts plan (ESMP); and	In progress	The entity indicated that it is preparing ESS and gender reports for five projects, including projects financed by Agence Française de Développement and the World Bank
			2. Provide proof of employment of an external expert acceptable to GCF to prepare the ESIA and ESMP of the first project to be submitted to GCF, in full compliance with its 2016 ESS guidelines	In progress	The entity indicated that the employment of external experts for the ESIA would be the experts for the geothermal project, in cooperation with the World Bank and the New Zealand Aid Programme. The proof of employment is expected to be submitted along with other documentation
Sahara and Sahel Observatory (OSS) ⁴⁶	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved	Provide evidence of the launch of the call for proposals, records of work of the Grant Evaluation Committee on evaluating grant proposals received, and	Fulfilled and closed	The entity published a call for proposals on its new website from September to November 2018. The AP reviewed evidence of the work of the Grant Evaluation Committee with regard to

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		project/programme to be undertaken by the applicant	evidence of the publication of the grant award decisions of the said committee		the “First Call for Project Proposals (GCF Climate)” provided by the entity on the website, available at < http://www.oss-online.org/en/first-call-projects-proposals-gcf-climate >. On the basis of the submitted proposals and grant evaluation process, the entity selected nine project concepts from which the entity will further identify those to be developed into funding proposals to be submitted to GCF. The nine project concepts are listed on the website at < http://www.oss-online.org/en/Results-1st-call-GCF >. On the basis of the evidence received on the process for a grant award mechanism the AP finds the information sufficient to fulfil the condition
	ESS		Provide a sample M&E report on actions taken for E&S risk mitigation and performance improvement measures in line with the applicant’s performance standards under its E&S policy (adopted in April 2016)	Fulfilled and closed	Refer to document GCF/B.22/02
			Provide evidence of the establishment of an external communication channel, which may include a website to receive, register and respond to E&S complaints	Fulfilled and closed	Refer to document GCF/B.22/02
	Fiduciary	Condition to be met on an annual basis for three consecutive	Provide evidence of the public disclosure of periodic monitoring and evaluation reports, including information on budget	In progress	This condition is triggered only for the first approved GCF-funded project/programme through a grant award and/or funding

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		years starting after the twelfth month following the first disbursement by GCF for the first GCF-funded project/programme through a grant award and/or funding allocation mechanism to be undertaken by the applicant	utilization in respect of the relevant GCF-funded project/programme		allocation mechanism to be undertaken by the entity. The entity indicated that the first Project Performance Report, which includes a monitoring and evaluation section, would be made available to GCF once the entity has its first approved GCF-funded project/programme through a grant award and/or funding allocation mechanism
Small Industries Development Bank of India (SIDBI) ⁴⁷	Fiduciary	Conditions associated with the GCF fiduciary standards, to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	<p>1. Develop a policy for the public disclosure of information regarding projects, including grant award programmes and on-lending/blending operations, to be undertaken with GCF funds. This policy must include, at the minimum, the following:</p> <p>a. Guidelines for the publication of independent project evaluation reports;</p> <p>b. Guidelines for the public disclosure of information on beneficiaries of grant awards and/or loans disbursed, purpose of the grants and/or loans and amounts disbursed; and</p> <p>c. Identification of the media/channels through which the information will be</p>	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			disclosed, as well as the timeline for disclosure		
			2. Establish an independent project evaluation policy and capacity	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			3. Develop, for GCF-funded grant award programmes to be implemented through executing entities, the policies and guidelines to be followed by the executing entity	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			4. Develop the operating procedures the applicant will follow to ensure the executing entity's compliance with the policies and guidelines for the grant award programmes mentioned above	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS, Gender	Condition associated with the ESS and Gender Policy, to be met prior to submitting the first funding proposal to GCF for consideration	1. Submit to the AP for its review a copy of the new entity-wide environmental and social management framework (ESMF) (2017 version) and the revised policies, procedures and organization chart highlighting the integration of the 2017 ESMF into the entity	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
The Pacific Community (SPC) ⁴⁸	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	1. Provision of evidence by the applicant of the establishment of a formal system of E&S monitoring and review in line with the GCF interim ESS; and	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			2. Provision of evidence by the applicant of the adoption of a policy on information disclosure of E&S assessment documents for GCF-funded projects/programmes, consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes;	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	1. Provision of evidence by the applicant of the adoption of a project closure policy;	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			2. Provision of evidence by the applicant of the adoption of a project/programme evaluation disclosure policy; and	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			3. Provision of evidence by the applicant of the development of “know-your-customer” guidelines and templates in	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			accordance with the content of the applicant's AML/CFT policy; and		response from the entity on the expected time frame for providing the information
	ESS	Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	1. Provision by the applicant of the E&S monitoring and review report for its first GCF-funded project/programme	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Société de Promotion et de Participation pour la Coopération (PROPARCO) ⁴⁹	Fiduciary	Condition(s) prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Formally adopt an external communication mechanism which provides a system to receive, document and respond to questions or complaints from the general public	In progress	The entity has indicated that it will be joining the independent complaints mechanism of Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) as of 1 February 2019
	ESS	Condition(s) prior to the submission of a funding proposal to GCF that includes a guarantee operation	1. Provide two examples to fully demonstrate the applicant's capacity and ability to undertake a guarantee operation of a project/programme that is of the large size category and high E&S risk (Category A/I-1) for which it is seeking accreditation	Fulfilled and closed	Refer to document GCF/B.18/09

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
United Nations Environment Programme (UN Environment) ⁵⁰ (upgrade)	Fiduciary	Condition to be met on an annual basis for two consecutive years starting from the date of first disbursement by GCF for the first approved project/programme that has a grant award and/or funding allocation mechanism to be undertaken by the applicant	Provision of evidence by the applicant of the publication on the applicant's website of the periodic progress reports of the grant award project/programme, including budget utilization	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Abbreviations: AML/CFT = anti-money laundering and countering the financing of terrorism; AP = Accreditation Panel; ESIA = environmental and social impact assessment; ESMF = environmental and social management framework; ESMP = environmental and social management plan; ESS = environmental and social safeguards; E&S = environmental and social; M&E = monitoring and evaluation; TAF = technical assistance facility.

¹ Annex VIII to decision B.18/05.

² Annex XVII to decision B.12/30.

³ Decision B.22/09 and annex IV of document GCF/B.22/02.

⁴ Decision B.21/16 and annex XII to document GCF/B.21/17.

⁵ Decision B.22/09 and annex X of document GCF/B.22/02.

⁶ Annex V to decision B.14/10.

⁷ Decision B.21/16 and annex XVIII to document GCF/B.21/17.

⁸ Decision B.21/16 and annex V to document GCF/B.21/17.

⁹ Annex XII to decision B.10/06.

¹⁰ Annex VI to decision B.14/10.

¹¹ Annex XI to decision B.17/13.

¹² Decision B.21/16 and annex XIX to document GCF/B.21/17.

¹³ Annex III to decision B.18/05.

¹⁴ Decision B.21/16 and annex XIII to document GCF/B.21/17.

¹⁵ Annex XV to decision B.12/30.

¹⁶ Annex IV to decision B.18/05.

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- ¹⁷ Annex VIII to decision B.10/06.
- ¹⁸ Decision B.22/09 and annex V of document GCF/B.22/02.
- ¹⁹ Annex V to decision B.18/05.
- ²⁰ Decision B.21/16 and annex XIV to document GCF/B.21/17.
- ²¹ Decision B.22/09 and annex VII of document GCF/B.22/02.
- ²² Decision B.21/16 and annex XV to document GCF/B.21/17.
- ²³ Annex XVI to decision B.12/30.
- ²⁴ Decision B.21/16 and annex VII to document GCF/B.21/17.
- ²⁵ Annex XII to decision B.17/13.
- ²⁶ Decision B.21/16 and annex XX to document GCF/B.21/17.
- ²⁷ Annex XVI to decision B.17/13.
- ²⁸ Decision B.22/09 and annex IX of document GCF/B.22/02.
- ²⁹ Annex VII to decision B.15/09.
- ³⁰ Decision B.21/16 and annex XVI to document GCF/B.21/17.
- ³¹ Decision B.22/09 and annex XII of document GCF/B.22/02.
- ³² Decision B.22/09 and annex XI of document GCF/B.22/02.
- ³³ Annex XIV to decision B.17/13.
- ³⁴ Annex XII to decision B.12/30.
- ³⁵ Decision B.21/16 and annex VIII to document GCF/B.21/17.
- ³⁶ Annex IX to decision B.10/06.
- ³⁷ Annex XV to decision B.17/13.
- ³⁸ Annex XIII to decision B.12/30.
- ³⁹ Decision B.21/16 and annex IX to document GCF/B.21/17.
- ⁴⁰ Decision B.21/16 and annex X to document GCF/B.21/17.
- ⁴¹ Annex VI to decision B.18/05.
- ⁴² Decision B.21/16 and annex XI to document GCF/B.21/17.
- ⁴³ Decision B.21/16 and annex XXI to document GCF/B.21/17.
- ⁴⁴ Decision B.21/16 and annex XVII to document GCF/B.21/17.
- ⁴⁵ Annex VIII to decision B.15/09.
- ⁴⁶ Annex VII to decision B.18/05.
- ⁴⁷ Annex XIII to decision B.17/13.
- ⁴⁸ Decision B.22/09 and annex IX of document GCF/B.22/02.
- ⁴⁹ Annex XI to decision B.15/09.
- ⁵⁰ Decision B.22/09 and annex XIII of document GCF/B.22/02.

Annex IV: Accreditation assessment of applicant 086 (APL086)

I. Introduction

1. Applicant 086 (APL086), the Banco Nacional de Desenvolvimento Econômico e Social (BNDES, the Brazilian Development Bank), is a national entity headquartered in Brazil whose main mission is to foster sustainable and competitive development in the Brazilian economy, generating employment while reducing social and regional inequalities. The applicant finances projects based on criteria that prioritize development that fosters social inclusion, creating jobs and income. Its operations therefore cover various sectors, such as agriculture, the environment, industry, infrastructure, trade, tourism and urban development. The applicant is also committed to fostering projects that help to reduce greenhouse gas emissions and mitigate the impacts of climate change, and plays a key role in supporting programmes, projects and services related to Brazil's economic and social development.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 16 January 2015. Accreditation fees were received from the applicant on 9 June 2016, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 29 March 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of GCF:

- (a) **Access modality:** direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application from Brazil;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** large;¹
- (d) **Fiduciary functions:**²
 - 1. Basic fiduciary standards;
 - 2. Specialized fiduciary standard for project management;
 - 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - 4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
- (e) **Maximum environmental and social risk category:** high risk (category A/intermediation 1 (I-1)).³

II. Stage I institutional assessment and completeness check

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 250 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category A is defined as "Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented" and intermediation 1 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process.

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant was created as a federal autonomous agency by Law No. 1628 of 20 June 1952, and converted into the category of a public company by Law No. 5662 of 21 June 1971. It has its own legal personality as defined in private law and its own assets and is linked to the Ministry of Economy, in the terms contained in Decree No. 9660 of 1 January 2019. The applicant was previously linked to the Ministry of Planning, Budget and Management in accordance with the terms of Article 189 of Decree Law No. 200 of 25 February 1967.

2.2 Institutional presence and relevant networks

5. The applicant is a member of the International Development Finance Club, a leading group of 24 national and regional development banks from around the world, that are mostly active in emerging markets. The International Development Finance Club is the largest provider of public development and climate finance globally, with USD 4 trillion in combined assets and annual commitments above USD 850 billion, including USD 200 billion of climate finance.

6. As an entity of the federal government, the applicant has been involved in the discussion of government policies in an advisory role and plays an important role in developing and implementing projects that meet national priorities. It has deployed various financial instruments and implemented projects entrusted to it by the Federal Government of Brazil using its extensive sectoral knowledge and ability to tackle development gaps by responding to sectoral changes, creating new financial instruments and adjusting financial conditions to suit developing regions.

7. The applicant is committed to identifying pathways that will lead Brazil to a low-emission economy and expects to leverage investment and private resources to finance the country's nationally determined contributions. In addition, the applicant has also contributed to various international climate finance initiatives and partnered with multilateral development banks and international agencies for blending resources that are channelled towards climate-friendly projects in Brazil.

8. To advance the objectives of GCF, the applicant intends to efficiently channel GCF resources with its expertise in financial instruments. For example, it intends to create a guarantee fund to mitigate risks and boost innovative project solutions for the reduction of deforestation, the improvement of ecological restoration and the increased use of renewable energy in different regions of Brazil. In addition, the applicant intends to utilize its variety of instruments to present funding proposals to GCF for projects in the following sectors:

- (a) Railway connections between cities and suburbs based on public-private partnerships;
- (b) Wastewater treatment facilities and water supply;
- (c) Reforestation projects in collaboration with the Amazon Fund⁴, which the applicant manages;
- (d) Agricultural projects; and

⁴ Refer to <<https://climatefundupdate.org/the-funds/>>.

- (e) Renewable energy projects.

2.3 Track record

9. The applicant has undertaken various projects and programmes in the areas of energy generation, energy efficiency, transport, buildings, urban development, industry, land use and forestry. The applicant has also managed the Amazon Fund to promote projects aimed at preventing and combating deforestation and promoting sustainable use of forests in the Brazilian Amazon.

10. The applicant has applied its environmental and social (E&S) policies and procedures to minimize relevant risks resulting from projects funded by the applicant and has used monitoring instruments to evaluate project performance and measure the climate benefits and efficiency of projects. For example, the applicant has developed a methodology to measure the mitigation of greenhouse gas emissions of projects financed by the Brazilian Climate Fund.

11. The applicant's track record in financing climate change-related projects includes the following:⁵

- (a) USD 1.504 million (grants and loans) disbursed in 2018 for renewable energy and energy efficiency projects in Brazil;
- (b) USD 319 million (grants and loans) disbursed in 2018 for water and sewage management and solid waste management projects in Brazil; and
- (c) USD 708 million (grants and loans) disbursed in 2018 for cargo transport and public transport projects in Brazil.

III. Stage II accreditation review assessment

12. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the standards of the GCF in accordance with the accreditation requirements.

13. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application. The AP also undertook a site visit to the applicant's headquarters to fully understand the applicant's operations and controls.

3.1 Fiduciary standards

3.1.1 Section 4.1: Basic fiduciary standards: key administrative and financial capacities

14. BNDES is the Brazilian state-owned development bank that implements government development objectives and policies, under the Ministry of Economy framework. Founded in 1952, it is one of the oldest development organizations in the world and has a long history of supporting innovative projects in Brazil. It has a reputation for being conservative, which has helped it weather periods of difficult economic conditions and uncertainty. The applicant's by-laws govern its oversight structure, with a Board of Directors reporting to its General Assembly, and an Executive Board reporting to the Board of Directors. The applicant's Board of Directors is composed of 11 members, consisting of 10 members appointed by Brazilian ministries and 1 active staff member of BNDES. The 10 members are appointed by different ministries: 1

⁵ Refer to the official 2018 figures published on the BNDES website available at <<https://www.bndes.gov.br/wps/portal/site/home/quem-somos/responsabilidade-social-e-ambiental/nossos-resultados/desembolsos-economia-verde-desenvolvimento-social>>.

member each from the Ministry of Work, the Ministry of Finance (presently Ministry of Economy), the Ministry of Foreign Affairs, the Ministry of Industry, Foreign Trade and Services, the Ministry of Planning, Development and Management, and 5 members (including the Chairman of the Board) appointed by the Ministry of State to the supervision of which BNDES is submitted, presently the Ministry of Economy. Among those 10 members appointed by Brazilian ministries, at least 3 of them must be independent officers.

15. The applicant's by-laws also establishes the following committees: the Fiscal Committee (finance) with three members and three alternates appointed by the government; the Audit Committee with three members; the Eligibility Committee, composed by the same members of the Audit Committee and in charge of the verification of the eligibility criteria for the appointment of members of the Executive Board and the Board of Directors; the Ombudsperson's Office; and the Remuneration Committee. The by-laws also establishes the Integrity and Risk Division that reports directly to BNDES' President. The applicant's Board of Executive Officers also instituted some subcommittees, such as the Framework and Credit Committee and the Ethics Commission. The applicant is managed by an Executive Board with 6 Executive Officers and a President. The Executive Board manages the day-to-day operations of BNDES.

16. BNDES has a well-established process of setting objectives and formulating strategies and long-term plans. The 2018–2030 Strategic Plan, which reflects government objectives and policies, is publicly available in the applicant's 2017 annual report. The setting of indicators and metrics, together with the recent evaluation of achievements, is contained in the applicant's 2017 effectiveness report.

17. BNDES has robust management information systems and its financial statements are prepared in accordance with the International Financial Reporting Standards, as regulated by the Brazilian Central Bank. The applicant's independent Audit Committee, described above, which reports directly to its Board of Directors, oversees the preparation of the annual audit. The current external auditor is KPMG. Besides the Audit Committee and the External Auditor, BNDES has an internal Audit Division, which reports directly to the Board and the Audit Committee. The internal Audit Division follows international standards and prepares annual plans for regular internal audits of key areas. Internal audit reports are disseminated to department managers and progress towards implementing recommendations is tracked. As a state-owned company, regulated as a financial institution by the Brazilian Central Bank, BNDES is subject to the supervision of the external control units of the Government of Brazil and the Brazilian central bank. BNDES has a well-established control framework to assess and manage risks across all areas of its operations. The processes and results of the control framework are published in an annual report, the most recent being the 2017 and 2018 management reports.

18. Procurement is governed by Brazilian Federal Law No. 13.303 of 30 June 2016 for state-owned enterprises that play a role in strategic sectors of the Brazilian economy (State Enterprises Law). BNDES set forth internal rules ensuring that staff is provided with information on operational procedures for the procurement process in conformity with the State Enterprises Law, including the formalization of procurement contracts, follow-up, inspection and amendments, payments for goods and services, and investigation of defaults. Staff must also follow the procedures contained in supplementary manuals, such as the provisions of BNDES Integrity Program on for preventing fraud and illegal acts within the scope of procurement services and the execution of administrative contracts. There is also a dispute resolution process. As a state-owned company, BNDES' procurement processes are transparent, open and competitive, in conformity with the State Enterprises Law. BNDES does not directly supervise the procurement policies and procedures of the beneficiaries of its financing; however, under Brazilian law, all entities working on projects with BNDES must comply with its related policies and all entities implementing public-sector projects must comply with government procurement policies and procedures. BNDES' operations, including with private sector projects, shall be the subject of a feasibility analysis which must be carried out by a

multi-technical team composed of lawyers, economists, engineers, accountants and/or administrators and must consider technical aspects, among others, the economic, financial, engineering and legal aspects of the projects. A more expedient and efficient procedure for the financing of goods by BNDES involves their prior accreditation in conformity with BNDES' subsidiary FINAME⁶ criteria, nonetheless, items not accredited, even if not financed with BNDES' funds, may be procured for the project, which will be subject to the aforementioned BNDES policies.

19. The AP finds that the applicant's policies, procedures and capacity fully meets the GCF basic fiduciary standards on key administrative and financial capacities.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

20. BNDES has a long track record of accessing financial resources from national and international sources and the institution is highly respected inside and outside Brazil for its tradition of ethical behaviour from its employees and management. This continued tradition of ethical behaviour remains an ongoing commitment by the applicant. The applicant's code of ethics is provided to all staff and is periodically updated to reflect changing ethical standards. Responsibility for ethics management lies with the applicant's Ethics Commission. Ethics training is provided to staff on expected standards of ethical behaviour and potential penalties for ethical breaches. General management policies to promote a culture of fairness, accountability and full transparency are incorporated into the code of ethics.

21. The "Investor Relations" section of the BNDES website has information on disclosure of conflicts of interest. Risk and compliance are addressed in the policies and procedures of the applicant's Integrity Program document. There is an objective investigation function for allegations of fraud and corruption, with procedures for investigating suspected cases. The investigation function has publicly available terms and guidelines and reports directly to the applicant's Board. A resolution approved by the BNDES Board explicitly protects whistle-blowers and maintains their anonymity.

22. BNDES policies and procedures for anti-money-laundering (AML) and countering the financing of terrorism (CFT) and related procedures for "know-your-customer" due diligence and tracking the transfer of electronic funds are appropriate for its business model. BNDES is not a commercial bank and only works through its own system, funding eligible projects and economic activities. As such, it does not accept deposits and has a relatively limited number of clients when compared to commercial banks, all of whom are required to complete an integrity questionnaire for approval to work with BNDES.

23. Fund transfers are primarily used for disbursing loans and receiving repayments and interest and are executed through SWIFT, the member-owned system for international payments. The financial institutions acting as counterparts for BNDES transfers through SWIFT are required to submit a relationship management application and are evaluated for possible operational risks. Once this application is approved, the financial institution is eligible for acting as a counterpart of BNDES. As part of this application and evaluation process, counterparts are required to guarantee compliance with all legal requirements, including the demands of strict AML/CFT policies. Examples of reports on "know-your-customer" due diligence and transfers of electronic funds have been provided to demonstrate the applicant's track record in combating money laundering and the financing of terrorism.

⁶ Agência Especial de Financiamento Industrial S.A. (FINAME, Special Agency for the Industrial Financing) is a subsidiary of BNDES in charge of supporting – in conforming with BNDES' by-Laws – programmes, projects, works and services connected with the economic development of industrial sector, including transactions for the (i) commercialization of machinery and equipment of national production, including related services and (ii) exportation and importation of machinery and equipment.

24. The AP finds that the applicant's policies, procedures and capacity fully meet the GCF basic fiduciary standards on transparency and accountability, as well as the GCF AML/CFT Policy⁷ and the GCF Policy on Prohibited Practices.⁸

3.1.3 Section 5.1: Specialized fiduciary standard for project management

25. The project appraisal and approval process is regulated by the applicant's operational policy that is applied by conducting due diligence of potential clients, starting with the identification of market investment opportunities, followed by the assessment of the project in accordance with the risk assessment criteria, as well as economic, technical and environmental requirements. As the applicant is a credit entity its project assessment and management procedures are contained within its credit and grant approval processes, which include appropriate financial and technical evaluation guidelines.

26. The applicant's operational policy and supporting appraisal guidelines include clearly defined roles and responsibilities for the designated teams and committees involved in the project appraisal process. The applicant's Framework and Credit Committee considers the project proposals submitted by project proponents using the standard application format available on the applicant's website. The appraisal report contains details of the credit profile of the potential beneficiary defined by the credit division, as well as a detailed legal and technical analysis of the project prepared by the designated technical operational team, legal team and relevant technical advisers. The applicant's Board takes the final decision on the approval of the assessed project or programme.

27. The risk management procedure that is applied in the project screening process are contained in the applicant's risk management reports. Any risks identified at the appraisal stage would be explicitly mentioned in the appraisal report and the proposed risk mitigation measures would be monitored during the implementation stage. The subsequent loan or grant agreement would contain a contractual clause or covenant regarding the monitoring and mitigation of the identified risks.

28. Once the project is approved and the financing agreement is signed, the designated technical operational team further coordinates the project implementation and oversight, conducts on-site visits and coordinates the preparation of the implementation and monitoring reports. The technical operational team approves the implementation plan prepared by the project beneficiaries and prepares the project performance reports on the basis of the information collected in accordance with the approved implementation plan. The periodic project performance reports are contained in the applicant's database.

29. The applicant has a well-established monitoring and evaluation (M&E) system in place regulated by its monitoring and assessment policy. The policy is also applicable to the implementing and executing entities to whom financial resources are disbursed. The monitoring reports are aimed at identifying the achievement of project performance indicators in accordance with the targets established at the time of the project appraisal.

30. The applicant has a separate M&E Department, which operates independently from the technical operational teams. The M&E Department also cooperates with a number of external consultancies and international and research organizations in conducting the evaluation of projects in order to strengthen the independence and capacity of the M&E function. Upon closure of the project, the M&E Department prepares effectiveness reports that consolidate the information on the impact evaluation of various projects and programme activities developed and financed by the applicant over a specific period of time.

31. The monitoring, evaluation and effectiveness reports are made publicly available in accordance with the applicant's information disclosure policy. Its information disclosure

⁷ Decision B.18/10 and annex XIV thereto.

⁸ Decision B.22/19 and annex XIV thereto.

system, as demonstrated to the AP during its site visit, was found by the AP to be transparent and well established. However, the AP recommends that BNDES develops a separate web page for GCF-funded projects/programmes where periodic implementation/progress reports, as well as M&E reports, will be disclosed.

32. The applicant provided evidence of its track record in implementing projects/programmes funded by the Brazilian Federal Government, as well as by international development agencies and multilateral development banks. During its site visit, the AP reviewed samples of appraisal reports, due diligence reports, periodic progress (implementation) reports, site visit reports and M&E reports for a number of climate change mitigation and adaptation projects.

33. The AP finds that the applicant's policies, procedures and capacity fully meet the GCF specialized fiduciary standard for project management.

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

34. The applicant's grant award policies, procedures, competencies and track record were assessed based on those specific to the Amazon Fund managed by BNDES and financed by the Governments of Norway and Germany, as well as one large national private company. The Amazon Fund is a stand-alone fund that also serves as an instrument to raise funds from voluntary contributions for non-reimbursable investments in an effort to prevent, monitor and combat deforestation and to foster conservation and the sustainable use of forest and land in the Brazilian Amazon.⁹ In its designated role as a manager of the Amazon Fund, BNDES is responsible for raising and investing funds, following and monitoring the projects receiving financial and technical support, rendering accounts and communicating results, and operating the Executive Secretariat of the Guidance Committee of the Amazon Fund. In 2019, BNDES, through the Amazon Fund, provided and managed grants for 103 projects in the total amount of USD 724 million, of which USD 460 million were disbursed. The project activities financed through the Amazon Fund are intended to strengthen the implementation of the Brazilian Government's Action Plan for the Prevention and Control of Deforestation in the Brazilian Amazon and the Sustainable Amazon Plan. The successful implementation of the Action Plan for the Prevention and Control of Deforestation in the Brazilian Amazon at the country level has contributed to a significant decline in deforestation in the Amazon region (by 76 per cent) over the period of 2004–2017.¹⁰

35. The grant award procedures of the Amazon Fund include a clear governance structure, foresee the establishment of an appropriate guidelines and criteria for allocation of resources set by the Amazon Fund Guidance Committee.¹¹ A Technical Committee, which validates the official figures regarding carbon emissions from deforestation, as calculated by the Ministry of the Environment, in order to determine how much funding may be raised the following year, the Executive Board of the applicant which approves grants for eligible projects after an analysis by its technical staff, according to established project evaluation criteria, environmental, social and gender criteria, and assessment guidelines, mechanisms to ensure the appropriate use of funds, as well as mechanisms for the recovery of funds that are misused.

⁹ Since 2016, the Amazon Fund had its area of territorial performance expanded (for all the actions it supports) from Amazon biome to Brazilian Amazon ("Legal Amazon"), without prejudice to the continuity of the fund's support in other Brazilian biomes and in other tropical countries for the implementation of deforestation monitoring and control systems. The Brazilian Amazon refers to a territorial area with defined dimensions in the legislation, to facilitate the administration and management of the region, comprising the integrality of the Amazon biome and buffer zones between this biome and other Brazilian biomes.

¹⁰ Page 14 of the Amazon Fund Activity Report 2017.

¹¹ The Amazon Fund Guidance Committee (COFA) is responsible for establishing the guidelines of the Amazon Fund, monitoring information on the application of its resources and approving the annual Activity Report of the Amazon Fund.

36. The call for grant awards is announced on the BNDES website under the designated Amazon Fund webpage and projects are selected by a Classification Commission responsible for the first analysis of the projects and their classification according to criteria established in the respective call for grants. The Project Classification Committee is comprised of members nominated by different institutions, such as the Ministry of the Environment, the Amazon Fund's Guidance Committee and the BNDES. The selected projects are then subject to a technical and legal analysis stage, carried out by the applicant in accordance with its modalities of work and evaluation criteria for the projects established by the Amazon Fund's Guidance Committee, after which they are submitted to the applicant's Executive Board. The Guidance Committee consists of representatives from the federal Government, States of Brazil and civil society organizations. The COFA records of work and discussions of strategy and guidelines are published on the applicant's website.

37. The applicant's internal control system, internal and external audit function and corresponding grant agreements provide the necessary assurance to the AP of appropriate control over grant funds and their disbursement and appropriate use. The applicant performs audits on budget utilization and expenditures made by the grantees on a regular basis, and, as supporting evidence, the applicant provided the audited financial statements to the AP. The grant beneficiaries are required to follow governmental procurement policy when they are public institutions or, when private institutions (e.g., non-governmental organizations), ensure that purchases, acquisitions or contracting of project items comply with the good practices established by the private sector, in order to adopt criteria of efficiency and autonomy that result in competitive market prices for the respective goods and services.

38. The applicant conducts regular project site visits and provides continuous consultancy and support to grant beneficiaries. In the case of projects with public institutions which were not performing as expected, the Amazon Fund provided technical support through the cooperation with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, which specializes in technical cooperation projects and sustainable development worldwide, being funded by the German Government.

39. The Amazon Fund is found by the AP to demonstrate a high level of transparency and to have in place a well-established information disclosure policy. Information on grant award results, project summaries, the purpose of grants, the amount of grant financing awarded, grant award beneficiaries, the cost of the projects, timelines and the results of the projects are published on the BNDES website under the designated Amazon Fund web page. The M&E reports on the project activities funded, as well as financial reports, are also available on the same web-page.

40. During the desk review and the site visit the AP reviewed samples of the calls for grant award proposals, records of the Project Classification Committee, samples of grant proposals and grant agreements, and project site visit reports. The AP also interviewed BNDES staff working on the development and oversight of Amazon Fund projects.

41. The AP finds that the applicant's policies, procedures, capacities and track record fully meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms.

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

42. The applicant, in response to its role as one of Brazil's main public financial institutions, and as a financial partner for the implementation of government programmes with significant social and environmental impact, has well-developed investment and credit policies and a technological and scientific platform appropriate for the scope and volume of its operations.

43. The applicant's financial management policy provides clear delegations of power and appropriate separation of functions within its Treasury Unit which operates within the Finance

Division, the Credit Division and the business operational divisions (Foreign Trade Division, Infrastructure Division and Industrial Division).

44. The applicant's operational divisions are responsible for implementation of investment activities, oversight and risk mitigation. The Credit Division is responsible for credit profile and credit risk assessment. Its Finance Division is responsible for fundraising, managing asset liability, executing payments for projects, promoting cash inflows and maintaining accountability. The principles of confidentiality and impartiality are maintained in the process of interaction between the Treasury and the operational divisions. The function of the applicant's Asset and Liability Committee (Financial Matters Committee) is integrated into the functions of its Fiscal Committee.

45. The applicant has well-developed due diligence, risk assessment and credit approval procedures for the evaluation and risk assessment of potential loan and equity beneficiaries. As part of the due diligence process, the applicant prepares an appraisal report that contains the assessment of whether the potential loan beneficiary has obtained the necessary certificates, permits and licenses, as well as an authorization letter from the relevant ministry and contracts with, for example, the electrical grid utility or regulator and equipment/services suppliers, where relevant. The tender documents for equipment suppliers are closely reviewed by the applicant's engineering and legal teams and included in the appraisal report. The applicant's loan approval decisions in all cases are taken by the Board of Executive Officers, based on the appraisal report prepared by the operational team.

46. The applicant provided its credit risk management procedures and information on the specific risk rating system it applies to its credit customers. A weighting system of quantitative and qualitative parameters is used to assess and rate the risk exposure of the intermediary and define the credit limit that would be acceptable for the applicant based on the risk rating.

47. The financing structure of the projects and programmes financed by the applicant typically consists of 30 per cent equity provided by the project developer and 70 per cent loans from the applicant and other sources; some of the projects may have blended finance of grants and loans, as well as equity financing and financial guarantees provided by the applicant. The applicant has also developed a green bond programme and issues green bonds for projects developed within its portfolio.

48. The applicant has established a unique process for the accreditation of financial organizations to enable them to serve as intermediaries and/or executing entities for the projects financed by the applicant. It includes a qualitative and quantitative due diligence on the financial intermediary. There is an automatic project approval process through the accredited partner organizations and pre-selected suppliers of equipment for investments below 20 million Brazilian reais (BRL). For project activities above BRL 20 million the standard project due diligence and approval process is undertaken through the applicant's Eligibility Committee.

49. The applicant prepares annual management and credit risk reports, effectiveness reports, internal audit reports on the project management functions and the use of funds. The applicant also asks for external audit reports of the financial statements of its beneficiaries. As the applicant is a state-owned financial institution, all investment activities are also subject to an external audit conducted by the designated government auditor. The applicant regularly publishes, in accordance with Brazilian regulatory requirements, its risk management report, which provides information on the risk position of the applicant and its intermediaries and the associated mitigating actions taken.

50. The applicant has demonstrated its capacity to manage different modalities of on-lending and blending operations, providing loans, equity financing and guarantees for projects and programmes. Furthermore, the applicant has demonstrated its capacity to adapt to and manage additional modalities of loan, equity and guarantee structures, such as for the projects it has developed with funding from multilateral organizations.

51. During the site visit, the AP reviewed the implementation and monitoring reports of various projects and programmes for climate change mitigation and adaptation activities, as well as several funds, such as the Investment Guarantee Fund for small and medium-sized enterprises, co-financed by commercial banks (members of the Equator Principles), and the Amazon Fund, funded by international and domestic donors such as the Governments of Norway and Germany, and the Reforestation Program. The AP reviewed sample loan agreements and due diligence reports on the loan, equity and guarantee beneficiaries for a number of projects. The project implementation reports are disclosed on the applicant's website and on the website of the national financial regulator.

52. The AP finds that the applicant's policies, procedures and capacities fully meet the GCF specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees.

3.2 Environmental and social safeguards

3.2.1 Section 6.1: Environmental and social policy

53. The applicant's social and environmental responsibility policy (PRSA) was originally approved by its Executive Board in 2010 and revised in 2014. A first work plan (2015–2017) for its implementation was formally approved by the Executive Board and by the Board of Directors in 2015, and a second corporate social responsibility action plan (2018–2020) was established in 2018. The purpose of the PRSA, according to the BNDES Board Resolution number 2704/2014-BNDES is "value and ensure the integration of the social and environmental dimensions into BNDES strategy, policies, practices and procedures in all its activities and in the relationship with its various audiences". The PRSA comprises 4 principles and 10 guidelines in order to ensure sustainability in all BNDES decisions and operations encompassing the alignment with Brazilian policies and legislation, and inducing socioenvironmental best practices among its suppliers, clients, accredited financial institutions and other stakeholders.

54. The applicant has an operational policy on E&S matters, the Social and Environmental Policy, which establishes guidelines, instruments and procedures for incorporating the social and environmental dimension into the various stages of the project analysis process. A memorandum of understanding with the International Finance Corporation (IFC) to align the applicant's Social and Environmental Policy with IFC performance standards was also finalized in 2017. On 16 April 2019, the applicant's Board approved a document titled "Criteria for environmental and social assessment on GCF-funded projects" (hereinafter referred to as the criteria document), which elaborated the criteria required for the analysis of projects to be supported with funds from the GCF. It explicitly refers to IFC performance standards 1 to 8 as the basis for decision-making for GCF projects/programmes. It should be noted that the criteria document is a product of discussions between the AP and the applicant, including during the site visit.

55. With this latest development, the AP finds that the applicant's PRSA, Social and Environmental Policy and criteria document fully meet the requirements of the GCF Environmental and Social Policy¹² and environmental and social safeguards (ESS) standards for a maximum E&S risk category A/I-1 projects/programmes.

3.2.2 Section 6.2: Identification of risks and impacts

56. Through its Social and Environmental Policy, the applicant has already established a system of identifying E&S risks and impacts, including the categorization of projects into categories A, B and C, aligned with the GCF Environmental and Social Policy. The applicant has applied this system to several projects in the energy, water, mining and agriculture sectors,

¹² Decision B.19/06 and annex X to the decision.

which range from category C to category A projects/programmes. This system was further refined with the recent approval by the applicant's Board of the criteria document.

57. Under the criteria document, an E&S screening procedure and risk categorization system has been adopted by the applicant. Following this update of the applicant's Social and Environmental Policy, the AP finds that the applicant's system for the identification of E&S risks and impacts fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category A/I-1 projects/programmes.

3.2.3 Section 6.3: Management programme

58. The applicant's approach and system to managing E&S risk and impact mitigation measures was first established in its PRSA approved in 2015. It sets out the principles, procedures and institutional processes that comprise the applicant's E&S management system, including, through its Social and Environmental Policy, E&S risk identification and categorization of projects/programmes as E&S risk level A, B or C, which is found by the AP to be consistent with the GCF Environmental and Social Policy and the interim ESS standards.

59. Reports on several category A projects (e.g. wind farm, transmission line and landfill projects) were presented by the applicant to the AP to demonstrate its track record of monitoring, managing and mitigating E&S impacts. In addition, the applicant provided documents related to its experience with a livestock project and a large hydroelectric dam project. The AP finds the applicant responsive, even if not fully satisfying the concerns of stakeholders, to E&S issues that have arisen in the context of these projects.

60. The applicant's E&S risk and impact mitigation and management system has been further improved by the adoption of the criteria document, which provides concrete guidance for analysing and monitoring E&S risks. The AP finds that the applicant's E&S risk and impact mitigation management programme fully meets the requirements of the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category A/I-1 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

61. The applicant's Social and Environmental Policy contains the basic elements of a monitoring and review system. The adoption of the criteria document which sets out the scope and structure of the monitoring system that the applicant will implement, which was found by the AP to be consistent with performance standards 1 to 8 of the GCF interim ESS standards. Among other requirements, the applicant's clients will be required to contact companies with the necessary expertise to verify socio-environmental compliance and adherence to environmental conditions established by the applicant.

62. As noted in paragraph 59 above, several reports on category A and other projects were provided to the AP by the applicant. These included monitoring reports on energy and agriculture projects, as well as category C projects. The reports submitted were of an inconsistent quality and the system therefore needs to be improved to be more effective. The inclusion of a monitoring system in the new criteria document is an improvement in that respect, thus the AP finds that the applicant's system of monitoring and review fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category A/I-1 projects/programmes.

3.2.5 Section 6.6: External communications; consultations, information disclosure, and grievance redress mechanism

63. The applicant provided information on its call centre, corporate assistance counter, the online tool "More BNDES", citizen information service, the BNDES website, and the Ombudsperson's Office, which is its grievance redress mechanism to handle E&S-related queries, complaints and requests regarding projects financed by the applicant. Information on how these accountability tools and processes are being utilized by stakeholders and the public

was also provided to the AP during its site visit for a sample of projects financed by the applicant.

64. The applicant's Ombudsperson's Office acts as a communication channel between the applicant and the public by providing explanations and appropriate responses to formal requests, questions, complaints, suggestions and acknowledgements related to E&S matters, as necessary. It is linked to the President's Office and complies with the resolutions of the National Monetary Council and the central bank of Brazil. In 2014 alone, it handled nearly 2,000 communications (with around half of which were complaints) and claims to have concluded most of these complaints and inquiries.

65. The criteria document establishes the disclosure obligations of the applicant and its clients, thus the client must provide its environmental impact assessment in English and in Portuguese during the screening stage so that the applicant can disclose it on its website, as follows:

- (a) In the case of category A projects/programmes: at least 120 days in advance of the decision on the project/programme taken by the applicant's Board or the GCF Board, whichever occurs first; and
- (b) In the case of category B projects/programmes: at least 30 days in advance of the decision on the project/programme taken by the applicant's Board or the GCF Board, whichever occurs first.

66. The criteria document also requires the applicant's executing entities to establish grievance redress mechanisms at the project level, which is in line with the applicant's PRSA.

67. The AP finds that the applicant's system of external communications, consultations, information disclosure, and grievance redress mechanism fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category A/I-1 projects/programmes.

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

68. The applicant has developed a good organizational structure to implement its PRSA, Social and Environmental Policy and criteria document. The Executive Officer responsible for the Planning, Risk Management and Economic Research Divisions is assigned the task of implementing the PRSA while a Social and Environmental Sustainability Committee has been created to oversee its implementation. In addition, several offices are given specific mandates for implementing the PRSA, including the Environmental Department, which is the lead department for E&S matters.

69. The AP reviewed and found satisfactory information submitted by the applicant on the staffing of the above-mentioned committee, divisions and offices as well as on training and capacity-building programmes intended to enhance the applicant's competence on E&S issues. In conclusion, the AP finds that the applicant's organizational capacity and competency fully meet the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category A/I-1 projects/programmes.

3.3 Gender

70. The applicant's gender policy, titled "Policy on Gender Equity and Valorization of Diversity Policy", contains the basic elements to ensure gender equality; however, it is solely focused on the applicant's employee relationships. The applicant's gender policy does not address project-level gender assessments, including development of a gender action plan as required by the GCF Gender Policy.

71. The applicant's gender experts presented to the AP during its site visit a sample of projects implemented under the Amazon Fund managed by the applicant, which show both men and women beneficiaries, non-discrimination of remuneration for men and women, and linkages between gender and climate change. The AP is satisfied with the level of competency of the applicant's gender experts as evidenced by their curriculum vitae and the on-site interviews conducted by the AP. The applicant also participates in a global-level working group on gender and diversity that has established good practice in gender mainstreaming.

72. While the AP finds that the applicant has demonstrated adequate capacity and track record on gender mainstreaming in its projects, its Policy on Gender Equality and Valuing Diversity is not in line with the GCF Gender Policy. The applicant has agreed to adopt a gender policy in line with the Gender Policy of the GCF, once accredited. The relevant gap is identified in paragraph 71 above and is reflected in the corresponding condition for accreditation in section 4.2 below.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant meets the requirements of the GCF basic fiduciary standards (including the GCF AML/CFT Policy and the GCF Policy on Prohibited Practices), the specialized fiduciary standard for project management, the specialized fiduciary standard for grant award and/or funding allocation mechanisms, and the specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees;
- (b) The applicant meets the requirements of the GCF Environmental and Social Policy and interim ESS standards in relation to the maximum level of high E&S risk (category A/I-1); and
- (c) The applicant has demonstrated that it has competencies, policies and procedures to implement its gender policy (Policy on Gender Equality and Valuing Diversity), which is found to partially meet the Gender Policy of the GCF, and has also demonstrated that it has experience with gender consideration in the context of climate change. The applicant's gender policy needs to be updated to require the preparation of gender assessments and project-specific gender action plans for potential projects/programmes to be submitted for consideration by the GCF, as required by the GCF Gender Policy.

4.2 Recommendation on accreditation

74. The AP recommends, for consideration by the Board, applicant APL086 for accreditation as follows:

- (a) **Accreditation type:**

- (i) **Maximum size of an individual project or activity within a programme:** large (including micro,¹³ small¹⁴ and medium¹⁵);
 - (ii) **Fiduciary functions:**
 - 1. Basic fiduciary standards;
 - 2. Specialized fiduciary standard for project management;
 - 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - 4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
 - (iii) **Maximum environmental and social risk category:** high risk (category A/I-1) (including lower risk (category B/intermediation 2 (I-2)¹⁶ and category C/intermediation 3 (I-3)¹⁷); and
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition. The AP will thereafter assess whether the condition has been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Condition to be met prior to the submission of the first funding proposal to the Board:
 - 1. Provision of evidence of the adoption by the applicant of a gender policy consistent with the Gender Policy of the GCF.

75. The applicant has been informed of the recommendation for accreditation, including the accreditation type and condition, as identified in paragraph 74 above, and agrees to the recommendation.

4.3 Remarks

76. The applicant may wish to consider developing a separate web page for the disclosure of information on GCF-funded projects/programmes, such as a summary of the project/programme, the names of beneficiaries, the amount funded, project/programme implementation reports, which would also contain information on budget expenditures, and M&E reports.

¹³ As per annex I to decision B.08/02, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme”.

¹⁴ As per annex I to decision B.08/02, “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme”.

¹⁵ As per annex I to decision B.08/02, “medium” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme”.

¹⁶ As per annex I to decision B.07/02, category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

¹⁷ As per annex I to decision B.07/02, category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts.”

Annex V: Accreditation assessment of applicant 087 (APL087)

I. Introduction

1. Applicant 087 (APL087), the Ministry of Water and Environment (MWE) of Uganda, is a national entity. The applicant is responsible for promoting and ensuring rational and sustainable utilization, development and effective management of water and environmental resources for the socioeconomic development of Uganda. The applicant has implemented policies and programmes in line with Uganda's nationally determined contributions and the objectives of the National Development Plan (2015–2020), which include: increasing access to quality safe water and sanitation facilities for rural and urban areas; improving the assessment, monitoring, planning regulation and quality management of water resources; and improving weather and climate change management.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 1 September 2016. Accreditation fees were received from the applicant on 13 March 2017, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 5 October 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of GCF:

- (a) **Access modality:** direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application from Uganda;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** medium;¹
- (d) **Fiduciary functions:**²
 - 1. Basic fiduciary standards;
 - 2. Specialized fiduciary standard for project management; and
 - 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)).³

II. Stage I institutional assessment and completeness check

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process.

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "medium" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as "Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures" and intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. MWE was established in 2007 by a Cabinet decision (Cabinet Memo 168 (CT 2007)) and has been mandated by the Constitution of Uganda and the Local Government Act to initiate legislation, formulate policy, set standards, conduct inspections, undertake monitoring, and coordinate and provide technical support in relation to the water and environment sector in Uganda.

2.2 Institutional presence and relevant networks

5. The applicant, as a ministry, has strong networks in place to support national development and climate change goals. It closely collaborates with other ministries in Uganda to prioritize policy measures and actions that aim to ensure increased resilience to climate change and sustainable development outcomes for the country, while ensuring reduced greenhouse gas emissions. The applicant, by implementing policies and programmes that are in line with the country's development framework, aims to mainstream climate change into all sectoral policies, action plans and programmes.

6. In addition, the applicant coordinates with approximately 200 non-governmental organizations in the water sector through the Uganda Water and Sanitation Non-Governmental Organization Network. Furthermore, the applicant has collaborated with the private sector for the development of low-carbon innovative technologies and intends to strengthen public and private collaboration for further mitigation and adaptation projects and programmes, such as urban greening, sustainable biomass energy production, eco-tourism, irrigation infrastructure development, energy-saving technologies, and human and institutional capacity-building.

7. In order to advance the objectives of GCF, the applicant intends to continue the synergies between Uganda's nationally determined contributions and its sectoral development plans. Therefore, the applicant intends to undertake projects and programmes covering all eight GCF result areas and to align those projects with Uganda's nationally determined contributions. For example, the applicant intends to:

- (a) Undertake renewable electricity programmes to achieve a total of at least 3,200 megawatts of renewable electricity generation capacity by 2030;
- (b) Develop programmes that will increase the total national forest cover from 14 per cent in 2013 to 21 per cent by 2030;
- (c) Expand early warning systems and develop contingency plans for climate-resilient health systems;
- (d) Expand small-scale water infrastructure and increase the use of off-grid solar systems to support water supply;
- (e) Provide safe water within easy reach and hygienic sanitation facilities to 79 per cent of the population in rural areas and 95 per cent of the population in urban areas by 2020; and
- (f) Promote low emissions and climate-resilient projects/programmes in the agriculture sector.

2.3 Track record

8. The applicant mainly focuses on the water and environment sector, specializing in projects and programmes on water, sanitation and hygiene. It coordinates and ensures

compliance with government policies, legislation, standards and regulations by MWE and its affiliated agencies implementing programmes related to water and the environment. It has implemented projects and programmes which aim to improve water supply for socioeconomic development, modernizing agriculture and mitigating the adverse impacts of climate change.

9. The applicant has experience in deploying grants and concessional loans received from governments, multilateral funds and international organizations. The applicant's track record in financing climate change related projects includes:

- (a) USD 2.36 million (grants) for the Ecosystem Based Adaptation in Mountain Elgon Ecosystem Project in Uganda;
- (b) USD 38.38 million (grants and loans) for the Farm Income Enhancement and Forest Conservation Project in Uganda;
- (c) USD 135 million (loans) for the Integrated Water Management and Development Project for Uganda; and
- (d) USD 798.5 million (grants and loans) for the Joint Water and Environment Sector Support Programme in Uganda.

III. Stage II accreditation review assessment

10. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the standards of GCF in accordance with the accreditation requirements.

11. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Section 4.1: Basic fiduciary standards: key administrative and financial capacities

12. The applicant is the principal ministry for Uganda's water and environment sector, which includes other ministries, semi-autonomous government bodies, decentralized regional facilitation bodies, local governments, community-based organizations and sector-specific working groups and subgroups. The applicant's governance structure follows the requirements of the applicable national regulations concerning the administration of public entities and includes its Top Policy Management Committee, Audit Committee, Water and Environment Sector Working Group (WESWG) and Water Policy Committee. Further oversight is exercised by the national oversight authorities, primarily the Office of the Auditor General and the Public Procurement and Disposal of Public Assets Authority (PPDA). The Top Policy Management Committee, as the applicant's highest-ranking policy decision-making body, provides direct oversight and guidance over the applicant's operations. WESWG membership includes representatives of the main stakeholders in the water and environment sector. The applicant's Permanent Secretary chairs WESWG and a representative of its development partners serves as Co-Chair. The responsibilities of WESWG include:

- (a) Approval of the sector's annual budget submission to the Ministry of Finance, Planning and Economic Development (MoFPED);
- (b) Approval of new sectoral project proposals;
- (c) Review of sector performance; and
- (d) Proposal of new sectoral policies.

13. Lastly, the Water Policy Committee, as an inter-institutional body, provides advisory support to the minister responsible for the country's water resources.
14. The applicant is headed by the Senior Minister responsible for overall policy oversight, including the attainment of established national objectives for the water and environment sector. The Senior Minister is assisted by the Minister of State for Water and the Minister of State for Environment. The daily managerial activities and technical aspects of MWE are the responsibility of the Permanent Secretary. The applicant's organizational structure includes the Directorate for Water Resources Management, the Directorate of Water Development and the Directorate of Environmental Affairs. The applicant's operational units are appropriately supported by the required administrative units, including the Finance and Administration Department, the Human Resources Department, the Policy and Planning Unit and the Procurement and Asset Disposal Unit. Oversight is exercised by an independent Internal Audit Unit appointed by, and reporting to, the Ministry of Finance. The applicant's oversight bodies and organizational structure are appropriate to effectively lead the water and environment sector.
15. The Central Government of Uganda initiated a programme in 1990 titled "Public Financial Management Reform", which is led by the Ministry of Finance. The reform efforts have resulted in concrete, positive results such as improved regulation (e.g. the Public Finance and Accountability Act of 2003 and the Public Finance Management Act of 2015). In addition, the reform efforts are supported by the required technology, specifically the national Integrated Financial Management System (IFMS). Within the context of the Public Financial Management Reform programme, the applicant is currently using IFMS for all projects funded by the Government of Uganda and some donor-funded projects. The applicant intends to migrate all projects to IFMS as part of the reform efforts, and has provided assurance that GCF funds will be managed through IFMS. Currently, the applicant is also using a second information management system, Microsoft Dynamics NAV (NAVISION), to account for the Joint Partnership Fund projects funded jointly by the applicant and donors in order to generate project/programme expenditure reports.
16. The applicant provided its audited financial statements (the most recent being for the 2017/2018 fiscal year). The statements were audited by the Office of the Auditor General,⁴ whose opinion is that "the financial statements of the Ministry of Water and Environment for the year ended 30th June 2018 are prepared, in all material respects, in accordance with section 51 of the Public Finance Management Act, 2015, and the Financial Reporting Guide, 2018". The complete set of financial statements are consistent and comparable across reporting periods. It is important to highlight that the applicant's financial statements are prepared for the project components funded by the Government of Uganda, while the donor components are not included. However, with the inclusion of all projects in IFMS, it will be possible to generate financial statements that include components funded both by the Government of Uganda and by donors.
17. Although the applicant's financial statements do not include detailed project information, the reporting requirements (to national oversight bodies and development partners) and project audits conducted by the Auditor General provide reasonable assurance that appropriate record keeping of project accounting is maintained.
18. The Public Finance Management Act of 2015 and the 2017 Treasury Accounting Instructions contain the national regulations regarding the systems for the disbursement of funds. All external funds received, by the Ugandan Central Government, are recorded in the national Consolidated Fund (an exception can be granted by the Permanent Secretary of the

⁴ The *Report of the Auditor General to Parliament for the Financial Year Ended 30th June 2018* is available at <http://www.oag.go.ug/wp-content/uploads/2019/01/Report-of-the-Auditor-General-to-Parliament-for-the-FY-ended-30-June-2018.pdf>.

Ministry of Finance) and deposited in the Treasury account designated by the Ministry of Finance. The applicant's requests for disbursements are reviewed by the Accountant General and approved by the Ministry of Finance. Approved disbursement requests will be deposited in a designated GCF/applicant operating account. The structured process of fund management, the use of fund reporting requirements imposed on the applicant, the periodic sector reviews and the oversight of the audit instances (performed by the Auditor General and Internal Auditor) provide reasonable assurance of the effectiveness of the applicant's payment and disbursement system.

19. Audit oversight of the applicant's operations is exercised by its Audit Committee, the Internal Audit Unit and the Office of the Auditor General. The members of the Audit Committee are appointed by the applicant's Senior Minister with the approval of the Permanent Secretary of MoFPED. The Internal Auditor is appointed by and reports both to the MoFPED Internal Audit Directorate and to the Audit Committee. The Office of the Auditor General undertakes external audits of the applicant's operations and the projects it manages.

20. The control framework for public entities, such as the applicant, is established in national public finance management laws and regulations, and in the directives of the Ministry of Finance, the Accountant General and the Auditor General. Additionally, the applicant has undertaken the implementation of the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission to enhance its capacity to implement appropriate internal controls. The continued efforts at the national level combined with the actions undertaken by the applicant provide reasonable assurance that the applicant has implemented a functional control framework that will continue to be enhanced with the implementation of further improvements such as the use of IFMS in the management of all the applicant's managed projects.

21. The applicant's formal procurement policy is established under the Public Procurement and Disposal of Public Assets Act, Act No. 1 of 2003. This Act established PPDA as the regulatory body for public procurement and disposal of public assets in Uganda. The applicant's procurement guidelines contain the required elements for an effective oversight of procurement activities. The applicant provided a very detailed explanation of the mandatory steps followed when undertaking major procurement activities. These same guidelines apply to procurement activities undertaken by the applicant's executing entities. The main activities that must be completed in all major procurement activities include:

- (a) Inclusion of all major intended procurement activities in the approved annual procurement plan;
- (b) Development of clear terms of reference;
- (c) Selection of a procurement method in accordance with the PPDA guidelines;
- (d) Publication and evaluation of bids; and
- (e) Award of contract.

22. The applicant's procurement policy includes provisions that establish the procurement preference for domestically manufactured goods and domestic consultants; the purpose of these provisions is to stimulate development of local manufacturers and service providers. Adequate provisions are contained in the applicant's procurement policy for appropriate oversight by PPDA, the Auditor General and the Internal Auditor.

23. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on key administrative and financial capacities.

3.1.2 **Section 4.2: Basic fiduciary standards: transparency and accountability**

24. The applicant is bound by the Code of Conduct and Ethics for Uganda Public Servants of 2005. All public servants must adhere to the ethical standards defined in the code of conduct and ethics. The code defines guiding principles for ethical behaviour such as accountability, impartiality, integrity, loyalty, transparency and professionalism. The code of conduct and ethics also defines conduct that is not acceptable, such as sexual harassment, non-disclosure of potential conflicts of interest and acceptance of gifts, presents and favours in disregard of published guidelines. In addition to the code of conduct and ethics applicable to all public servants, the national Public Procurement Act contains a section that defines ethical conduct in business for bidders and providers.

25. The national regulations, specifically the public service rewards and sanctions framework, provides the guidelines for establishing the Rewards and Sanctions Committee, which serves as the applicant's Ethics Committee. Meeting minutes were provided that demonstrate the functioning of the committee and the manner in which ethics cases are handled. Further support to the ethics function and guidance is provided by applicable public service regulations.

26. Cases of non-compliance with the code of conduct and ethics are addressed first at the administrative levels and, if not resolved, are decided by the Rewards and Sanctions Committee. The applicant provided minutes of the Rewards and Sanctions Committee that demonstrate the manner in which these cases are resolved, including the sanctions imposed and/or reparations required.

27. The national laws and regulations relevant to ethical behaviour provide appropriate guidance for the behaviour that is expected from the applicant's officers and employees. Furthermore, the applicant provided relevant information regarding cases of infringements of the code of conduct and ethics that demonstrate its capacity to enforce the requirements of its code. It is relevant to note that the Office of the President's Directorate of Ethics and Integrity recently issued the Zero Tolerance to Corruption Policy 2018 and the associated implementation plan. This policy provides important evidence of the actions undertaken at the national level to improve the public sector's capacity to ensure compliance with the required standards of ethical behaviour.

28. The applicant's financial disclosure policy is based on the following laws and regulations: the Leadership Code Act 2002, the Code of Conduct and Ethics for Government of Uganda Public Servants and the Anti-Corruption Act. The regulatory environment provides classifications of the public servants that are required to disclose their assets, liabilities and assets to the Inspectorate of Government. Furthermore, clear definitions of the situations that must be disclosed owing to the potential for conflict of interest are provided.

29. The mechanism to resolve situations of conflict of interest in which a party has a grievance is also defined by the national regulatory framework. Specifically, the aggrieved party can present its case in the courts of law, or alternatively the public institution can forward a complaint to the Ministry of Public Service for evaluation and resolution of the case. If the case is not resolved by the Ministry of Public Service, further guidance can be obtained from the Public Service Commission or the Solicitor General for interpretation of the law and recommendations on the course of action to follow.

30. The legal framework that regulates the disclosure of conflict of interest by the applicant's officers, as defined in the relevant laws and regulations noted above, provides suitable guidance to ensure that conflicts of interest are appropriately disclosed and managed.

31. The applicant, as a public institution, follows the relevant national laws and regulations that address the prevention of financial mismanagement, including the Inspectorate of Government Act, the Public Finance and Accountability Act 2015, the Leadership Code Act, the Whistle-Blowers Act, the Public Procurement and Disposal of Public Assets Act, the Budget Act

2003 and the Anti-Corruption Act. The national legal framework has provided the applicant with the basis on which to implement its financial management policies and procedures.

32. The applicant is currently enhancing its internal control and risk management institutional capacities. Specifically, the applicant developed an integrated internal control risk management framework in 2018 aligned with the principles of the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission and based on the following public sector and internal documents:

- (a) Fraud management framework;
- (b) The public sector Internal Audit Charter;
- (c) The Strategic Risk Management Business Plan to govern risk assessments at the project and departmental levels; and
- (d) Administrative guidelines on the internal control framework and internal audit standards.

33. The applicant provided several examples of cases of financial mismanagement that have been detected and resolved. Stakeholder complaints are an important mechanism used to detect irregularities. The applicant has established the following communication mechanisms to receive complaints: a suggestion box, the whistle-blower system (as established in the Whistle-Blowers Act), the complaint telephone hotline (details are published on its website) and the complaint web link⁵ on its website.

34. The applicant, in its Client Charter, documents its core values and principles and communicates to all its stakeholders its commitment to the prevention of financial mismanagement. However, the applicant's financial mismanagement prevention strategy could benefit from developing its own whistle-blower policy and including it as a section in its Client Charter document.

35. Investigations of alleged cases of misconduct are investigated either under the guidelines of the applicable national regulations (such as the Code of Conduct and Ethics for Government of Uganda Public Servants and the Anti-Corruption Act), or following the applicant's internal investigation procedures. The national regulation, specifically section 33 of the Anti-Corruption Act of 2009, defines the special investigation powers of the Inspectorate of Government and the Director of Public Prosecutions. The Inspectorate of Government Act of 2002 establishes the procedures for investigation. The national Parliament's Public Accounts Committee, in conjunction with the Criminal Investigations Department of the Uganda Police Force, undertakes the investigations with the participation of the applicant's Permanent Secretary. The outcome of this investigation, if sufficient proof is available, is forwarded to the Directorate of Public Prosecution to enable the case to be heard in an Anti-Corruption Court. Inspectorate of Government investigation cases are published on its website.⁶

36. If the case is managed at the applicant level, the procedures to be followed are defined in its fraud risk management framework.⁷ The procedures established provide clear guidance regarding the officers responsible for the investigation, the investigative process and the officers responsible for deciding the course of action to be followed in cases where the allegations towards the non-compliant party are well founded. All allegations are initially transmitted to the Permanent Secretary who will determine if the case can be resolved by the Sanctions and Rewards Committee; if this is not possible the investigative process will be initiated.

⁵ Available at <<https://www.mwe.go.ug/content/log-complaint>>.

⁶ See <<http://www.igg.go.ug/cases/>>.

⁷ Section 4.4 of the applicant's fraud risk management framework.

37. The applicant's prohibited practices policy is contained in the following Acts issued by Parliament: the Anti-Corruption Act (2009), the Whistle-Blowers Act, the Public Servant Standing Order, the Leadership Code Act (2002) and its Amendment (2017) and the Anti-Money Launderings Act (2015). The AP concludes that, although not contained in a single Act of Parliament, the Acts listed above provide the framework required to fully meet the requirements of the GCF Policy on Prohibited Practices.⁸ The applicant could benefit from consolidating all the relevant prohibited practices defined in the above-mentioned Acts into a single prohibited practices policy document.

38. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on transparency and accountability, with the exception of anti-money-laundering (AML) and countering the financing of terrorism (CFT) matters, as detailed in paragraph 39 below.

39. The applicant, as a public entity, is regulated by the national AML/CFT legal framework, which includes the Anti-Money Laundering Act and the Anti-Terrorism Act of 2002. Further guidance is provided by regulations on AML/CFT applicable to financial institutions, including "know-your-customer" due diligence regulations. However, based on the national legal framework, the applicant has identified the need to develop complementary guidelines for prevention, detection and investigation procedures pertaining to AML/CFT. These complementary guidelines must necessarily (but not exclusively) include:

- (a) Additional "know-your-customer" due diligence procedures (developed for the decentralized nature of the project execution environment in which it operates); and
- (b) Identification of the ultimate beneficiaries of parties that are awarded (entire or component) project execution contracts and that receive payments from the applicant.

40. The development of these additional guidelines is a requirement to fully meet the GCF basic fiduciary standards on transparency and accountability regarding AML/CFT and the GCF AML/CFT Policy.⁹ The relevant gap identified in paragraph 39 above is reflected in the corresponding condition for accreditation in section 4.2 below.

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

41. The entity uses the Development Committee Guidelines prepared by MoFPED for projects funded by the national budget as the project preparation framework. The guidelines contain the stages that must be undertaken to prepare a project and present it, first to the WESWG for approval and then to the Development Committee of MoFPED for assessment and verification of the project's consistency with the country's development goals and priorities. The main components for all projects, are a concept note, project profile, pre-feasibility and feasibility studies, financial and economic analysis, risk analysis and stakeholder analysis.

42. The applicant provided copies of its internal documents, such as the project preparation checklist, copies of documents prepared for the above-mentioned components required for project proposals, and copies of final project proposals. These documents demonstrate that the applicant follows the guidelines provided by MoFPED. In addition to demonstrating its capacity to prepare projects following those guidelines, the applicant provided documentation that demonstrates its capacity to develop projects with development agencies, following the project preparation guidelines established by these organizations.

43. The applicant's track record, as lead ministry of the water and environment sector, provides evidence of its institutional capacities to appropriately prepare and execute project implementation plans. The experience gained in implementing projects, both with national entities and with development partners, positions the applicant as a capable project manager.

⁸ Decision B.22/19 and annex XIV thereto.

⁹ Decision B.18/10 and annex XIV thereto.

44. The applicant has provided copies of documents that contain policy and operational systems/procedures used to prepare project implementation plans; however, these documents are project specific. The applicant must finalize, formally approve and adopt an institutional-level project implementation manual. The final version of the applicant's project implementation manual must include sections on project implementation plans, procedures to monitor follow-up of actions required during implementation and project closure procedures. The adoption of this institutional-level manual is a requirement to fully meet the GCF specialized fiduciary standard for project management.

45. The applicant must comply with the national policy on public sector monitoring and evaluation. This policy defines the parties responsible, as well as the actions that must be undertaken, to appropriately monitor and evaluate public sector projects. Furthermore, the applicant has a well-established sector performance measurement framework that establishes concise progress monitoring indicators for water supply, sanitation, environmental and natural resource projects.

46. Annual sector performance reports that highlight the achievement of defined indicators are published and made publicly available. The sector performance reports are reviewed and evaluated at annual joint sector reviews undertaken with the participation of all sector stakeholders (including development partners). The main outcome of the annual sector reviews is the establishment of specific action plans to improve the future performance of the sector. In addition to the annual sector performance reports, quarterly progress reports are prepared and reviewed in the sector working groups and subgroups.

47. In order to further enhance the performance of the water and environment sector, the applicant has prepared a draft framework for performance monitoring and evaluation for the water and environment sector and a draft monitoring and evaluation policy for the sector. The draft policy must include provisions for project evaluation disclosure. The applicant is required to approve the final framework and final policy in order to fully meet the GCF specialized fiduciary standard for project management.

48. The applicant's project-at-risk system is based on four pillars:

- (a) As mandated by the national regulations pertaining to the design of public sector projects, risk assessment and identification is a requirement for project proposals. The applicant has demonstrated in the project examples provided that the risk assessment components are included in the project design phase;
- (b) The applicant has an established system of monthly project review meetings, chaired by the Permanent Secretary, during which risk issues are addressed and action plans established;
- (c) Project implementation is monitored regularly by the project coordination committees and the sector working subgroups. Potential risks, as well as risks that have materialized, are analysed and appropriate courses of action are recommended. The recommendations are then forwarded for evaluation to WESWG and to the applicant's Top Policy Management Committee for decisions regarding the solutions that will be implemented; and
- (d) The applicant relies on external technical consultants, the expertise of the PPDA and the Internal Audit Unit for independent evaluation of risks and recommendations of corrective actions.

49. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, partially meet the GCF specialized fiduciary standard for project management. The relevant gaps identified in paragraphs 44 and 47 above are reflected in the corresponding conditions for accreditation in section 4.2 below.

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

50. The applicant's main rationale for seeking accreditation for the specialized fiduciary standard for grant award and/or funding allocation mechanisms is to access GCF resources to fund water, sanitation, natural resources and environmental projects executed by national and local government entities.

51. WESWG, chaired by the applicant's Permanent Secretary, is responsible for setting the development objectives and investment priorities of the water and environment sector, and for approving guidelines for sector resource allocation. The applicant's Finance Working Group, using the guidelines defined by WESWG, undertakes project proposal evaluations to determine the project's contribution to sectoral objectives and priorities.

52. The applicant, following the strategic guidance of WESWG, will define the grant allocation criteria and guidelines. In compliance with the established guidelines, the applicant will be responsible for evaluating and approving project proposals and for further advising MoFPED on disbursing funds to executing entities. The applicant has successfully implemented this grant award mechanism with multilateral development partners.

53. The applicant's track record in managing grant award programmes funded both by the national government and by development partners demonstrates that it has the required experience to appropriately manage grant award programmes.

54. The Access to Information Act and related regulation mandates the Ministry of Finance to publish in local newspapers release of budgeted funds to government entities at the national, regional and local levels. Additional communication channels include district budget conferences, district water planning advocacy meetings and water/sanitation coordination committee platform meetings. Additionally, the annual sector performance report and the MoFPED budget web page¹⁰ disclose detailed information regarding the use of grant funds disbursed by the applicant. The applicant, during the accreditation process, confirmed its commitment to transparency and to the publication of all relevant information concerning the use of GCF funds.

55. The applicant has developed the required procedures to monitor the use of funds by beneficiary project executing entities, including the supervision of procurement activities. Further assurance is provided by the oversight performed by the Ministry of Local Government, the PPDA and the Office of the Auditor General.

56. The applicant is in good standing with international and multilateral organizations and provided evaluation reports that corroborate its good standing. The report of an ex-post evaluation of a water supply and sanitation development project conducted in partnership with a multilateral development organization contains positive comments regarding the applicant's project management competencies and its technical skills relevant to the water and environment sector.

57. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant has demonstrated its capacity to lead the water and environment sector in its country and to implement projects in a decentralized manner, relying on project execution by local governments.

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

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

¹⁰ Refer to <www.budget.go.ug>.

3.2 Environmental and social safeguards

3.2.1 Section 6.1: Environmental and social policy

59. The applicant's environmental and social management system comprises its 2018 environment and social safeguard policy framework (ESSF), which is an update of the applicant's 2015 environmental and social safeguard framework and its gender policy. Since then, the applicant has formulated a separate policy on gender (see section 3.3 below). The ESSPF has been formulated to enable the applicant to effectively address environmental and social (E&S) issues for projects and programmes funded by GCF, the Adaptation Fund, the African Development Bank, the World Bank and other development partners in a harmonized and coherent manner in order to minimize negative E&S risks and impacts on the environment and beneficiary communities both during and after project/programme implementation.

60. The main objectives of the policy are to ensure integration of E&S concerns in all stages of project development and at all levels, including at the national, district and local levels, with full participation of all key stakeholders. This is to be achieved by minimizing E&S risks and impacts, identifying key E&S issues and aspects that will be affected by the projects/programmes and ensuring that such E&S risks and impacts are screened against set standards and principles of GCF and other development partners' guidelines. The applicant's ESSF specifies the roles and responsibilities of key stakeholders, including procedures for managing, monitoring and reporting E&S concerns and ensuring that there is adequate institutional capacity to successfully implement the ESSF and ensure compliance. The ESSF adheres to the applicant's national E&S laws and regulations and the applicant has adopted performance standards 1 to 8 of the GCF interim environmental and social safeguards (ESS) standards. The applicant's directors and heads of department will ensure conformance with the ESSF and are responsible for its execution. The ESSF has been endorsed by the applicant's management and communicated within its organization.

61. The AP finds that the applicant's policies, procedures and competencies, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy¹¹ and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.2 Section 6.2: Identification of risks and impacts

62. The applicant's ESSF describes its institutional process to identify E&S risks and impacts, including categorization of projects/programmes, and is found by the AP to be consistent with performance standards 1 to 8 of the GCF interim ESS standards. All proposed projects and programmes are required to be categorized according to the scale, nature and severity of their potential E&S risks and impacts. Projects or programmes that are likely to have significant adverse E&S risks and impacts that are, for example, diverse, widespread or irreversible shall be categorized as category A. Those with potential adverse impacts that are less adverse than category A projects and programmes because, for example, they are fewer in number, smaller in scale, less widespread, reversible or easily mitigated, shall be categorized as category B. Those projects and programmes with no adverse environmental impacts or that do not have potential significant social impacts are categorized as category C. These three categories (A, B, and C) correspond to the categorization system (categories A,¹² B and C¹³) of the GCF Environmental and Social Policy and GCF interim ESS standards.

¹¹ Decision B.19/06 and annex X thereto.

¹² As per annex I to decision B.07/02, category A is defined as "Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible or unprecedented".

¹³ As per annex I to decision B.07/02, category C is defined as "Activities with minimal or no adverse environmental and/or social risks and/or impacts".

63. The applicant provided a sample of E&S risk screening documents for category B projects, which include projects focusing on preparation of a national REDD-plus strategy and action plan, ecosystem-based adaptation in a mountainous region, and a major lake environment management project. The applicant also provided a list of illustrative projects undertaken in the past three years, including their E&S risk categories (category B/I-2 and category C/intermediation 3 (I-3)¹⁴).

64. The AP finds that the applicant's system of identification of E&S risks and impacts, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.3 Section 6.3: Management programme

65. The ESSF describes the applicant's institutional process and track record for managing E&S risk and impact mitigation measures and actions stemming from the E&S risk identification process. The applicant ensures that for all projects/programmes that have the potential to cause adverse E&S effects (i.e. all category A and B projects or programmes), the executing entity managed by the implementing entity shall prepare an E&S assessment that identifies any E&S risks, including any potential risks associated with the E&S principles contained in the ESSF. Before a project is implemented, it is mandatory that an environmental and social impact assessment (ESIA) is conducted by independent environmental experts and that the report is submitted to the National Environmental Management Agency of Uganda for approval and to obtain an environmental certificate. The applicant then develops environment and social management plans (ESMPs) for projects based on the findings of the ESIA that identify those measures and actions that are necessary in order to avoid, minimize or mitigate the potential E&S risks and impacts.

66. The applicant provided its environment and social management frameworks for three projects developed in line with its ESSF: a water supply and sanitation programme; environment management for a major lake; and a water management and development project.

67. The AP finds that the applicant's E&S risk and mitigation management programme, supported by evidence of its track record, fully meets the requirements of the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

68. The ESSF describes the applicant's monitoring and review programme for E&S matters. The National Environmental Management Agency of Uganda is the authorized institution mandated to monitor environmental compliance, regulations and policies using the regulatory tools prescribed in the National Environment Management Policy (1994), the National Environment Act (1995) and the Environmental Impact Assessment Regulations (1998). Monitoring is conducted using the E&S indicators specified in the project ESMP as defined in the ESIA for each project. The project-specific monitoring and evaluation system addresses all E&S risks and impacts identified during project or programme assessment, design and implementation. The ESMP also includes a description of any corrective actions that are deemed necessary. The midterm and terminal evaluation reports include an evaluation of project or programme performance with respect to E&S risks and impacts.

69. The applicant provided a sample project ESIA including the ESMP with E&S indicators to be monitored for each of the following projects: a water supply and sanitation project; a

¹⁴ As per annex I to decision B.07/02, intermediation 3 is defined as "When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts".

project on the construction of water supply and sanitation; and a project on ESS supervision and monitoring for water management and development.

70. The AP finds that the applicant's system of monitoring and review, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.5 **Section 6.6: External communications; consultations, disclosure, and grievance redress mechanism**

71. The applicant provided a link to its external communications website to receive external complaints where any complaint can be lodged. Thereafter, the Information Technology Administrator notifies the responsible officer for action, including the Permanent Secretary. The applicant provided a document titled "Grievance Redress Mechanism" that describes the applicant's procedure for handling external complaints to screen, assess and address issues raised regarding projects/programmes implemented by the applicant. The applicant's grievance redress mechanism is found by the AP to be in line with the GCF Environmental and Social Policy and performance standards 1 to 8 of the GCF interim ESS standards. The applicant has a fully fledged Communications Unit with staff stationed at its four regional offices, responsible for handling both internal and external communications. Additionally, communications can be received through other communication channels such as Twitter, Facebook, a telephone hotline, print media and the applicant's website, as well through public consultation. Whenever a complaint is raised by the public, it is referred either to the Communications Unit at the applicant's head office or to the relevant regional office. The communication officers screen and assess issues raised to ascertain the validity of the complaints and provide responses accordingly. If issues arise that are beyond their control, they are forwarded to the senior management through the Permanent Secretary for further handling. The applicant provided a register of E&S complaints as evidence of its handling of enquiries, complaints and responses over the past three years.

72. The applicant identifies stakeholders and involves them as early as possible in project/programme planning. The results of the E&S risk screening and a draft ESIA, including any proposed ESMPs, are made available for public consultation in a timely, effective, inclusive and non-coercive manner, and which is appropriate to the communities that are directly affected by the proposed project or programme. The applicant also publicly discloses the final ESIA through its website and holds stakeholder meetings targeting all communities potentially affected by the project/programme and other stakeholders to disseminate the findings, where feasible. Any significant proposed changes in the project or programme during implementation are made available for effective and timely public consultation with directly affected communities. The applicant's ESSF includes provisions on information disclosure for GCF-funded projects that are found by the AP to be in line with the requirements in the GCF Information Disclosure Policy for E&S information for category B/I-2 projects/programmes.

73. The ESSF specifies the requirement for all projects implemented by the applicant and/or its executing entities to include a grievance redress mechanism at the project level.

74. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

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

75. The applicant provided an organization chart highlighting key staff responsible for implementation of its ESSF. The Permanent Secretary has the overall duty of ensuring that the ESSF is implemented with the support of the various directors and heads of the applicant's departments. The National Environmental Management Agency is a government agency in Uganda that is responsible for the review and monitoring of the applicant's compliance with the

ESSF. All the applicant's project coordinators have a shared responsibility for implementation of the ESSF through its social and environment officers. Hence, according to the ESSF, each director will be assigned focal point officers responsible for all projects/programmes and shall compile regular reports concerning the implementation of the ESS for each project/programme. Under the ESSF, the applicant's Department of Environment Support Services and Department of Water and Environment Sector Liaison are responsible for coordinating the activities of the three directorates: the Directorate of Water Resources Management, the Directorate of Water Development and the Directorate of Environment Affairs. The applicant provided the job descriptions and biodata, including a sample of work, of the key staff handling E&S matters as evidence of adequate technical staff with direct responsibility for project/programme performance who have the necessary knowledge, skills and experience to understand and ensure implementation of performance standards 1 to 8 of the GCF interim ESS standards.

76. The AP finds that the applicant's organizational capacity and competency, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.3 Gender

77. The applicant provided its 2016–2021 Environment and Natural Resources Sub-Sector Gender Mainstreaming Strategy (ENR Gender Strategy), which is found by the AP to be in line with the GCF Gender Policy. The ENR Gender Strategy provides strategic guidelines to ensure appropriate planning and implementation of gender mainstreaming into the applicant's programmes, projects and activities at the national and local government levels in an integrated, consistent and sustainable manner. It also creates a foundation on which environmental and natural resources (ENR) stakeholders can holistically mainstream gender into policy formulation, subsector reforms, communications, capacity-building, resource management, research, and monitoring and evaluation.

78. The ENR Gender Strategy has six main objectives based on subsector situation analysis, the sector policy, legal mandates, the United Nations Millennium Development Goals and the constraints identified by the National Development Plan, namely to:

- (a) Integrate gender into ENR policies, legislation, planning, budgeting, implementation, monitoring and evaluation;
- (b) Improve access and control of ENR by men, women and vulnerable groups;
- (c) Promote equal opportunities for participation by men, women and vulnerable groups;
- (d) Plan and sustainably manage ENR at all levels;
- (e) Promote equitable sharing of ENR products and services; and
- (f) Build and strengthen capacity for gender mainstreaming in ENR subsectors at all levels.

79. The ENR Gender Strategy presents gender mainstreaming strategies and their respective strategic actions, as well as a logical framework for each of the ENR departments/agencies with appendices that include workplans for implementing the strategy by each of the ENR departments/agencies.

80. The applicant provided evidence of competencies (e.g. the curriculum vitae of its key gender staff demonstrating their qualifications and experience) to implement its ENR Gender Strategy, as well as practices, including a sample of work in this area. The applicant also provided a sample of the documents for the following projects that have benefited women: a project on integrated management of water and related resources; an ecosystem-based adaptation project; and a project on inclusive green growth for poverty eradication. These

projects also demonstrate the linkage between gender and climate change and address non-discrimination requirements regarding remuneration for men and women.

81. The AP finds that the applicant's ENR Gender Strategy, procedures and capacity, supported by evidence of its track record, fully meet the GCF Gender Policy.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant partially meets the requirements of the GCF basic fiduciary standards (including the GCF AML/CFT Policy and the GCF Policy on Prohibited Practices); partially meets the specialized fiduciary standard for project management; and fully meets the specialized fiduciary standard for grant award and/or funding allocation mechanisms. Enhancements in the applicant's AML/CFT policies and procedures are required. Although the applicant has project-specific project management manuals, it does not have an institutional-level manual for project management. The applicant has prepared a draft of its project implementation manual, framework for performance monitoring and evaluation for the water and environment sector, and monitoring and evaluation policy for the water and environment sector, which have yet to be finalized and adopted;
- (b) The applicant meets the requirements of the GCF Environmental and Social Policy and interim ESS standards in relation to the medium E&S risk (category B/I-2); and
- (c) The applicant has demonstrated that it has competencies, policies and procedures in order to implement its ENR Gender Strategy, which is found to be consistent with the GCF Gender Policy, and has demonstrated that it has experience with gender consideration in the context of climate change.

4.2 Recommendation on accreditation

83. The AP recommends, for consideration by the Board, applicant APL087 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** small¹⁵ (including micro¹⁶);
 - (ii) **Fiduciary functions:**
 1. Basic fiduciary standards;
 2. Specialized fiduciary standard for project management; and
 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

¹⁵ As per annex I to decision B.08/02, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme".

¹⁶ As per annex I to decision B.08/02, "micro" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme".

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- (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/intermediation 3 (I-3))); and
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Conditions to be met prior to the submission of the first funding proposal to the Board:
1. Provision of evidence of the approval by the applicant of the following:
 - a. A project implementation manual that applies to the institutional level of the applicant;
 - b. A framework for performance monitoring and evaluation for the water and environment sector; and
 - c. A monitoring and evaluation policy for the water and environment sector, which must include provisions for the public disclosure of evaluation reports for GCF projects/programmes; and
 2. Provision of evidence of the development by the applicant of guidelines for prevention, detection and investigation procedures pertaining to AML/CFT.
84. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 83 above, and agrees to the recommendation.

Annex VI: Accreditation assessment of applicant 088 (APL088)

I. Introduction

1. Applicant 088 (APL088), Ecobank Ghana Limited (EGH), is a national private sector entity based in Ghana. The applicant, a subsidiary of parent company Ecobank Transnational Incorporated (ETI) with 67 branches in Ghana, provides a broad range of products and services to governments, financial institutions, multinationals, international organizations, small- and medium-sized enterprises, micro-businesses and individuals. The applicant undertakes various activities related to climate change in the energy access and generation, renewable energy, transport, infrastructure, and food and water security sectors.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 18 February 2017. Accreditation fees were received from the applicant on 31 March 2017, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 29 March 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of GCF:

- (a) **Access modality:** direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application from Ghana;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** medium;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management; and
 - (iii) Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)).³

II. Stage I institutional assessment and completeness check

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process.

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “medium” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. EGH was incorporated on 9 January 1989 and was authorized to carry out the business of banking under the Banking Act as per the Bank of Ghana Licence dated 10 November 1989. The applicant obtained its Certificate to Commence Business on 19 February 1990. EGH currently operates under a Universal Banking Licence issued by the Bank of Ghana.

2.2 Institutional presence and relevant networks

5. The applicant is a subsidiary of ETI, which has operations in 36 countries across the African continent and has a broad global network with a vision of contributing to the economic development and financial integration of Africa. The parent company ETI itself is not seeking accreditation at the regional level; however, the applicant is applying to operate using GCF resources within Ghana as a direct access national entity. The applicant strategically locates its retail outlets in the fastest growing towns and cities in Ghana to deliver financial products and services through its network of 78 branches, telephone banking services and remote banking on internet platforms.

6. The applicant is committed to supporting Ghana in achieving its nationally determined contributions. In addition, the applicant promotes the Ghana National Climate Change Policy to build a climate-resilient and climate-compatible economy through low-carbon economic growth. Therefore, the applicant intends to seek GCF resources for projects that are aligned with national climate strategies, for example projects in the areas of energy and infrastructure, national resources management, agriculture and food security, and disaster preparedness and response.

7. In order to advance the objectives of GCF, the applicant intends to give due cognizance to environmental sustainability and to engage its clients and other stakeholders in environmentally sustainable projects. In particular, it plans to:

- (a) Promote private sector participation in the development of renewable energy, energy efficiency and clean technology products;
- (b) Provide proactive and containment measures against any potential environmental and social (E&S) impact of investments; and
- (c) Develop and build the institutional capacity of businesses to enable them to have direct access to climate change finance.

2.3 Track record

8. The applicant's core business is in financial intermediation, particularly in lending and on-lending, among other activities. EGH has a diversified portfolio that includes financing climate-related activities in mitigation and adaptation. In particular, financing has been provided for projects in the areas of energy, estate development and construction.

9. The applicant has indicated that its business transactions are evaluated against E&S sustainability standards to ensure that it only finances business activities conducted in an environmentally friendly and socially responsive manner. The applicant works with its clients to identify and implement mitigation and corrective action plans to minimize any negative impact that its transactions may engender in the environment.

10. The applicant's track record in financing climate change related projects/programmes includes the following:

- (a) USD 125.6 million (loans) provided for a project on energy generation and access of the Volta River Authority in Ghana;
- (b) USD 80 million (loans) provided for the Supply Improvement to Western Region Project of the Ghana Grid Company Limited to improve electricity transmission systems;
- (c) USD 6.42 million (loans) for Strategic Security Systems International to supply solar products to the Ghana Cocoa Board and other companies in Ghana; and
- (d) USD 1.4 million (guarantees) received from the United States Agency for International Development for EGH's loan portfolio.

III. Stage II accreditation review assessment

11. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the standards of GCF in accordance with the accreditation requirements.
12. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Section 4.1: Basic fiduciary standards: key administrative and financial capacities

13. The applicant operates in the national context. It follows the directives of the national banking authority of Ghana and falls under its supervisory rules. As a subsidiary of the parent company ETI, the applicant adopts and follows the directives and policies formulated by ETI, which define the governance aspects of the applicant's structure. In areas where gaps were identified in the applicant's policies and practices against the GCF basic fiduciary standards on key administrative and financial capacities, the applicant formulated additional ones. In some cases, this was done through ETI, while in other cases it was done through the applicant's Board or senior management team.
14. The applicant has the required oversight bodies and committees, including its own Board of Directors and subcommittees, such as the Governance Committee, the Risk Management Committee and the Audit and Compliance Committee. The work of the Audit and Compliance Committee is found by the AP to be in line with the requirements of the Basel Committee on Banking Supervision Guidelines related to the internal audit function in banks, issued in June 2012 by the Bank for International Settlements. However, the AP suggests that the applicant consider reflecting these requirements in the terms of reference, of the Audit and Compliance Committee contained in its Corporate Governance Charter. The ETI equivalent committees have an additional and supplementary oversight role over entities within ETI, including the applicant.
15. The applicant has an internal audit function guided by an adequate charter. The function and its head have the required independence and work according to an annual plan. Management has shown itself to be responsive and implements the recommendations from the internal audit function. An external review conducted by Ernst & Young in September 2016 confirmed that the applicant's internal audit function either generally conformed or partially conformed to the attributes and performance standards of the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The applicant demonstrated that its Audit and Compliance Committee provides effective oversight over the internal audit function. The applicant has agreed to be subject to an external review of its internal audit function every five years. In addition, a periodic comprehensive internal audit review of the applicant's operations is conducted by the ETI internal audit function. The

applicant has stated that it is ready to expand its internal audit function to perform audits for GCF-funded projects/programmes.

16. The applicant's annual business and strategic plans and budgets are prepared in a structured manner and approved at the ETI level. An annual "Target Market and Strategy" document is prepared by the applicant's Risk Department. It indicates the range of sectors with which the applicant wishes to be engaged and is formally monitored on a quarterly basis. Budget oversight sessions are held twice a year to review performance and variances, measure conformance with set objectives and initiate corrective actions. The applicant provided ample evidence of its related practices and procedures, including the allocation of responsibilities. Multiple examples provided by the applicant demonstrate that these systems work effectively.

17. The applicant's financial statements, including the notes thereto, are clear and complete and provide information on all the required elements in accordance with the International Financial Reporting Standards and in the manner required by Ghanaian legislation, namely the Companies Act of 1963 (Act 179) and the Banking Act of 2004 (Act 673), as amended by the Banking Amendment Act of 2007 (Act 738). The financial statements are audited by one of the major accounting firms, which has provided an unqualified opinion in recent years. The management letters of the external auditors have not disclosed any serious negative issues and the recommendations contained therein are addressed by the applicant's management through its Compliance Department.

18. The applicant's payment and disbursement system conforms to standard banking systems. The internal control system is defined in several manuals that outline an adequate segregation of duties and a strong risk function. The applicant's Ecobank Business Services Unit coordinates the applicant's procurement and vendor management; the related guidelines that are included in the applicant's operations policy manual meet the GCF requirements. Satisfactory examples of procurement have been provided. Internal audits of the applicant's procurement systems show an overall satisfactory risk assessment and examples of procurement show adherence to the applicant's policies. Nevertheless, a 2018 internal audit showed that the applicant's procurement system controls could benefit from greater maturity and increased internal oversight and responsiveness thereto. The applicant has agreed to enhance its oversight through its Compliance Department. The applicant provided little information on procurement complaints, which is attributed to practices within the country where disputes are informally settled.

19. During the accreditation process, the applicant has developed a clear and strong draft policy for procurement of goods and services by executing agencies receiving loans and credits. The related procedures are dependent on the procurement plan of beneficiary institutions. As a result, there are few procedures; however, given the strength of the applicant's policy, this can be accepted for accreditation, but it can only be demonstrated once GCF-funded projects and programmes are being executed.

20. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on key administrative and financial capacities.

3.1.2 **Section 4.2: Basic fiduciary standards: transparency and accountability**

21. ETI, of which the applicant is a subsidiary, has a zero tolerance; this is outlined in various documents, including those adopted by the applicant. The applicant's ethical policies and requirements are contained in its Rules of Business Ethics and various other documents that its new employees are made aware of at the time they begin their employment. There are separate rules for collecting agents, and external service providers sign and commit to adhering to a code of conduct. The applicant's Governance and Ethics Committee was established during the accreditation process: final approval of its terms of reference by the applicant's Board was provided by the applicant's Board at its meeting on 15 and 16 May 2019.

22. The Corporate Security and Investigative Service is the applicant's investigative unit which is tasked with investigating all suspected cases of violation of ethics, fraud, corruption, money laundering and financing of terrorism, etc., involving members of the applicant's governing bodies or staff. Technical expertise is available, if required, for an investigation to be undertaken. The investigation procedures were prepared by the applicant during the accreditation process and a further refinement of the procedures, undertaken in order to reflect the comments of the AP, was approved by the applicant's Board on 26 April 2019. The applicant has agreed to make the investigation procedures publicly available on its website.

23. The applicant has established the Ecobank Whistleblowing Policy and an independent system (NAVEX), which is used as a whistle-blower platform. Examples of investigation reports that were provided to the AP demonstrate that the relevant facts pertaining to investigations are examined, including by the applicant's Disciplinary Committee.

24. The applicant, as a bank registered and operating in Ghana, must comply with all anti-money-laundering (AML) and countering the financing of terrorism (CFT) laws and regulations applicable in the country. The applicant has established the Policy for the Prevention of Money Laundering and Terrorism Financing, dated July 2016. It includes a detailed "know-your-customer" due diligence checklist based on different categories of clients and the information that needs to be stored electronically, as well as examples of unusual transactions. The applicant has a designated money laundering reporting officer at a senior level and employs an AML/CFT system called Siron@Embargo to monitor customer transactions and identify politically exposed persons. AML/CFT policies and procedures are also detailed in several manuals and a summary thereof is signed by all employees upon beginning their employment with the applicant. The applicant's operational risk manual requires that the applicant's Managing Director reviews and confirms compliance with controls related to AML/CFT. Examples provided by the applicant demonstrated the application of the policy and related procedures.

25. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on transparency and accountability, the GCF AML/CFT Policy⁴ and the GCF Policy on Prohibited Practices.⁵

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

26. Being a commercial bank as opposed to a development bank, the applicant had a number of gaps related to the specialized fiduciary standard for project management that relate to the development and implementation of projects/programmes, including oversight, management and supervision of executing entities. While the applicant made significant progress in developing the required policies and procedures, additional time and experience are needed for it to reach the required level of maturity for accreditation for the specialized fiduciary standard for project management and for it to be able to demonstrate sufficient experience. For this reason, the applicant has agreed not to proceed with its application for accreditation for the specialized fiduciary standard for project management at this time, but to potentially seek an upgrade in the accreditation scope for this standard at a later time.

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

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

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

28. The applicant has significant experience in on-lending and blending activities working with the export development organization of its country's government and with organizations

⁴ Decision B.18/10 and annex XIV thereto.

⁵ Decision B.22/19 and annex XIV thereto.

such as the African Development Bank, the European Investment Bank and the United States Agency for International Development. The applicant formulated an on-lending and blending policy for GCF-funded projects/programmes during the accreditation review process. Guidelines for this policy were also recently developed by the applicant.

29. On-lending and blending arrangements follow commercial practices and any deviation thereof, such as to incorporate broader economic or social benefits, needs to be justified. The existing and proven mechanism for loan approval through the applicant's Credit Approval Committee is followed and extensive consideration is given to the risks associated with on-lending and blending activities. The applicant will only lend to projects that have a net projected cash flow in order to make scheduled debt repayments and contribute to the future requirements of the entity that is receiving the funds through on-lending or blending.

30. The applicant provided examples of a number of on-lending and blending activities that demonstrate extensive due diligence, credit risk and other risk analysis, and the use of pre-defined checklists to ensure that all associated aspects and conditions that would be considered by a banking institution have been formulated and met. Evidence of lending approvals was also provided as a part of the accreditation application and was found by the AP to be sufficient.

31. The applicant provided a copy of its information disclosure policy regarding information that it makes available to the public, either as a routine matter or upon request. The policy was approved in July 2018 and became effective as of 31 March 2019. It applies a presumption in favour of disclosure for all information and documents relating to its funding activities and in particular the circumstances for on-lending from various development partners based on the principles of transparency and accountability. In addition, the policy enables sufficient disclosure of information to the public on beneficiaries and results regarding its decisions on GCF-funded projects/programmes, including on-lending and blending operations.

32. The applicant provides guarantees, which results in a credit risk. The applicant informed the AP that the same controls are in place as for loans, including approval of the guarantees by the applicant's Board, pre-clearing by the Risk Management Committee and periodic monitoring. The applicant provided documentation that demonstrates its experience with providing guarantees (i.e. the number provided and monetary value). It also provided documentation on the procedures and related controls in place during initiation, monitoring and reporting, as well as several examples that demonstrate the adequacy of and adherence to its controls and procedures.

33. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF specialized fiduciary standard for on-lending and/or blending for loans and guarantees.

3.2 Environmental and social safeguards

3.2.1 Section 6.1: Environmental and social policy

34. The applicant's environmental and social management system comprises its draft environmental and social risk policy and procedure manual (ESPPM) dated March 2019. The applicant expects the draft ESPPM to be approved by its Board in May 2019. The draft ESPPM is an update of the previous version dated May 2014. The updated version includes a policy statement on the disclosure of E&S information, which is found by the AP to be in line with the GCF Information Disclosure Policy for projects/programmes in category B/I-2, and the requirement for the applicant's executing entities to include a grievance redress mechanism in projects/programmes financed by the applicant using GCF resources. The draft ESPPM details the general policy and procedures on E&S aspects for projects and other credits funded by the

applicant. It aims to promote and ensure sound environmental and socially responsible banking by the applicant by:

- (a) Transforming E&S risks and impacts into opportunities through application of E&S due diligence that adds value to its clients;
- (b) Supporting clients to conduct their business in an environmentally friendly and socially acceptable manner;
- (c) Building skills in E&S risk and impact analysis and management; and
- (d) Achieving superior shareholder performance through sustainable E&S operations.

35. The draft ESPPM includes annexes outlining the applicant's various templates and forms for documenting E&S due diligence, E&S risk screening guidelines, monitoring and reporting requirements and sector guidelines.

36. The applicant adheres to the national E&S laws and regulations of Ghana and has adopted the International Finance Corporation's performance standards on environmental and social sustainability, thereby also conforming to performance standards 1 to 8 of the GCF interim environmental and social safeguards (ESS) standards. The draft ESPPM is an integral document for operationalizing the protection of natural resources, which is one of the key objectives of the applicant's group sustainability framework. The Chief Risk Officer is the most senior executive of the applicant's institution, with direct responsibility for implementation of the draft ESPPM. The applicant's Manager of Environment and Sustainability within the Risk Management Department is responsible for the operational implementation of the draft ESPPM. The draft ESPPM is communicated to all levels within the applicant's organization and has been disseminated through trainings for its analysts and account managers, facilitated by the E&S Coordinator and the Manager of Environmental Sustainability.

37. The AP finds that the applicant's draft ESPPM, procedures and competencies, supported by evidence of its track record, partially meet the GCF Environmental and Social Policy⁶ and interim ESS standards for a maximum E&S risk category B/1-2 projects/programmes. The applicant has yet to provide its final Board-approved draft ESPPM. The relevant gap identified in paragraph 34 above is reflected in the corresponding condition for accreditation in section 4.2 below.

3.2.2 Section 6.2: Identification of risks and impacts

38. The draft ESPPM contains the description of the E&S risk and impacts identification procedure, including the categorization framework. The Relationship Manager in the applicant's Risk Management Department categorizes the E&S risk level of the qualifying transaction (e.g. project/programme) into a low, medium or high category (which is found by the AP to be consistent with categories C,⁷ B and A⁸ of the GCF Environmental and Social Policy and performance standards 1 to 8 of the GCF interim ESS standards) based on the classification guide contained in the draft ESPPM. For transactions classified as medium, the E&S officer for the transaction undertakes the necessary due diligence and documents all findings in the E&S assessment form contained in the draft ESPPM. For transactions classified as high, or where the due diligence process reveals that there are E&S risks that cannot be fully assessed internally by the applicant, a full-scale review is conducted by a technically qualified person or a consultant recruited at the expense of the client. In addition, the E&S manager undertakes the internal due diligence and documents all findings in the E&S assessment form. Depending on the findings of the due diligence, the E&S assessment may lead to the development of an action plan, agreed to

⁶ Decision B.19/06 and annex X thereto.

⁷ As per annex I to decision B.07/02, category C is defined as "Activities with minimal or no adverse environmental and/or social risks and/or impacts".

⁸ As per annex I to decision B.07/02, category A is defined as "Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible or unprecedented".

by the client in writing, before the transaction can proceed further. The action plan specifies all the actions necessary to bring a qualifying transaction into E&S compliance. A target completion date for each specified action must also be agreed with the client. The applicant provided a sample of three environmental and social due diligence (ESDD) reports, including the E&S risk category justification for E&S risk category B projects for an aluminium smelter, a regional water and sanitation centre, and an airport.

39. The AP finds that the applicant's system of identification of E&S risks and impacts fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.3 Section 6.3: Management programme

40. The draft ESPPM describes the applicant's institutional process for managing E&S risk and impact mitigation measures and actions stemming from the E&S risk identification process. The E&S risks and impacts are managed by the applicant's Risk Management Department, while the ESDD is conducted by the Lending Units to ensure that all credits or projects are assessed against the E&S procedures outlined in the draft ESPPM. Standard questionnaires and checklists designed by the applicant's E&S Management Department are used in lending proposals and are part of the approval process of the credit application for review by the E&S Management Department. The applicant provided a sample environmental and social management plan and action plans for the three category B projects indicated in paragraph 38 above.

41. The AP finds that the applicant's E&S risk and impact mitigation management programme, supported by evidence of its track record, fully meets the requirements of the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

42. The draft ESPPM describes the applicant's E&S monitoring and review programme that tracks and ensures completion of E&S risk and impact mitigation and performance improvement measures. The applicant's annual and periodic monitoring and review includes the clients' E&S performance including the status of implementation of any potential E&S-related corrective actions established during the assessment and review of the qualifying transaction. For the ongoing performance assessment of high-risk transactions, the client is required to provide annual monitoring reports to the Relationship Managers, who may follow up as required with further queries or site visits, if necessary. For high-risk transactions, E&S officers prepare annual performance reports on the basis of annual reports submitted by the clients. The applicant provided sample E&S monitoring reports for a mining project and an airport construction project. The applicant also provided its annual environmental performance reports for its projects funded by the International Finance Corporation. The evolution of the draft ESPPM is testament to the applicant's effort to incorporate lessons learned from monitoring and evaluation in influencing the design of and decisions concerning projects and programmes.

43. The AP finds that the applicant's system of monitoring and review, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.5 Section 6.6: External communications; consultations, disclosure, and grievance redress mechanism

44. The applicant provided a link to its institutional-level website for external communications with its stakeholders, civil society groups and local communities, which can also be used to submit questions or grievances. The applicant provided a document titled "Procedure for Addressing External Enquiries and Concerns about Environmental and Social Policy Issues", which describes its external communications and complaints handling

procedure. The applicant's Corporate Communications Department manages the process of receiving, reviewing and responding to communications from external stakeholders. The applicant also maintains a forum on various social media such as Facebook and Twitter for external communications, which can also be used for submitting queries or complaints.

45. For serious environmental and/or social issues for any project/programme, the relevant relationship officer and/or investment officer immediately contacts the client to seek any relevant information and may carry out additional investigation. If the investigation leads the applicant's project team to conclude that the project/programme is not meeting the applicant's E&S policy standards, it will be subject to internal review under the applicant's Environmental and Sustainability Remedial Action Plan. The Corporate Communications Department logs and tracks all public enquiries received by way of this procedure, including the date received, the date the response was sent and the issues raised. The applicant provided a copy of its register of external enquiries/complaints showing a record of its complaints handling process.

46. The applicant's draft ESPPM includes a policy statement on the disclosure of E&S information of projects/programmes to be implemented by the applicant and/or by its executing entities that it oversees, manages and supervises, particularly for E&S category B/I-2 projects/programmes, which is found by the AP to be in line with the requirements of the GCF Information Disclosure Policy. The draft ESPPM also includes a provision requiring its executing entities to include a grievance redress mechanism in projects financed by the applicant.

47. The AP finds that the applicant's system of external communications, consultations, information disclosure, and grievance redress mechanism, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

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

48. The applicant provided its organization chart and a description of the roles, responsibilities and authority to implement the draft ESPPM. The applicant also provided the curriculum vitae of its E&S experts, including a sample of their work, demonstrating that they have the knowledge, skills and experience necessary to understand and ensure implementation of performance standards 1 to 8 of the GCF interim ESS standards.

49. In the applicant's ESDD process, the responsibilities of its E&S officers include the following:

- (a) Verifying the eligibility check of the qualifying transaction against the exclusion list in the draft ESPPM executed by the Relationship Manager;
- (b) Validating the ESDD risk category of the qualifying transaction assigned by the Relationship Manager;
- (c) Evaluating the E&S compliance of a qualifying transaction;
- (d) Supervising projects and/or transactions in the E&S-sensitive sector in its portfolio against ongoing compliance;
- (e) Preparing an annual environmental performance review report, where relevant;
- (f) Monitoring action plans agreed with clients; and
- (g) Contributing to the annual E&S report.

50. The applicant's E&S and other relevant officers have undergone the necessary training to familiarize them with the draft ESPPM.

51. The AP finds that the applicant's organizational capacity and competency, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy and ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.3 Gender

52. The applicant provided its gender policy approved by its Board in July 2018, which was specifically developed for seeking accreditation to GCF and implementing GCF-funded projects/programmes. The applicant's gender policy also includes procedures for gender assessments to be used for projects/programmes. The applicant's gender policy has been developed to promote a fair, reasonable, non-discriminatory and consistent approach in treating all employees and clients equitably, regardless of their sex, age, marital status, gender, race/nationality, disability, religion, political opinion, sexual orientation, personal lifestyle or other factors.

53. The applicant's commitment to its gender policy, as it relates to its transactions, projects and programmes, requires that the applicant will:

- (a) Conduct a gender analysis to ensure that gender issues are addressed as part of its investment process;
- (b) Encourage entities in which it has invested to educate their supply chain in managing gender equity in accordance with global best practice;
- (c) Not establish business relationships with organizations that condone, support or otherwise participate in trafficking, including labour or sexual exploitation; and
- (d) Ensure that E&S action plans include gender-disaggregated data.

54. The applicant requires that women and men, including marginalized and vulnerable groups, will be provided with an equal and equitable opportunity to be fully and effectively engaged in meaningful consultations and decision-making throughout a project cycle, taking into consideration the best practice options for multi-stakeholder engagement and the principle of free, prior informed consent in projects involving indigenous peoples in line with the GCF Environmental and Social Policy, the GCF interim ESS standards and the GCF Indigenous Peoples Policy.

55. The applicant has the internal capacity to mainstream gender into its operations. The applicant's Chief Lending Officer is a woman who has over 24 years of lending experience and has provided lending to several businesses, including those owned by women. The Risk Management Department also includes a woman with a postgraduate qualification in development studies that included a module in gender and development.

56. The applicant provided the curriculum vitae and a sample of work of its gender experts, which the AP deemed to be sufficient.

57. The applicant could not provide evidence of a track record on implementing its gender policy, specifically for examples of operations that target women among project/programme beneficiaries and the applicant's experience with gender and climate change. The applicant is willing to provide such evidence when it formally implements its gender policy, especially for GCF-funded projects/programmes.

58. The AP finds that while the applicant's gender policy, procedure and competency are in line with the GCF Gender Policy, it has yet to formally implement its gender policy. The relevant gap identified in paragraph 57 above is reflected in the corresponding condition for accreditation in section 4.2 below.

IV. Conclusions and recommendation

4.1 Conclusions

59. Following its assessment, the AP concludes the following in relation to the application:
- (a) The applicant fully meets the requirements of the GCF basic fiduciary standards (including the GCF AML/CFT Policy and the GCF Policy on Prohibited Practices) and the specialized fiduciary standard for on-lending and/or blending for loans and guarantees;
 - (b) The applicant partially meets the requirements of the GCF Environmental and Social Policy and GCF interim ESS standards in relation to the E&S risk category B/I-2. The applicant needs to provide the final version of the draft ESPPM approved by its Board; and
 - (c) The applicant has demonstrated that it has the policies, procedures and competencies in order to implement its gender policy, which is found to be consistent with the GCF Gender Policy. However, the applicant has not provided evidence of a track record on implementing its gender policy.

4.2 Recommendation on accreditation

60. The AP recommends, for consideration by the Board, applicant APL088 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** medium (including micro⁹ and small¹⁰);
 - (ii) **Fiduciary functions:**
 1. Basic fiduciary standards; and
 2. Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and
 - (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/intermediation 3 (I-3)¹¹)); and
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
 - (i) Conditions to be met prior to the submission of the first funding proposal to the Board:

⁹ As per annex I to decision B.08/02, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme”.

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

¹¹ As per annex I to decision B.07/02, intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

1. Provision of evidence of the approval by the applicant's Board of the Environmental and Social Risk Policy and Procedure Manual; and
 2. Provision of evidence of the adoption by the applicant of a gender action plan consistent with the requirements of the GCF Gender Policy.
61. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 60 above, and agrees to the recommendation.

Annex VII: Accreditation assessment of applicant 089 (APL089)

I. Introduction

1. Applicant 089 (APL089), Enabel, formerly the Belgian Technical Cooperation (BTC-CTB), is an entity based in Belgium that operates globally. Enabel is the development agency of the Federal Government of Belgium and implements Belgium's international development policy.

2. The applicant has the exclusive right to execute public service tasks in the field of direct bilateral cooperation with Belgian partner countries, inside and outside the Belgian territory. The applicant's main activities include the preparation, provision of advice and guidance, identification, development and implementation of projects/programmes and interventions with a focus on climate adaptation activities in developing countries, in particular in the least developed countries.

3. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 28 April 2016. Accreditation fees were received from the applicant on 7 August 2016, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 26 July 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of GCF:

- (a) **Access modality:** international access;
- (b) **Track:** fast-track under the Directorate-General for International Development and Cooperation of the European Commission (DG DEVCO);
- (c) **Maximum size of an individual project or activity within a programme:** small;¹
- (d) **Fiduciary functions:**²
 - (ii) Basic fiduciary standards;
 - (iii) Specialized fiduciary standard for project management; and
 - (iv) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)).³

II. Stage I institutional assessment and completeness check

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as "Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures" and intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

4. The applicant is eligible for, and applied under, the fast-track accreditation process as a DG DEVCO entity. Its application has been assessed by the Secretariat during Stage I in accordance with the requirements and gaps identified in decision B.08/03.

2.1 Legal status, registration, permits and licences

5. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The former organization BTC-CTB was created by Belgian national law in 1998 and holds a business licence registered at the Banque-Carrefour des Entreprises. On 16 November 2017, Belgium's Federal Parliament approved the Enabel Law, which transformed BTC-CTB, the implementing agency of Belgian governmental development cooperation, into Enabel, a coordinating and implementing agency for Belgian international development policy and for third-party donors. On 1 January 2018, BTC-CTB changed its name to Enabel.

2.2 Institutional presence and relevant networks

6. The applicant is implementing 150 projects in 21 developing countries, most of which are least developed countries, and intends to pursue its country-driven approach by strengthening the capacities of local, national and international stakeholders in order to mainstream the climate change agenda into development policies. The applicant relies on its 16 country offices located in its partner countries across various regions to deploy its activities.

7. In line with the Belgian Development Cooperation Strategy adopted by the Belgian Government on 29 May 2015 and coming into force on the date of its publication on 15 June 2015, remaining valid until it is replaced, the applicant intends to focus its future interventions in Africa (e.g. Benin, Burkina Faso, Burundi, the Democratic Republic of the Congo, Guinea, Mali, Mozambique, the Niger, Rwanda, Senegal, Uganda and the United Republic of Tanzania) and the least developed countries.

8. The applicant seeks to build on its expertise in the areas of urban planning and eco-building construction, water management, sanitation and waste management, natural resources management, sustainable and resilient agriculture, green economy and renewable energy to deliver transformational projects aimed at achieving a paradigm shift towards low-emission and climate-resilient development pathways.

9. The applicant plans to build on its experience in providing energy access to rural areas through decentralized small-scale renewable sources (e.g. grid-connected, off-grid or micro-grids) and in developing sustainable cooking technologies in rural areas. The applicant also plans to expand its work in implementing projects that transform waste or agriculture residues to produce energy, as well as in the development of solar photovoltaic and small hydro technologies.

10. In terms of adaptation, the applicant plans to capitalize on its experience in integrated water management strategies and infrastructure design and targeted projects/programmes in the agriculture sector (e.g. agro-forestry, promotion of local species and value chains, and cattle breeding) and health sector (e.g. design and management of adapted health centres/hospitals), particularly those that address the GCF result areas of health, food and water security, and livelihoods of vulnerable people and communities.

11. Although the applicant leads its projects as a stand-alone entity, it will also build innovative partnerships with other GCF accredited entities in order to combine mutual expertise and resources.

2.3 Track record

12. The applicant undertakes climate-resilient sustainable development projects and/or programmes by targeting both mitigation and adaptation outcomes. In that regard, the applicant works in the areas of energy supply from renewable sources, climate-smart agriculture, energy-efficient public buildings, integrated water management strategies and infrastructure design and health.

13. The applicant's track record in financing and managing climate change related projects in these sectors to date includes the following:

- (a) USD 26.4 million (grants) for the Renewable Energy for Rural Development Mozambique project in Mozambique;
- (b) USD 7.8 million (grants) for the Support to Reforestation in the East and North Province project in Rwanda;
- (c) EUR 34.2 million (grants) for the Tan Hoa – Lo Gom Cana Sanitation and Urban Upgrading Project in Ho Chi Minh City in Viet Nam;
- (d) USD 9 million (grants) for the Development of the Almond Tree Value Chain in the Oriental Region project in Morocco; and
- (e) USD 9 million (grants) for the Integrated Water Management and Urban Development in relation to Climate Change in Ninh Thuan Province project in Viet Nam.

2.4 Potential support for direct access entities

14. The applicant intends to ensure that its projects are aligned with the national climate change strategies and priorities of its partners. The applicant also seeks to ensure close collaboration with local and regional stakeholders, the private sector and the partner countries' governments to formulate and implement innovative, efficient and transformational projects.

15. The applicant has long-standing experience in capacity development in developing countries. Developing and strengthening the capacities of partner organizations is at the core of Enabel's mandate and activities. The applicant has been working with developing countries' central government ministries, line ministries, local and regional authorities and other public and semi-public institutions to strengthen their capacity in various fields related to their specific mandates. The applicant intends to work on two levels to strengthen the capacities of future GCF direct access entities to meet the GCF accreditation requirements, particularly in:

- (a) Strengthening capacities in climate change adaptation, mitigation and cross-cutting projects and activities; and
- (b) Strengthening fiduciary and environmental and social (E&S) risk management capacities.

16. Since strengthening the capacities of public and private actors in its partner countries (and particularly the least developed countries) is a central element of a paradigm shift regarding climate change issues, the applicant's strategy related to climate actions targets three levels: the individual, organizational and institutional levels. At the individual level, the applicant will develop educational, training and awareness-raising activities. At the organizational level, the applicant will foster the development of organizations and institutions by assessing and developing their missions, structures, capacities and resources, as well as by fostering cooperation between organizations, institutions and sectors. At the institutional level, the applicant will contribute to create enabling environments through the implementation of efficient economic and regulatory policies and accountability frameworks.

17. In order to enhance the capacity of direct access entities, the applicant intends to produce training materials and recommendations and organize workshops, peer exchanges and networking opportunities at the international and regional levels. At the national level, the applicant will contribute to the training of stakeholders by supporting education programmes and research centres. The applicant intends to facilitate national exchanges and coordination in order to maximize partner countries' ownership of climate change issues and synergies between policies. At the subnational level, the applicant will foster the development of community-based projects, twinning between cities/regions, synergies between climate and sustainable development projects, and training programmes. It will also focus on the coaching of local entities in elaborating funding proposals and managing projects.

18. The applicant has indicated that its projects/programmes are country-owned from their inception. After an identification phase is undertaken by each partner country, the preparation of each project is co-managed by the partner country and the applicant since both parties are involved in the joint project steering committee. Through this committee, the partner country guides and directs the organizational, technical and financial management of the project.

III. Stage II accreditation review assessment

19. The applicant is eligible for, and applied under, the fast-track accreditation process as a DG DEVCO entity. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the GCF accreditation standards in accordance with the requirements and gaps identified in decision B.08/03.

20. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Section 4.1: Basic fiduciary standards: key administrative and financial capacities

21. As per paragraph 19 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

22. As per paragraph 19 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.5, anti-money-laundering (AML) and countering the financing of terrorism (CFT) policies, have been met by way of fast-track accreditation.

23. Enabel is a not-for-profit public agency in Belgium that uses exclusively public money to implement development projects in selected countries. Funding is primarily from the Federal State of Belgium (82 per cent of the total funding projected for 2019). The balance of the funding is mainly from the European Union, with only a small amount coming from the United States Agency for International Development, Irish Aid and Belgian public entities. In Belgium, Enabel uses Deutsche Bank exclusively to manage its accounts and to transfer funds. In the countries where it has projects, banks are selected through public tenders with anti-corruption and other integrity criteria as part of the evaluation and selection process.

24. Any opportunity to work with a new donor or to execute a project or programme for a third party is analysed internally and submitted for approval to the applicant's Board. The Belgian Directorate-General Development Cooperation and Humanitarian Aid and the Government of Belgium are also involved in the decision, and in all cases the possible engagement must be aligned with Enabel's policies and strategies.

25. With respect to payments, project accounts are replenished according to needs through cash calls, in line with the total budget for the project. This cash may be used for the following expenses: salaries, subsidies and public tenders. Subsidies require a Belgian royal decree and are only awarded after assessment of the partner's capacities; it is understood that any payment may be rejected if illicit actions, such as corruption and fraud, are identified. For public tenders, Belgian legislation applies, and winning bidders have to demonstrate that they have not been involved in fraud, corruption, money laundering and other prohibited practices.

26. As a result of implementing the processes described in paragraphs 23 to 25 above, Enabel has in-depth knowledge of its clients, sponsors and donors and has strong controls and reporting in place for movements through its bank accounts. As such, its policies and procedures in respect of AML/CFT are robust and appropriate for Enabel's business. Enabel also requires high ethical standards from all its staff, who are bound by Enabel's code of conduct and integrity policy. An integrity desk is available for reporting suspected issues related to ethics and prohibited practices.

27. The AP finds that the applicant's policies, procedures and capacity fully comply with the GCF basic fiduciary standards on transparency and accountability with respect to investigations and AML/CFT, as well as the GCF AML/CFT Policy⁴ and the GCF Policy on Prohibited Practices.⁵

3.1.3 Section 5.1: Specialized fiduciary standard for project management

28. Enabel has a well-documented process for project preparation and appraisal. When possible projects/programmes are identified, they are assessed against a risk management framework that was developed with Enabel's principal donor, the Belgian Directorate-General Development Cooperation and Humanitarian Aid. This framework addresses five areas of potential risk: social, political, economic, security and environmental. To illustrate the process, Enabel provided details and documents of a resource management and economic development project in the United Republic of Tanzania explaining the various steps involved in project preparation. These include the identification and formulation of reports, a technical and financial assessment, Validation Committee minutes, Quality Control Committee minutes, Steering Committee minutes, project agreements and implementation agreements. The technical and financial report establishes performance indicators, baselines, risk analysis and ways of verifying impacts and results against stated objectives and indicators. It also discusses technical, financial, economic, legal and E&S aspects of the proposed project/programme. The Quality Control Committee reviews the quality review undertaken during project/programme preparation.

29. For project oversight and control, Enabel has developed and is currently testing a new online dashboard tool called the Enterprise Resource Planning (ERP) system. It facilitates project oversight in four key areas, each with its own dashboard: GoFast for document management; Go4HR for human resource management; PILOT for project management; and UBW for purchases, accounting and financial control. This new ERP system is being tested on the above-mentioned project being undertaken in the United Republic of Tanzania, and Enabel has provided examples of its use with, for example, a quarterly snapshot from January 2019.

30. Enabel has a monitoring and evaluation (M&E) policy and a tool, called MoreResults, which provide guidelines on monitoring and reviewing results of projects/programmes financed by Enabel. Evaluations are implemented by external evaluators according to standards, norms and principles of the Organisation for Economic Co-operation and Development (OECD), such as "purpose of evaluation", "impartiality and independence", "credibility", "participation of donors and recipients", "usefulness", "dissemination and feedback", commonly known as the OECD-DAC criteria. These norms and principles are

⁴ Decision B.18/10 and annex XIV thereto.

⁵ Decision B.22/19 and annex XIV thereto.

contained in the OECD document “Evaluating development cooperation - Summary of key norms and standards” (second edition).

31. In addition, Enabel’s Evaluation Charter (2017) established an internal Independent Evaluation Office. As a result, the applicant’s M&E procedures now occur in two phases: the first during project/programme implementation through midterm and full-term reviews, and the second through a final strategy and corporate evaluation.

32. The applicant’s M&E procedures include mechanisms for flagging problems and issues if and when they arise, with steps to be taken in order to establish a mitigation action plan. Annual, midterm and final reports are made publicly available through the websites of the International Aid Transparency Initiative and the Belgian Open Data platform, as well as Enabel’s own web page.

33. Enabel implements projects itself with engagement from local governments and international and local partners. Projects typically have a three- to five-year duration, in addition to final assessments and evaluations. For instance, the example provided for review by the AP was from a resource management and economic development project that has a five-year timeline outlining the various stages of project identification, formulation, implementation and M&E.

34. Enabel has a long and successful track record of developing and implementing projects/programmes. The AP finds that the applicant’s policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF specialized fiduciary standard for project management.

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

35. As per paragraph 19 above, the specialized fiduciary standard for grant award and/or funding allocation mechanisms is considered to have been met by way of fast-track accreditation.

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

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

3.2 Environmental and social safeguards

3.2.1 **Section 6.1: Environmental and social policy**

37. The applicant’s 2013 environmental policy refers to the Rio Conventions, including the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity and the United Nations Convention to Combat Desertification; the Paris Declaration on Aid Effectiveness (including the respect of host country strategies); and the precautionary, polluter pays, and common-but-differentiated responsibilities principles. The applicant’s environmental policy is further supported by its 2014 Strategy Note for Environment, 2017 Concept Note on Climate Change and 2013 National Development Cooperation Act. The applicant has adopted the 17 Sustainable Development Goals and the United Nations principles on human rights and equality. The applicant’s Environmental Policy is communicated to staff through its intranet. All stakeholders can view the environmental policy on the applicant’s website.

38. The applicant commissions environmental and social impact assessments (ESIAs) for category B interventions. The terms of references require the ESIA to comply with host country regulations and the applicant’s standards. The applicant provided two ESIAs to demonstrate that it can meet host country standards, its own standards (as reflected in the policy framework

described in paragraph 37 above) and the International Finance Corporation (IFC) performance standards 1 to 8.

39. The AP finds that the applicant's E&S policy and related documents, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy⁶ and environmental and social safeguards (ESS) standards for a maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1 to 8.

3.2.2 Section 6.2: Identification of risks and impacts

40. All E&S impacts and risks are assessed during project/programme formulation. The applicant provided its E&S risk assessment checklists; it also provided its new screening/impact management tool launched in March 2019 to help to identify, assess, categorize and manage E&S impacts against its Environmental Policy and IFC performance standards 1 to 8, classifying projects/programmes from A (high) to C (minimal) impact. The applicant's Sectoral and Thematic Department identifies risks (with the Operations Department, host country representatives and project/programme managers) and approves the category and ESIA requirement based on the inputs of the applicant's Cities, Territories and Climate Unit. The applicant provided a list of projects/programmes categorized as B or C to demonstrate its track record.

41. The AP finds that the applicant's system of identification of E&S risks and impacts, supported by evidence of its track record and the new tool for screening/impact management, fully meet the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.3 Section 6.3: Management programme

42. The applicant has implemented an environmental and social management system (ESMS) since 2006. It was certified under International Organization for Standardization (ISO) standard 14001:2004 from 2006 to 2016. Once the E&S risks are identified at the project/programme formulation stage (which includes baseline studies and ESIA for category B interventions), the E&S risks, impacts and mitigation measures are integrated into the intervention's design and logical framework; the risks, impacts and mitigation measures are then managed as part of the M&E process.

43. The applicant provided several project/programme formulation reports, two baseline studies, two recent ESIA/environmental and social management plans, one environmental and social management framework and one resettlement policy framework to demonstrate its track record in integrating E&S risk management into project/programme documents, budgets, outputs and outcomes, and to demonstrate its E&S management experience with IFC performance standards 1 to 8.

44. The AP finds that the applicant's management programme, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

45. The applicant's M&E policy is supported by three M&E guidance documents, which together cover E&S risks, indicators, preparation of baselines, annual and final monitoring, and review procedures. The tools used to identify, analyse and follow up on risks and mitigation measures were also provided (i.e. a matrix tool and the new screening/impact management tool launched in March 2019). M&E results are reported in the quarterly, annual and final reports. The applicant is developing a new online system for M&E to facilitate, among other aspects, the management of related documents.

⁶ Decision B.19/06 and annex X thereto.

46. The applicant's Operations Department and the host country teams are responsible for implementing the M&E function: the project/programme team prepares the annual monitoring report, with the country representative providing oversight. The applicant's Sectoral and Thematic Department conducts backstopping missions. When a backstopping mission identifies new risks, additional mitigation measures are proposed. All projects/programmes are subject to external midterm and final reviews to review the effectiveness of mitigation measures, inform strategic decisions and identify lessons learned. A steering committee provides oversight to ensure that the country teams implement the recommendations of backstopping missions and midterm reviews.

47. The applicant provided evidence of its M&E track record, including a completed project risk matrix with E&S indicators, many backstopping reports, two midterm reviews that reviewed the effectiveness of E&S mitigation measures and a final review.

48. The applicant provided a commitment statement from its management indicating that it will periodically review the effectiveness of its ESMS during implementation of any GCF-funded activity. The applicant provided evidence that in practice it periodically reviews the effectiveness of its ESMS (e.g. two carbon footprint reports, ISO certifications and a 2013 E&S performance review). The applicant also provided examples of how the ESMS reviews have improved the ESMS over time and how lessons learned have been integrated into the design of new interventions.

49. The AP finds that the applicant's system of monitoring and review, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.5 **Section 6.6: External communications; consultations, information disclosure, and grievance redress mechanism**

50. The applicant adopted the Belgian Government's Transparency and Open Data Policy in 2015, which requires all data collected by federal authorities to be openly available by default (except data deemed harmful). The applicant provided a commitment statement from its management that it will disclose its E&S documents in full, in English and in the respective local language, and for at least 30 days in advance of a decision by either the applicant's Board or the GCF Board (in the case of a category B/I-2 potential project/programme), but it has yet to provide a policy to codify this commitment.

51. The applicant has three tools to support data disclosure, including a specific web portal to inform stakeholders of its projects and programmes. The applicant provided evidence of best practices for project-level E&S consultations (e.g. a hydroelectric project in Mozambique, which required the executing entity to strengthen its consultation procedure to meet the applicant's standards).

52. The applicant's website provides an information request form, a complaints form and a form for complaints related to any integrity issue. Any stakeholder can use the entity-level channels. The applicant's Communications Department manages information requests and the Audit Department, through its Integrity Desk, manages complaints and integrity issues. The applicant's website outlines the complaints management procedures, while the "Human Resources Management Principles" document (specifically, the section titled "E5, Grievance") outlines the grievance mechanism in more detail, providing the procedural steps, timelines and appeals procedure. The relevant chapter of the "Human Resources Management Principles" document also states that projects/programmes require a formal grievance procedure, as part of which the applicant must review the adequacy of an executing entity's consultation procedure and grievance mechanism using a specific template and corrective actions must be implemented, where needed. The applicant's grievance redress mechanism fully meets the requirements of performance standards 1 to 8 of the GCF interim ESS standards.

53. The applicant provided a summary of its institutional-level complaints register for the years 2014–2017, including a summary of resolutions. This information is also provided in annual reports. Up to March 2019, no E&S complaints had been received through the applicant’s institutional-level channels.

54. The applicant provided evidence showing best practice grievance mechanisms at the project/programme level.

55. The AP finds that the applicant’s system of external communications; consultations, information disclosure, and grievance redress mechanism, supported by evidence of its track record, partially meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes. The gap related to the establishment of a policy on disclosure of E&S information in line with the requirements of the GCF Information Disclosure Policy is identified in paragraph 50 above and reflected in the corresponding condition for accreditation in section 4.2 below.

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

56. The applicant provided its 2018 organizational chart to highlight the reporting lines and the departments responsible for E&S management. The E&S responsibilities are defined in detail in the ESMS, which states that the Managing Director of Enabel is ultimately responsible for E&S management. The Sectoral and Thematic Department has 36 experts in five units and ensures E&S integration, as part of project/programme formulation process and through backstopping missions. Specifically, the Cities, Territories and Climate Unit and the Health Unit (including gender) that operate under the Sectoral and Thematic Department ensure E&S and gender management and monitoring, as well as improvements to the ESMS. A resident country representative is responsible for E&S at the country level, while project/programme teams are responsible for implementation.

57. The applicant provided 10 curriculum vitae and 2 backstopping mission reports per expert to show its E&S competencies and capacities. The applicant also provided two curriculum vitae of E&S experts recruited from host countries.

58. The applicant has a training kit for all new staff, which covers the ESMS and sessions with E&S experts. In addition, staff participate in many E&S conferences (e.g. on the environment and climate change). The AP found that the applicant’s staff are, in general, knowledgeable about IFC performance standards 1 to 8. The applicant provided a capacity development programme related to IFC performance standards 1 to 8, the new screening/impact management tool and other GCF requirements (e.g. the GCF Indigenous Peoples Policy). This capacity development programme will be implemented from May to September 2019 with the support of the national IFC office. This training will then be integrated into the training kit for new staff with E&S duties.

59. The AP finds that the applicant’s organizational capacity and competency, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.3 Gender

60. The applicant’s new 2019–2023 Gender Strategy (approved in 2018) includes a Gender Action Plan. It is based on the lessons learned while implementing its 2010–2014 Gender Strategy. The principles of the new strategy remain the same (e.g. gender equality). Objectives include embedding gender in decision-making and strengthening the presence of women at all levels. Implementation of the Gender Strategy is monitored by a steering group.

61. The applicant’s human resources policy on equality and diversity, code of conduct and gender strategy support non-discrimination, diversity and gender equality. The applicant has

zero tolerance for sexual harassment and discrimination; violations are managed through the applicant's grievance mechanism.

62. The applicant has tools and procedures to implement its gender strategy. It requires projects/programmes to conduct a gender analysis (with a gender action plan and budget). A gender expert reviews whether gender was adequately integrated into each project/programme using available checklists (e.g. a gender budget scan). The applicant's M&E procedures provide relevant gender-focused questions. The new E&S screening/impact management tool checks new projects/programmes for alignment with the host country gender policy and for the adequacy of the gender analysis, budget, competencies and indicators. The applicant is developing a template to conduct gender analysis (expected to be finalized in June 2019).

63. The applicant provided the curriculum vitae of its two headquarters-based gender experts, as well as samples of the experts' backstopping reports. There are also gender focal points at the host country level. The applicant provided evidence to demonstrate that it routinely conducts gender training at the headquarters and host country levels. To further support capacity development, the applicant has a gender equality web page and an online tutorial to train stakeholders on sexual rights issues. It is a member of well-established gender networks for the sharing of knowledge (e.g. the Development Assistance Committee Network on Gender Equality).

64. The applicant provided many documents to show implementation of its gender strategy and the application of its non-discrimination principle, including the gender analysis and strategy for its programmes in Guinea, Mali and Rwanda; two midterm reviews showing coverage of gender; a paving project in Burundi, where wages were fixed without gender distinction; a fair trade certification programme in Morocco, which supported female producers; and an umbrella programme focused on women's and girls' sexual rights.

65. The AP finds that the applicant's gender strategy and gender action plan and related procedures, capacities and track record fully meet the GCF Gender Policy.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant meets the requirements of the GCF basic fiduciary standards (including the GCF AML/CFT Policy and the GCF Policy on Prohibited Practices), the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (b) The applicant partially meets the requirements of the GCF Environmental and Social Policy and interim ESS standards in relation to the medium E&S risk (category B/I-2). While the applicant has indicated its commitment to align its requirements on disclosure of E&S information with the requirements of the GCF Information Disclosure Policy for potential GCF-funded projects/programmes with respect to category B/I-2, it has yet to establish a policy to do so; and
- (c) The applicant has demonstrated that it has competencies, policies and procedures in order to implement its gender policy, which is found to be consistent with the GCF Gender Policy, and has demonstrated that it has experience with gender consideration in the context of climate change.

4.2 Recommendation on accreditation

67. The AP recommends, for consideration by the Board, applicant APL089 for accreditation as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or activity within a programme:** small (including micro⁷);

(ii) **Fiduciary functions:**

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

(iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/intermediation 3 (I-3)⁸)); and

(b) **Conditions:**

(i) Condition to be met prior to the submission of the first funding proposal to the Board:

- a. Provision of evidence of the adoption by the applicant of a policy on information disclosure of E&S information for GCF projects/programmes consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes.

68. The applicant has been informed of the recommendation for accreditation, including the accreditation type and condition, as identified in paragraph 67 above, and agrees to the recommendation.

⁷ As per annex I to decision B.08/02, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme”.

⁸ As per annex I to decision B.07/02, category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

Annex VIII: Accreditation assessment of upgrade application from the Infrastructure Development Company Limited

I. Introduction

1. The Infrastructure Development Company Limited (IDCOL) is a national entity based in Bangladesh with a vision of helping to ensure the economic development of the country and improve the standard of living of the people of Bangladesh through sustainable and environmentally friendly investments. The applicant has been promoting financing in the private sector since its inception in 1997, focusing on infrastructure, renewable energy and energy efficiency projects.

2. IDCOL was accredited by the Board on 6 July 2017 in decision B.17/13, paragraph (b), for the following parameters, as recommended by the Accreditation Panel (AP), under the fit-for-purpose approach of GCF:

- (a) **Access modality:** direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application from Bangladesh;
- (b) **Track:** normal;
- (c) **Maximum size of an individual project or activity within a programme:** medium;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management; and
 - (iii) Specialized fiduciary standard for on-lending and/or blending (for loans); and
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)).³

3. The applicant signed the accreditation master agreement on 12 September 2018, which has yet to become effective. IDCOL has one GCF-approved project preparation funding application for a potential project proposal, “Promoting private sector investment through large scale adoption of energy saving technologies and equipment for textile sector of Bangladesh”.

4. The applicant submitted its application for an accreditation upgrade to the Secretariat via the online accreditation system on 25 June 2018. Accreditation fees were received from the applicant on 16 August 2018, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 20 February 2019, and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “medium” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

publication of this assessment. The applicant has applied to be upgraded for the following parameters under the fit-for-purpose approach of the GCF:

- (a) **Access modality:** direct access, national;
- (b) **Track:** normal;
- (c) **Fiduciary functions:**
 - (i) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
- (d) **All other criteria for which the applicant was accredited:**⁴ no change.

II. Stage I institutional assessment and completeness check

5. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process.

2.1 Legal status, registration, permits and licences

6. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant was established in 1997 by the Government of Bangladesh as a public limited company under the Companies Act (XVIII) of 1994 to encourage private sector investment in the infrastructure and energy sectors. As indicated in paragraph 3 above, GCF and IDCOL have entered into an accreditation master agreement.

2.2 Institutional presence and relevant networks

7. The applicant has well-established partnerships with government institutions, the private sector, non-governmental organizations and bilateral and multilateral development agencies. It extends long-term concessional finance and grants as well as capacity-building support to non-governmental organizations, micro-finance institutions and private entities, mainly in the renewable energy sector. It also provides long-term financing for the development of infrastructure projects by the private sector. Furthermore, the applicant provides corporate and financial advisory support in project finance, financial modelling and off-grid rural electrification at both the national and international levels.

8. The applicant is seeking to upgrade its accreditation type in order to become more closely aligned with the Country Programme of Bangladesh. The pipeline of projects identified by the national designated authority require grant award components for management and implementation by the applicant. Moreover, the applicant is seeking accreditation for the grant award function in order to collaborate with a broader range of executing entities for mitigation and adaptation projects through grant award and funding allocation mechanisms.

9. The awarding of grants in parallel to the loan financing is mostly intended to enable the applicant to provide access to sustainable energy services to people living in remote areas of Bangladesh, thereby contributing to the reduction of greenhouse gas emissions by reducing the use of fossil fuels. With a grant award mechanism as a component of its projects/programmes, the applicant plans to mainly finance solar irrigation, solar mini-grid and biogas-based electricity and grid-tied solar projects.

⁴ For example, the maximum size of an individual project or activity within a programme, other fiduciary functions and the environmental and social risk category.

10. To advance the objectives of GCF, the applicant screens potential projects based on the GCF investment criteria. It aims to finance solar irrigation, solar mini-grid and biogas-based electricity and grid-tied solar projects by sourcing funds from GCF. IDCOL as a direct access entity intends to finance projects and programmes that are identified in the country programme.

11. The applicant also seeks to strengthen country ownership by providing technical assistance in the form of training and capacity-building support to its local partners.

2.3 Track record

12. As a GCF accredited entity, IDCOL has a GCF-approved project preparation funding proposal, which aims to promote private sector investments through large-scale adoption of energy-saving technologies and equipment for the textile sector in Bangladesh.

13. The applicant has a track record in awarding grants received from various donors for ongoing projects/programmes. The applicant has continued to implement several renewable energy programmes in Bangladesh, namely the Solar Home System Programme, the Biogas and Bio-fertilizer Programme and the Improved Cook Stoves Programme. The applicant has gained experience in awarding grants for such programmes, as the applicant selected executing entities, which include non-governmental organizations, financial institutions and private entities, through an independent selection committee and based on the applicant's selection criteria. Upon entering the grant agreement, the applicant provides grants to the executing entities for project execution.

14. The applicant's track record in financing sustainable development and climate change projects in the areas of renewable energy, infrastructure, agriculture and energy efficiency includes:

- (a) USD 1.1 billion (loans, grants and equity) for the Solar Home System Programme;
- (b) USD 17.99 million (loans, grants and equity) for the Domestic Biogas and Biogas Fertilizer Programme;
- (c) USD 12.84 million (grants) for the Improved Cook Stoves Programme;
- (d) USD 40.94 million (loans, grants and equity) for the Solar Mini-Grid Projects; and
- (e) USD 76.08 million (loans, grants and equity) for the Solar Irrigation Programme.

III. Stage II accreditation review assessment

15. The applicant applied under the normal-track accreditation process. Its application has been assessed by the AP during Stage II (Step 1) against the standards of the GCF in accordance with the accreditation requirements.

16. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

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

17. In developing its grant award procedures, the applicant has updated its credit risk management guidelines that contain the legal and regulatory framework for providing grants for the selected projects and programmes blended with the loans. The guidelines establish eligibility criteria for the projects to be financed through grants, application procedures for

availing grants and loans, the appraisal process and timeline, general terms and conditions for the grant and loan agreements, and the applicant's environmental and social framework.

18. When a grant application is received by the applicant, the relevant business unit, in consultation with the Credit Risk Management Unit, prepares the project or programme proposal and presents it to the Credit Risk Management Committee. The project/programme proposal is prepared in accordance with the credit risk management guidelines with the qualified assistance of external consultants, such as technical advisers, valuation firms, legal counsel, environmental and social advisers, and insurance advisers. Upon the positive assessment of the Credit Risk Management Committee, the project/programme is submitted to the applicant's Board for its consideration and approval of the project/programme to be financed by grants and loans simultaneously.

19. For developing projects/programmes with a grant award mechanism, the applicant relies on its executing entities, or participating organizations (POs). The call for proposals for potential POs to perform specific functions within the project or programme is published in local newspapers or on the applicant's website. The interested POs are selected by the designated selection committee based on pre-defined eligibility criteria. The detailed due diligence of the PO is undertaken by the appraisal team based on the information supplied by the prospective borrower. The responsible business unit identifies probable risks that may affect the applicant during or after financing and suggests mitigation measures in consultation with the borrower and project sponsors. The applicant follows its standardized risk grading methods and definitions in selecting eligible and credible POs.

20. The procurement process for the activities conducted by POs within projects/programmes financed by the grants awarded is regulated by the applicant's procurement guidelines that establish the principles and methods for procurement, including eligibility requirements, market surveys and technical survey analysis, consideration of complaints and appeals, record keeping and the post review process of tenders. The applicant has the authority to conduct an audit of the expenditures made by POs within the scope of its activities.

21. The applicant has created a designated web page for disclosing the relevant information on GCF-funded projects/programmes, such as grant award results, a summary of the project/programme, and the progress of project/programme implementation, including information on budget utilization. The results of the grant award decisions are published on the new web page and communicated to all applicants via e-mail. However, the applicant does not have a standardized policy or a provision in an existing policy on information disclosure for projects/programmes financed through grants in a grant award mechanism or loans owing to the confidentiality requirements of some of the applicant's donors and partners. In order to satisfy the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms, the applicant is currently working on updating the relevant procedures to include provisions for information disclosure for GCF-funded projects/programmes under grant awards, as well as on-lending mechanisms.

22. The applicant has established a monitoring and results measurement manual specifically for GCF-funded projects/programmes in order to standardize the methods and formats for collecting, analysing and reporting data on results achieved for renewable energy projects and programmes. The manual reflects the applicant's commitment to meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms by measuring and reporting results. The applicant also undertakes regular project site visits and provides consultancy and support to grant beneficiaries.

23. The applicant's monitoring and evaluation system for each project/programme consists of several elements: the mandate and logframe that define the project's goals and targets; the processes and methods for monitoring project implementation; reporting standards and templates for problem and risk identification; and systems for maintaining the capacity and

competence of personnel conducting the monitoring, assessment and evaluation of the results achieved. The monitoring and evaluation system is overseen by the applicant's monitoring units of different programmes that consist of monitoring and reporting officers, supervised by respective unit heads and led by the Head of Renewable Energy.

24. Although the applicant has a well-established system of project monitoring and preventing project-related defaults and fraud during project implementation, the AP found that the applicant does not have standardized procedures at the institutional level or provision in grant agreements for the suspension, reduction or termination of grants awarded in the event of the beneficiary failing to comply with its obligations for projects/programmes. The applicant also does not have terms for the recovery of funds paid to grantees in respect of expenditures which are unauthorized or fall outside the eligibility criteria of the grants awarded. Therefore, the applicant is requested to develop new procedures at the institutional level and to update the existing grant agreement template to include these requirements.

25. In the development of its climate change mitigation and adaptation projects and programmes, the applicant undertakes blending of financial resources received from different donor organizations and applies different financial instruments, such as grants and loans. The grant award mechanism is an essential component of applying innovative and effective project financing approaches that are targeted primarily at low-income communities. Grant financing through a grant award mechanism would be used as supportive capital in providing technical assistance for quality control and monitoring, capacity development, market development, and research and development.

26. As evidence of its track record, the applicant provided sample documentation for its grant approval process, due diligence reports for the assessment of POs, appraisal reports for projects/programmes financed through grants awarded, project/programme implementation reports, internal audit reports, site visits reports, and monitoring and evaluation reports.

27. The track record provided for the development of renewable projects and programmes with a grant award scheme has been found by the AP to reflect effective implementation of the applicant's appraisal procedures and credit approval procedures contained in its updated credit risk management guidelines, fraud prevention procedures, internal controls framework and audit procedures, as well as compliance with the applicant's procurement procedures for conducting tenders within the projects/programmes under implementation.

28. The AP finds that the applicant's policies, procedures, capacity supported by evidence of track record partially meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms. The relevant gaps are identified in paragraphs 21 and 24 above and are reflected in the corresponding conditions for accreditation in section 4.2 below.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant partially meets the requirements of the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms. There is no standardized policy or provision in an existing policy on information disclosure for the projects/programmes financed through grants in a grant award mechanism or loans, owing to the confidentiality requirements of some of the applicant's donors and partners. The applicant's lending procedures need to be updated to include provisions on information disclosure for GCF-funded projects/programmes. In addition, the applicant does not have a provision in the standard grant agreements for the

suspension, reduction or termination of grants awarded and conversion of the grants into loans in the event of the beneficiary failing to comply with its obligations for projects/programmes. The updating of the existing grant agreement template to include these requirements for GCF-funded projects/programmes is necessary.

4.2 Recommendation on accreditation

30. The AP recommends, for consideration by the Board, IDCOL for an upgrade in its accreditation type, as originally accredited in decision B.17/13, paragraph (b), as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or activity within a programme:** medium;

(ii) **Fiduciary functions:**

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

(iii) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)); and

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

(i) Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant:

1. Provision of evidence of the adoption by the applicant of a standardized procedure for disclosing information to the public regarding its grant award decisions for GCF-funded projects/programmes, containing the following:
 - a. Type and content of information on grant award decisions to be provided;
 - b. Media/channels through which information on grant award decisions will be provided; and
 - c. Timelines within which information on grant award decisions will be made public; and
2. Provision of evidence of the inclusion by the applicant in its standardized grant agreement provisions and/or terms for the suspension, reduction or termination of grants awarded in the event of the final beneficiary failing to comply with its obligations for GCF-funded projects/programmes. The provisions and/or terms should include terms for the recovery of funds paid to grantees in respect of expenditures which are unauthorized or fall outside the eligibility criteria of the grants awarded.

31. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 30 above, and agrees to the recommendation.

Annex IX: Accreditation assessment of upgrade application from the Secretariat of the Pacific Regional Environment Programme

I. Introduction

1. The Secretariat of the Pacific Regional Environment Programme (SPREP) is a regional direct access entity based in Samoa that is focused on climate change resilience, ecosystem and biodiversity protection, waste management, pollution control and environmental governance. SPREP has been working on various climate change related issues in key areas of adaptation, mitigation, policy and science affecting small island developing States in the Pacific region. It has provided national-level programme support, institutional capacity-building and technical advice and has coordinated regional responses to global climate change issues and international climate agreements.

2. SPREP was accredited by the Board on 26 March 2015 in decision B.09/07, paragraph (b), for the following parameters, as recommended by the Accreditation Panel (AP), under the fit-for-purpose approach of GCF:

- (a) **Access modality:** direct access, regional. The applicant received a national designated authority or focal point nomination for its accreditation application from the Marshall Islands;
- (b) **Track:** fast-track under the Adaptation Fund (AF);
- (c) **Maximum size of an individual project or activity within a programme:** small;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards; and
 - (ii) Specialized fiduciary standard for project management; and
- (e) **Maximum environmental and social risk category:** minimal to no risk (category C/intermediation 3 (I-3)).³

3. The applicant signed the accreditation master agreement on 23 June 2016, which became effective on 15 July 2016. As an accredited entity, SPREP has one GCF-approved project under implementation, “Climate Information Services for Resilient Development in Vanuatu” (FP035), approved by the Board on 15 December 2016.

4. The applicant submitted its application for an accreditation upgrade to the Secretariat via the online accreditation system on 6 October 2017. Accreditation fees for the criteria being sought by the applicant were paid during the accreditation process. The Stage I institutional assessment and completeness check was completed on 20 December 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be upgraded for the following parameters under the fit-for-purpose approach of GCF:

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme”.

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

- (a) **Access modality:** direct access, regional;
- (b) **Track:** normal;
- (c) **Maximum size of an individual project or activity within a programme:** medium;⁴
- (d) **Fiduciary functions:**
 - (i) Specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2));⁵ and
- (f) **All other criteria for which the applicant was accredited:**⁶ no change.

II. Stage I institutional assessment and completeness check

5. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process for criteria that go beyond those identified in decision B.08/03.

2.1 Legal status, registration, permits and licences

6. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant was established in 1993 by 18 members through the Agreement Establishing the South Pacific Regional Environment Programme. As indicated in paragraph 3 above, GCF and SPREP have entered into an accreditation master agreement.

2.2 Institutional presence and relevant networks

7. The applicant is a partnership of 26 members with a mandate to promote cooperation in the Pacific region and provide assistance in order to protect and improve the regional environment and to ensure sustainable development for present and future generations. It has well-established partnerships with governments, non-governmental organizations and its peer agencies of regional organizations of the Pacific. It has been continuously building its institutional knowledge and capacity to support communities and governments through country-driven activities and regionally collaborative approaches.

8. To advance the objectives of GCF, SPREP intends to continue its work with Pacific island countries and its peer agencies to implement activities and development pathways within the context of global engagement under the United Nations Framework Convention on Climate Change. Furthermore, SPREP intends to build on its existing partnerships with GCF to continue

⁴ As per annex I to decision B.08/02, “medium” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme”.

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

⁶ For example, the specialized fiduciary standard for project management.

its support for the enhancement of country ownership and capacity and align its objectives with the mitigation and adaptation results framework adopted by GCF.

9. Specifically, SPREP intends to:
 - (a) Promote low carbon development by creating an enabling environment for renewable energy;
 - (b) Mainstream climate change into sectoral policies and national sustainable development processes;
 - (c) Identify adaptation priorities through vulnerability and adaptation assessments; and
 - (d) Support its members in carrying out adaptation programmes on the ground.
10. The applicant's application for an upgrade in its specialized fiduciary standard for grant award and/or funding allocation mechanisms and the maximum environmental and social (E&S) risk category from category C to category B/I-2 follows the recommendation by the AP in decision B.09/07. Furthermore, the demand from SPREP member countries in the region for implementing category B/I-2 projects also requires the applicant to seek an upgrade in its accreditation.
11. The potential projects that SPREP intends to propose are identified under E&S risk category B/I-2 and include a grant award component in the activities, such as adaptation of crop farming systems to climate change; forest management; energy efficiency; small- and medium-scale low emission power generation; and small-scale agriculture initiatives.
12. The upgrade will drive a paradigm shift not only at the project level but also in terms of access modality and at the institutional level:
 - (a) In terms of access modality, the upgrade would raise the profile of SPREP in demonstrating its capacity to access climate finance in implementing E&S risk category B/I-2 projects/programmes with grant award components; and
 - (b) At the institutional level, the upgrade would enable SPREP to address operational gaps between country needs and accredited entities' capabilities. It would allow SPREP to strengthen technical capacities and E&S management safeguards, systems and processes within programmes that SPREP plans to implement. It would also help SPREP to promote partnerships with other technical agencies within the region, especially those that have not yet been accredited to the GCF, to undertake E&S risk category B/I-2 projects/programmes.

2.3 Track record

13. As a GCF accredited entity, SPREP has a GCF-approved project, "Climate Information Services for Resilient Development in Vanuatu" (USD 21.8 million), which aims to use science to better prepare and inform Vanuatu's policymakers and the public to manage expected climate change. The project intends to expand the use of climate information services in the tourism, agriculture, infrastructure, water management and fisheries sectors.
14. The applicant has a track record of managing E&S risk category B projects as an accredited entity of the AF. It has a well-established process for initial E&S risk screening and has developed its environmental and social management plan (ESMP) in line with the requirements set out by the AF to support the implementation of the project "Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia", which is financed by the AF.
15. In addition, the applicant has indicated that it has been developing a multi-country coastal marine ecosystem regional programme to enhance the resilience and adaptive capacity

of Pacific island people to climate change. This programme is structured with a grant award mechanism component and is likely to be categorized as category B/I-2.

16. The applicant's track record in financing sustainable development and climate change related projects includes:
- (a) EUR 3.3 million (grants) for the Finnish Pacific Project aimed at reducing the vulnerabilities of Pacific communities to climate change disasters and risks in 14 Pacific island countries (e.g. Kiribati, the Marshall Islands and the Solomon Islands);
 - (b) USD 9 million (grants) for the project Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia;
 - (c) USD 37.7 million (grants) for the Pacific Adaptation to Climate Change programme in 14 Pacific island countries and territories (e.g. Cook Islands, Palau and Tuvalu);
 - (d) USD 68 million (grants) for the Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project in multiple Pacific island countries (e.g. Fiji, Niue and Samoa); and
 - (e) EUR 45 million (grants) for the By-Catch and Integrated Ecosystem Management project.

III. Stage II accreditation review assessment

17. The applicant applied under the normal track accreditation process. Its application has been assessed by the AP during Stage II (Step 1) against the standards of the GCF in accordance with the accreditation requirements.

18. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Section 5.1: Project management

19. The applicant provided evidence of managing projects in the "medium" size category. The evidence includes periodic progress (implementation) reports of medium-sized projects that the applicant prepared in a role of implementing partner, site visit reports for the project activities, records of capacity-building activities implemented within the project, and a terminal evaluation report of the donor of the project managed by SPREP.

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

20. Within its application for the upgrade in the specialized fiduciary standard for grant award and/or funding allocation mechanisms and the development of medium-sized projects/programmes, the applicant has provided the AP, for its review, the updated and established procedures and relevant track record that enable it to develop climate change mitigation and adaptation projects under grant award and/or funding allocation mechanisms.

21. During the period of its accreditation, the applicant developed and established its grant mechanism procedures that describe its legal and regulatory framework for providing grants and the principles by which SPREP applies standard procedures to project evaluation and pre-grant due diligence. The procedures apply to situations where SPREP provides grants directly to recipients or works via a grant scheme executed by a third-party organization that SPREP manages.

22. The applicant's grant award mechanism is based on the following principles: transparency, equal treatment, effective programming, clearly defined eligibility criteria, costs not eligible for grant funding, non-retroactivity, co-financing principles and a no-profit rule. The grant proposals are evaluated using the pre-grant due diligence checklist with specific criteria to be followed at the appraisal stage. The eligibility criteria for projects that can be accepted under the grant award mechanism are clearly defined and made publicly available on the applicant's website. Each project proposal from the potential grant awardee submitted for development within a particular programme receives a score, based on which a decision is taken by the designated selection committee. The results of the grant award decisions are published on the applicant's website and communicated to all project applicants. The call for proposals can also be opened for execution of a specific task within a programme by a consulting firm or individual.
23. The applicant also publishes on its website all other relevant information on its grant award programmes, such as a summary of the approved projects, the amount of grant funding awarded, the project beneficiaries and project implementation progress, including midterm and final reports.
24. In accordance with its project logical and results framework, the applicant establishes a project logframe comprised of the project's objectives, which includes indicators, means of verification, risks and assumptions, and describes the specific activities in relation to the project's objectives that SPREP will undertake. Budget activities and expenditure are included in the logframe.
25. The applicant effectively monitors grant recipients to ensure that the funds are used in accordance with the agreement and comply with the SPREP eligible costs policy contained within its grant mechanism procedures, fraud prevention and whistle-blower protection manual, governance policy and internal control framework guidelines. Project monitoring is undertaken in accordance with the applicant's established monitoring and evaluation plan and monitoring and evaluation procedures. The applicant also undertakes regular project site visits, provides consultancy and support to grant beneficiaries, and organizes training workshops for community members and other interested beneficiaries.
26. All activities financed by different donors and implemented by SPREP are subject to an annual external audit, the reports of which were provided to the AP for its review. The donors of the projects and programmes prepare a report on findings and recommendations on the completed project, including an analysis of budget expenditure.
27. As evidence of its track record, the applicant provided sample documentation for the development of micro, small and medium-sized projects and programmes. The reviewed documentation includes samples of calls for proposals, evaluation reports of grant award proposals through a due diligence process of feasibility reports, tender documents, grant (service) agreements, quarterly progress (implementation) reports, project mission and site visit reports and independent evaluation reports.
28. The track record provided for the development of projects under a grant award scheme demonstrates the effective implementation of the applicant's grant mechanism procedures, fraud prevention procedures, internal control framework guidelines, and monitoring and evaluation procedures, as well as compliance with its procurement procedures in awarding tenders for sub-contractors and consultants for programme execution.
29. The AP finds that the applicant's policies, procedures, capacity supported by evidence of track record fully meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms for projects/programmes in the "medium" size category.

3.2 Environmental and social safeguards

3.2.1 **Section 6.1: Environmental and social policy**

30. The applicant provided a document on its environmental and social management system (ESMS) dated January 2019, which updates its ESMS dated February 2017. The updates are mostly related to the applicant's internal review processes, including the related organizational structure and associated responsibilities. The specific objectives of the applicant's ESMS are to:

- (a) Strengthen the E&S outcomes of projects;
- (b) Avoid adverse impacts where possible and, where unavoidable, apply the mitigation hierarchy of minimization, mitigation and compensation/offset; and
- (c) Strengthen the applicant's and its executing entities' capacity for managing E&S risks and impacts.

31. The applicant's ESMS also describes the applicable regional E&S laws and regulations to which the applicant adheres, including the adoption of performance standards 1 to 8 of the GCF interim environmental and social safeguards (ESS) standards. The ESMS establishes the minimum sustainability requirements for the applicant and its executing entities to anticipate and manage emerging E&S issues.

32. The provisions of the ESMS are applicable to all projects/programmes where the applicant is the entity legally responsible for the project/programme, irrespective of the type of project/programme implementation in place or the entities involved in its execution. Responsibility for executing and providing advice on the ESMS resides with the project coordination unit for each project/programme, which provides technical advice to project managers to assist them in implementing the necessary requirements and reviewing E&S project documentation. The applicant's senior management has reviewed and endorsed the ESMS and it has been communicated to staff alongside the roll-out of the project cycle.

33. The AP finds that the applicant's ESMS policy fully meets the requirements of the GCF Environmental and Social Policy⁷ and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

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

34. The ESMS describes the applicant's institutional procedure to guide staff in identifying the E&S risks and impacts of projects/programmes, consistent with performance standards 1 to 8 of the GCF interim ESS standards. The ESMS is institutionalized throughout the project cycle, where project managers and the Project Review and Monitoring Group (PRMG) oversight body carry out the prescribed analyses, planning, implementation, monitoring, mitigation, as necessary, and evaluation. The E&S risks are screened during the concept development part of a project lifecycle, and the results are documented in the E&S screening report. The process supports the project manager to understand whether any of the safeguards have been triggered by the project and, if so, to undertake an assessment of the extent of the risk associated with that safeguard. Based on the identified potential E&S risks and impacts, the project is categorized in terms of E&S risk and/or impact into one of three categories, A, B or C, which are consistent with the respective three categories defined in the GCF Environmental and Social Policy.

35. The applicant provided ESMPs for two illustrative projects in E&S risk category B/I-2 and one in category C/I-3, including the E&S risk screening procedure, as follows:

- (a) A category B project funded by the AF on coastal defence;

⁷ Decision B.19/10 and annex X thereto.

- (b) A category B project on a road relocation initiative funded by the Asian Development Bank; and
- (c) A proposal for a category C project on climate information services for resilient development.

36. The AP finds that the applicant's system of identification of E&S risks and impacts supported by evidence of track record fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.3 Section 6.3: Management programme

37. The ESMS describes the applicant's institutional process for managing E&S risk, as well as impact mitigation measures and actions stemming from the E&S risk identification process. Based on the E&S risk screening process, an environmental and social assessment (ESA) is conducted at a level appropriate to the level of E&S risk and impacts anticipated from the project. The outcomes of the ESA will inform the development of the ESMP for the project/programme. An ESMP is developed for all categories of projects (A, B or C); however, the level of detail within the ESMP varies according to the potential E&S risks and impacts. The purpose of the ESA is to predict and assess the type and scale of potential impacts to affected communities and the environment, and to identify management strategies to reduce adverse impacts and improve beneficial impacts.

38. Three levels of ESA have been defined in the applicant's ESMS:

- (a) Environmental and social impact assessment (ESIA): this is a comprehensive process for analysing E&S impacts using a specific methodology for stakeholder consultation including a policy, regulatory and administrative framework, analysis of project alternatives, documentation of baseline data, and analysis of impacts generated by the project;
- (b) Topic-specific assessments: such assessments are limited in scope and designed to address specific potential E&S risks or impacts, aligned with one or more of the guidelines relevant to the topic. Topic-specific assessments could be conducted in the absence of an ESIA if the project is broadly considered to be low risk. Examples could include an assessment of the use of pesticides and a management plan for addressing any pesticide use within the project; and
- (c) Risk/hazard assessments: these assessments address risks of injury to workers and the public from potential hazards related to project activities, such as the release of toxic or hazardous material or unsafe conditions due to construction.

39. The applicant provided a sample of ESMPs for the three projects listed in paragraph 35 above.

40. The AP finds that the applicant's E&S risk and impacts mitigation management programme supported by evidence of track record fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

41. The applicant's ESMS describes its internal processes to support a monitoring/supervision programme that tracks and ensures completion of E&S risk and impact mitigation measures and performance improvement measures. The applicant has explained that the ESS are incorporated into the project planning cycle and monitored regularly throughout each project. As a component of each project's ESMP, a monitoring and reporting template is completed annually by the project manager. In addition, an independent external expert audits the project monitoring and reporting outputs and provides recommendations.

The monitoring report is submitted to the project coordination unit for review and to PRMG for approval.

42. The monitoring and other performance data are put into a project management information system (information technology system). The project management information system tool helps project managers to capture data consistently across projects. At appropriate times in the project cycle, these data are reviewed by the task/project manager, PRMG and the senior management team. The reviews help to identify whether any changes are needed to implementation procedures, in case mitigation strategies are ineffective or unexpected risks occur. The applicant provided a sample monitoring report for the projects listed in paragraph 35 above.

43. The AP finds that the applicant's system of monitoring and review supported by evidence of track record fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

3.2.5 **Section 6.6: External communications; consultations, disclosure, and grievance redress mechanism**

44. The applicant provided a link to a page on its website that describes its institutional-level grievance redress mechanism, including the contact e-mail address to receive and register external communications such as complaints regarding E&S matters. The applicant's grievance redress mechanism is found by the AP to be in line with performance standards 1 to 8 of the GCF interim ESS standards. The applicant's internal audit unit is responsible for handling E&S complaints. The administrative process for screening, assessing and addressing grievances follows the same process as that outlined for grievances/complaints in the applicant's fraud prevention and whistle-blower protection manual. The applicant's ESMS requires its executing entities to include a grievance mechanism in projects overseen by the applicant. The applicant has provided evidence in the form of a screenshot of an example of the application of the grievance redress mechanism, which shows the dedicated e-mail inbox for receiving E&S-related enquiries/complaints and providing responses. The applicant also explained that no enquiries/complaints have been received to date.

45. The ESMS includes a policy statement on the applicant's information disclosure of ESAs, which is found by the AP to be in line with the GCF Information Disclosure Policy regarding the disclosure of E&S information, specifically within 30 days and in both the respective original language and in English. The applicant's ESMS also describes the requirement for its executing entities to establish a project-level grievance redress mechanism. The complexity and scale of the grievance redress mechanism would be appropriate to the scale of the impact and the size of the affected population.

46. The AP finds that the applicant's system of external communications, consultations, information disclosure, and grievance redress mechanism supported by evidence of track record fully meets the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

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

47. The ESMS defines the applicant's organizational structure, including the related roles, responsibility for and authority to implement the ESMS. The project coordination unit has overall responsibility for operationalizing the ESMS. In this role, the project coordination unit is responsible for the following tasks:

- (a) Guiding the review and updating of ESMS procedures and templates;
- (b) Providing technical advice to project managers to assist them in implementing the ESMS requirements; and
- (c) Providing expert reviews of E&S project documentation on an annual basis.

48. PRMG has ultimate responsibility for reviewing the E&S screening outcome before issuing E&S clearance for final approval by the senior management team. It is also called upon to review the development and implementation of the project ESMP. PRMG includes E&S experts as well as the members of the project coordination unit who have the required knowledge and expertise in ESS matters. Where necessary, additional expert capacity is sourced. The applicant provided the curriculum vitae of its E&S experts, including a sample of work on the projects mentioned in paragraph 35 above. The applicant's staff have undergone training in 2019 on its ESMS and further trainings are planned for later in 2019.

49. The AP finds that the applicant's organizational capacity and competency supported by evidence of track record fully meet the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant meets the requirements of the GCF specialized fiduciary standard for project management (in terms of track record) and the specialized fiduciary standard for grant award and/or funding allocation mechanisms for medium-sized projects/programmes; and
- (b) The applicant meets the requirements of the GCF Environmental and Social Policy and GCF interim ESS standards in relation to the medium E&S risk (category B/I-2).

4.2 Recommendation on accreditation

51. The AP recommends, for consideration by the Board, SPREP for an upgrade in its accreditation type, as originally accredited in decision B.09/07, paragraph (b), and annex VI thereto, as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** medium (including micro⁸ and small);
 - (ii) **Fiduciary functions:**
 - 1. Specialized fiduciary standard for project management; and
 - 2. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/I-3)); and
- (b) **Conditions:** none.

52. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 51 above, and agrees to the recommendation.

⁸ As per annex I to decision B.08/02, "micro" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme".

Annex X: Additional entities of other relevant funds for fast-track accreditation eligibility

I. Background

1. In decision B.08/03, paragraphs (e–g), the Board decided that entities accredited by the Global Environment Facility (GEF), the Adaptation Fund (AF) and the Directorate-General for International Development and Cooperation (DG DEVCO) up to and including 17 October 2014 and in full compliance with those institutions' requirements, as contained in annex V to decision B.08/03 (annex V to document B.08/45), are eligible to apply under the fast-track accreditation process for the accreditation requirements of the GCF identified in the relevant paragraphs of the decision.
2. In decisions B.10/06, B.12/30, B.14/09, B.15/09, B.17/13, B.18/05, B.19/14, and B.22/09, the Board expanded the list of entities eligible to apply under the same fast-track approach, assuming all prerequisite criteria were met to include those under the GEF, the AF and DG DEVCO up to and including 9 July 2015, 9 March 2016, 14 October 2016, 17 December 2016, 6 July 2017, 2 October 2017, 1 March 2018 and 28 February 2019, respectively.
3. The entity presented below has been accredited by AF since 28 February 2019. No new entities have been accredited by the GEF and DG DEVCO since that time that are seeking to become eligible for fast-track accreditation to GCF.

II. Adaptation Fund

Table 4: The Adaptation Fund – national implementing entities since 28 February 2019^a

Name	Acronym	Country
Ministry of Water and Environment	MWE	Republic of Uganda

^a The list of the national accredited entities of the Adaptation Fund is available at < <https://www.adaptation-fund.org/apply-funding/implementing-entities/national-implementing-entity/>>. See also Adaptation Fund Board decision B.33/8, available at <https://www.adaptation-fund.org/wp-content/uploads/2019/03/AFB33_decisions_clean1.pdf>.

4. The national direct access entity listed in table 4 has been confirmed via evidence provided by the entity regarding its successful accreditation as a National Implementing entity of the Adaptation Fund (decision B.33/8) on 1 April 2019.