

**GREEN
CLIMATE
FUND**

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GCF/B.23/05

13 June 2019

Updated accreditation framework

Summary

In decision B.22/16, the Board decided to streamline the accreditation process in order to accelerate the review and consideration of entities applying for accreditation. In the same decision, the Board requested its Accreditation Committee, with the support of the Secretariat, to consult with Board and alternate members, accredited entities and national designated authorities and focal points on matters related to the review of the accreditation framework as contained in annexes XI and XII to the decision, and present an updated accreditation framework for consideration and adoption by the Board at its twenty-third meeting. In line with decision B.22/16, paragraph (d), this document presents the updated accreditation framework for the Board's consideration.

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I. General mandate

1. In decision B.07/02, paragraph (a), the Board adopted the initial guiding framework for the GCF accreditation process. In decision B.18/04, paragraph (a), the Board decided to commence the review of the accreditation framework. In paragraph (b) of the same decision, the Board requested the Secretariat to present a proposal for the revision of the accreditation framework that includes other modalities for institutions to work with GCF, as early as the nineteenth meeting of the Board (B.19).
2. The Board, having considered document GCF/B.19/28 titled “Further development of the accreditation framework”, requested the Secretariat, by decision B.19/13, to further develop the project-specific assessment approach (PSAA), as part of the updated accreditation framework which is contained in annex II of this document, taking into account the views of Board members and the outcomes of the full review of the accreditation framework, for the Board’s consideration. The Secretariat prepared document GCF/B.20/17 titled “Accreditation framework review, including the project specific framework approach” and document GCF/B.21/08 titled “Accreditation framework review”; however, the agenda items were not discussed at the twentieth and twenty-first meetings of the Board, respectively. The Secretariat prepared document GCF/B.22/14 on the accreditation framework review, which was presented to the Board at its twenty-second meeting.
3. In decision B.22/16, the Board decided to streamline the accreditation process in order to accelerate the review and consideration of entities applying for accreditation. In the same decision, the Board requested its Accreditation Committee, with the support of the Secretariat, to consult with the Board and alternate members, accredited entities (AEs) and national designated authorities (NDAs) and focal points on matters related to the review of the accreditation framework as contained in annexes XI and XII to the decision, and present an updated accreditation framework for consideration and adoption by the Board at its twenty-third meeting.
4. Taking into account feedback received from the Board, AEs and NDAs/focal points, this document presents the Accreditation Committee’s proposal for the updated accreditation framework for the Board’s consideration. This proposal includes improvements to the accreditation framework that aim to accelerate the review and consideration of applicant entities. The document also includes the revised proposal for the PSAA (annex II) as a new and complementary modality of accreditation for institutions to work with GCF on a specific project/programme. The PSAA is intended to be a complementary modality to accreditation, existing alongside accreditation as an additional way for institutions to access resources from GCF, albeit in a limited way through a specific project/programme.

II. Recommended action by the Board

5. It is recommended that the Board:
 - (a) Take note of the information presented in document GCF/B.23/05 titled “Updated accreditation framework”; and
 - (b) Adopt the decision included in annex I.

III. Linkages with decisions and other documents

6. This document has actual or potential linkages with the following items:

- (a) “Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund’s fiduciary principles and standards and environmental and social safeguards” (decision B.07/02);
- (b) “Guidelines for the operationalization of the fit-for-purpose accreditation approach” (decision B.08/02);
- (c) “Interim Policy on Prohibited Practices” (Exhibit A of the accreditation master agreement considered in decision B.12/31);
- (d) “Policy on Prohibited Practices” (decision B.22/19);
- (e) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10);
- (f) “Environmental and social management system: Environmental and Social Policy” (decision B.19/10);
- (g) “Gender policy and action plan” (decision B.09/11);
- (h) “Updated Gender Policy and Action Plan” (document GCF/B.23/XX);¹
- (i) “Assessment, including gap analysis, of institutions accredited by other relevant funds” (decision B.08/03);
- (j) “Identification of relevant potential international private sector best-practice fiduciary principles and standards and environmental and social safeguards” (decision B.08/05);
- (k) “Country programming, readiness and preparatory support” (decision B.13/32);
- (l) “Application documents for submissions of applications for accreditation” (decision B.08/06);
- (m) “Policy on fees for accreditation of the Fund” (decision B.08/04);
- (n) “Comprehensive information disclosure policy of the Fund” (decision B.12/35);
- (o) “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);
- (p) “Legal and formal arrangements with accredited entities” (decision B.09/08);
- (q) “Accreditation master agreements” (decision B.12/31);
- (r) “Investment framework” (decision B.07/06);
- (s) “Initial results management framework of the Fund” (decisions B.07/04 and B.08/07);
- (t) “Use of other financial instruments” (decision B.08/12);
- (u) “GCF risk management framework” (decision B.17/11);
- (v) “Interim policy on fees for accredited entities” (annex II to decision B.11/10);
- (w) “Policy on fees” (annex VIII to decision B.19/09);
- (x) “Additional modalities that further enhance direct access: Terms of reference for a pilot phase” (decision B.10/04);
- (y) “Private Sector Facility: working with local private entities, including small and medium-sized enterprises” (decision B.09/09);

¹ To be considered by the Board at its twenty-third meeting.

- (z) “Private Sector Facility: potential approaches to mobilizing funding at scale” (decision B.09/09);
- (aa) “Recommendations for further accrediting national, regional and private sector entities (progress report)” (document GCF/B.10/Inf.12);
- (bb) “Policy matters related to the approval of funding proposals: Simplified approval process for certain small-scale activities” (decision B.18/06);
- (cc) “Initial monitoring and accountability framework for accredited entities” (decision B.11/10);
- (dd) “Strategic plan for the Green Climate Fund” (decision B.12/20);
- (ee) “Strategy on accreditation” (decisions B.13/19 and B.14/08);
- (ff) “Matters related to the accreditation framework and policy gaps: Co-Chairs’ proposal” (decision B.18/04);
- (gg) “Further development of the accreditation framework” (decision B.19/13);
- (hh) “Accreditation framework review, including the project specific accreditation approach” (document GCF/B.20/17);
- (ii) “Review of the accreditation framework” (decision B.22/16); and
- (jj) “Strategy to increase funding proposals from direct access entities” (documents GCF/B.20/04 and GCF/B.20/04/Add.01).

IV. Consultations with the Board, accredited entities and national designated authorities/focal points

7. The Accreditation Committee with the support of the Secretariat conducted consultations with the Board, AEs and NDAs/focal points through:

- (a) Written feedback sought between 1 and 30 April 2019, for which 36 written submissions were made from the following:
 - (i) 12 members and alternate members of the Board (including 1 submitted under an NDA);
 - (ii) 15 NDAs/focal points (including 1 submitted under the Board); and
 - (iii) 10 AEs (including 6 direct access AEs and 4 international access AEs); and
- (b) Webinars held on:
 - (i) 9 April 2019 with the Board, attended by 16 participants; and
 - (ii) Two webinars held on 10 April 2019 with AEs and NDAs/focal points, attended by 16 participants.

8. Comments received during the consultations fell within three groups:

- (a) General comments;
- (b) Comments on the institutional accreditation process; and
- (c) Comments on the PSAA.

9. A matrix of comments received, grouped by topic, is contained in annex III of this document.

V. Elements of the updated accreditation framework

10. The updated accreditation framework contains improvements to the existing institutional accreditation process and the establishment of the PSAA as a new and complementary modality of accreditation for institutions to work with GCF, taking into account feedback received from the Board, AEs and NDAs/focal points through the consultation process.
11. The experience of GCF during the initial resource mobilization period highlights that reform of access modalities, and diversification of the use of instruments, is important if GCF is going to more fully realize its catalytic potential.

5.1 Improvements to the institutional accreditation framework

12. Recommendations 1 and 3–9 contained in annex XI to decision B.22/16 have been integrated into the updated accreditation framework contained in annex II to this document, resulting in the following changes that will improve the institutional accreditation process:
 - (a) Greater linkages of the nominations of direct access entities to country programming and the role of AEs;
 - (b) Clarifications on access modalities and the financing size categories for programmes;
 - (c) Streamlining the accreditation process by consolidating under Stage II (Step 1) "Accreditation Panel review" the completeness check regarding institutional systems, policies and procedures related to standards for GCF accreditation (fiduciary, environmental, social and gender) and reviewing entities against the standards for which the entity is seeking accreditation, rather than splitting the review across Stages I and II (Step 1); and
 - (d) Stage II (Step 1) assessments will be conducted by external consultants/firms under the guidance of the Accreditation Panel.
13. The Accreditation Committee discussed whether to include a request for the Independent Evaluation Unit to undertake a review of the following items, and to present a report with recommendations to the Board for its consideration no later than the twenty-fifth meeting of the Board:
 - (i) The current portfolio of accredited entities and the extent to which it contributes to maximizing the impact of GCF and to delivering on the GCF mandate and objectives; and
 - (ii) Recommendation on the optimal mix of accredited entities that offer recipient countries optimal coverage in terms of access modality, type, geography, thematic areas/sectors, and financial instruments.
14. Some Accreditation Committee members wanted to include this request in the draft decision, whereas another member did not agree as such a review is not within the terms of reference of the Independent Evaluation Unit.
15. In decision B.21/15, paragraph (e), the Board adopted the decision that future accreditation decisions by the Board should aim to bring forward accredited entities that fulfil the mandate on balance, diversity and coverage and that advance the objectives of GCF and, to that end, decides to prioritize up to the end of B.23 the following, not listed in order of priority:
 - (a) National direct access entities nominated for accreditation by national designated authorities or focal points of countries that do not have an accredited direct access national entity;

- (b) Private sector entities, in particular those in developing countries, seeking a balance of diversity of entities in line with decision B.09/07, paragraph (g) and decision B.10/06, paragraph (h);
- (c) Entities responding to requests for proposals issued by GCF, such as those for a pilot phase for enhancing direct access; a pilot programme to support micro, small, and medium-sized enterprises; and a pilot programme to mobilize funds at scale in order to address adaptation and mitigation;
- (d) Accredited entities seeking fulfilment of their conditions for accreditation; and
- (e) Accredited entities requesting upgrades in their accreditation scope.

16. The Accreditation Committee discussed whether to extend this prioritization decision (recommendation 2 contained in annex XI to decision B.22/16). Some Accreditation Committee members wanted this prioritization decision to be extended and others did not agree to include a proposal to extend this prioritization decision in the proposal on the Updated Accreditation Framework.

17. It is proposed that entities are fully accredited to GCF and the 5-year accreditation term begins upon completion of the full 3-stage institutional accreditation process and effectiveness of the accreditation master agreement (AMA) entered into between GCF and an AE, rather than after the second of three stages, Stage II (Step 2) Board decision-making on accreditation (as indicated in the relevant Board decision and clause 22.01 of the template AMA²). This would allow for finalization of the full accreditation process after which an AE can engage with GCF, and also could allow for sufficient opportunity for engaging with the AE to inform the re-accreditation assessment. The date of signing an AMA for most AEs, particularly those accredited in 2015 and 2016, was not until 1–2 years after the Board’s decision on accreditation at Stage II (Step 2), and AMA effectiveness triggered by the AE has typically been six months to one year after signing the AMA. In terms of programming with GCF, decision B.17/09, paragraph (d)(iv), requires an AE to have signed the AMA before a funding proposal can be considered by the Board. The AMA template considered by the Board in decision B.12/31 would need to be amended to reflect such a change in the start date of the 5-year accreditation term. Table 1 below indicates the time of re-accreditation for AEs based on the accreditation decision at Stage II (Step 2) of the accreditation process (current approach) and AMA effectiveness at Stage III (proposed approach).

Table 1: Number of accredited entities to seek and be considered for re-accreditation in various years, on the basis of the dates of the accreditation decision and accreditation master agreement effectiveness (as at 31 May 2019)

	Number of AEs	Number of AEs ^a
Starts from:	Stage II (Step 2) accreditation decision	Stage III AMA effectiveness
Ends on:	See the year below	See the year below
2020	20 (accredited in 2015)	0
2021	28 (accredited in 2016)	8

² Clause 22.01 of the AMA considered by the Board in decision B.12/31, states: “Subject to a prior termination pursuant to Clause 22.02, the Accredited Entity will, from the date of its Accreditation, remain Accredited for a period of five (5) years (unless otherwise so provided by the Monitoring and Accountability Framework or other relevant Decision or policy of the Fund).”

2022	11 (accredited in 2017)	16
2023	16 (accredited in 2018)	14
2024	9 (accredited in 2018)	8

Abbreviations: AE = accredited entity, AMA = accreditation master agreement.

^a The number of AEs with signed and effective AMAs is expected to increase and will be added upon AMA effectiveness.

18. Furthermore, the updated accreditation framework consolidates various Board decisions, including the GCF initial guiding accreditation framework, the monitoring and accountability framework and relevant Board decisions on criteria to be assessed during re-accreditation, such as the baseline of the overall portfolio of the AEs that allows for an assessment of the extent to which their activities (beyond those projects/programmes funded by GCF) have evolved during the accreditation period.³

5.2 Project-specific accreditation approach

19. Recommendation 10 contained in annex XI and XII to decision B.22/16 has been integrated into the updated accreditation framework contained in annex II to this document regarding the PSAA.

20. In addition, the Accreditation Committee recommends the exclusion of Category A/Intermediation 1 projects/programmes from PSAA.

21. The Accreditation Committee also discussed whether to include both entities not yet accredited to GCF as well as AEs that submit or have submitted funding proposals in relation to the PSAA that go beyond their existing accreditation scope. There being no consensus, the AC did not include in the scope of entities eligible to apply for PSAA AEs that submit or have submitted funding proposals in relation to the PSAA that go beyond their existing accreditation scope.

VI. Letter to Co-Chairs of the Board of the GCF

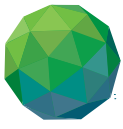
22. Annex IV contains a letter from Mr. Richard Muyungi, Chair of the Accreditation Committee, addressed to the Co-Chairs informing that the Accreditation Committee has approved this document GCF/B.23/05 titled “Updated accreditation framework” and the Chair endorses its transmission to the Board.

³ Decision B.12/30, paragraph (d).

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.23/05 titled “Updated accreditation framework”:

- (a) Recalls decision B.22/16, paragraph (b) to streamline the accreditation process in order to accelerate the review and consideration of entities applying for accreditation;
- (b) Requests the Accreditation Committee to develop an accreditation strategy to better target the profile and capabilities of the accredited entity network, match priorities for concept note and funding proposal development in line with countries’ priorities, and encourage alignment between accredited entities’ portfolios and the GCF mission;
- (c) Adopts the updated accreditation framework set out in annex II to this document to replace the initial guiding framework for the accreditation process adopted by the Board pursuant to decision B.07/02, paragraph (a);
- (d) Requests the Secretariat to implement the updated accreditation framework referred to in paragraph (c) above starting no later than 1 January 2020;
- (e) Also requests, pursuant to paragraph (c) above, the Accreditation Panel, with the support of the Secretariat, to establish a roster of competent external consultants or consultancy firms in accordance with the Administrative Guidelines on Procurement;
- (f) Approves, pursuant to paragraphs (c) and (d) above, a budget of up to USD 700,000 under the administrative budget of the Board for 2020 for the use of such external consultants or consultancy firms;
- (g) Requests the Accreditation Committee, in consultation with the Secretariat and Accreditation Panel, to update the draft working modalities of the Accreditation Panel set out in annex I to document GCF/B.21/Inf.10 titled “Reports from committees, panels and groups of the Board of the Green Climate Fund” to reflect the use of external consultants or consultancy firms in the context of reviews of entities in Stage II (Step I), with a view to presenting such working modalities to the Board for its consideration no later than its twenty-fourth meeting;
- (h) Decides to implement, on a pilot basis, a project-specific assessment approach that combines assessments undertaken during the existing accreditation and proposal approval processes in a fit-for-purpose manner, in accordance with the parameters set out in annex II;
- (i) Also decides that entities with funding proposals approved within the scope of the project-specific assessment approach set out in paragraph (h) above shall be deemed accredited for the purposes of such approved funding proposal only;
- (j) Requests the Secretariat to implement the approach referred to in paragraph (h) above starting no later than 1 January 2020, with the objective of submitting funding proposals that are within the scope of the project-specific assessment approach for the Board’s consideration as early as possible;
- (k) Approves, pursuant to paragraph (j) above, a budget of up to USD 600,000 under the administrative budget of the Secretariat for 2020 to cover the costs of the assessments of funding proposals submitted under the project-specific assessment approach and their related legal arrangements;
- (l) Requests the Secretariat to report to the Board on an annual basis on the operationalization and implementation of the approach referred to in paragraph (h) above; and



- (m) *Decides* that the Project Preparation Facility will support project and programme preparation requests from entities referred to in the project-specific assessment approach detailed in paragraph (h) above in addition to those entities already identified in decision B.13/21, paragraph (b), and the provisions of decision B.13/21 shall apply mutatis mutandis to such entities.

Annex II: Updated accreditation framework

I. General objective

1. The general objective of this framework is to facilitate a coherent integration of the GCF fiduciary principles and standards, environmental and social safeguards (ESS) standards and the GCF Gender Policy with the GCF accreditation process and its related operational systems and procedures, including the organizational structure and governance system dedicated to supporting it.
2. The accreditation framework allows the GCF to drive a broader institutional shift towards low-carbon, climate-resilient approaches and best practices regarding gender, and environmental and social safeguarding standards.

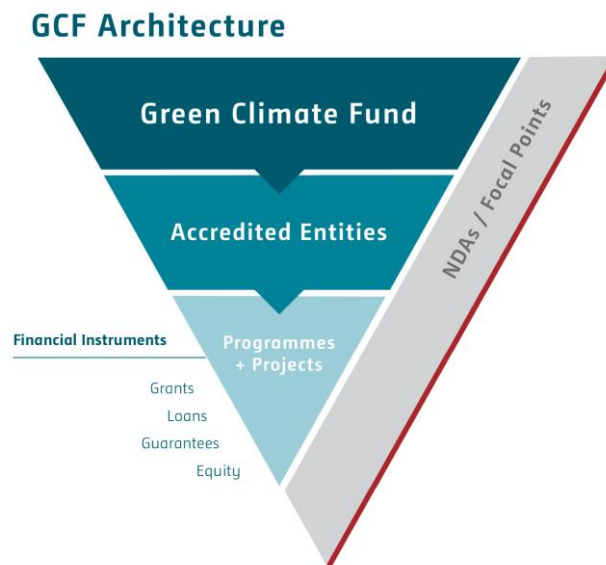
II. Role and responsibilities of accredited entities

3. As an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, GCF provides support to developing countries and Parties to the UNFCCC and the Paris Agreement to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.
4. The Strategic Plan of the GCF states that GCF will support developing countries in the implementation of the ambitious Paris Agreement.¹ The Strategic Plan further states that based on its mandate as defined in the Governing Instrument for the GCF, GCF will support developing countries by promoting a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development. Through country programmes, recipient countries via their national designated authority (NDA) or focal point can indicate country needs and priorities in addressing climate change. As per the Governing Instrument, access to GCF resources will be through national, regional and international implementing entities accredited by the Board.² Accredited entities (AEs) may be implementing entities and/or intermediaries. The diversity of AEs can provide recipient countries with a choice of partners to meet their needs and priorities.
5. In particular, direct access entities (DAEs) are important for promoting country ownership and understanding national priorities and contributions towards low-emission and climate-resilient development pathways. Private sector entities at all levels, particularly those in developing countries, can be important partners in promoting private sector climate action in developing countries. With GCF financing, private sector entities can help in de-risking the delivery of private capital and scaling up private sector investment flows for low-carbon and climate-resilient development.
6. GCF and its network of partners, particularly AEs, will be responsible for the delivery of financing to developing countries to meet internationally agreed climate goals at scale while also meeting GCF standards and safeguards.

¹ Annex I to decision B.12/20.

² Paragraph 41 of the Governing Instrument for the GCF.

Figure 1: GCF architecture



Abbreviation: NDAs = national designated authorities.

7. Within the architecture of GCF (refer to figure 1 above):
- (a) On an operational level, AEs are expected to:
- (i) Cover the full project and programme cycle in engaging with GCF, starting from engaging with developing countries via the NDA and focal point in order to respond to and align potential projects/programmes with country priorities, strategies, approaches and needs on climate change;
 - (ii) Develop and periodically update an entity work programme to deliver country-owned, high-impact proposals in a strategic manner;
 - (iii) Design projects and develop funding proposals to be considered by GCF for financing;
 - (iv) Where possible, undertake projects/programmes originated by other organizations (e.g. sponsorship); and
 - (v) Implement, deliver, monitor and report the results of such activities;³ and
- (b) On an administrative level, including fiduciary and legal matters, AEs must:
- (i) Demonstrate institutional capacities to undertake the overall management, implementation and oversight of climate change projects and programmes in line with the GCF fiduciary principles and standards, ESS standards and Gender Policy (standards for GCF accreditation);
 - (ii) Provide evidence of institutional systems, policies and procedures in terms of those standards as well as the track record, as appropriate, of implementing such institutional systems, policies and procedures for undertaking the projects and programmes;

³ Annex IV to decision B.17/09, paragraph (n).

- (iii) Demonstrate (a) their capacity to ensure that their downstream executing entities apply the same standards and (b) their ability to monitor, report and verify that the relevant GCF standards, safeguards and policies are being upheld; and
- (iv) Possess independent legal personality and legal capacity to enter into legal agreements with GCF and undertake the relevant obligations on their own behalf, notably the accreditation master agreement (AMA) and any funded activity agreements (FAAs) resulting from approved funding proposals (or project/programme depending on financing size category).

8. The accreditation type of the AE, specifically the financing size category, financing modality (e.g. managing projects, awarding grants, on-lending, providing guarantees and/or undertaking equity investments) and environmental and social (E&S) risk category, govern the maximum scope within which the AE can submit a funding proposal for a project/programme.

9. Once accredited, AEs may submit funding proposals that fall within their accreditation scope (e.g. financing size category, fiduciary functions and E&S risk category) for consideration by GCF. For example, an AE accredited for the specialized fiduciary criteria for project management and not accredited for the specialized fiduciary criteria for on-lending and/or blending (for loans) may seek GCF financing to manage a project/programme, but it may not on-lend GCF financing to executing entities or beneficiaries because it has not been accredited to do so.

10. GCF relies on the primary due diligence and the risk assessments performed by AEs.⁴ The AEs are responsible for the overall management, implementation and supervision of activities financed by GCF and are expected to administer funds disbursed with the same degree of care as they use in the administration of their own funds. This includes management and oversight of executing entities. Executing entities are entities through which GCF financing is channelled, which use GCF financing for the purposes of a GCF-funded project/programme or a part thereof (such as a specific component), or an entity that executes or carries out all or part of a GCF-funded project/programme. In each case, the executing entity performs its duties under the overall guidance, management or supervision of the implementing entity or intermediary (e.g. the AE). An AE may also act as an executing entity.⁵

11. The Secretariat and the independent Technical Advisory Panel conduct second-level due diligence on funding proposals submitted by AEs.⁶

12. GCF and the AE sign an AMA,⁷ which contains the overarching terms and conditions codifying the partnership and relationship between GCF and the AEs. For each project/programme approved by the Board, GCF and AE sign an FAA.

13. GCF also seeks to incentivize AEs to transform their overall portfolio beyond assets financed by GCF to contribute to meeting the objectives of GCF, the UNFCCC and the Paris Agreement. To that end, the Board requested the Accreditation Panel, with the support of the Secretariat as necessary, to establish a baseline on the overall portfolio of AEs, including those already accredited at an earlier stage, that allows for an assessment of the extent to which their

⁴ Annex XXVII to decision B.12/31.

⁵ Refer to clause 1.01 of the AMA template contained in annex XXVI to decision B.12/31, available at <https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Master_Agreement.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506>.

⁶ In decision B.17/09, paragraph (o), the Board requested the Secretariat to define the nature, scope and extent of second-level due diligence and submit the same to the Board for its consideration no later than April 2018.

⁷ Decision B.12/31.

activities, beyond those funded by GCF, have evolved in this direction during the accreditation period.⁸

III. Guiding principles for the GCF accreditation process

14. The guiding principles for the GCF accreditation process will consist of:
- (a) **Best practices and continuous update.** The GCF fiduciary principles and standards, ESS standards and the GCF Gender Policy will be consistently in line with international best practices and standards, and systematically endeavor to reflect the best of the experience and lessons learned by relevant institutions, as well as lessons learned from its own experiences with fiduciary principles and standards, ESS standards and gender policies;
 - (b) **Accountability, transparency, fairness and professionalism.** Its governance system, procedures and organizational approach will ensure accountability, transparency, fairness and adequate professionalism in the accreditation process and across all operational procedures, allowing for reasonable levels of assurance and comparability with regard to the presence and performance of the required institutional capacities;
 - (c) **A dynamic process that is reliable, credible and flexible.** Its modalities will pursue rigorous, independent, objective and systematic assessment and review processes, while giving due attention to special circumstances of applicant entities through a fit-for-purpose accreditation approach.⁹ A dynamic accreditation process will aim to enable potential entities to increase their scope of activities as their capacity increases over time;
 - (d) **Coherence and integration with other relevant provisions of GCF.** The GCF fiduciary principles and standards, ESS standards, the Gender Policy and general accreditation procedures will be consistent and properly linked with other relevant elements of GCF governance, particularly the GCF Independent Redress Mechanism, Information Disclosure Policy, monitoring and accountability framework for AEs and others as appropriate;
 - (e) **Readiness and effectiveness.** The accreditation process will allow for readiness and preparatory support prior to, during and after accreditation in the context of direct access and the different capacities and capabilities of countries and institutions to enhance country ownership, with a view to facilitating capacity-building; and
 - (f) **Efficiency in terms of cost, time and resources, both to GCF and the applicant.** Processes and procedures should be streamlined, through simplifying or eliminating unnecessary steps and by upgrading information technology (IT) support systems, as appropriate.

IV. Standards for GCF accreditation

4.1 GCF initial fiduciary principles and standards

15. The GCF fiduciary principles and standards distinguish between basic fiduciary criteria, which are applicable to all applicants, and specialized fiduciary criteria, which will reflect the

⁸ Decision B.12/30, paragraph (d).

⁹ Decision B.08/02.

institutional capacities necessary to deliver against the GCF objectives and in accordance with the scope of responsibilities entrusted to the AE.

16. The GCF initial fiduciary principles and standards are illustrated in table 2 below:

Table 2: Purpose and scope of the basic and specialized fiduciary standards

	Purpose	Scope
Basic fiduciary criteria	Key administrative and financial capacities	<ul style="list-style-type: none"> • General management and administrative capacities • Financial management and accounting • Internal and external audit • Control frameworks • Procurement
	Transparency and accountability	<ul style="list-style-type: none"> • Disclosure of conflicts of interest • Code of ethics • Capacity to prevent or deal with financial mismanagement and other forms of malpractice • Investigations • Anti-money laundering and countering the financing of terrorism
Specialized fiduciary criteria	Project management	<ul style="list-style-type: none"> • Project preparation and appraisal (from concept to full funding proposal) • Project oversight and control • Monitoring and evaluation • Project-at-risk systems and related project risk management capabilities
	Grant award and/or funding allocation mechanisms	<ul style="list-style-type: none"> • Grant award procedures • Transparent allocation of financial resources • Public access to information on beneficiaries and results • Good standing with regard to multilateral funding (e.g. through recognized public expenditure reviews)
	On-lending and/or blending (for loans, equity and/or guarantees)	<ul style="list-style-type: none"> • Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable; • Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources; • Creditworthiness; • Due diligence policies, processes and procedures; • Financial resource management, including analysis of the lending portfolio of the intermediary; • Public access to information on beneficiaries and results; • Investment management, policies and systems, including in relation to portfolio management; • Capacity to channel funds transparently and effectively, and to transfer the GCF funding advantages to final beneficiaries; • Financial risk management, including asset liability management; • Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk)

17. The GCF fiduciary principles and standards will form the fiduciary criteria against which GCF will assess applicants for accreditation to GCF, and will be applied according to the fit-for-purpose accreditation approach.¹⁰ Once accredited, AEs will be required to fully meet these criteria for as long as the entity intends to retain its accreditation status with and commitments to GCF.

18. The GCF initial fiduciary principles and standards applied in accreditation include:

- (a) GCF initial fiduciary principles and standards contained in annex II to decision B.07/02;
- (b) GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy contained in decision B.18/10 and annex XIV thereto; and
- (c) GCF Policy on Prohibited Practices contained in decision B.22/19 and annex XIV thereto.¹¹

19. **Scale of intended activities.** Irrespective of the scale of activities to be funded with GCF resources, all entities will have to meet the GCF basic fiduciary standards and any applicable specialized fiduciary standards in order to be accredited. An entity can only access funding at a scale that is within its capacity to manage in accordance with the GCF fiduciary standards. The Accreditation Panel will use its expert judgment to determine whether the capacity demonstrated by the applicant entity for each applicable fiduciary standard is adequate in light of the scale of funding it will access from GCF. The Accreditation Panel may recommend to the Board that an entity be accredited to access funding within one of the following categories at a maximum, commensurate with its track record and demonstrated capacity:¹²

- (a) Micro (maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of up to and including USD 10 million for an individual project or programme);
- (b) Small (maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 10 million and up to and including USD 50 million for an individual project or programme);
- (c) Medium (maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 50 million and up to and including USD 250 million for an individual project or programme); and
- (d) Large (total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 250 million for an individual project or a programme).

4.2 Environmental and social safeguards

20. The GCF adopted, on an interim basis, the performance standards on environmental and social sustainability of the International Finance Corporation. These will be used by GCF in combination with the International Finance Corporation guidance notes, which provide more detail on each performance standard, until its own ESS standards are fully developed and adopted by GCF.

21. The GCF ESS standards contain the requirements that, in cases where there may be environmental and/or social risks and impacts, AEs must ensure that the executing entities they

¹⁰ Decision B.08/02.

¹¹ The Policy on Prohibited Practices adopted in decision B.22/19 replaces the Interim Policy on Prohibited Practices adopted by the Board pursuant to decision B.12/31, paragraph (h).

¹² This applies to entities and funding proposals to be considered by the Board after the consideration of this document by the Board. It does not prejudice decisions taken by the Board previously on the accreditation of entities and approval of funding proposals.

oversee and manage comply with the GCF ESS standards in relation to projects and programmes supported financially by GCF.

22. The GCF ESS standards will be applied, in accordance with the GCF environmental and social management system and GCF Environmental and Social Policy¹³ and the GCF Indigenous Peoples Policy, to all projects and programmes, as well as to individual projects or activities within a programme, financed through the resources of GCF.

23. The GCF ESS standards consist of eight standards with the first one (performance standard 1: Assessment and management of environmental and social risks and impacts) applying to all entities seeking to become accredited and AEs at the institutional level, and at the project/programme level.

24. Performance standard 1 establishes the importance of:

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

25. Performance standards 2–8 establish objectives and requirements to avoid and minimize and, where residual impacts remain, compensate/offset the risks and impacts to workers, affected communities and the environment. While all relevant E&S risks and potential impacts should be considered as part of the assessment, performance standards 2–8 describe potential E&S risks and impacts that require particular attention.

26. Performance standards 2–8 will be utilized in a modular way as needed. Where environmental or social risks and impacts are identified, the AE is required to manage them in accordance with the GCF ESS standards through the relevant executing entity(ies) that the AE oversees and manages.

4.2.1. Scaled risk-based approach

27. The application of the GCF ESS standards will be implemented in a risk-based manner and not in a blunt, one-size-fits-all approach. This approach will ensure that E&S requirements and processes are commensurate to their level of risk and, coupled with the modular application of the GCF ESS standards, will not slow down or overburden low- to no-E&S risk projects/programmes.

28. This approach also provides GCF with a tool for judging exposure to E&S risks, both at the individual project level and at the portfolio level.

29. AEs are required to have the capacity and a system for screening funding proposals in order to identify the potential E&S risks and/or impacts and to determine if any potential inconsistencies with the GCF ESS standards are insurmountable and/or not manageable over a reasonable period of time.

30. Funding proposals wherein the AE will utilize its accreditation for the specialized fiduciary standard for project management will thus fit into the following E&S risk categories:

- (a) Category A: activities with potential significant adverse environmental and/or social risks and/or impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;

¹³ Decision B.19/10. The GCF Environmental and Social Policy is contained in annex X to the decision.

- (b) Category B: activities with potential limited adverse environmental and/or social risks and/or impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and
 - (c) Category C: activities with minimal or no adverse environmental and/or social risks and/or impacts.
31. Funding proposals wherein the AE will intermediate (e.g. utilize its accreditation for the specialized fiduciary standard for grant award and/or funding allocation mechanisms or the specialized fiduciary standard for on-lending and/or blending (for loans, equity and/or guarantees) activities involving investments through financial intermediation functions or through delivery mechanisms involving financial intermediation) are divided into the following E&S risk levels:
- (a) High level of intermediation (I1): when an intermediary's existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
 - (b) Medium level of intermediation (I2): when an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental and/or social risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and/or social risks and/or impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented; and
 - (c) Low level of intermediation (I3): 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.
32. Additional guidance will be developed for AEs on how to categorize projects.

4.2.2. Environmental and social information disclosure

33. The GCF adopted the Information Disclosure Policy.¹⁴ In accordance with the Information Disclosure Policy, with respect to project and programme funding proposals that have an environmental or social impact, AEs shall disclose and announce to the public and, via the Secretariat, to the Board and active observers various E&S reports for certain minimum durations. The ability of the applicant to meet such requirements will be assessed in the accreditation process.

4.3 Gender

34. The GCF adopted the Gender Policy.¹⁵ The ability of the applicant to meet the principles contained in the GCF Gender Policy will be assessed during the accreditation process. As per the Gender Policy, entities will also be required to have policies, procedures and competencies in place with which to implement the GCF Gender Policy. After accreditation, and at the project/programme level, the AE will be responsible for implementing the gender policy as it relates to the GCF-approved project/programme through in-country project identification and implementation, as well as for results reporting. The application of the GCF guidelines on the

¹⁴ Decision B.12/35 and annex XXIX thereto.

¹⁵ Decision B.09/11 and annex XIII thereto.

initial socioeconomic and gender assessments and GCF ESS standards as they relate to the project/programme is mandatory.

V. Accreditation approaches

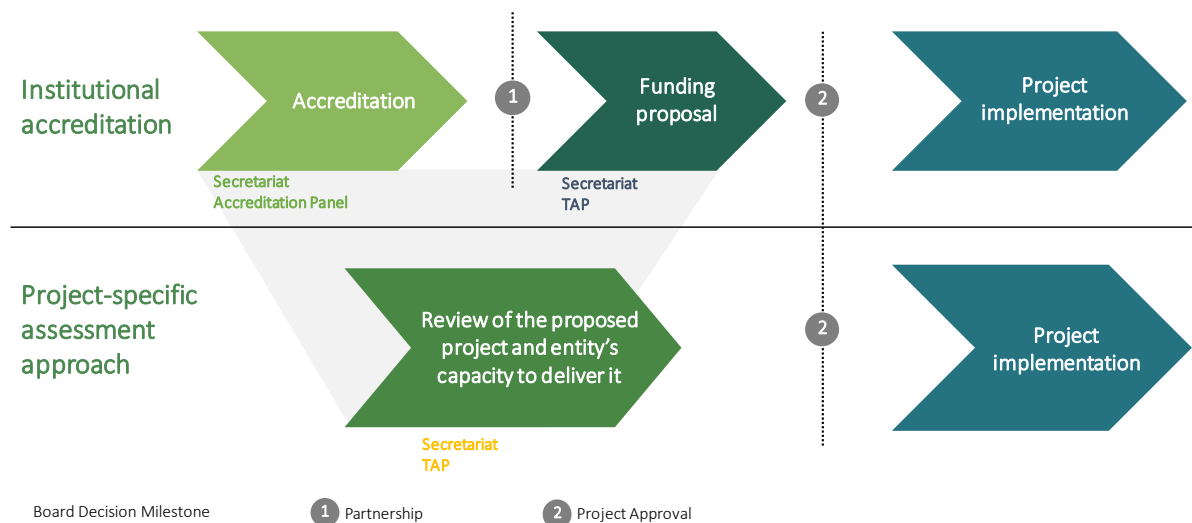
35. Entities may seek accreditation through two approaches (refer to figure 2 below):

- (a) Institutional accreditation; or
- (b) Project-specific accreditation approach (PSAA).

36. Institutional accreditation allows GCF to build a network of long-term partners not only through the delivery of projects, but also by building institutions. In institutional accreditation, GCF assesses institution-wide fiduciary, E&S and gender-related systems, policies, procedures, capacities and track record of the entity at its institutional level against the standards for GCF accreditation. AEs, once accredited, can submit funding proposals within the scope of their accreditation, and engage with GCF on multiple projects.

37. PSAA is a complementary approach to institutional accreditation that allows GCF to target specific projects/programmes. PSAA focuses on assessing whether the entity can undertake the proposed project/programme in line with the standards for GCF accreditation.

Figure 2: Overview of accreditation approaches: institutional accreditation and the project-specific assessment approach



Abbreviation: TAP = independent technical advisory panel.

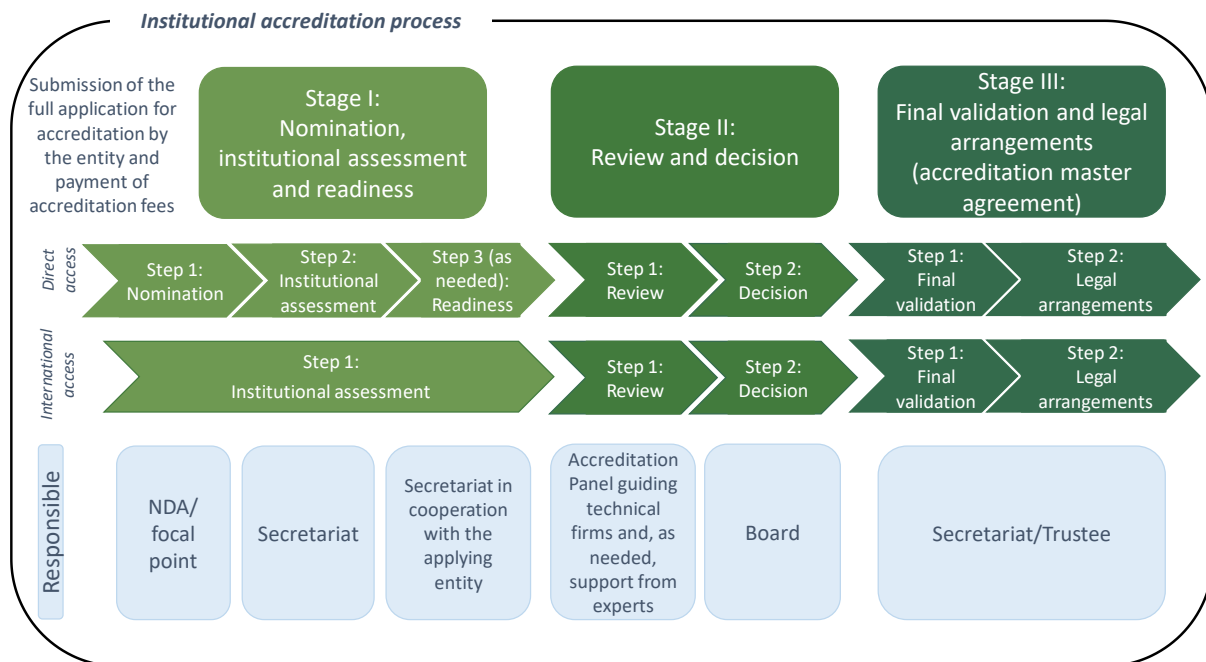
38. Depending on the envisaged engagement with GCF, entities may apply under the institutional accreditation (portfolio) and PSAA (targeted project/programme) sequentially or in parallel. Entities may be encouraged to seek institutional accreditation after undergoing PSAA should they have potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to delivery of the targeted project/programme under PSAA would be used to inform the institutional accreditation process, noting that the broader institution-wide systems and capacities for a potential portfolio of projects/programmes will be assessed in institutional accreditation.

VI. Institutional accreditation process

39. The GCF institutional accreditation process will be based on three main stages (refer to figure 3 below):

- (a) Stage I: nomination and readiness;
- (b) Stage II: accreditation review and decision; and
- (c) Stage III: final arrangements.

Figure 3: Overview of the accreditation process



Abbreviation: NDA = national designated authority.

40. GCF will accept and review applications on a rolling basis. Applicant entities will submit their application on the online accreditation system¹⁶ in accordance with operational procedures developed by the Secretariat. Applicants will also have to include a communication indicating nomination from the relevant NDA/focal point, if applicable.

6.1 Stage I: nomination, institutional assessment and readiness

41. The overall purpose of this stage is to determine whether applicant entities show strategic fit with GCF and the role of an AE, sufficient preparedness and institutional capabilities to progress to Stage II in the GCF accreditation process.

42. Applicants may pursue accreditation to GCF using one of two access modalities:
- (a) Direct access (for subnational, national and regional entities that are registered in a developing country that will implement projects in developing countries only, including the country where they are registered); and

¹⁶ The online accreditation system is available at <<https://accreditation.gcfund.org/>>.

(b) International access (for international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions).

43. NDAs/focal points are expected to nominate entities that would be best suited to undertake their country's climate change programming priorities in addition to fulfilling the roles and responsibilities of an AE. NDAs/focal points may access support under the GCF Readiness and Preparatory Support Programme to assist the country in identifying and nominating the most relevant entities and those that are capable of advancing their programming priorities to meet GCF policies, standards and other requirements.

44. Private sector entities may include entities described in either paragraph 41(a) or 41(b) above, as per the laws, regulations and rules of the relevant country in which the organization is legally registered, may apply to become accredited through the direct access or international access modalities.

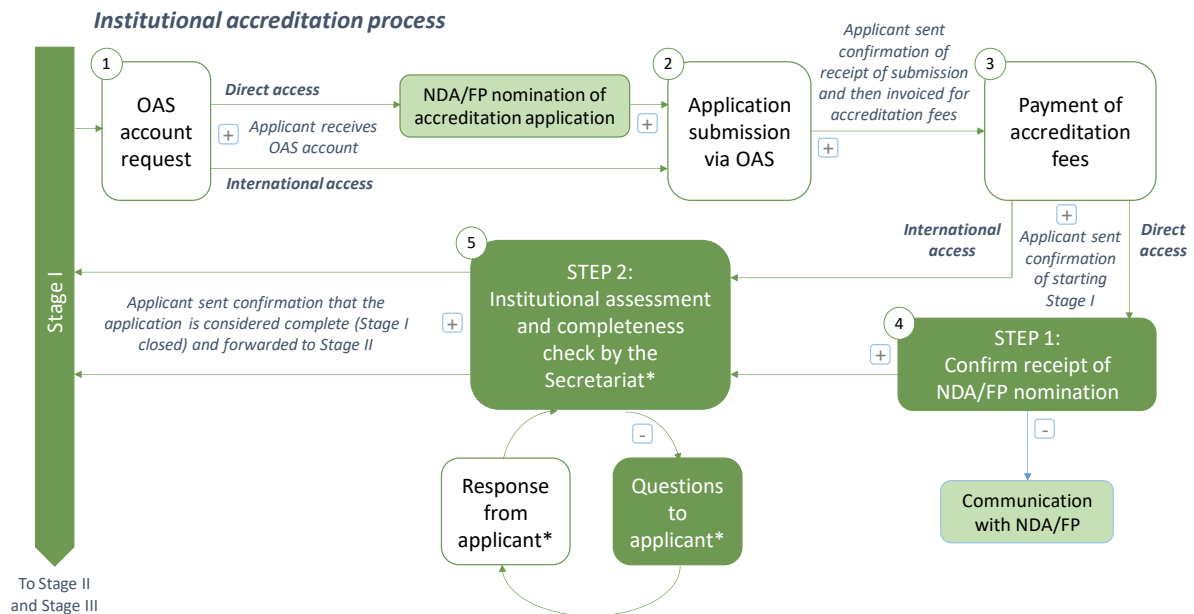
45. Private sector entities, non-profit organizations and other types of organizations with affiliates or that are part of corporate groups often query whether the organization at the group or global level, in addition to subsidiaries, affiliates, country offices and branches, among others, should seek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

46. Stage I will be triggered by the submission of a full application by the applicant entity and payment of accreditation fees in accordance with the Policy on fees for accreditation of the Fund.¹⁷ This stage may follow one of two tracks (refer to figure 4 below):

- (a) In the case of the direct access track, two mandatory steps will apply ("nomination" by the NDA/focal point and "institutional assessment") and there will be one optional third step, as needed, ("readiness"); and
- (b) In the case of the international access track, entities will only be required to go through the "institutional assessment".

¹⁷ Decision B.08/04 and annex VI thereto.

Figure 4: Overview of Stage I of the institutional accreditation process



Abbreviations: NDA/FP = national designated authority/focal point, OAS = online accreditation system.

47. The main purpose of the “institutional assessment” step is to ensure quality-at-entry into the accreditation pipeline by assessing:

- (a) Alignment of the applicant to the mandate and objectives of GCF;
- (b) Legal status: the applicant entity has full legal capacity and personality within the relevant jurisdiction that enables it to: enter into agreements with GCF, including its in-principle acceptance of the general terms and conditions of GCF as stipulated in the template AMA; become an AE of GCF; and undertake the intended activities to be funded by GCF;
- (c) Registration, permits and licenses: the applicant entity possesses all necessary, relevant and applicable registrations, permits or licenses in good standing from national and/or international regulators or oversight bodies;
- (d) Track record: the applicant entity exhibits a consistent and positive track record in the context of its own institutional mandate, as well as in areas relevant to GCF objectives and results areas;
- (e) Institutional presence and relevant networks: the applicant is able to demonstrate potential for meaningful impact in one or more of the GCF result areas, and has at its disposal networks of relevant institutions and experts at the regional and national level, as appropriate;
- (f) Viability of the pipeline of projects/programmes: the applicant is able to demonstrate that the projects/programmes it intends to submit to GCF under the role of an AE will:
 - (i) Drive a paradigm shift and differ from current business practices;
 - (ii) Address country programming, strategies and priorities regarding climate change of the country/ies that the applicant intends to operate in using GCF resources; and
 - (iii) Result in impacts in the various GCF results areas; and
- (g) Readiness: the applicant entity is able to describe succinctly how it meets the GCF initial basic fiduciary standards and applicable initial specialized fiduciary standards, as well

as demonstrate that it has the capacity and commitment to implement the GCF ESS standards and Gender Policy.

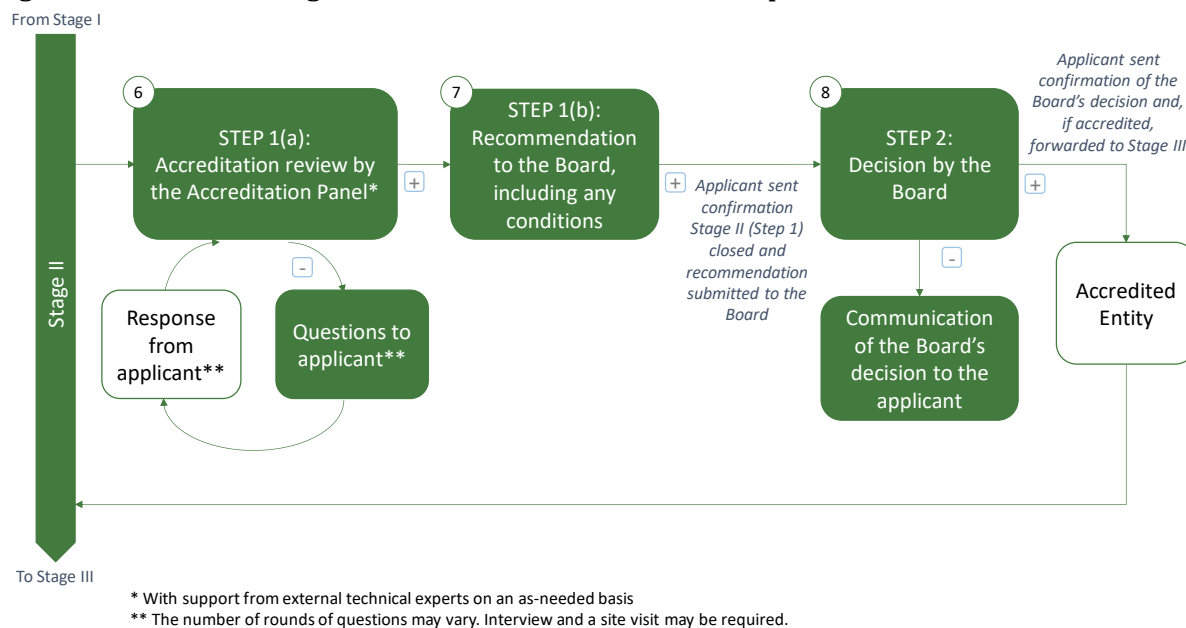
48. In the context of direct access, and in cases where weaknesses or a lack of capacity to meet the criteria above are determined, the applicant entity will be eligible to opt for a personalized readiness and preparatory support activity plan.

49. The Secretariat will be responsible for the overall coordination and management of this stage as well as for conducting the screening and institutional assessment based on the criteria above.

6.2 Stage II: institutional accreditation review process and decision

50. The objective of this stage is to conduct the actual review of the applications for accreditation submitted by the interested entities, with a view to determining their suitability for accreditation to GCF in the role of an AE while meeting the standards for GCF accreditation. This process will consist of two main steps: (1) the review of the application for accreditation to be conducted by the Accreditation Panel, and (2) the decision on the application, to be made by the Board on the basis of the outcome of the review and recommendation of the Secretariat from Stage I and the Accreditation Panel from Stage II (Step 1) (refer to figure 5 below).

Figure 5: Overview of Stage II of the institutional accreditation process



6.2.1 Stage II (Step 1): Accreditation Panel review of the application for accreditation

51. This first step in Stage II will:

- (a) Assess the completeness of the application with respect to the standards for GCF accreditation to ensure relevant policies and procedures, as well as the track record of implementing such policies and procedures, have been provided as a part of the application; and
- (b) Ascertain whether applicant entities, in the context of the role of an AE:
 - (i) Meet the applicable GCF initial basic fiduciary standards and applicable initial specialized fiduciary standards;

- (ii) Have the capacity to manage relevant E&S risks in line with the GCF ESS standards and scaled risk-based approach; and
- (iii) Meet the principles of the GCF Gender Policy.

52. The accreditation review process will examine, where applicable and in line with the GCF ESS standards, the robustness of the applicant's environmental and social management system.

53. A fit-for-purpose accreditation approach will be applied that matches the nature, scale and risks of proposed activities to the application of the GCF initial fiduciary standards, ESS standards and GCF Gender Policy.

54. The Accreditation Panel will conduct the accreditation review process¹⁸ by providing oversight and guidance to a panel of external service providers who will undertake accreditation review assessments.

55. The Accreditation Panel, taking into account the assessments conducted by a panel of external service providers under its guidance, will recommend to the Board whether:

- (a) The applicant entity should be accredited or not. If yes, the Accreditation Panel will also recommend the scope of accreditation proposed (e.g. financing size category, fiduciary functions and environmental and social risk category) and, in case of any gaps in meeting the standards for GCF accreditation, conditions of accreditation; or
- (b) Alternatively, whether the applicant entity may re-apply or re-submit its application once it has addressed the specific areas of concern.

6.2.2. **Stage II (Step 2): decision on the application for accreditation**

56. At the end of this stage the Board will consider the recommendations of the Secretariat (from Stage I) and the Accreditation Panel (from Stage II (Step 1)) and make a decision on whether the applicant entity can be granted accreditation, subject to signing and making effective its AMA under the next stage (Stage III) for final validation and legal arrangements.

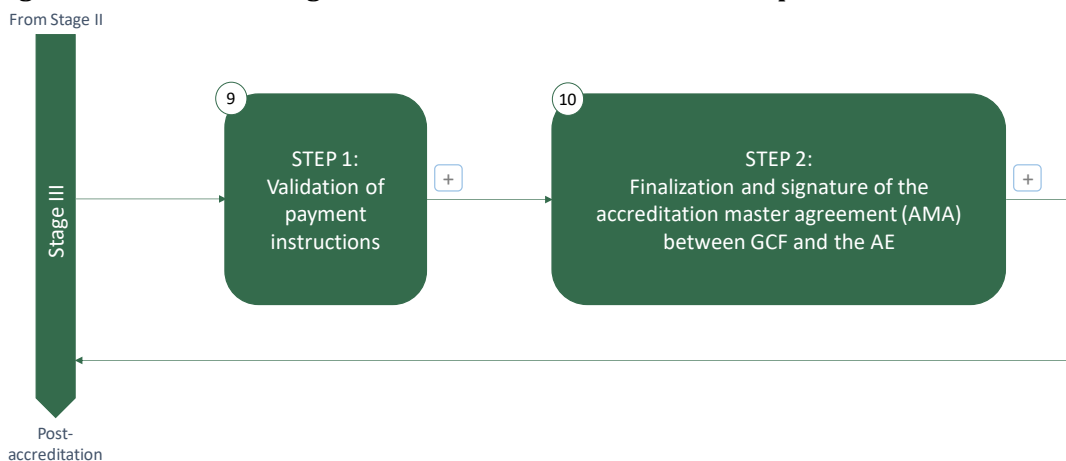
57. Based on the recommendations of the Accreditation Panel, the Board may alternatively decide to assign the entity to Stage I for additional focused readiness support and reconsider the application at a later date after the application undergoes a further focused accreditation review by the Accreditation Panel.

6.3 Stage III: final validation and arrangements

58. Stage III will conclude the accreditation process through the validation and finalization of formal arrangements between the applicant entity and GCF upon the successful completion of Stage II (refer to figure 6 below). Specifically, it is to check that the entity has the full legal capacity within the relevant jurisdiction that enables it to undertake the intended activities to be funded by GCF and to become an AE of GCF (e.g. enter into a legal agreement in the form of an AMA).

¹⁸ Decision B.05/08, paragraph (d)(iii).

Figure 6: Overview of Stage III of the institutional accreditation process



Post-accreditation Process

Project and programme funding proposal preparation, assessment and approval process as per GCF's investment framework and results management framework, and in line with the AE's scope of accreditation

59. This will include validation and registration of the payment instructions for the AE and the conclusion of legal arrangements between the AE and GCF.

60. In cases where the applicant does not have a separate legal personality, the inclusion of provisions in the legal agreements is necessary to expressly acknowledge such status and to identify who is the underlying legal entity with whom GCF is entering into such contractual relationship (e.g. a government or a parent company). An inclusion of provisions is also necessary to address situations where such an underlying legal entity decides to change, or transfer the functions of, the entity that acts on its behalf to discharge its obligations, and exercise its rights, under such relevant legal agreements.

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

6.4 Monitoring and reporting

62. The GCF initial monitoring and accountability framework¹⁹ identifies the monitoring and reporting requirements applicable to AEs at both the institutional level and the project/programme level. At the institutional level, AEs are required to report during the term of their accreditation on their continued compliance with the standards for GCF accreditation,

¹⁹ Annex I to decision B.11/10.

which includes annual self-assessments conducted by the AE and a midterm accreditation review conducted by GCF.

63. The GCF monitoring and accountability framework, as referenced in the AMA entered into between GCF and an AE, also includes provisions regarding the downgrade, suspension, cancellation and termination of accreditation, which are applicable to AEs.

6.5 Accreditation term and re-accreditation

64. The accreditation term for an AE is five years.²⁰ The accreditation term begins upon completion of the three-stage institutional accreditation process; namely, the effectiveness of the signed AMA entered into between GCF and an AE.

65. AEs will need to seek re-accreditation to GCF in order to maintain its status as an AE or its status as an AE will lapse thereupon.

66. The approach to and scope of re-accreditation, applying the fit-for-purpose approach to accreditation, includes:

- (a) Standards for re-accreditation assessment: the standards for GCF accreditation in section IV above. Any new or amended standards as contained in section IV above adopted by the Board during the 5-year accreditation period of an AE will be assessed no earlier than the re-accreditation review of the AE;
- (b) Timing to apply for re-accreditation: six months prior to the end of the accreditation period;
- (c) Scope of review:
 - (i) Reports relating to the performance of the AE over the previous five years, including reports on the GCF-funded activities;
 - (ii) Risk flags incurred by the projects, AE or country over the previous five years;
 - (iii) For international access AEs, reports on their support to DAEs to strengthen capacities of, or otherwise support, potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of GCF in order to enhance country ownership;²¹ and
 - (iv) The Secretariat and Accreditation Panel's assessment of the extent to which the overall portfolio of activities of the AE beyond those funded by the GCF has evolved during the accreditation period, in order to advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development;²²
- (d) Reviewers: Secretariat and the Accreditation Panel, in accordance with the process identified in the accreditation framework;
- (e) Output: recommendation to re-accredit or not to re-accredit by the Secretariat and the Accreditation Panel. Scope of accreditation recommended by the Accreditation Panel may be:

²⁰ Annex I to decision B.11/10, paragraph 6 states, "The accreditation of an entity to the GCF is valid for a fixed term of five years or less, depending on the terms of accreditation, in accordance with decision B.10/07."

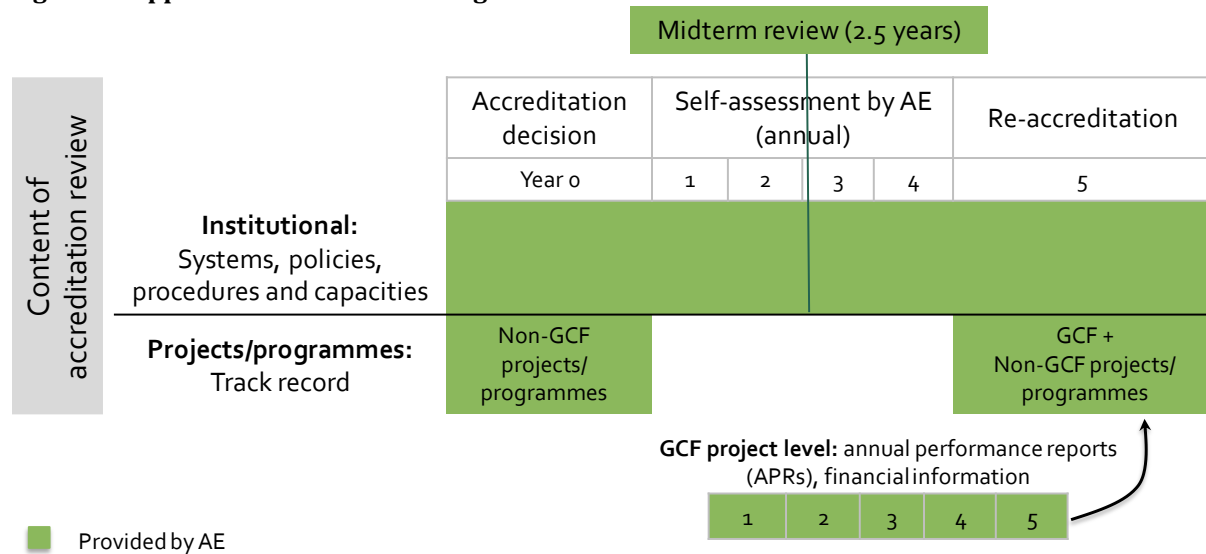
²¹ In decision B.10/06, paragraph (i), the Board decided that "all international entities, as an important consideration of their accreditation application, shall indicate how they intend to strengthen capacities of, or otherwise support, potential subnational, national and regional entities to meet, at the earliest opportunity, the accreditation requirements of the Fund in order to enhance country ownership and that they report annually on these actions".

²² Paragraph 35 of the GCF monitoring and accountability framework.

- (i) No change (same accreditation categories the AE was originally accredited for);
 - (ii) Upgrade (new accreditation categories compared with those the AE was originally accredited for); or
 - (iii) Downgrade (lower accreditation category than the AE was originally accredited for); and
- (f) Decision-making: the Board will decide whether an entity is to be re-accredited and for which criteria, based on the assessment conducted by the Secretariat and the Accreditation Panel.²³
67. The following principles will be applied in the re-accreditation process (refer to figure 7 below):
- (a) The extent of assessment related to institutional capacities is ordered from the highest level of assessment to the least, as follows:
 - (i) Accreditation;
 - (ii) Re-accreditation;
 - (iii) Midterm review by GCF; and
 - (iv) Annual self-assessments by AEs;
 - (b) Any assessment of institutional compliance with GCF accreditation requirements following the initial accreditation assessment (e.g. annual self-assessments, midterm accreditation review and re-accreditation) should focus on the changes in the institutional systems, policies, procedures and capacities that impact the ability of the AE to undertake its role and responsibilities as an AE and meet its obligations as per the AMA;
 - (c) The re-accreditation process and midterm accreditation review should build upon the institutional compliance assessments previously reported by the AEs and conducted by GCF in order to minimize overlap in the periodic reviews and reduce the burden for both AEs and GCF in the re-accreditation process; and
 - (d) For applications for re-accreditation for the same accreditation scope as the initial accreditation, taking into account paragraph 67(b) above, only new track record during the accreditation term should be subject to review. For re-accreditation applications that include an application for a new accreditation scope, the accreditation assessment of the new accreditation scope will be treated as an upgrade application and be assessed in its entirety (i.e. not only focusing on changes, because the new scope has never been assessed).

²³ Decision B.10/07, paragraph (c).

Figure 7: Approach to level of due diligence for institutional accreditation and re-accreditation



Abbreviation: AE = accredited entity

68. The indicative approach to paragraph 67 above is as follows:

- (a) Year 1: the AE provides its annual self-assessment using the GCF annual self-assessment template covering the period from Year 0 to Year 1, indicating whether there have been any changes in institutional systems, policies, procedures and capacities that impact its ability to undertake the role and responsibilities of an AE and obligations as per its AMA with GCF. If there are no changes, the AE would report this. If there are changes, further information should be provided by the AE in order for GCF to assess whether such changes impact its status as an AE;
- (b) Year 2: same as (a) above, but focusing on changes during the period from Year 1 to Year 2;
- (c) Midterm review at approximately 2.5 years: GCF conducts its review on the basis of information already provided by the AE in the Years 1 and 2 self-assessments, and any changes since Year 2 provided by the AE in the GCF midterm review template;
- (d) Year 3: same as (a) and (b) above, but focusing on changes during the period from Year 2 (or midterm review) to Year 3;
- (e) Year 4: same as (d) above, but focusing on changes during the period from Year 3 to Year 4; and
- (f) Year 5 (six months prior to the end of the fifth year): AE applies for re-accreditation focusing on changes during the period from Year 4 to Year 5.

69. In cases where the annual self-assessment is not required but the midterm review and re-accreditation are, at the time of the midterm review of these AEs, any changes in the institutional systems, policies, procedures and capacities of the AE that impact its ability to undertake the role and responsibilities of an AE and obligations as per its AMA with GCF for the period between Year 0 and Year 2.5 would be assessed. At the time of re-accreditation, such changes for the period between Year 2.5 and Year 5 would be assessed.

6.6 Upgrades in accreditation scope

70. The accreditation of additional institutional capacities (e.g. upgrade in accreditation scope) can be done at any time and as soon as the AE considers itself ready to pursue such an

upgrade in its accreditation. The accreditation process will then focus only on the new capacities to be reviewed and not on all the other capacities already accredited.

71. Table 3 below outlines indicative approaches for different scenarios regarding the status quo or changes in the accreditation scope (also refer to paragraph 67(d) above):

Table 3: Indicative approach to re-accreditation scenarios concerning changes in accreditation scope

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

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

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

6.7 Governance and organizational approach

72. The institutional accreditation process will include and be conducted, implemented and supported by the following actors:

- (a) The Board;
- (b) The Secretariat;
- (c) The Accreditation Committee;
- (d) The Accreditation Panel; and
- (e) External technical experts/firms.

6.7.1. Role and mandate of the Board

73. As defined by the Governing Instrument, the Board will develop, manage and oversee an accreditation process for all entities based on specific accreditation criteria that reflect the GCF fiduciary principles and standards, ESS standards and the GCF Gender Policy.

74. The Board will therefore be the ultimate decision-making body on accreditation and overall policy guidance on accreditation matters, and will broadly oversee the accreditation process.

6.7.2. Role and mandate of the Accreditation Committee

75. The Accreditation Committee will be accountable to the Board and under its authority. Its composition and the scope of its responsibilities are defined in the terms of reference of the GCF Accreditation Committee contained in annex IV to decision B.07/02, and include:

- (a) Providing guidance on the development of policies and procedures for the GCF accreditation framework;
- (b) Facilitating the Board's interaction with recipient countries with regard to disseminating information to them and familiarizing them with the accreditation process; and
- (c) Providing policy guidance to the Accreditation Panel to facilitate the accreditation process without interfering with the technical assessments of the Accreditation Panel.

6.7.3. Role and mandate of the Accreditation Panel

76. The Accreditation Panel will function as an independent review body accountable to the Board and under its authority. Its composition and the scope of its responsibilities are defined in the terms of reference of the Accreditation Panel contained in annex V to decision B.07/02, and include:

- (a) The accreditation review process, particularly Stage II (Step 1);
- (b) Independent advice to the Board on applications for accreditation;

- (c) Expert inputs for the further development of the GCF fiduciary principles and standards, ESS standards, the GCF environmental and social management system, the GCF Gender Policy, as well as inputs to the review of the accreditation framework; and
- (d) Expert advice and inputs for the development of the complementarity and coherence element of the accreditation framework, its work programme and the criteria and assessment of entities already accredited to other relevant funds.

6.7.4. Role and mandate of the Secretariat

77. The Secretariat will support the systems, processes and procedures of the accreditation process and will be responsible for the following core functions:

- (a) Ongoing development, in consultation with the Accreditation Committee and Accreditation Panel, of the GCF fiduciary principles and standards, ESS standards, the GCF Gender Policy and criteria for the accreditation of entities to GCF, for adoption by the Board;
- (b) Operationalization of the procedures supporting the GCF accreditation process, and the execution of all necessary and related activities, including the implementation, management and maintenance of its supporting systems;
- (c) Overall responsibility for conducting the nomination, institutional assessment and readiness assessment in Stage I of the GCF accreditation process, as well as general management of the overall accreditation process;
- (d) Presentation of the outcomes of the nomination, institutional assessment and readiness assessment to the Accreditation Panel for its consideration during the Stage II (Step 1) accreditation review; and
- (e) Implementation, operation and execution of any other functions and/or activities necessary to effectively carry out its responsibilities in the accreditation process.

6.7.5. External technical experts and firms

78. External technical firms and, as needed, individual experts, will be engaged by the Accreditation Panel in the in-depth review of individual applications for accreditation, under the oversight of and guidance by the Accreditation Panel. Independent and recognized professionals or specialized consultancy firms will need to demonstrate experience and expertise in relevant areas in order to qualify as external technical experts.

79. The Secretariat, in coordination with and on behalf of the Accreditation Panel, will be responsible for setting up and managing a roster of external technical experts and firms through an open, competitive and transparent selection process, which should strive to ensure the availability of relevant competencies and achieve gender and regional balance where possible. The Secretariat will also assist the Accreditation Panel in developing and updating, as necessary, the terms of reference to guide the work of the external technical experts and firms.

80. External technical experts and firms will be compensated in accordance with relevant administrative provisions for contracting external technical support. Consequently, external technical experts will be bound by standard contractual regulations relating to the provision of consultancy services to GCF.

VII. Pilot framework for the GCF project-specific assessment approach

7.1 General objective

81. The general objective of this pilot framework is to enable a coherent integration of the GCF fiduciary principles and standards, ESS standards and GCF Gender Policy with the PSAA as an accreditation approach, and its related operational systems and procedures, including the organizational structure and governance system dedicated to supporting it.

82. The PSAA focuses on the organization's ability to implement the proposed project/programme presented to GCF rather than a hypothetical set of projects/programmes that the entity may bring forward in the future. In doing so, this pilot framework aims to provide a more fit-for-purpose approach to accreditation in relation to the intended programming. Additionally, it aims to broaden access to GCF for entities for whom the institution-wide approach in accreditation does not as readily respond to the nature and number of projects they intend to develop with GCF support, and the higher transaction costs associated with the process.

83. Unless otherwise specifically modified herein, all other relevant GCF policies apply as usual to this PSAA pilot framework.

7.2 Applicability

84. PSAA applies to any funding proposal submitted under the simplified approval process (SAP) pilot scheme²⁴ and the following requests for proposal approved by the Board:

- (a) A pilot phase for enhancing direct access;²⁵
- (b) A pilot scheme to support micro, small, and medium-sized enterprises;²⁶ and
- (c) A pilot programme to mobilize funds at scale.²⁷

85. Entities submitting such funding proposals may include entities not yet accredited to GCF that submit or have submitted funding proposals in relation to the pilot programmes referred to in paragraph 84 above.

86. Each entity will be capped at a maximum of one approved funding proposal under this pilot approach.

87. Funding proposals submitted under the PSAA may only include those that are either in Category C/Intermediation 3 or Category B/Intermediation 2.²⁸

88. The Secretariat shall take appropriate measures to encourage and provide support to DAEs to submit projects or programmes under this approach.

7.3 Standards

89. The following GCF standards apply to PSAA, which will form part of the review of the proposed project/programme. The focus of the assessment will be on the entity's ability to meet GCF standards in implementing the proposed project/programme – not on the institution-wide systems, policies and procedures or general track record as are assessed in institutional accreditation process as contained in section VI above. The entity will be assessed against these

²⁴ Decision B.18/06.

²⁵ Decision B.10/04.

²⁶ Decision B.10/11.

²⁷ Decision B.16/03.

²⁸ Refer to the GCF Environmental and Social Policy contained in decision B.19/06 and annex X thereto.

standards in a manner that is fit-for-purpose in the context of the proposed project/programme:

- (a) GCF initial fiduciary principles and standards, as contained in section 4.1 above;
- (b) GCF ESS standards, as contained in section 4.2 above; and
- (c) GCF Gender Policy, as contained in section 4.3 above.

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

7.4 Project-specific assessment approach process

7.4.1. Process

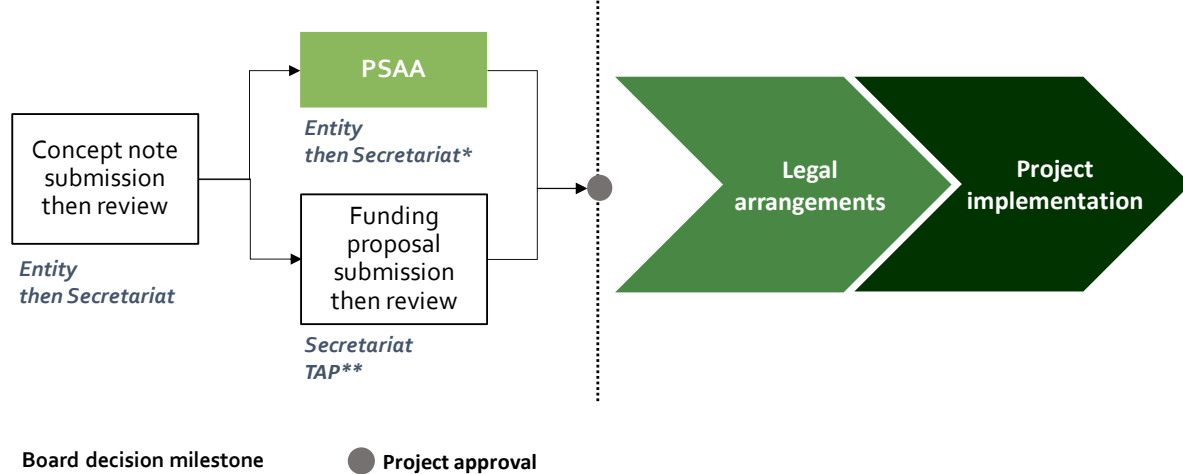
91. An entity may submit a concept note under the avenues referred to in paragraph 84 above.

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

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

94. The Secretariat will undertake a project-specific assessment of the entity and, together with the review of the funding proposal itself, include its assessment of the entity as part of the Secretariat's assessment of the funding proposal (refer to figure 8 below).

Figure 8: Process for the pilot framework for the project-specific assessment approach



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

** The independent TAP review focuses on the funding proposal, in line with its terms of reference per decision B.09/10, paragraph (a).

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

95. The PSAA process will be based on two main stages:

- (a) Stage I: project-specific assessment of the entity and consideration of the funding proposal; and
- (b) Stage II: final arrangements.

96. The purpose of Stage I is twofold:

- (a) To determine whether the entity submitting a funding proposal has appropriate legal status and sufficient institutional capabilities to implement the proposed project/programme in a manner that meets the GCF fiduciary, environmental, social and gender standards (institutional capacity assessment in section 7.4.2); and
- (b) To assess the funding proposal submitted by the entity, following the established procedure for the SAP or the standard proposal approval process, as applicable.

97. Unless stated otherwise in this annex, the Secretariat will undertake an assessment of the proposed project/programme and the entity submitting the funding proposal in a manner consistent with all relevant GCF policies, and will also build on assessments previously undertaken by GCF, where applicable.

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

99. The results of the assessment along with the funding proposal and assessment will be presented to the Board for a funding decision.

100. The Board's consideration of whether to work with an entity for the proposed project will be taken into account as part of its consideration of the funding proposal.

101. Stage II will conclude the process through the validation and finalization of formal arrangements between the applicant and GCF upon the successful completion of Stage I.

7.4.2. Entity's institutional capacity assessment

102. PSAA, as a part of the assessment of the proposed project, will include an assessment of the entity's institutional capacities to implement the proposed project. This will include:

- (a) How the entity contributes to the mandate of GCF;
- (b) Potential reputational risks to GCF;
- (c) Legal status: the entity has full legal capacity and independent legal personality within the relevant jurisdiction that enables it to undertake the proposed project/programme to be considered for funding by GCF and to undertake the same responsibilities with respect to project/programme implementation as an AE and enter into legal agreements with GCF in its own name;
- (d) Confirmation by the Secretariat that the role of the entity in the proposed project does not conflict with the obligations it owes and will owe to GCF in its capacity as an entity accredited for the purposes of delivering the proposed project;
- (e) How the entity meets the GCF initial basic fiduciary standards and initial specialized fiduciary standards at the institutional level that allow it to implement the proposed project; and
- (f) Whether the entity has the capacity to manage relevant E&S risks, in line with the GCF ESS standards and scaled risk-based approach as well as the GCF Gender Policy, at the institutional level that allow it to implement the proposed project.

103. PSAA will entail two steps that include capacity checks at both the project and institutional levels, as well as an overall capacity assessment. The standards, as contained in section 7.3, will be applied in a fit-for-purpose manner in the assessment of the entity's capacities to implement the proposed project/programme, as detailed below.

104. **Step 1: capacity checks:**

- (a) **Institutional capacity check.** This check will focus on those elements that are most needed to ensure an entity has the institutional capacity to implement the proposed project/programme. This check would include, as applicable:
 - (i) Review of internal control mechanisms such as financial controls, organizational structure, anti-money laundering (AML), countering the financing of terrorism (CFT) and other prohibited practices, fraud and mismanagement systems, in so far as they relate to the undertaking of the proposed project; and
 - (ii) Depending on the E&S risk level and relation to the financing structure of the proposed project/programme, institutional function, organizational structure and competency on E&S due diligence, processes to assess and manage E&S risks and impacts, stakeholder and indigenous peoples engagement, information disclosure, consultations and grievance redress mechanisms. This check will also look into the functions, structure and competency to address gender issues as may be assessed in the proposed projects; and
- (b) **Project track record check.** The entity will submit examples of projects that the entity has implemented in the past that are similar to the proposed project in terms of (1) project/programme activity size, (2) E&S risk category, and (3) financial instruments and financing modalities. Preferably, the entity will have examples of both completed and current projects. Depending on the type of project being proposed, an indicative list of information to be provided may include:
 - (i) Fiduciary standards information:
 1. Organization structure and chart, including evidence of independent legal personality and legal capacity;
 2. Structure, involvement and experience of oversight bodies (e.g. audit committee and audit function), including a board of directors or

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

- management capabilities for similar projects/programmes to the one proposed;
17. IT arrangements for disclosing project-related information (e.g. website/web page or publicly available reports), where the information on project/programme progress and completion is published as well as a weblink for the public to submit comments or complaints that would be used in the proposed project/programme;
 18. Records of any complaints received from the public and employees with regard to the implemented projects in the past, and records of incidents of fraud/malpractice identified and investigated together with the information on the status of the investigation process;
 19. Such other best practices in fiduciary management as may be applicable/appropriate to the specific project/programme; and
 20. Information on the entity's ability to safeguard the interests of GCF, including the disclosure of any potential conflicts of interest that may arise out of its role to implement the project/programme or inconsistencies with GCF fiduciary standards, ESS and Gender Policy; and
- (ii) Environmental, social and gender information:
1. For a Category B/Intermediation 2 project/programme, provide a sample of E&S risk screening and assessment (environmental and social impact assessments/environmental and social management system/framework and/or related safeguards instruments), environmental and social management plans and/or related E&S risk management plans, E&S monitoring, supervision and evaluation reports, results of E&S project audits, environmental permits and clearances, information disclosure and stakeholder engagement activities, compliance and non-compliance (grievance) reports of past projects/programmes that are similar to the proposed project/programme;
 2. For a Category C/Intermediation 3 project/programme, provide a sample of E&S risk screening and categorization, and management plan (if any) of the minimal E&S risks and/or impacts of past projects/programmes that are similar to the proposed project/programme;
 3. Gender policies and initiatives to mainstream gender considerations that have been applied in past projects/programmes that are similar to the proposed project/programme; and
 4. Environmental management system certifications and sustainability reports.

105. **Step 2: overall capacity check.** Based on the institutional capacity and project track record checks, the entity may be assessed to have high capacity in certain areas (e.g. financial management) and low capacity in other areas (e.g. management of E&S and gender risks) as follows:

- (a) **High capacity** would indicate that the entity has a well-developed financial management system, a well-functioning control framework, including risk management, and robust systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices, such as fraud and corruption, and with

sufficient scope to manage E&S risks and/or impacts with a low likelihood of negative impact on the entity's ability to undertake the proposed project as designed;

- (b) **Medium capacity** would indicate that the entity has a developed financial management system, a functioning control framework, including risk management, and systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices, such as fraud and corruption, and with scope to manage E&S risks and/or impacts with moderate likelihood of potential negative impact on the entity's ability to undertake the project as designed; and
- (c) **Low capacity** would indicate an underdeveloped financial management system and/or weak control framework, little or no risk management, and inadequate systems and policies in place to prevent money-laundering and the financing of terrorism and other prohibited practices such as fraud and corruption and with inadequate scope to manage E&S risks and/or impacts with a significant likelihood of potential negative impact on the entity's ability to undertake the project as designed.

106. If the entity is assessed to have high capacity to undertake the proposed project/programme, and if the funding proposal assessment is also positive, the Secretariat would recommend that the entity is able to undertake the proposed project/programme.

107. If the entity is assessed to have medium capacity to undertake the proposed project/programme, and if the funding proposal assessment is positive, a discussion of potential mitigating factors would be required (e.g. conditions during project implementation, requesting a partnership with another entity) before the Secretariat may recommend the funding proposal to the Board for its consideration.

108. If the entity is assessed to have low capacity to undertake the proposed project/programme, the Secretariat will not recommend the funding proposal, and the entity would need to address the gaps identified prior to further consideration of the funding proposal under PSAA. NDAs may request support for such entities under the Readiness and Preparatory Support Programme to address gaps identified.

7.4.3. Proposal approval

109. Funding proposals recommended by the Secretariat under this approach shall be submitted to the Board for consideration during its regular meetings. Entities with funding proposals approved under this approach shall be deemed accredited only for the purposes of such approved funding proposal.

7.4.4. Legal arrangements and post approval

110. The entity or entities submitting a funding proposal to GCF under this approach will be subject to the same responsibilities with respect to project/programme implementation as an AE were it to submit the same funding proposal under the normal GCF funding modalities, and such responsibilities will, during Stage II, be codified in legal arrangements similar to the template AMA²⁹ and FAA as may be relevant to the approved project/programme.

111. The legal arrangements for PSAA projects/programmes are likely to be more complex than the AMA and FAA. They will, typically, consist of a single agreement that is a hybrid of the AMA and FAA, and that will need to take into account the fact that the institutional assessment was undertaken in the context of the overall assessment of the relevant project rather than as per the current accreditation framework. As such, the PSAA legal arrangements will likely

²⁹ Decision B.12/31, and updated to include relevant Board decisions since the twelfth meeting of the Board.

contain provisions, principally in the form of representations and covenants, that are not currently set out in the AMA or FAA.

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

7.5 Fees for assessing the entity

113. The Policy on fees for accreditation of the Fund³⁰ applies to entities under PSAA. Fees are to be paid at the time the entity submits its application for assessment under PSAA.

7.6 Entity fees for projects/programmes approved under project-specific assessment approach

114. The Policy on fees for accreditation of the Fund³¹ applies to entities under PSAA.

7.7 Monitoring and accountability

115. The initial monitoring and accountability framework for AEs³² regarding project-level monitoring and reporting will apply to entities under the PSAA with respect to project/programme implementation, as applicable. Considering the context of the project/programme, the legal agreement between GCF and the entity will also reflect the relevant reporting requirements under the PSAA legal agreement, similar to such requirements contained in the template AMA and FAAs with respect to project/programme implementation.

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

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

7.8 Review of project-specific assessment approach

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

7.9 Additional considerations

119. Entities that have submitted a project or programme concept note that has been reviewed by the Secretariat and determined to be satisfactory with regard to the GCF investment criteria to then be developed into a funding proposal, and that have been assessed

³⁰ Annex VI to decision B.08/04.

³¹ Annex VIII to decision B.19/09.

³² Decision B.11/10.

to have high or medium capacity as per section 7.4.2 above, may request financial support under the Project Preparation Facility to help develop the concept note into a funding proposal.

VIII. Readiness and Preparatory Support Programme

120. The revised Readiness and Preparatory Support Programme³³ (Readiness Programme) and the Readiness and Preparatory Support Programme Strategy 2019–2021 contain the objectives and outcomes of the programme. In particular, Objective 1: Capacity-building refers to GCF recipient countries and relevant stakeholders set up of adequate systems – human, technical and institutional – that enable them to fulfil their roles and responsibilities towards the GCF and enhance their ability to achieve their objectives.

121. The objectives and outcomes of the Readiness Programme relevant for direct access applicants and direct access AEs (collectively referred to as DAEs) include:

- (a) Objective 1: Capacity-building and Outcome 1.2 refer to DAEs having established capacity to meet and maintain GCF standards for accreditation, and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities;
- (b) Objective 2: Strategic frameworks and Outcome 2.3 refer to entity work programmes of accredited DAEs having been developed, which are aligned with the priorities of the countries, including country programmes and the GCF result areas;
- (c) Objective 4: Pipeline development and Outcome 4.2 refer to an increase in the number of quality funding proposals developed and submitted from accredited DAEs; and
- (d) Objective 5: Knowledge-sharing and learning and Outcome 5.1 refer to best practices with respect to institutional capacity-building, direct access and pipeline development that are developed and disseminated to strengthen engagement by NDAs, DAEs and delivery partners with the GCF.

122. NDAs/focal points and DAEs are encouraged to seek readiness support towards these objectives and outcomes.

IX. Complementarity and coherence with the accreditation processes of other relevant funds

123. Following the principle of complementarity and coherence that underpins the operational modalities of GCF, as outlined in the Governing Instrument, the accreditation framework will also pursue complementarity and coherence with the accreditation frameworks and processes of other relevant funds.

124. This element of the updated accreditation framework includes, among other operational aspects:

- (a) Regular coordination, collaboration and exchange of information with the secretariats and accreditation panels, or their equivalent institutional arrangements, of other relevant funds;
- (b) Formal and continuous mutual update on new operational guidelines and procedures, best-practice fiduciary principles and standards, ESS standards, gender policies, IT support systems and other relevant policies and procedures; and

³³ Decision B.22/11, paragraph (f) and annex IV thereto.

- (c) Appropriate modalities for the fast-track accreditation process based on the appropriate degree of compatibility between the accreditation systems of GCF and those of other relevant funds, ensuring that the fast-track process will not diminish the rigour of the application of the standards for GCF accreditation.

X. Effectiveness, transitional arrangements and review of the accreditation framework

125. This updated accreditation framework shall become effective as from 1 January 2020 onwards and will from that date replace the initial guiding framework for the GCF's accreditation process adopted by the Board pursuant to decision B.07/02, paragraph (a).

126. In respect to all entities accredited by the Board in Stage II (Step 2) prior to the effectiveness of the updated accreditation framework, the five-year term of accreditation shall be deemed to begin/have begun from the date of effectiveness of the AMA.

127. Applicants for which the Accreditation Panel has begun its review in Stage II (Step 1) of the accreditation process prior to the effectiveness of this updated accreditation framework shall continue to be reviewed by the Accreditation Panel using the process contained in annex I to decision B.07/02.

128. The updated accreditation framework will evolve to ensure continuous improvement and alignment with international good practices and to reflect the experience gained by GCF.

129. The Secretariat will be responsible for proposing to the Board, in collaboration with the Accreditation Committee and Accreditation Panel, the terms of reference for a comprehensive review of the accreditation framework in five years from the adoption of this framework.

130. The Secretariat, the Accreditation Committee and the Accreditation Panel may also propose to the Board a focused review of specific elements of the accreditation framework, including the standards for GCF accreditation, as deemed necessary.

Annex III: Comments received during consultations on the updated accreditation framework

1. Tables 1 to 3 below contain a consolidation of comments, by topic, received during three webinars and written feedback received from members and alternate members of the Board, accredited entities and national designated authorities and focal points (see table 4) between 1 April and 13 May 2019.

Table 1: General comments received during consultations on the updated GCF accreditation framework

Topic	Recommendation/approach	Commenter
1. Accreditation process to strengthen institutions in the long term	1. Strongly support the institutional strengthening aspect of the accreditation process, as this incentive has important for both direct and international access entities	1. Board
2. Readiness and accreditation	1. Provide to build capacity of entities	1. Board 2. NDA
	2. Increase support to help national entities from least developed countries to strengthen their programmatic and implementation capacities	1. Board
	3. Identify linkages between Readiness 2.0 and the updated accreditation framework	1. Board
	4. Improve the linkage between readiness for nominated DAEs under accreditation	1. Board 2. NDA
	5. Identify the right balance between work being done to strengthen entities before they are recommended to the Board for accreditation and working with AEs post-accreditation on conditions	1. Board
3. Types of entities GCF should work with that are best suited to help GCF fulfil its mandate	1. Overarching priority should be to enable all eligible countries to access GCF funding efficiently, ensuring that particularly vulnerable countries including least developed countries, small island developing States and African States are sufficiently covered	1. Board
	2. Include reference to the update of the Strategic Plan, with further strategic guidance to address this	1. Board
	3. Request the Independent Evaluation Unit to carry out a review of the current portfolio of AEs and the extent to which these contribute to maximize the impact of the GCF and to deliver on its mandate of achieving true paradigm shift, including recommendations on the optimal number and mix of entities overall	1. Board
4. Number of entities	1. Include the strategic vision for GCF accreditation in terms of number of AEs	1. Board 2. Board
	2. The framework should aim to provide recipient countries with a choice of implementing entities. This implies a mix of national, regional and international entities. Where a country is seeking accreditation of its first national implementing entity, it could be appropriate for that application to be considered ahead of any	1. Board

Topic	Recommendation/approach	Commenter
	secondary/further applications from countries with national implementing entities already accredited	
	3. There is likely to be an optimal number and mix of entities overall, which ensures sufficient coverage geographically, thematically and on terms/instruments	1. Board
	4. NDAs may present more than one DAE for accreditation	1. Board
	5. Whether there can be an unlimited number of entities that the GCF can work with, or should there be a cap? Include reference to the update of the Strategic Plan, with further strategic guidance to address this	1. Board
	6. Recommended maximum number of AEs per country	1. Board
5. Requirements of AEs once accredited	1. Include the strategic vision for GCF accreditation in terms of number of funding proposals per AE	1. Board
	2. Place a time limit within which the AEs have to submit a first, second and third project proposal to ensure that resources are invested in addition to those provided by GCF for the accreditation process and related capacity-building are invested in a meaningful manner	1. Board
	3. Require AEs to sponsor project ideas originating from another organization that is not accredited	
6. Handling the accreditation pipeline	1. Board to make a strategic decision on how to handle entities that have been in the pipeline to become accredited for some time	1. Board
7. Twinning of DAEs with other institutions	1. Begin and increases	1. Board 2. Board 3. Board 4. Board
8. Relationship between institutional accreditation and PSAA	1. Complementary, where PSAA does not replace full institutional accreditation	1. Board
9. Linkage for PSAA entity to seek full institutional accreditation	1. Strengthen and clarify	1. Board 2. Board 3. Board 4. Board 5. Board 6. Board 7. NDA
10. Advantages of institutional accreditation compared with PSAA	1. Clarify	1. Board and NDA 2. Board 3. AE 4. AE
	2. Focus GCF resources on AEs through institutional accreditation, particularly further strengthening DAEs on their capacities to develop and implement projects, rather than on new entities through PSAA	1. NDA
11. Executing entities	1. Consider supporting the execution of projects through DAEs	1. NDA

Topic	Recommendation/approach	Commenter
12. Costs	1. Consider/control the costs of the accreditation approach, because an ever-expanding portfolio of AEs will be increasingly difficult to manage and maintain	1. Board
13. Learning	1. Framework should promote the importance of learning: <ol style="list-style-type: none"> a. within countries, including the existing provision that international entities should support national capacity development; and b. between countries/regions, so that lessons learned can be transferred 	1. Board
14. Annual event for entities applying for accreditation	1. Organize such an event, allowing for Q&A on accreditation	1. AE

Abbreviations: AE = accredited entity, DAE = direct access entity, NDA = national designated authority, PSAA = project-specific assessment approach.

Table 2: Comments on institutional accreditation received during consultations on the updated GCF accreditation framework

Topic	Recommendation/approach	Commenter
1. NDA nomination and support	1. Encourage NDAs to nominate entities that would be best suited to undertake their country's climate change programming priorities and that fit the roles and responsibilities of an AE	1. Board 2. Board 3. NDA 4. NDA 5. NDA 6. NDA
	2. Strengthening NDAs in nomination, such as through readiness support	1. Board 2. Board 3. Board 4. NDA
2. Access modalities	1. As contained in recommendation 3 of decision B.22/16, annex III	1. Board 2. NDA 3. NDA 4. NDA 5. NDA
	2. DAEs from developing countries carry out GCF projects in other developing countries	1. Board
	3. Referring to recommendation 3 of decision B.22/16, annex III: (i) remove reference "that will implement projects in developing countries only" in paragraph (a) because all GCF projects are in developing countries; (ii) clarify the definition of paragraph (b) because it seems too vague and could be misinterpreted (suggestion is to use the language of the Governing Instrument); and (iii) clarify the need to specify paragraph (c) as a different type of entity, because there is not a clear reference of such specificity in the Governing Instrument	1. Board
	4. Clarifications on by what criteria national DAEs should be ranked and whether they should be presented simultaneously or separately, as well as criteria for public sector entities	1. NDA
	5. Develop a separate access modality category for non-profit non-governmental organizations for micro or small-scale interventions	1. NDA
	6. DAEs should be divided and reported on	1. Board

Topic	Recommendation/approach	Commenter
	separately as either domestic or regional entities (with no distinction being made between public and private entities) based in developing countries with a strong focus on implementing activities in that same country or region	
3. Overall streamlining	1. In favour	1. Board 2. AE 3. AE 4. AE 5. AE 6. NDA 7. NDA 8. NDA 9. NDA 10. NDA
4. Prioritization of entities in accreditation	1. Continue	1. Board 2. Board and NDA 3. Board 4. Board 5. AE 6. AE 7. NDA 8. NDA 9. NDA 10. NDA
	2. Continue for DAEs in least developed countries and small island developing States	1. NDA
	3. In addition to the existing prioritization, add nominated national DAEs that are in a different type/category from the existing DAE	1. NDA
	4. Continue to prioritize upgrades of AEs' accreditation scope, particularly DAEs	1. NDA
	5. Take into consideration differences in size of GCF countries of operation and the difference regarding the potential scale of positive climate impact	1. Board
	6. Board to reaffirm its commitment to prioritize entities for accreditation that will fulfil the GCF mandate on balance, diversity, and coverage, as per decisions B.14/09, paragraph (d)(i) and B.21/16, paragraph (e)	1. Board
5. Languages	1. Accept documents in official United Nations languages	1. Board and NDA 2. AE
6. Upgrades	1. Work with AEs with lower accreditation scope to upgrade	1. Board
	2. AEs should be given the opportunity to apply for a maximum of one upgrade per accreditation period	1. Board
7. Linkage between readiness during institutional accreditation	1. Streamline or fast-track accreditation for entities seeking or receiving readiness support for institutional capacity-building	1. Board
8. Size category	1. As contained in recommendation 4 of decision B.22/16, annex III	1. Board 2. Board 3. NDA

Topic	Recommendation/approach	Commenter
		4. NDA 5. NDA 6. NDA
	2. Define as GCF contribution to overall project, rather than total projected project costs	1. AE 2. NDA
	3. Support recommendation 4 which increases project funding levels for the various size categories, but depending on how the process proceeds this could create challenges for some AEs that are not able to manage larger projects and thus accreditation due diligence would need to reflect the associated higher risks and responsibilities	1. Board
9. List of potential pipeline projects for GCF financing and accreditation applications	1. Include as a pre-requisite for consideration for accreditation	1. Board
10. Content of assessment	1. Include as a part of the assessment of entities on contributions to resilience development and minimization of the effects of climate change in areas such as displacement and poverty reduction	1. NDA
	2. The framework should promote the accreditation of entities that offer recipient countries optimal coverage in terms of: <ul style="list-style-type: none"> a. countries/regions being served; b. sectors/results areas an entity can deliver against; c. expertise and willingness to reach the most marginalized, including girls, women and young people; d. range of financial instruments offered – public and private; and e. volume of pipeline/deal-flow an entity can support 	1. Board
11. Track record	1. Require demonstration through a GCF-funded project rather than as a requirement for accreditation	1. Board 2. Board
	2. Include a waiver for entities that have received readiness support to fill policy gaps in relation to GCF policies in terms of project track record, which could be expressed as a condition of accreditation to present a track record on the implementation of new policies after five years of accreditation	1. Board
	3. How many projects does GCF need per AE to retain knowledge from capacity-building in these institutions?	1. Board
12. Secretariat and Accreditation Panel resources for assessment	1. Consultants supporting the Accreditation Panel	1. Board 2. Board 3. Board and NDA 4. Board 5. Board 6. AE 7. AE 8. NDA

Topic	Recommendation/approach	Commenter
		9. NDA 10. NDA 11. NDA
	2. Terms of reference for consultants to be developed in advance with the Accreditation Panel	1. Board
	3. Support the idea of hiring an external expert panel on an interim basis, but hesitate to outsource the AEs' review in the longer term	1. Board
	4. Suggest that, in the longer term, the internal capacity and associated budget of the Secretariat be further developed to limit the reliance on external consultants to ensure that the corporate memory and learning by doing benefits of accreditation remains within GCF	1. Board
	5. The implications of outsourcing Accreditation Panel functions, and the level of outside supported required to augment the Accreditation Panel's capacity must be based on the ultimate expected size of the AE network over time	1. Board
	6. The same group of external firms/experts to assess applications of similar types of applicants (e.g. MDBs, entities dealing with a similar sectoral theme)	1. AE
13. Additional resource support for operationalizing streamlined Accreditation Panel assessment under recommendation 5 of decision B.22/16, annex III	1. Provide justification for budget request	1. Board
14. Fast-track	1. Consider alternative options for fast-track accreditation (e.g. financial institutions approved by MDBs for their own intermediated financing activities)	1. Board
15. Monitoring and accountability	1. Emphasize the importance of applying the GCF monitoring and accountability framework to track AEs' accreditation status and support consideration of re-accreditation according to an agreed schedule	1. Board
	2. Reconsider the need to undergo a midterm accreditation review considering that AEs are required to conduct annual self-assessments of their continued compliance with GCF accreditation requirements and that accreditation is valid for five years	1. AE
16. Timing of re-accreditation	1. To take place five years after the date the AMA is signed (rather than the Board decision)	1. Board
17. Requirements for re-accreditation	1. Only AEs that have submitted funding proposals under their first term of accreditation (counting from the date of AMA signature) should be considered for re-accreditation	1. Board
18. Guidance	1. Develop a glossary of terms	1. AE

Abbreviations: AE = accredited entity, AMA = accreditation master agreement, DAE = direct access entity, MDB = multilateral development bank, NDA = national designated authority.

Table 3: Comments on the project-specific assessment approach received during consultations on the updated GCF accreditation framework

Topic	Recommendation/Approach	Commenter
1. Overall concept	1. In favour	1. Board 2. Board 3. Board 4. Board 5. Board 6. Board 7. Board 8. Board 9. AE 10. AE 11. AE 12. AE 13. AE 14. NDA 15. NDA 16. NDA 17. NDA 18. NDA 19. NDA
2. PSAA as a means to strengthen institutions in the long term	1. Avoid the PSAA being used for one-off projects which will not help build longer term AE capacity to implement the GCF mandate	1. Board
3. Readiness and PSAA	1. Stronger link between readiness activities and PSAA, particularly in the identification and development of projects, or project/entity groupings, that may be eligible under PSAA	1. Board 2. NDA
	2. Propose a revised budget to reflect the integration of additional support required to build institutions through PSAA	1. Board
	3. Maintain the Project Preparation Facility for AEs only, not non-AEs under PSAA	1. Board 2. Board
4. Eligible projects and restrictions	-	-
a. AE screening prior to PSAA	1. DAE receives first right of refusal of the project concept before PSAA	1. AE
b. Funding window	1. RFPs (EDA, MSME, MFS) and SAP	1. Board 2. Board 3. NDA
	2. RFPs (EDA, MSME, MFS)	1. Board 2. Board
	3. RFPs (EDA and MSMEs) and SAP	1. Board 2. Board
	4. Also include regular funding proposals in addition to RFPs (EDA, MSME, MFS) and SAP	1. AE
	5. Also include regular funding proposals from DAEs in the micro and small-sized project categories in addition to RFPs (EDA, MSME, MFS) and SAP	1. Board
	6. Provide cost-benefit analysis of utilizing the PSAA model for Category C proposals under USD 10 million, versus the institutional accreditation approach	1. Board
c. Environmental and social risk category	1. No restriction	1. Board 2. Board
	2. Exclude Category A/I-1	1. Board

Topic	Recommendation/Approach	Commenter
		2. Board
	3. Exclude Category A/I-1 and Category B/I-2	1. Board 2. Board
d. Project size	1. No restriction	1. Board
	2. Micro and small	1. Board
e. Number of projects	1. One per entity	1. Board
	2. Clarify whether it is one per entity per lifetime of the project or one per entity per year	1. NDA
	3. No limitation	1. Board
	4. Consider revising the limitation of one project after the pilot phases	1. Board
5. Eligible entities	1. As contained in recommendation 6 of decision B.22/16, annex III	1. NDA
	2. DAEs and any entity to apply under PSAA	1. NDA
	3. Use PSAA as a way for entities to show how they could be innovative and be the types of partners GCF should work with	1. Board
	4. Inclusion of international access AEs as eligible entities	1. AE
	5. Focus on new entities not already institutionally accredited	1. NDA
6. Prioritization of DAEs in PSAA	1. Considering some countries already have multiple DAEs, will there be an indication that PSAA should be directed/prioritized for countries that do not yet have DAEs? Example: prioritize AEs that go beyond their accreditation scope over entities not institutionally accredited.	1. NDA DAE webinar participant 2. AE 3. AE
7. Standards and fit-for-purpose approach	1. Maintain application of GCF fiduciary standards, environmental and social safeguards and GCF Gender Policy	1. Board 2. Board
	2. Fit-for-purpose approach to be applied	1. NDA
	3. Clarifications on how GCF standards can be confined to the scope of a proposed project/programme	1. NDA
	4. Simplify the approach of the application of standards for the project/programme	1. AE
8. Assessment content and track record	1. Linkage to baseline on the overall portfolio of AEs	1. Board
	2. Include a question on how the entity sees its relationship with the GCF evolve over time	1. Board
	3. Project track record in the same project size category should not be required (e.g. entities should be allowed to handle larger project sizes)	1. NDA
	4. Amend the statement on “the assessment will be on the entity’s ability to meet GCF standards in implementing the proposed project/programme – not on the institution-wide systems, policies and procedures or general track record” to reflect the description in section 7.4.2	1. Board
	5. Elaborate funding proposal content	1. Board
9. Depth of assessment	1. Less compared with institutional accreditation	1. Board 2. Board 3. NDA



Topic	Recommendation/Approach	Commenter
		4. NDA
	2. Pre-check should be included before an entity enters PSAA to avoid wasted resources on a funding proposal that may not be approved	1. NDA
10. Timing of PSAA assessment	1. Alongside concept note and/or funding proposal review	-
	2. Assessment of entity under PSAA only after a full funding proposal is developed	1. Board
11. Time frame for PSAA assessment	1. Include estimated time frames for the PSAA process	1. Board and NDA
12. Impacts on project proposal depending on the institutional capacity level and proposal	1. Under circumstances in which an entity is deemed "low capacity" to implement the proposal, the NDA should be given the option to advance the proposal to an entity that may be better equipped – presumably institutions already accredited to do the work, either independently or in partnership with the original proposal proponent	1. Board
13. Role of Secretariat, Accreditation Panel and independent Technical Advisory Panel in assessment	1. Clarification of who conducts the assessment: GCF or NDA?	1. NDA
	2. Provide more details on the independent assessment by consultants/consulting firms that will augment the Secretariat's capacity	1. Board
	3. Include the Accreditation Panel and independent Technical Advisory Panel in the assessment	1. Board
	4. Clarify staffing and budget implications	1. Board 2. AE
14. Fee for PSAA application	1. Same as institutional accreditation fees	
	2. Lower than institutional accreditation fees (aimed to encourage PSAA application)	1. Board 2. Board 3. NDA
	3. Consider whether fees are a barrier to smaller entities that may be suitable for micro-sized projects/programmes	1. Board
15. Approval of PSAA project	1. Clarify the timing of PSAA approval	1. Board 2. NDA
16. Legal arrangements	1. Relevant elements of the accreditation master agreement and FAA streamlined into 1 agreement	1. Board 2. Board 3. NDA
	2. Reduce the time frame for FAAs	1. AE 2. NDA
	3. Set a time frame for when legal arrangements will be signed for PSAA	1. Board
17. Term and conditions for PSAA projects	1. Include in PSAA	1. NDA
18. Fees to entities for PSAA project	1. Include entity evaluation fees	1. NDA
19. Mitigating foreign exchange risk	1. Include in PSAA	1. NDA
20. Time frame to launch the PSAA	1. Include the time frame	1. Board
21. Reporting frequency on baseline of the entity's overall portfolio of activities beyond those funded by GCF	1. Once per year	1. Board
	2. Once every 2 or 3 years	1. Board 2. Board
	3. Causal relationship between GCF goal to promote a paradigm shift and the entity's	1. AE

Topic	Recommendation/Approach	Commenter
	portfolio of activities beyond those funded by GCF is not granted. The time frame of evolution also goes beyond the project duration and would not be visible on a yearly basis	
22. Review of the PSAA as a pilot programme	1. After 3 years of operationalization	1. Board 2. NDA
	2. After 2 years of operationalization	1. Board
	3. After 1 to 2 years of operationalization	1. Board
	4. Undertake lessons learned exercise on an annual basis	1. Board
23. Exit mechanism	1. Consider inclusion	1. Board
24. Additional resource support for operationalizing PSAA	1. Clarification of budget request coverage: all additional costs or certain aspects	1. Board
	2. Provide justification for budget request	1. Board
25. Inclusion as part of the accreditation framework	1. Permanent basis after 3 years of piloting	1. Board
26. Support to NDAs and AEs on legal arrangements	1. Provide support to NDAs and AEs to undertake PSAA legal arrangements	1. NDA
27. Guidance	1. Provide guidance to NDAs/focal points to inform no-objection procedures for projects under PSAA	1. AE

Abbreviations: AE = accredited entity, DAE = direct access entity, EDA = enhancing direct access, FAA = funded activity agreement, MFS = mobilizing funds at scale, MSME = micro, small and medium-sized enterprises, NDA = national designated authority, PSAA = project-specific assessment approach, RFP = request for proposal, SAP = simplified approval process.

Table 4: List of webinar participants and written feedback submitters during consultations on the updated GCF accreditation framework ^a

Board
<ol style="list-style-type: none"> 1. Mr. Roelof Buffinga 2. Mr. Frank Fass-Metz 3. Mr. Mathew Haarsager 4. Ms. Kate Hughes 5. Mr. Ronald Jumeau (on behalf of small island developing States) 6. Mr. Ignacio Lorenzo Arana 7. Mr. Richard Muyungi 8. Mr. Paul Oquist Kelley 9. Mr. Wenxing Pan 10. Ms. Karina Ramirez Arras 11. Mr. Lars Roth 12. Mr. Reinaldo Salgado 13. Mr. Stefan Schwager 14. Mr. Jeremiah Garwo Sokan (on behalf of least developed countries) 15. Ms. Sue Szabo
National designated authorities/focal points
<ol style="list-style-type: none"> 1. Albania 2. Argentina 3. Bangladesh 4. Brazil 5. Indonesia 6. Madagascar 7. Mexico 8. Morocco

9. Philippines
10. Rwanda
11. Saint Lucia
12. Sao Tome and Principe
13. Somalia
14. State of Palestine
15. Timor-Leste
16. Trinidad and Tobago

Accredited entities

Direct access

1. Environmental Project Implementation Unit of the Ministry of Nature Protection of the Republic of Armenia
2. Foreign Economic Cooperation Office
3. Fondo Mexicano para la Conservación de la Naturaleza A.C.
4. IDFC Bank Limited
5. LandBank of the Philippines
6. PT Sarana Multi Infrastruktur
7. National Bank for Agriculture and Rural Development
8. National Fund for the Environment of Benin
9. Acumen Fund, Inc.

International access

1. Agence Française de Développement
2. Compañía Española de Financiación del Desarrollo S.A. S.M.E.
3. European Bank for Reconstruction and Development
4. European Investment Bank
5. Food and Agriculture Organization of the United Nations
6. International Fund for Agricultural Development
7. World Food Programme
8. World Wildlife Fund, Inc.

^a Commenters may either include the Board member or alternate members, the accredited entity or national designated authority/focal point, or their advisers on their behalf.

Annex IV: Letter from the Chair of the Accreditation Committee to the Co-Chairs of the Board of the GCF

12 June 2019

Dear Jos and Nagmeldin,

In line with decision B.22/16, paragraph (d), the Accreditation Committee submits document GCF/B.23/05 titled the “Updated accreditation framework” for the Board’s consideration at its twenty-third meeting. This document was finalized via e-mail by the Accreditation Committee on a no-objection basis on 10 June 2019. Details on the virtual meetings held by and exchanges amongst members of the Accreditation Committee are contained in the report of the Accreditation Committee contained in document GCF/B.23/Inf.08 titled “Reports from committees, panel and groups of the Board of the Green Climate Fund”, to be presented to the Board at its twenty-third meeting.

As Chair of the Accreditation Committee, I endorse the content of the document and request that it be transmitted to the Board for consideration at its twenty-third meeting.

Yours sincerely,

Dr. Richard Muyungi

Chair of the Accreditation Committee
