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5 November 2019

Consideration of accreditation proposals

Summary

This document presents an overview of accreditation progress up to 30 September 2019; an overview of the pipeline of applicant entities with information on support to direct access entities; and an overview of the portfolio of accredited entities, including the status of accredited entities addressing accreditation conditions. The document also presents accreditation proposals for consideration by the Board.

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I. General mandate

1. In decision B.08/02, paragraph (a), the Board recalled that all entities, including subnational, national, regional and international entities, can apply for accreditation to GCF.
2. Areas of work related to accreditation matters include the following:
 - (a) The pipeline of entities, particularly supporting direct access entities, seeking accreditation, including already-accredited entities seeking upgrades in their accreditation scope;
 - (b) Relationship management of accredited entities (AEs); and
 - (c) Preparing for the re-accreditation process.
3. In addition to the above, the Secretariat supports the work of the Accreditation Committee and the Accreditation Panel (AP).
4. This document presents an overview of accreditation progress up to 30 September 2019. In particular, it includes an overview of the pipeline of applicant entities with information on support to direct access entities and an overview of the portfolio of AEs, including the status of AEs addressing accreditation conditions. The document also presents accreditation proposals for consideration by the Board.

II. Recommended action by the Board

5. It is recommended that the Board:
 - (a) Take note of the information presented in document GCF/B.24/07/Rev.01 titled “Consideration of accreditation proposals”; and
 - (b) Approve the draft decision presented in annex I.

III. Linkages with decisions and other documents

6. This document has actual or potential linkages with the following items:
 - (a) “Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund’s fiduciary principles and standards and environmental and social safeguards” (decision B.07/02);
 - (b) “Guidelines for the operationalization of the fit-for-purpose accreditation approach” (decision B.08/02);
 - (c) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10);
 - (d) “Standards for the Implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.23/15);¹
 - (e) “Policy on the protection of whistleblowers and witnesses” (decision B.BM-2018/21);
 - (f) “Policy on Prohibited Practices” (decision B.22/19);

¹ Decision B.23/15, paragraph (b), requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best way to integrate the Anti-Money Laundering and Countering the Funding of Terrorism Policy in the interim fiduciary standards and present to the Board a proposal for its consideration in 2019 as a matter of urgency. A proposal on integration has yet to be presented to the Board for its consideration.

- (g) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (h) “Gender policy and action plan” (decision B.09/11);
- (i) “Indigenous Peoples Policy” (decision B.19/11);
- (j) “Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment” (decision B.23/16);²
- (k) “Assessment, including gap analysis, of institutions accredited by other relevant funds” (decision B.08/03);
- (l) “Country programming, readiness and preparatory support” (decision B.13/32);
- (m) “Application documents for submissions of applications for accreditation” (decision B.08/06);
- (n) “Policy on fees for accreditation” (decision B.08/04);
- (o) “Revised policy on fees for accredited entities” (decision B.19/09);
- (p) “Comprehensive information disclosure policy of the Fund” (decision B.12/35);
- (q) “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, B.22/09 and B.23/13);
- (r) “Legal and formal arrangements with accredited entities” (decision B.09/08);
- (s) “Accreditation master agreements” (decisions B.12/31 and B.23/15, paragraph (d));
- (t) “Strategic plan for the Green Climate Fund” (decision B.12/20);
- (u) “Strategy on accreditation” (decisions B.13/19 and B.14/08);
- (v) “Matters related to the accreditation framework and policy gaps: Co-Chairs’ proposal (decision B.18/04);
- (w) “Further development of the accreditation framework” (decision B.19/13);
- (x) “Accreditation framework review, including the project specific framework approach” (document GCF/B.20/17);
- (y) “Accreditation framework review” (decision B.22/16);
- (z) “Updated accreditation framework” (decision B.23/11); and
- (aa) “Strategy to increase funding proposals from direct access entities” (document GCF/B.20/04).

IV. Overview of the pipeline of applicant entities

7. The Governing Instrument for the GCF states that access to GCF resources for projects and programmes will be through national, regional and international implementing entities accredited by the Board.³ AEs may be implementing entities and/or intermediaries. Having a diversity of AEs can provide recipient countries with a choice of partners to meet their needs and priorities. GCF and its network of partners, particularly AEs, are responsible for the

² Decision B.23/16, paragraph (b), requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best way to update and amend, as appropriate, the requirements placed on accredited entities in the relevant standards, safeguards and policies of the GCF so as to integrate the obligations set out in the policy. A proposal on the update or amendment has yet to be presented to the Board for its consideration.

³ Paragraph 41 of the Governing Instrument for the GCF.

delivery of financing to developing countries to meet internationally agreed climate goals at scale while also meeting GCF standards and safeguards.

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 its environmental and social (E&S) risk category – governs the maximum scope within which the AE can submit a funding proposal for a project/programme. 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.

9. GCF relies on the primary due diligence and the risk assessments performed by AEs.⁴ 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.

4.1 Status of applications for accreditation

10. Since the opening of the call for accreditation applications on 17 November 2014 and up to 30 September 2019, 52 Accredited Entities have fully completed the accreditation process by having a signed and effective accreditation master agreement (AMA).⁵ An additional 11 entities have signed their AMA, but it is yet to become effective to complete the accreditation process, and a further 25 have been approved by the Board to be accredited for which AMAs are in progress. Altogether, the Board has decided to accredit 88 entities.

11. The Secretariat continues to work closely with entities throughout the stages of accreditation, particularly those that are in Stage I, Institutional assessment and completeness check by the Secretariat, or Stage II (Step 1), AP review. The Secretariat is increasingly focusing on providing guidance on the role and responsibilities of AEs and the accreditation process to assess entities' institutional capabilities for such a role while meeting GCF standards. Such early engagement takes place prior to and during issuance of accounts to the online accreditation system (OAS),⁶ the web-based portal through which applicants submit their accreditation applications,⁷ as well as during preparation of invoices for accreditation fees, which are linked to the accreditation criteria an entity is seeking. The distribution of accreditation applications received as at 30 September 2019 is available on the GCF website⁸ and is summarized in figure 1 below.

⁴ Annex XXVII to decision B.12/31.

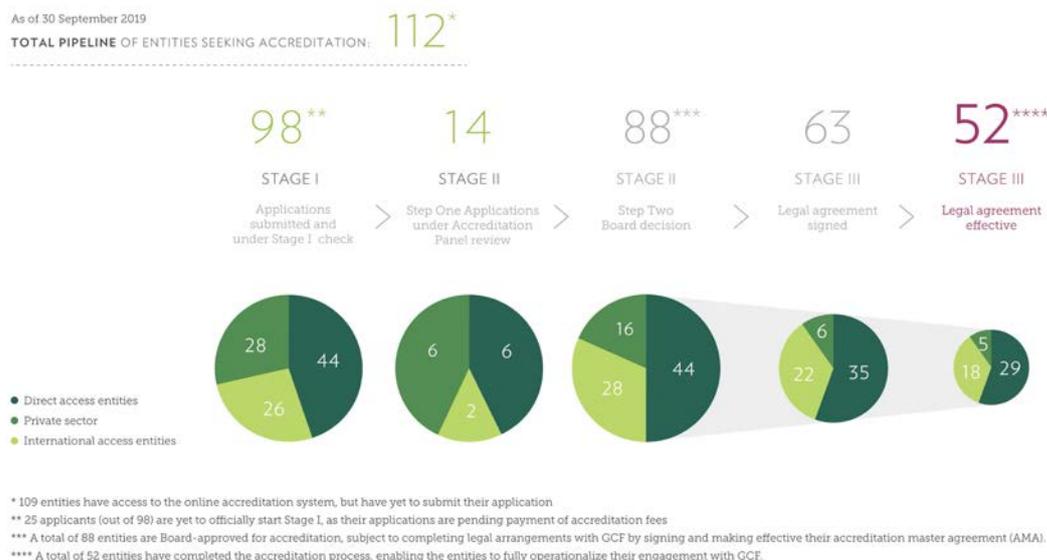
⁵ Decision B.23/11, paragraph (a).

⁶ Available at <<https://accreditation.gcfund.org/>>.

⁷ In decision B.07/02, paragraph (o), the Board requested the AP, in collaboration with the Accreditation Committee and the Secretariat, to report annually to the Board on the status of applications for accreditation.

⁸ The "Number of entities at each stage" is updated on a monthly basis and is available at <<http://www.greenclimate.fund/how-we-work/getting-accredited/ae-composition>>. Monthly information is available from 30 September 2015 onward.

Figure 1: Status of accreditation applications (as at 30 September 2019)



12. A pipeline of 112 entities have submitted accreditation applications (including active and inactive) on the OAS. Of these, 14 applications are under the Stage II (Step 1) AP review (including those entities being recommended at the twenty-fourth meeting of the Board (B.24)) and 73 applications are under Stage I. A further 25 entities have submitted an application but have yet to pay accreditation application fees in order to begin Stage I.

13. In addition to the entities that have submitted applications, 109 entities have access to the OAS but have yet to submit their application.

14. The submitted applications received to date reflect considerable diversity in terms of geographical representation, the type of activities to be undertaken using GCF resources if accreditation is approved, the type of accreditation being sought (e.g. project/programme activity size, fiduciary function and E&S risk category), and whether they are from the public or private sector.

15. In addition to applications for accreditation, nine applications from AEs to upgrade their accreditation types have been received between 17 November 2014 and 30 September 2019, of which six upgrades were approved by the Board in decision B.15/09, paragraph (f), decision B.18/05, paragraph (d), decision B.21/16, paragraph (d), decision B.22/09, paragraph (d) and decision B.23/13, paragraphs (d)–(e). The remaining three entities comprise two direct access AEs and one international access AE: one direct access AE is in Stage II (Step 1) and the other two AEs are in Stage I. The AEs are seeking to upgrade their accreditation type for increased size categories, additional fiduciary functions (e.g. grant award and/or funding allocation mechanisms) and higher E&S risk categories.

16. Figure 2 shows the geographical coverage for national and regional entities nominated for accreditation by national designated authorities (NDAs) and focal points, of which 51 direct access entities have been accredited by the Board. A total of 69 direct access entities are in the accreditation pipeline having submitted an application, of which 12 are in Stage II (Step 1) AP review, 41 are in Stage I and 16 have yet to commence the Stage I review pending payment of accreditation fees.

17. Thirty-six direct access entities have received support through the Readiness and Preparatory Support Programme (Readiness Programme) to prepare for accreditation, of which

17 direct access entities have completed such support and submitted an accreditation application. Of these, 7 entities have been accredited by the Board and an additional 10 entities are in the pipeline (one at Stage II (Step 1) and nine at Stage I). In total, the Secretariat has committed USD 11.68 million to strengthen both applicant and already accredited direct access entities through 61 grants and the provision of technical assistance.

Figure 2: Direct access entities nominated for accreditation (as at 30 September 2019)

ACCREDITATION STATE OF PLAY DIRECT ACCESS ENTITIES

As of 30 September 2019



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

18. The time taken to process applicants has varied and depends on the entity’s capacity and the modalities for which it is applying, in addition to factors such as resources available to process applications, the workload from the growing pipeline of applicants and the increase in new or amended GCF policies that affect accreditation. At the time of adopting the accreditation framework and the launch of the call for accreditation applications in 2014, entities were only to be assessed against fiduciary standards and E&S safeguards. Since then, nine new policies or standards have been adopted that affected accreditation with immediate effect, prolonging the accreditation process.⁹ This meant that assessments had to be re-opened so that entities could also be assessed against such new or amended policies and standards.

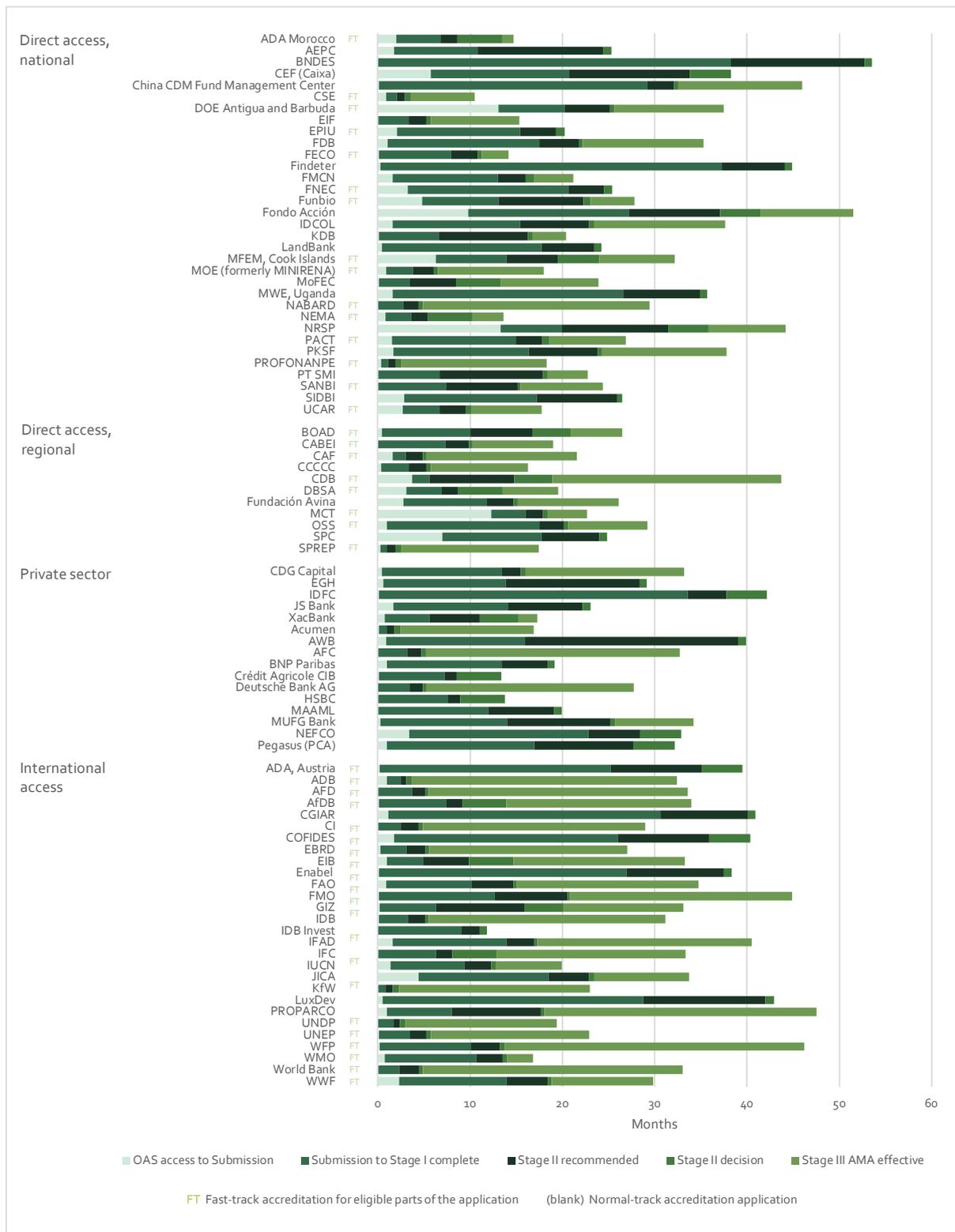
⁹ “Gender policy and action plan” (decision B.09/11); “Accreditation master agreements” including, in Exhibit A of the template AMA, the General Principles on Prohibited Practices (decision B.12/31); “Policy on Prohibited Practices” (decision B.22/19); “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10); “Policy on the Protection of Whistleblowers and Witnesses” (decision B.BM-2018/21); “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10); and “Comprehensive information disclosure policy of the Fund” (decision B.12/35). The Board has also adopted “Standards for the Implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.23/15). Paragraph (b) of the same decision requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best way to integrate the Anti-Money Laundering and Countering the Finance of Terrorism Policy in the interim fiduciary standards and present to the Board a proposal for its consideration in 2019 as a

19. Based on the dates of key milestones and not accounting for actual active time spent by the applicants or GCF, from opening an OAS account to approval by the Board, it took 19.1 months on average to accredit the 88 AEs – noting that 46 of them were fast-tracked and 42 were normal-tracked (see figure 3). This includes an average time frame for application review by the Secretariat and the AP and responses by applicants of 17.5 months; however, the active time for review per application is significantly shorter.¹⁰ There is an increasing number of applications under the normal-track accreditation process and an increase in those applying for more criteria or functions, which generally require more time for review than applications that are fast-track eligible and those applying only for project management functions.

matter of urgency. A proposal on integration has yet to be presented to the Board for its consideration. The Board has further adopted the “Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment” (decision B.23/16). Paragraph (b) of this decision requests the Accreditation Committee, in consultation with the Head of the Independent Integrity Unit, to consider the best way to update and amend, as appropriate, the requirements placed on accredited entities in the relevant standards, safeguards and policies of the GCF so as to integrate the obligations set out in the policy. A proposal on the update or amendment has yet to be presented to the Board for its consideration.

¹⁰ Refer to figure 27 in annex IV of document GCF/B.20/17. Based on a sample of 77 AEs at the time of the independent review, it was found that an application in Stage I is with the entity 57 per cent of the time and 43 per cent with the Secretariat, of which 3 per cent is active time to review the application.

Figure 3: Time frame from online accreditation system access to accreditation for the 88 accredited entities (as at 30 September 2019)



Abbreviations: Acumen = Acumen Fund, Inc., ADA Austria = Austrian Development Agency, ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AEPC = Alternative Energy Promotion Center, AFC = Africa Finance Corporation, AFD = Agence Française de Développement, AfDB = African Development Bank, AWB = Attijariwafa Bank, BNDES = Banco Nacional de Desenvolvimento Econômico e Social, BNP Paribas = BNP Paribas S.A., BOAD = Banque Ouest Africaine de Développement (West African Development Bank), CABEI = Central American Bank for Economic Integration, CAF = Corporación Andina de Fomento, CCCCC = Caribbean

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

4.2 Implementing the prioritization of entities

20. In decision B.23/11, paragraph (b), the Board decided to extend decision B.21/16, paragraph (e), which decided that future accreditation decisions by the Board should aim to bring forward AEs that fill the mandate on balance, diversity, coverage and ability to advance the objectives of GCF. To that end, in decision B.21/16, paragraph (b)(i)-(v), the Board prioritized a list of entities up to the end of B.24. A proposal to extend decision B.21/16, paragraph (e) up to the end of the twenty-fifth meeting of the Board is contained in annex I of this document.

21. Since 20 October 2018 (date of decision B.21/16) and up to 30 September 2019, the Secretariat has progressed ten new entities from Stage I to Stage II, eight of which are direct access entities. Among these, five direct access entities are from countries that do not yet have an AE. In addition, the Secretariat has progressed three direct access AEs seeking to upgrade their accreditation scope from Stage I to Stage II (Step 1).

22. The application by the Secretariat and the AP of this and previous Board decisions¹¹ on prioritization has resulted in the following:

¹¹ In addition to decision B.23/11, paragraph (b), this includes Board decisions B.14/08, paragraph (d), B.18/04, paragraph (c), B.19/13, paragraph (c), and B.21/16, paragraph (e).

- (a) Thirty-three of the 47 entities (70 per cent) that have been recommended by the AP following completion of Stage II (Step 1) and that have been accredited by the Board in Stage II (Step 2) are direct access entities and 10 are private sector entities;
- (b) Thirty-eight of the 51 entities (75 per cent) that have completed Stage I are direct access entities. This includes five entities since decision B.21/16, paragraph (e)(i), that would be the first direct access entities accredited and/or to be accredited for their respective countries. Fifteen of the 51 entities (29 per cent) are private sector entities, of which 11 are direct access and four are international access entities; and
- (c) Regarding requests for proposals:
- (i) Twelve of the 14 entities (86 per cent) that have submitted concept notes or funding proposals to GCF in response to the request for proposals for a pilot phase of enhancing direct access are accredited. Out of the 12 entities, six (50 per cent) were accredited after the adoption of prioritization decision B.14/08. Of the remaining two entities not yet accredited, one direct access entity is in Stage II (Step 1) and to be presented to the Board's for consideration of accreditation at B.24; and one direct access entity has submitted its accreditation application, pending payment of accreditation fees in order to commence the Stage I review;
- (ii) Out of the 30 shortlisted proposals in response to the request for proposals for the micro, small and medium-sized enterprise pilot programme, 17 projects (57 per cent) came from an AE. Of the remaining 13 projects, 3 entities (23 per cent) have been accredited following decision B.14/08 and the other entities have yet to request an OAS account or to submit their application for accreditation; and
- (iii) Out of the 30 shortlisted proposals in response to the request for proposals for mobilizing funds at scale, 18 projects (60 per cent) currently have an entity that is accredited. Of those 18 projects, 7 out of 16 accredited entities (44 per cent) were accredited after the adoption of prioritization decision B.14/08. The remaining 12 projects have entities that either have yet to request an online accreditation system account or have yet to submit an application for accreditation.

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

4.3 Accelerating direct access

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

- (a) Guiding and supporting the 215 direct access entities nominated by the NDAs or focal points of 93 countries in four regions throughout the application process, including via conference calls;
- (b) Providing institutional gap assessments for 36 direct access entities nominated by 48 countries from different geographical/regional areas seeking accreditation and action plans based on the gap assessments to address any identified gaps;

- (c) Using an online accreditation self-assessment tool¹² in order to assess preparedness for the accreditation process, which may be accessed by any organization, as well as NDAs and focal points, for the purposes of identifying organizations to nominate for accreditation. As at 30 September 2019, 1,647 users, including NDAs/focal points considering nominating entities and entities themselves, had completed the questionnaire; and
- (d) Engaging a roster of institutions that will provide technical and capacity-building support to both applicant and accredited direct access entities in environmental, social and gender aspects.
25. Regarding the pre-accreditation support to the entities indicated in paragraph 24(b) above, as at 30 September 2019:
- (a) In-depth institutional assessments against the GCF standards and action plans had been completed for 29 entities nominated by 41 countries. Of these:
- (i) Seventeen entities have submitted their accreditation applications, of which:
1. Seven entities (Caixa Econômica Federal, Central American Bank for Economic Integration, Fondo para la Acción Ambiental y la Niñez, Micronesian Conservation Trust, National Fund for the Environment of Benin, the National Rural Support Programme, and the Pacific Community) have been accredited;
 2. One entity is in Stage II (Step 1); and
 3. Nine entities are in Stage I; and
- (ii) In addition, the other 12 entities are working towards closing the identified gaps and intend to thereafter submit their application, and others are in discussion with their NDA to seek additional readiness support to close the identified gaps; and
- (b) Readiness support is under way for the remaining seven entities.
26. The Secretariat has also compiled a roster of institutions that will provide technical and capacity-building support both to applicants and to accredited direct access entities in relation to environmental, social and gender aspects of their institutional capacities. The institutions selected for the roster have been notified and the legal arrangements have been completed. The Secretariat is working with four entities that have expressed their interest in accessing this support, in consultation with the respective NDA or focal point to develop terms of reference. Out of these entities, environmental and social safeguards support has been completed for three entities currently in Stage II and Stage I. This support is under way for a fourth entity.

V. Overview of the portfolio of accredited entities

27. The Board has taken decisions to accredit 88 entities through decisions B.09/07, B.10/06, B.12/30, B.14/10, B.14/11, B.15/09, B.17/13, B.18/05, B.21/16, B.22/09 and B.23/13. Out of the 88 entities accredited by the Board, 52 have fully completed the accreditation process by having signed and effective AMAs. The AEs demonstrate a variety of accreditation types through the application of the fit-for-purpose approach, and reflect a geographical and institutional balance (see table 1). Information on the various accreditation types is contained

¹² The tool, developed with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH and the World Resources Institute, is available at <<https://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool>>.

in annex II. Details of entities accredited by the Board to date have been published on the GCF website, including the names of the entities, their contact details and the accreditation types.¹³

Table 1: Range of options for countries to partner with GCF accredited entities per region: the number of accredited entities in each type of capacity (cumulative, as at 30 September 2019)

Region	Fiduciary functions ^a					E&S risk category ^a			Size of an individual project or activity within a programme ^b	
	Project management ^c	Providing grants, including through grant award and/or funding allocation ^d	Blended finance			C/I-3	B/I-2	A/I-1	Micro and small sizes	Medium and large sizes
			Loans	Equity	Guarantees					
AF	46	30	27	21	24	51	44	19	51	32
AP	48	32	32	23	23	52	44	18	52	34
EECA	27	17	18	14	15	29	26	15	29	22
LAC	49	39	28	21	23	50	42	21	51	31
LDCs	46	34	27	19	20	49	42	19	49	29
SIDS	42	32	26	21	21	43	37	20	43	29

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

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

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

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

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

28. As the portfolio of AEs grows, further entity relationship management and support to entities, particularly direct access entities, is needed. Such institution-level support and relationship management work includes providing a dedicated focal point to guide AEs in engaging with GCF, developing and operationalizing the entity work programmes (EWPs), support in further developing institutional capacities, including but not limited to addressing accreditation conditions through the Readiness Programme, reaching legal arrangements (i.e. AMAs), monitoring institutional-level requirements under the GCF monitoring and accountability framework (MAF) and supporting the re-accreditation process.

¹³ Available at <<http://www.greenclimate.fund/how-we-work/tools/entity-directory>>.

29. The Secretariat continues to follow up with AEs on accreditation conditions recommended by the AP. These AEs have already closed or are making significant progress in closing the gaps identified by the AP in its assessment of their applications. The status of AEs addressing their conditions is contained in annex III, which is reported to the Board for information purposes in accordance with decision B.10/06, paragraph (e).

30. Following the Board's consideration of the AMA template at its twelfth meeting, the Secretariat has progressed in entering into legal arrangements with AEs. As at 30 September 2019, 63 signed AMAs were available on the GCF website, of which 52 are effective indicating that those entities have fully completed the accreditation process.¹⁴ Further details are contained in the limited distribution document GCF/B.24/Inf.08/Add.01 titled "Status of accreditation master agreements and funded activity agreements".¹⁵

5.1 Entity work programmes

31. In line with the Strategic Plan for GCF, the Secretariat is working with 88 AEs to update or develop the EWPs. The Secretariat has developed a new EWP template that is intended to guide discussions with entities towards a more proactive, strategic and partnership-oriented approach to programming and pipeline development with the GCF. The template requests entities to align their project ideas with country priorities as well as to provide information on how potential projects would address countries' climate ambitions. The template also seeks to capture the capabilities of AEs and their vision for working with GCF.

32. As at 30 September 2019, a total of 63 EWPs have been received, including 22 updated EWPs and 19 first submissions by newly accredited entities in the new EWP template. The Secretariat is currently in the process of reviewing those submissions.

33. The remaining AEs are continuing to develop or update their EWPs.

¹⁴ Available at <<http://www.greenclimate.fund/library/-/docs/list/383065>>. AMAs have been signed with Acumen Fund, Inc., Agency for Agricultural Development of Morocco, Asian Development Bank, Africa Finance Corporation, Agence Française de Développement, African Development Bank, Banque Ouest Africaine de Développement, Central American Bank for Economic Integration, Corporación Andina de Fomento, Caribbean Community Climate Change Centre, Caribbean Development Bank, CDG Capital S.A., China Clean Development Mechanism Fund Management Center, Conservation International Foundation, Centre de Suivi Ecologique, Development Bank of Southern Africa, Department of Environment of Antigua and Barbuda, Deutsche Bank Aktiengesellschaft, European Bank for Reconstruction and Development, European Investment Bank, Environmental Investment Fund of Namibia, Fiji Development Bank, Food and Agriculture Organization of the United Nations, Foreign Economic Cooperation Office, Fondo Mexicano para la Conservación de la Naturaleza A.C., Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., Fondo para la Acción Ambiental y la Niñez, Fundo Brasileiro para a Biodiversidade, Fundación Avina, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, Inter-American Development Bank, Infrastructure Development Company Limited, International Fund for Agricultural Development, International Finance Corporation, International Union for Conservation of Nature, Japan International Cooperation Agency, Korea Development Bank, Kreditanstalt für Wiederaufbau, Landbank of the Philippines, Micronesia Conservation Trust, Ministry of Environment of Rwanda (formerly, Ministry of Natural Resources of Rwanda), Ministry of Finance and Economic Management of the Cook Islands, Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia, MUFU Bank, Ltd. (formerly Bank of Tokyo-Mitsubishi UFJ, Ltd.), National Bank for Agriculture and Rural Development, National Environment Management Authority of Kenya, National Rural Support Programme, Sahara and Sahel Observatory, Société de Promotion et de Participation pour la Coopération Economique, Palli Karma-Sahayak Foundation, Peruvian Trust Fund for National Parks and Protected Areas, Protected Areas Conservation Trust, PT Sarana Multi Infrastruktur, South African National Biodiversity Institute, Secretariat of the Pacific Regional Environment Programme, Unidad para el Cambio Rural (Unit for Rural Change) of Argentina, United Nations Development Programme, United Nations Environment Programme, World Food Programme, World Meteorological Organization, International Bank for Reconstruction and Development and International Development Association (World Bank), World Wildlife Fund, Inc. and XacBank LLC.

¹⁵ To be considered by the Board at B.24.

5.2 Support for accredited direct access entities

34. The Secretariat has continued to provide support for accreditation and direct access AEs via the Readiness Programme, in line with the outcomes and objectives contained in annex IV to decision B.22/11, paragraph (f). The Secretariat is also continually assessing the demand for readiness support as identified by NDAs/focal points through country programming and by AEs in their EWPs. Further details on the EWPs is contained in section 5.1 above.

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

36. The Secretariat held the Global Programming Conference (GPC) in Songdo, Incheon, Republic of Korea from 19 to 23 August 2019, which included 40 direct access AEs and 22 international access AEs. GPC served as a platform for high-level dialogues on country and entity programming plans with the GCF and provided an opportunity for AEs to discuss how they, within the scope of their capacities and competencies, could assist developing countries to achieve their climate-related ambitions with GCF resources. Representatives of 113 NDAs attending the GPC received further guidance and updates on the status of their respective accreditation pipelines and accreditation nomination strategies via bilateral meetings, a helpdesk and focused workshops.

37. Two national direct access AEs (Centre de Suivi Ecologique and the Protected Areas Conservation Trust) and three regional direct access AEs (the Caribbean Community Climate Change Centre, the Sahara and Sahel Observatory, and the Secretariat of the Pacific Regional Environment Programme) received targeted strategic engagement support (namely, assistance with finalizing their EWPs, guidance on structuring readiness support, and assistance in developing their pipeline of projects) and technical assistance on project preparation through in-country missions.

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

39. Regarding PPF, as at 30 September 2019, the Secretariat was working on a pipeline of 30 active PPF applications with letters of no objection from the NDAs/focal points. Out of these 30 applications, 27 have been approved and or are in the approval process (26 approved of which 18 are from direct access entities; 1 endorsed is from a direct access entity. Out of the 30 applications, 21 are from direct access entities. Of the three PPF applications not yet approved or endorsed, one is pending its associated concept notes being strengthened and cleared as per GCF investment criteria to enable PPF support, two are under PPF review and revision. The Secretariat is currently providing technical assistance to en direct access entities to help them to strengthen their concept notes and associated PPF applications. Further details are contained in document GCF/B.24/Inf.05 titled "Status of the GCF pipeline, including the status of Project Preparation Facility requests".¹⁶

5.3 Accredited entity monitoring and reporting

¹⁶ To be considered by the Board at B.24.

40. The accreditation process is considered complete upon the effectiveness of the AMA. Such date of effectiveness serves as the start date of the accreditation term for all entities accredited to GCF.¹⁷ The relevant institutional-level monitoring and reporting requirements will commence upon AMA effectiveness.

5.3.1 **Monitoring and accountability framework: accredited entity level reporting**

41. The GCF MAF establishes the main monitoring and evaluation tools related to AEs on two levels:¹⁸

- (a) AE compliance (section 1.1 of MAF), addressing institutional requirements in relation to its accreditation and re-accreditation process; and
- (b) Funded activity monitoring (section 1.2 of MAF), addressing specific requirements for each GCF-funded activity.

42. AE compliance comprises annual self-assessments, a midterm review and, if needed, ad hoc compliance reviews.

43. The Secretariat has requested and received from AEs with effective AMAs their annual self-assessments for calendar years 2017 and 2018. The Secretariat reported to the Board on the outcomes of those AE self-assessments.¹⁹ Regarding the AE self-assessments for the calendar year 2019, the template will be shared with AEs by the end of 2019. AEs will need to submit their annual self-assessments by 29 February 2020.

44. AEs that are entering into or are in their third year of their accreditation term will be requested to complete the midterm review template. This midterm review will replace the annual self-assessment for the third year of the accreditation term.

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

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

46. The Secretariat has requested and received from international access AEs with effective AMAs their reports on the support they intended (and actual, if available) to provide to direct access entities for the calendar years 2017 and 2018. The Secretariat reported to the Board on the outcomes of those reports.²⁰ Regarding the reports for the calendar year 2019, the reporting template will be shared with AEs by the end of 2019. International access AEs will need to submit their reports by 29 February 2020.

VI. Applications in Stage II (Step 1) review

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

48. A total of seven new applicants (applicants 090 to 096) are presented by the AP for consideration for accreditation by the Board at B.24. These include five national entities applying under the direct access modality (two of which will be the first direct access entity for

¹⁷ Decision B.23/11, paragraph (a).

¹⁸ Decision B.11/10.

¹⁹ Refer to section 5.3 of document GCF/B.23/04.

²⁰ Refer to section 5.3 of document GCF/B.23/04.

their country and four of which are private sector entities) and two entities applying under the international access modality.

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

- (a) One applicant is being recommended for micro-scale²¹, two applicants for small-scale,²² three for medium-scale²³ and one for large-scale²⁴ projects or activities within a programme;
- (b) Using resources to manage and implement projects in all cases (seven applicants), as well as through on-lending and/or blending for loans (four applicants), equity (four applicants) and guarantees (four applicants) or through grant award and/or fund allocation mechanisms (three applicants);
- (c) With capacities to manage projects/programmes with minimal to no environmental and social risk impact levels (category C/intermediation 3 (I-3))²⁵ (one applicant); medium environmental and social risk (category B/intermediation 2 (I-2))²⁶ (four applicants); and high environmental and social risk (category A/intermediation 1 (I-1))²⁷ (two applicants); and
- (d) Three out of the seven new applicants meet the gender requirements of GCF.

50. For each of the applicants – in cases where the applicant does not fully meet the requirements of GCF – the AP recommends conditions for those applicants on how to address these aspects by improving or further developing their policies, procedures and competencies, for which technical support for direct access entities could be sought from GCF. The Secretariat and the AP have worked closely with the entities being recommended to minimize recommending entities with conditions. Nonetheless, in cases where gaps have been identified

²¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "micro" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including USD 10 million for an individual project or an activity within a programme".

²² As per annex I to decision B.08/02, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme".

²³ As per annex I to decision B.08/02, "medium" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme".

²⁴ As per annex I to decision B.08/02, "large" is defined as "total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 250 million for an individual project or an activity within a programme".

²⁵ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category C is defined as "Activities with minimal or no adverse environmental and/or social risks and/or impacts" and intermediation 3 is defined as "When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts".

²⁶ As per annex I to decision B.07/02, category B is defined as "Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures" and intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

²⁷ As per annex I to decision B.07/02, category A is defined as "Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented" and intermediation 1 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

at the institutional level (e.g. where they relate to systems, policies and procedures), conditions have been recommended by the AP to be met by the applicant prior to the signature of the AMA during Stage III of the accreditation process, prior to the submission of the first funding proposal to the Board, prior to first disbursement by GCF for the first GCF-funded project/programme, or within a certain timeframe, either periodically or at a pre-defined point of either project cycle or accreditation Stage III process.

51. Such conditions have been proposed for fiduciary, environmental and social, and gender-related reasons in order to strengthen procurement practices, project monitoring and evaluation processes; grievance mechanisms; ensure quality assurance of the external and internal audit functions; provisions for public disclosure of information, including procedures for disclosing information regarding projects evaluations, and final beneficiaries of the projects; procedures pertaining to conflicts of interest, whistleblower policy, anti-money-laundering and countering the financing of terrorism; environmental and social policies and gender policies and action plans, effectiveness of the applicant's environmental and social management system; and to enhance gender-related capacities of the applicant. The AP also provides a small number of remarks that the applicants may wish to consider.

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

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

Table 2: Summary of recommended accreditation types and conditions

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
APL090 National Committee for Sub-National Democratic Development Secretariat (NCDDES)	Direct access, national (Cambodia)	Micro	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for grant award and/or funding allocation mechanisms	Medium risk (category B/intermediation 2 (I-2))	<p><u>Conditions to be met prior to the signature of the accreditation master agreement during Stage III of the accreditation process:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of a detailed implementation plan with specific milestones and implementation dates for all the policies and procedures contained in the applicant's Operational Policies and Procedures Manual, the Internal Audit Manual, the project risk management framework, the Monitoring and Evaluation Manual and the Manual for Performance-Based Grants to Sub-National Administrations; and 2. Provision by the applicant of the terms of reference, to the satisfaction of the AP, for the procurement of an independent entity, preferably a recognized external audit firm, that will periodically verify whether the execution of the following is appropriate: <ol style="list-style-type: none"> a. Implementation plan referenced in paragraph 1(a) above; b. Implementation of the actions contained in the document titled "Roadmap for enhance NCDDES to manage fund from Green Climate Fund" provided by the applicant to the AP via email on 11 September 2019.

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					<p>The terms of reference shall include an assessment of the effectiveness of the Audit and Ethics Committee per its terms of reference contained in the OPP Manual (part II, chapter 22) and contained in the Employees Code of Conduct (part I, chapter 1); and the chapters on fraud and corruption (part II, chapter 16) and prohibited practices (part II, chapter 17);</p> <p><u>Conditions to be met prior to the submission of the first funding proposal to GCF:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of evidence in the form of an executed legal agreement demonstrating that it has procured an entity in accordance with the terms of reference identified in paragraph 1(b) above; 2. Provision by the applicant of the project management manual approved by the applicant's board that addresses project design, appraisal, implementation and project closure; 3. Provision by the applicant of procedures approved by the applicant's board for the independent evaluation of projects/programmes. The procedures may be included in the applicant's Monitoring and Evaluation Manual; 4. Provision by the applicant of a project evaluation disclosure policy that provides the guidelines for the

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					<p>public disclosure of final evaluation reports for GCF-funded projects/programmes;</p> <p>5. Provision by the applicant of a procedure adopted by the applicant's board on the establishment of an institutional grievance redress mechanism;</p> <p>6. Provision by the applicant of an updated ESS policy containing the requirements for the applicant's executing entities to establish a grievance redress mechanism at the project/programme-level; and</p> <p>7. Provision of evidence by the applicant on the establishment of an external communication system, which may include a website, to receive, register and respond to any E&S-related complaints;</p> <p><u>Conditions to be met with the submission of the first funding proposal to GCF that is categorized as E&S risk category B/I-2:</u></p> <p>1. Provision by the applicant of an environmental and social management plan including an E&S monitoring plan for the first funding proposal to GCF that is categorized as E&S risk category B/I-2; and</p> <p>2. Provision of evidence by the applicant on the disclosure of the environmental and social management plan for the first funding proposal to GCF that is categorized as E&S risk category B/I-2 consistent with the requirements of the GCF</p>

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					<p>Information Disclosure Policy for category B/I-2 projects/programmes;</p> <p><u>Condition to be met on a semi-annual basis for five (5) consecutive years, starting with the calendar year 2020:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of semi-annual verification and progress reports conducted in accordance with the terms of reference identified in paragraph 1(b) above; and <p><u>Condition to be met within three (3) years of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of a final report prepared by an independent body assessing the effectiveness of the implementation of the applicant's environmental and social management system, which shall include examples of its application and of lessons learned.
APL091 CRDB Bank Limited (CRDB)	Direct access, national (Tanzania), private sector	Medium	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for on-lending	High risk (category A/intermediation 1 (I-1))	<p><u>Conditions to be met prior to the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant of an independent external quality assessment of the overall effectiveness of the applicant's internal audit function;

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
			and/or blending (for loans, equity and guarantees)		<p><u>Condition to be met within one year of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant, in the form of a report, on the assessment of procurement procedures and practices of executing entities in the first approved GCF-funded project/programme; <p><u>Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant of the publication on the applicant's website of information on the periodic progress of the first approved GCF project/programme, including budget utilization; and <p><u>Condition to be met within one year of the closure of the first approved GCF project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant of the publication on the applicant's website of the final evaluation report, including information on project results and beneficiaries, for the first approved GCF project/programme.

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
APL092 Finanzas y Negocios Servicios Financieros Limitada (FYNSA)	Direct access, national (Chile), private sector	Medium	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees)	Medium risk (category B/ I-2)	<p><u>Conditions to be met prior to submission of the first funding proposal to GCF:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant of the recruitment of a gender expert to help the applicant's Gender Policy focal point to implement the applicant's Gender Policy; and 2. Provision of evidence by the applicant of the development and implementation of training on its Gender Policy for the applicant's staff; <p><u>Condition to be met no later than three years following signature of the accreditation master agreement in Stage III of the accreditation process:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of evidence, in the form of one example, demonstrating that the independent evaluation report for the applicant's investment funds has been prepared in accordance with the evaluation procedure contained in the updated Management Manual for GCF-funded projects and disseminated in accordance with the applicant's Information Disclosure Policy; and <p><u>Condition to be met no later than three years of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:</u></p>

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					1. Provision by the applicant of a report on the audit of the effectiveness of the applicant's environmental and social safeguards (SSA) system
APL093 IL&FS Environmental Infrastructure and Services Limited (IEISL)	Direct access, national (India), private sector	Small	Basic fiduciary standards; and Specialized fiduciary standard for project management	Medium risk (category B/I-2)	<p><u>Conditions to be met prior to the signature of the accreditation master agreement during Stage III of the accreditation process:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of a copy of the audited financial statements for the fiscal year ending March 2019; 2. Provision by the applicant of a letter issued by its Audit Committee confirming that a statutory auditor has been engaged to perform an external audit of IEISL for the fiscal year ending in March 2020; and 3. Provision by the applicant of a letter issued by the applicant's Managing Director, explaining the actions the applicant is undertaking and those it plans to undertake to reduce its reliance on funding from Related Parties as defined in the list of entities disclosed in Note 40: "Related Party Disclosures" contained in the applicant's Report on the Consolidated Statements for the fiscal year ended 31 March 2018 and prepared by Deloitte Haskins & Sells. For the purposes of this condition, the actions to be considered are those undertaken or planned to be undertaken up to twenty-four (24) months from the date of the decision by the Board to accredit the

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					<p>entity in Stage II (Step 2) of the accreditation process;</p> <p><u>Conditions to be met prior to submission of the first funding proposal to GCF:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of evidence of recruitment of a gender expert or an external gender consultant to help with the implementation of the applicant's Gender Policy, including the expert's or consultant's curriculum vitae; and 2. Provision by the applicant of evidence of the adoption by the Board of Directors of a Procurement Dispute Resolution procedure; and <p><u>Conditions to be met prior to the first disbursement by GCF for the first approved project/programme:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of evidence that it has included in its Code of Conduct and/or in its Whistle Blower Policy and Vigil Mechanism the required changes to ensure that either one or both cover the scope of all the prohibited practices defined in the GCF Policy on Prohibited Practices; and 2. Provision by the applicant of evidence that it has updated its procurement policy and included guidance on potential conflicts of interest, disclosure requirements and the designation of the officer to

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					whom authority is delegated to resolve potential conflict of interest situations
APL094 Yes Bank Limited (Yes Bank)	Direct access, national (India), private sector	Medium	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees)	Medium risk (category B/I-2)	<p><u>Conditions to be met with the submission of the first funding proposal to GCF:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant that it has strengthened the capacities of its gender expert to lead the implementation of its Gender Policy (e.g., the designated expert has received a certificate of professional development in gender from a reputable organization, e.g., United Nation Women’s Training Centre); 2. Provision of evidence by the applicant of the development and implementation of gender training to the applicant’s staff on the applicant’s Gender Policy; <p><u>Condition to be met on an annual basis for two consecutive years, starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> 1. Provision of evidence by the applicant of the publication on the applicant’s website of information on the periodic progress of the first approved GCF project/programme, including budget utilization; and

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					<p><u>Condition to be met within one year of the closure of the first GCF-funded project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> Provision of evidence by the applicant of the publication on the applicant's website of the final evaluation report, including information on project results and beneficiaries, for the first GCF-funded project/programme.
APL095 Cassa Depositi e Prestiti S.p.A. (CDP)	International access	Large	<p>Basic fiduciary standards;</p> <p>Specialized fiduciary standard for project management;</p> <p>Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and</p> <p>Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees)</p>	High risk (category A/I-1)	<p><u>Conditions to be met prior to the signature of the accreditation master agreement during Stage III of the accreditation process:</u></p> <ol style="list-style-type: none"> Provision of evidence by the applicant of the adoption by its Board and publication on its website of the E&S and Gender Policy; and Provision of evidence by the applicant demonstrating that the applicant has implemented its 2019 training programme on the new E&S and Gender Policy (i.e. provide the training materials and workshop report); <p><u>Condition to be met prior to the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> Provision of evidence by the applicant demonstrating that the web portal for the first approved GCF project/programme was established

Applicant number	Access modality	Accreditation type being recommended under the fit-for-purpose approach			Accreditation conditions (in each case in a form and substance satisfactory to GCF)
		Size ^a	Fiduciary functions ^b	Environmental and social risk category ^c	
					<p>and that this web portal has its own independent grievance redress mechanism for this first project/programme; and</p> <p><u>Condition to be met within two years of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:</u></p> <ol style="list-style-type: none"> 1. Provision by the applicant of a final report prepared by an independent body assessing the effectiveness of the implementation of the applicant's ESMS, which shall include examples of its application and of lessons learned.
APL096 Save the Children Australia (SCA)	International access	Small	Basic fiduciary standards; and Specialized fiduciary standard for project management	Minimal to no risk (category C/intermediation 3 (I-3))	None

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

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

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

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.24/07/Rev.01 titled “Consideration of accreditation proposals”:

- (a) Takes note with appreciation of the assessments conducted by the Secretariat and the Accreditation Panel contained within the relevant annexes for the following applicants:
- (i) Applicant 090 (APL090) is the National Committee for Sub-National Democratic Development Secretariat (NCDDS) based in Cambodia, as contained in annex IV;
 - (ii) Applicant 091 (APL091) is CRDB Bank Limited (CRDB) based in the United Republic of Tanzania, as contained in annex V;
 - (iii) Applicant 092 (APL092) is Finanzas y Negocios Servicios Financieros Limitada (FYNSA) based in Chile, as contained in annex VI;
 - (iv) Applicant 093 (APL093) is IL&FS Environmental Infrastructure and Services Limited (IEISL) based in India, as contained in annex VII;
 - (v) Applicant 094 (APL094) is Yes Bank Limited (Yes Bank) based in India, as contained in annex VIII;
 - (vi) Applicant 095 (APL095) is Cassa Depositi e Prestiti S.p.A. (CDP) based in Italy, as contained in annex IX; and
 - (vii) Applicant 096 (APL096) is Save the Children Australia (SCA) based in Australia, as contained in annex X;
- (b) Approves the accreditation of applicants APL090, APL091, APL092, APL093, APL094, APL095 and APL096, pursuant to paragraph 45 of the Governing Instrument for the GCF, subject to, and in accordance with, the assessments by the Accreditation Panel contained in the relevant annexes for each of the applicants and completion of Stage III of the accreditation by having an effective accreditation master agreement, in accordance with decision B.23/11;
- (c) Takes note that, pursuant to decision B.08/03, paragraph (k), the Secretariat, in consultation with the Accreditation Panel, is proposing that the eligibility to apply under the fast-track accreditation process be extended to those entities listed in annex XI;
- (d) Decides that those entities referred to in annex XI are also eligible to apply under the fast-track accreditation process for the standards of GCF in accordance with decision B.08/03, paragraph (g), for entities under the Adaptation Fund; and
- (e) Recalling decision B.21/15, paragraph (e), decides that future accreditation decisions by the Board should aim to bring forward accredited entities that fulfil the mandate consistent with the Governing Instrument on balance, diversity and coverage and advance the objectives of GCF and, to that end, decides to prioritize up to the end of the twenty-fifth meeting of the Board the following, not listed in order of priority:
- (i) 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;
 - (ii) 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);
 - (iii) Entities responding to requests for proposal issued by the Green Climate Fund, for example, including a pilot phase for enhancing direct access; a pilot

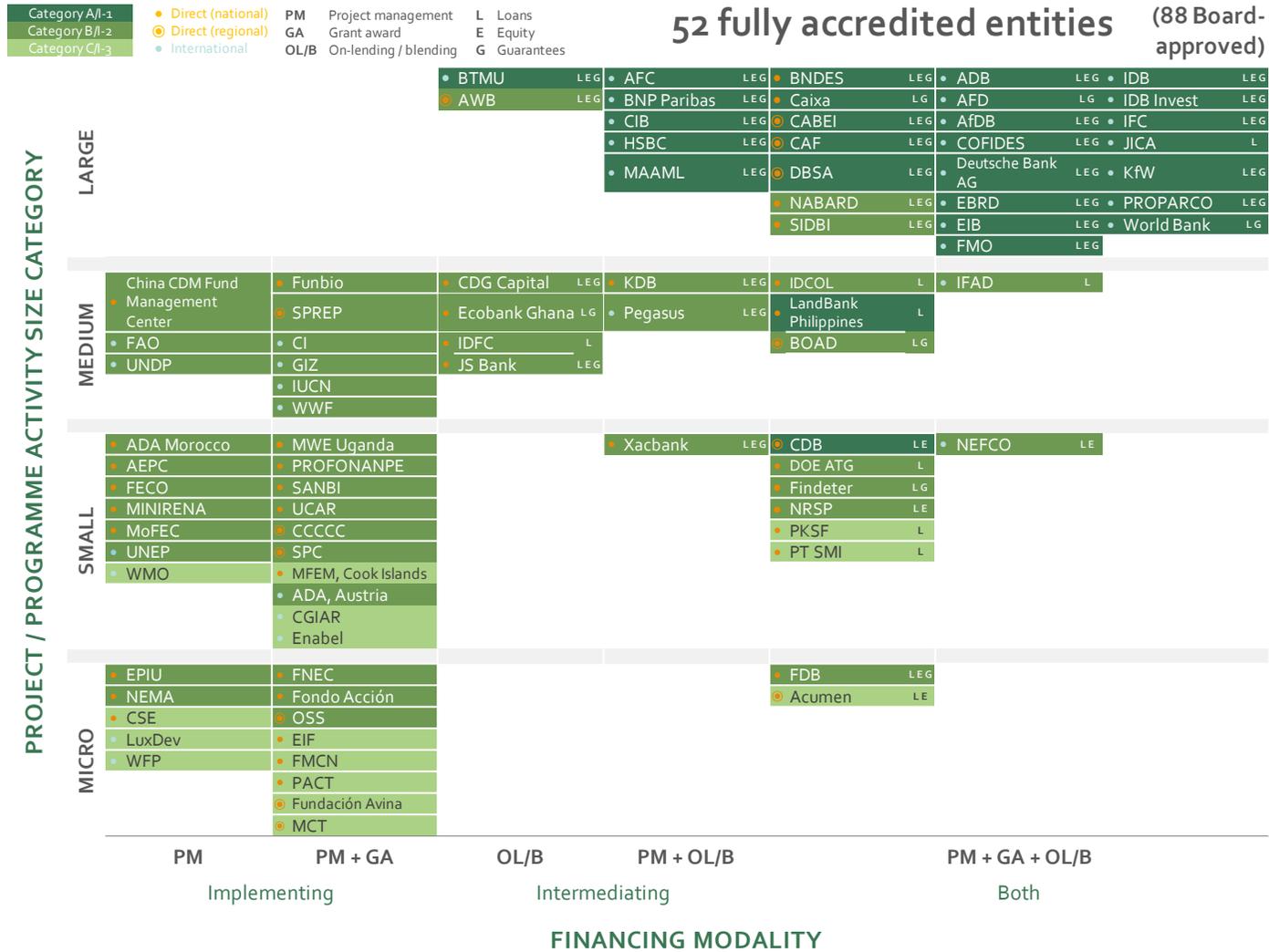
programme to support micro, small and medium-sized enterprises; and a pilot programme to mobilize resources at scale in order to address adaptation and mitigation;

- (iv) Accredited entities seeking fulfilment of their conditions for accreditation; and
- (v) Accredited entities requesting upgrades in their accreditation scope.

Annex II: Accredited entities and accreditation categories

1. A mapping of the 88 accredited entities and their accreditation scope (e.g. financing modalities, size category and environmental and social risk category) as at 30 September 2019 are shown in figure 4 below. Some accredited entities have conditions, remarks or recommendations attached to their accreditation; refer to decisions B.09/07, B.10/06, B.12/30, B.14/10, B.14/11, B.15/09, B.17/13, B.18/05, B.21/16, B.22/09 and B.23/13 and their relevant annexes for further details.

Figure 4: Mapping of GCF accredited entities and their accreditation scopes (as at 30 September 2019)



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

Annex III: Status of accredited entities addressing accreditation conditions

1. To date 88 entities have been recommended by the Accreditation Panel (AP) and accredited by the Board, some of which were accredited with conditions and/or remarks from the AP. All accredited entities (AEs) are required to submit to the AP, through the Secretariat, information and supporting documents on how they have addressed the condition(s). The AP thereafter assesses whether the condition(s) has/have been met. Following decision B.10/06, paragraph (e), the AP assessment of accreditation conditions is communicated to the Board by the Secretariat, on behalf of the AP, for information purposes.

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

- (a) Africa Finance Corporation (AFC);¹
- (b) Agency for Agricultural Development of Morocco (ADA Morocco);²
- (c) Caribbean Community Climate Change Centre (CCCCC);³
- (d) Centre de Suivi Ecologique (CSE);⁴
- (e) Corporación Andina de Fomento (CAF);⁵
- (f) Deutsche Bank AktienGesellschaft (Deutsche Bank AG);⁶
- (g) Deutsche Gesellschaft for Internationale Zusammenarbeit (GIZ) GmbH;⁷
- (h) Development Bank of Southern Africa (DBSA);⁸
- (i) Environmental Investment Fund of Namibia;⁹
- (j) Fondo Mexicano para la Conservación de la Naturaleza A.C. (FMCN);¹⁰
- (k) Fondo para la Acción Ambiental y la Niñez (Fondo Acción);¹¹
- (l) Fundación Avina (Fundación Avina);¹²
- (m) International Union for Conservation of Nature (IUCN);¹³
- (n) National Bank for Agriculture and Rural Development (NABARD);¹⁴
- (o) Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO);¹⁵
- (p) South African National Biodiversity Institute (SANBI);¹⁶

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

² As footnote 1 above.

³ See annex III to document GCF/B.23/04.

⁴ As footnote 1 above.

⁵ As footnote 1 above.

⁶ See annex IV to document GCF/B.19/Rev.01.

⁷ As footnote 6 above.

⁸ As footnote 1 above.

⁹ As footnote 3 above.

¹⁰ As footnote 3 above.

¹¹ See annex III to document GCF/B.22/02.

¹² See annex IV to document GCF/B.21/17.

¹³ See annex IV to document GCF/B.17/05.

¹⁴ As footnote 1 above.

¹⁵ See annex III to document GCF/B.22/02.

¹⁶ As footnote 13 above.

- (q) Unidad Para el Cambio Rural (Unit for Rural Change) of Argentina (UCAR);¹⁷
- (r) United Nations Environment Programme (UNEP);¹⁸
- (s) World Meteorological Organization (WMO);¹⁹ and
- (t) XacBank LLC (XacBank).²⁰

3. The following AEs have fulfilled and closed all of their accreditation conditions since the twenty-third meeting of the Board and up to 30 September 2019 (refer to table 3 for more details):

- (a) Ministry of Finance and Economic Management (MFEM) of the Cook Islands;
- (b) Inter-American Investment Corporation (IDB Invest); and
- (c) Ministry of Environment of Rwanda (MoE) (formerly, Ministry of Natural Resources of Rwanda (MINIRENA)).

4. The following AEs have fulfilled and closed some of their accreditation conditions since the twenty-third meeting of the Board and up to 30 September 2019 (refer to table 3 for more details):

- (a) Alternative Energy Promotion Centre (AEPC);
- (b) CGIAR;
- (c) Ecobank Ghana Limited (EGH);
- (d) Infrastructure Development Company Limited (IDCOL);
- (e) LandBank of the Philippines (LandBank);
- (f) MUFG Bank, Ltd. (MUFG Bank) (formerly, Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU));
- (g) National Rural Support Programme (NRSP) of Pakistan;
- (h) Pegasus Capital Advisors (PCA);
- (i) PT Sarana Multi Infrastruktur (PT SMI); and
- (j) The Pacific Community (SPC).

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

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

¹⁷ See annex IV to document GCF/B.18/09.

¹⁸ See annex III to document GCF/B.11/03.

¹⁹ As footnote 1 above.

²⁰ See annex IV to document GCF/B.16/13.

Table 3: Status of accredited entities addressing accreditation conditions (as at 30 September 2019)

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
African Development Bank (AfDB) ²	Fiduciary	Conditions to be met for an approved project/programme that has an equity structure to be invested in by GCF to be undertaken by the applicant	1. Prior to the first disbursement from GCF to the equity issuer, submit draft terms of reference for the annual audit, which has to be included in the constitutional document of the equity issuer, for review and approval by GCF; and	In progress	This condition is triggered only for an approved project/programme that has an equity structure to be invested in by GCF to be undertaken by the entity. The entity agreed to submit draft terms of reference for the annual audit
			2. Undertaking in the funded activity agreement to provide GCF on an annual basis for the first three consecutive years with annual audit reports and information on the status of recommendations that may arise from such reports. After the first three years, GCF will review the need to extend this condition	In progress	This condition is triggered only for an approved project/programme that has an equity structure to be invested in by GCF to be undertaken by the entity. The entity agreed it would provide GCF on an annual basis for the first three consecutive years with annual audit reports and information on the status of recommendations that may arise from such reports
Alternative Energy Promotion Centre (AEPC) ³	ESS	Conditions to be met prior to submission of the first funding proposal to the Board	1. Provision by the applicant of a copy of the second environmental and social safeguards (ESS) performance review, scheduled for July 2019. The second performance review should confirm steady progress with respect to implementing the recommendations of the 2017/2018 performance review regarding institutional strengthening; and	Fulfilled and closed	The second ESS performance review was submitted on 30 September 2019, confirming steady progress with respect to implementing the recommendations of the 2017/2018 performance review. Of the twelve action items identified in 2017/2018, six were successfully closed, four were partially closed, and two items were considered redundant Based on the information provided, the AP considers this condition closed

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			2. Provision of evidence by the applicant that its staff has received further training on the International Finance Corporation (IFC) performance standards. Such evidence shall be in the form of training events and training materials	Fulfilled and closed	The entity conducted an IFC Performance Standard training workshop on 23–24 May 2019, facilitated by IFC staff. The workshop report and training materials were provided as evidence. Based on the information provided, the AP considers this condition closed
	Fiduciary	Condition to be met within one year from the accreditation decision	<p>Provision by the applicant of a report from an independent consultant or accounting firm confirming that in the previous calendar year the following actions have been or are continuing to be undertaken:</p> <p>a. Senior management has updated its strategic planning and is addressing most of the recommendations from its strategic plan, its audit reports and other oversight studies and is taking action on those not yet implemented;</p>	In progress	The entity provided a copy of the second compliance report prepared by an independent consultant that reviewed the management actions relating to recommendations of the external auditors. However, the report closed many recommendations based on statements by management of anticipated actions rather than completed and corrective actions. In addition, the entity did not provide an agreement by the external auditor that the underlying issues have been resolved. This does not meet the condition related to follow-up recommendations. No evidence has been provided relating to updating the strategic plan or addressing recommendations from the existing strategic plan or other oversight studies
			b. The computer systems and website are fully operative for that year and are subject to an external security review;	In progress	An external security review of the computer systems and website completed in June 2019 was provided and annual reviews are planned which meets the requirement of the first part

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					of the condition. However, no information on whether the computer systems and website have been fully operational to date has been provided
			c. The Compliance and Ethics Subcommittee of the applicant's Board continues to exercise its fiduciary oversight and has performed all of the duties set out in section 9 of its terms of reference; and	In progress	A summary of each meeting and the minutes of two meetings of the Compliance and Ethics Subcommittee of the entity's Board have been provided to GCF. They demonstrate significant progress to cover the duties set out in section 9 of its terms of reference and direct the entity to strengthen its procedures and controls. This condition remains open until the entity's Subcommittee has addressed all its duties set out in section 9 of its terms of reference as part of its ongoing fiduciary oversight
			d. The applicant provided appropriate oversight over procurement procedures carried out by executing entities	In progress	The entity intends to handle the procurement of its executing entities itself rather delegating the management of procurement activities. The AP would find such an approach satisfactory to meet this condition
		Condition to be met within two years and six months from the accreditation decision	Provision by the applicant of an external quality review of the Compliance and Ethics Subcommittee of its Board and the compliance unit covering the period 2019 to 2020	In progress	The entity has informed GCF that this activity shall be conducted on an annual basis and will be done in conjunction with the first fiduciary condition

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		Condition to be met upon submission of the first evaluation report for the first GCF-funded project/programme undertaken by the applicant	Provision of evidence by the applicant of the public disclosure of the first evaluation report for the first GCF-funded project/programme in accordance with the applicant's information disclosure policy	In progress	The entity has informed GCF that it follows the disclosure of information as per its disclosure policy, which was reviewed by the AP during the accreditation assessment and was found to be in line with the relevant requirements of the GCF basic fiduciary standard. Once a GCF-funded project/programme is implemented by the entity and an evaluation of the project is completed, the entity will disclose the evaluation report in accordance with its information disclosure policy
Austrian Development Agency (ADA Austria) ⁴	Fiduciary	Condition to be met within three years following the approval by the Board of the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence in the form of two (2) examples showing that project progress monitoring reports and evaluation results and reports are disseminated in accordance with the applicant's information disclosure policy	In progress	The entity has confirmed that it will provide the required information after the first GCF-funded project/programme has reached a stage where project progress monitoring reports and evaluation results and reports are generated and disseminated in accordance with its information disclosure policy
Attijariwafa Bank (AWB) ⁵	Fiduciary	Conditions to be met prior to submission of the first funding proposal to the Board	Provision by the applicant of the report on the external quality review of the internal audit of the applicant's group, which is planned for 2019, that confirms that the internal audit function operates in accordance with the professional standards of the Institute of Internal Auditors as required by its charter;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Provision of evidence by the applicant of the adoption of a policy for overseeing, assessing and reviewing the procurement procedures carried by executing entities of GCF-funded projects/programmes;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS		Provision of evidence by the applicant that the 2018 E&S policy was communicated in full to its staff and is made available on the applicant's website;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence by the applicant that it has implemented its March 2019 E&S and gender capacity development plan;	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS Gender	Conditions to be met with the submission of the first funding proposal to GCF	Provision by the applicant of its ESMF or ESMP as part of the first funding proposal. The ESMF or ESMP should describe the applicant's programme-/project-specific approach to E&S risk and identification of impacts, including categorization, mitigation management and monitoring plan, reporting process and external communications system based on the applicant's 2018 E&S	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			framework and in line with the E&S risk category B/I-2 and category C/I-3 projects/programmes; and		
			Provision by the applicant of the gender assessment and action plan as part of the first funding proposal, as relevant	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	<p>Provision of evidence by the applicant of the publication of the information for the first GCF-funded project/programme on the applicant's website:</p> <ul style="list-style-type: none"> a. Name, address and nationality (in the case of individuals) or place of incorporation (in the case of legal entities) of the beneficiary; b. Brief summary of the project/programme and purpose of the funding; and c. Funded amount with details, such as rate and period, among others; information on intermediate (e.g. annual) and final results of GCF- 	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			funded projects/programmes, such as actual versus planned results and outcomes; adherence to budgets, cost, timelines and timelines within which the award information will be made public		
	ESS	Condition to be met within two (2) years following the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of a report on the effectiveness of its ESMS. The ESMS review should highlight lessons learned and provide recommendations to improve the ESMS	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Banco Nacional de Desenvolvimento Econômico e Social (BNDES, the Brazilian Development Bank) ⁶	Gender	Condition to be met prior to the submission of the first funding proposal to the Board	Provision of evidence of the adoption by the applicant of a gender policy consistent with the Gender Policy of the GCF	In progress	The AP notes that the entity is making efforts to meet the requirements of the GCF Gender Policy
Banque Ouest Africaine de Développement	Fiduciary, ESS and gender	Conditions prior to the first disbursement by GCF for an approved	Provide a plan for improving the monitoring of compliance with the applicant's fiduciary, E&S and gender-	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
(BOAD, West African Development Bank) ⁷		project/programme to be undertaken by the applicant	related standards, as well as any conditions in general that it applies to its financing, including for projects financed by GCF;		response from the entity on the expected time frame for providing the information
	Fiduciary	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Develop a process for publicly disclosing information on beneficiaries and the results of projects and programmes that are financed by GCF; and	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions prior to submitting a request for GCF financing of a medium-sized grant award programme	Test and prove by way of having approved and successfully implemented for a minimum period of one year a small-sized grant award programme	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
BNP Paribas S.A. (BNP Paribas) ⁸	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of guidelines and methodologies for overseeing, assessing and reviewing the procurement procedures of beneficiary institutions for projects/programmes financed with GCF resources	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first	Provision of evidence by the applicant of the adoption of a policy on information disclosure of E&S assessment documents for projects/programmes financed with GCF resources, consistent	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		funding proposal to the Board	with the requirements of the GCF Information Disclosure Policy for E&S risk categories A/I-1 and B/I-2 projects/programmes		response from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant on the adoption of a gender policy and procedures consistent with the GCF Gender Policy, and the curriculum vitae of gender expert(s) responsible for implementing the gender policy for projects/programmes financed with GCF resources	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Caixa Econômica Federal (CEF) ⁹	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of written confirmation that the applicant has made the required arrangements to ensure that it will secure the engagement of services for a post-implementation independent evaluation for each GCF-funded project/programme	In progress	The entity has been in the process of preparing an internal handbook to regulate procedures for GCF-funded activities/projects/programmes, including the engagement of services for post-implementation independent evaluation. The entity anticipates providing the handbook to GCF by July 2019
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Approval by the applicant of a consultation and information disclosure policy consistent with requirements of the GCF Information Disclosure Policy for Category A/I-1 and Category B/I-2 projects/programmes	In progress	The AP requested the entity to provide an addendum to the entity's information disclosure policy approved in July 2018 in order to fully comply with the GCF Information Disclosure Policy for category A/I-1 and category B/I-2 projects/programmes

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Approval by the applicant of a revised gender policy consistent with the requirements of the GCF Gender Policy	In progress	The entity anticipates providing its gender policy in line with the GCF Gender Policy by October 2019
Caribbean Development Bank (CDB) ¹⁰	ESS	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Demonstrate that the permanent external communications mechanism is fully functioning, in particular by identifying the staff assigned to manage, document and respond to communications, questions or complaints on the environmental and social performance of projects	Fulfilled and closed	Refer to document GCF/B.22/02
	Fiduciary	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Establish an appropriate system for providing public access to information on the periodic progress of individual projects/programmes, including budget utilization, in relation to grant funding	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
CDG Capital S.A. (CDG Capital) ¹¹	Fiduciary	Condition to be met by the applicant prior to submitting the first funding proposal to GCF wherein the applicant would be providing GCF	Submit a description of the approach the applicant will undertake to assess the financial intermediary as the executing entity	Fulfilled and closed	Refer to document GCF/B.20/13

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		resources through a financial intermediary			
		Condition to be met prior to the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant	Provide, on the applicant's website, a description of the arrangements and procedure for managing complaints before, during and after the investigation process	Fulfilled and closed	Refer to document GCF/B.19/14/Rev.01
		Condition to be met on an annual basis for three consecutive years starting with the end of the first year of the implementation of the first GCF-funded project/programme	Provide evidence that the reports on beneficiaries and results during implementation of all GCF-funded activities were prepared and published in accordance with the applicant's procedures for public access to information	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met for each funding proposal	Provide in its funding proposal an E&S management framework that describes the applicant's project-specific approach to E&S risk and impact categorization, mitigation and management, E&S monitoring and reporting	In progress	The entity has been requested to provide information to address the condition at such time as it submits a GCF funding proposal

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Gender	Conditions to be met for each funding proposal	Provide in its funding proposal a gender action plan that reflects the applicant's adequate competency in terms of human and financial resources and a system for maintaining data that addresses gender aspects in line with the GCF Gender Policy	In progress	The entity has been requested to provide information to address the condition at such time as it submits a GCF funding proposal
CGIAR ¹²	Fiduciary	Condition to be met prior to the signature of the accreditation master agreement for completion of Stage III of the accreditation process	Develop a policy for anti-money laundering (AML) and countering the financing of terrorism (CFT) and prohibited practices consistent with the GCF basic fiduciary standards, GCF AML/CFT Policy and the GCF General Principles on Prohibited Practices	Fulfilled and closed	The CGIAR System Organization approved its AML/CFT Policy at a recent management team meeting. This policy has been reviewed by the AP and is found to satisfy the requirements of the condition pertaining to the AML-CFT Policy
		Condition to be met on an annual basis for three consecutive years, starting from the end of the calendar year 2018	Provide a summary of the implementation milestones and impact of the financial risks management improvements undertaken based on its governance structure adopted in 2016	In progress	The entity provided an executive summary of the implementation milestones achieved regarding its governance and financial risk management enhancements. Two dashboards developed by the entity provide practical examples of the results attained with governance enhancements: <ol style="list-style-type: none"> 1. Trust Fund Contributions Dashboard (available at <https://www.cgiar.org/funders/trust-fund/trust-fund-contributions-dashboard/>); and 2. Trust Fund Disbursements Dashboard (available at <https://www.cgiar.org/

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<p><u>funders/trust-fund/trust-fund-disbursements/>)</u></p> <p>The condition is met for the 2018 calendar year. In order to fully close the condition, the entity is requested to submit the reports for the calendar years 2019 and 2020</p>
China Clean Development Mechanism Fund Management Center (China CDM Fund Management Center) ¹³	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide documentary evidence of the establishment of an adequately staffed and fully functional internal audit unit; and	In progress	Development of procedures for establishing the entity's internal audit unit is ongoing. The entity has made progress in preparing regulations for a functioning internal audit. The entity's training materials for implementing the internal audit regulations have been drafted. The AP is waiting for a response from the entity on the expected time frame for providing the required information
	ESS		Adopt a policy on the disclosure of E&S information consistent with the GCF Information Disclosure Policy; and	In progress	The entity has drafted an E&S information disclosure policy for the GCF projects/programmes to be implemented and has drafted the training materials for implementing the E&S information disclosure policy. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Condition to be met on an annual basis for the three consecutive years starting from the date of the first	Provide documentary evidence of oversight and assessment of the procurement procedures of executing	In progress	The entity has drafted a procurement supervision regulation to be implemented on GCF projects/programmes and has drafted training materials for implementing the procurement regulation. The AP is waiting for

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the entity	responses to them, for projects and programmes financed by GCF; and		response from the entity on the expected time frame for providing the information
	Gender	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Develop a gender policy or approach in line with the Gender Policy of GCF and obtain gender competencies to implement the policy/approach on projects and programmes funded by GCF	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Department of Environment of Antigua and Barbuda (DOE) ¹⁶	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide evidence of having an approved procedure for the public disclosure of grant award decisions, which shall contain at least the following information: a. Name, address and nationality (in case of individuals) or place of incorporation (in case of legal entities) of the beneficiary; b. Purpose of the grant; and c. Grant amount awarded and, where applicable, the maximum percentage of grant co-financing	Fulfilled and closed	Refer to document GCF/B.22/02
	ESS		Provide evidence of an approved technical manual and an environmental and social safeguards policy that establish the procedures and requirements related to environmental	Fulfilled and closed	Refer to document GCF/B.22/02

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			and social safeguards for projects/programmes		
	Fiduciary	Conditions to be met on an annual basis for the three consecutive years starting at the beginning of the second year of implementation (with the first deadline falling at the end of the first quarter of the second year of implementation) of the first GCF-funded project/programme through a grant award and/or funding allocation mechanism	Provide evidence of the public disclosure of the monitoring and evaluation reports for any GCF-funded project/programme implemented through the applicant's grant award programme, as well as of the annual reports on the results of the operation of the revolving fund programme	In progress	This condition is to be met on an annual basis for three consecutive years. If implementation for the Enhancing Direct Access project begins in 2019, the evidence sought in this condition is anticipated to be provided by the entity in 2021. If implementation for the EDA project begins in 2020, the evidence sought in this condition is anticipated to be provided by the entity in 2022
			Provide the minutes of the applicant's technical evaluation committee meetings evidencing the process of consideration and approval of any grant proposals received under a grant award project/programme	In progress	This condition is to be met on an annual basis for three consecutive years. If implementation for the EDA project begins in 2019, the evidence sought in this condition is anticipated to be provided by the entity in 2021. If implementation for the EDA project begins in 2020, the evidence sought in this condition is anticipated to be provided by the entity in 2022
Ecobank Ghana Limited (EGH) ¹⁷	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence of the approval by the applicant's Board of the Environmental and Social Risk Policy and Procedure Manual	Fulfilled and closed	The entity provided its Board approval certificate as evidence of the approval by the applicant's Board of the Environmental and Social Risk Policy and Procedure Manual. Based on the evidence provided, the AP considers the condition fulfilled and closed

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Gender		Provision of evidence of the adoption by the applicant of a gender action plan consistent with the requirements of the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Enabel ¹⁸	ESS	Condition to be met prior to the submission of the first funding proposal to the Board	Provision of evidence of the adoption by the applicant of a policy on information disclosure of E&S information for GCF projects/programmes consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes	In progress	The AP reviewed the draft policy statement and confirmed it is in line with fulfilling the entity's accreditation condition. The AP will need to receive evidence of the adoption of the policy by the entity's Board or Management in order to consider the condition fulfilled and closed
Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of the Republic of Armenia ¹⁹	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption by its Board of Directors of a formal procedure ensuring the independence and impartiality of the grievance resolution team members;	In progress	The entity has been in the process of developing the procedure. The AP requests provision of the evidence when finalized
			Provision of evidence by the applicant of environmental and social (E&S) mitigation management, and monitoring and evaluation reporting for the applicant's projects/programmes in line with the applicant's E&S policy;	In progress	The entity has project-level environmental and social management plans for two projects approved by the Adaptation Fund, and the AP is waiting for a response from the entity on the expected time frame for providing the information. The entity also commits to providing the monitoring and evaluation reports to the AP after the first monitoring and evaluation report has been prepared

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Provision of evidence by the applicant of the adoption by its Board of Directors of a policy on information disclosure of E&S assessment documents for GCF-funded projects/programmes, consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes;	In progress	The entity anticipates that the development and elaboration of a policy on information disclosure of E&S assessment documents will begin in June 2019
			4. Provision of evidence by the applicant of the adoption by its Board of Directors of a policy on project-level grievance mechanisms that the applicant will require its executing entities to establish and implement for GCF-funded projects/programmes; and	In progress	The entity anticipates that the development and elaboration of a policy on project-level grievance mechanisms will begin in June 2019
	Gender		5. Provision of evidence by the applicant of the adoption by its Board of Directors of a gender policy and related procedures required to implement its gender policy consistent with the GCF Gender Policy	In Progress	The entity anticipates that the development and elaboration of a gender policy and related procedures will begin in June 2019
Fiji Development Bank (FDB) ²⁰	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to GCF	Develop its information disclosure policy and provide evidence of an established system of disclosure which complies with the requirements of the GCF fiduciary standard for on-lending and/or blending for the disclosure of project/programme information,	Fulfilled and closed	Refer to document GCF/B.23/04

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

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<p>Develop a procurement policy for GCF-funded projects/programmes which is disclosed on the applicant's website, and mainstream the policy in the applicant's lending manuals to ensure that the procurement processes for all of the projects financed by GCF are fair and transparent, promote efficient procurement and provide for a dispute resolution process and public disclosure of contract award</p>	<p>Fulfilled and closed</p>	<p>Refer to document GCF/B.23/04</p>
			<p>Provide a written progress report from the applicant's management to demonstrate the steps the applicant has taken to address all of the recommendations of the independent credit review. The progress report should, among other things, include:</p> <ul style="list-style-type: none"> a. A thorough risk audit prior to any new activities being commenced, which would include the plans to become a deposit taking institution and the re-introduction of any new microfinance lending activities by the applicant; and b. An update or completed review of the applicant's credit policy, which should include further guidance on the exceptions to the applicant's credit policy 	<p>In progress</p>	<p>The AP noted that the entity expects to complete the requested report by mid-2019. The AP requests that the entity provide a copy of the requested report when it is available</p>

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Update the terms of reference of the credit risk subcommittee of the applicant's board	Fulfilled and closed	Refer to document GCF/B.23/04
	Fiduciary	Conditions to be met on an annual basis for three consecutive years starting with the applicant's financial year 2017/2018	Provide an annual audit plan and an annual audit report including an external audit of the first GCF-funded project, if any and, if different, of the first GCF-funded project that involves guarantees and equity investments by and from GCF, respectively, once the project is under implementation, and a final independent evaluation. The period of reporting may be extended depending on the commencement date of the project(s)	In progress	This condition will need to be addressed once the first GCF-funded project that involves guarantees and equities is under implementation by the entity
			Provide progress reports on the items mentioned in the credit review, as listed in document GCF/B.18/23, annex V, paragraph 47 (b)(ii)(4)	In progress	The AP noted that the entity expects to complete the requested report by mid-2019. The AP requests that the entity provide a copy of the requested report when it is available
Financiera De Desarrollo Territorial S.A. (Findeter) ²¹	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the development and adoption of a policy on prohibited practices that is consistent with the GCF General Principles on Prohibited Practices and GCF AML/CFT Policy, and that includes specific procedures to address coercive, collusive, obstructive and abusive practices, and conflicts of interest, other	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			than what is covered in the applicant's code of ethics. This policy should include provisions to protect whistle blowers		
			Provision of evidence by the applicant of the adoption of a register of external inquiries and complaints received and responses to be applied in GCF-funded projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions to be met prior to the first disbursement for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of the adoption of a policy, including relevant procedures, for overseeing procurement activities of beneficiary institutions and executing entities	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence by the applicant of the adoption of a policy on the projects and loan beneficiaries information disclosure, including, inter alia: <ul style="list-style-type: none"> a. Type or nature of information to be disclosed; b. Media or channels through which information will be disclosed, including a dedicated website that would be used for publication and disclosure of the information related to the GCF-funded 	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

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

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Provision of evidence by the applicant of the adoption of a policy on project-level grievance mechanisms that the applicant will require of its executing entities to establish and implement	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of a gender policy which is consistent with the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
National Fund for Environment and Climate (FNEC) of Benin ²²	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	1. Provision of evidence by the applicant that a revision of the anti-fraud policy has been undertaken and that the recommendations of the review have been adopted	In progress	The AP requests that the entity provide the information when it is available
			2. Provision of evidence by the applicant of the adoption of an anti-money-laundering/countering the financing of terrorism (AML/CFT) policy, approved by the Board of FNEC and consistent with the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy	In progress	The AP requests that the entity provide the information when it is available
			3. Provision of evidence by the applicant of the adoption of a policy on E&S information disclosure for its GCF-	In progress	The AP requests that the entity provide the information when it is available

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

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Fundo Brasileiro para a Biodiversidade (Funbio) ²³	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence in the form of a report showing that the applicant has established a system for compiling and reporting data on financial irregularities or fraud in its operations	In progress	The AP requests that the entity provide the information when it is available
		Condition to be met within two (2) years following the approval by the Board of the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence showing that the applicant provides public access to information on the progress of GCF-funded projects/programmes, including budget utilization, in accordance with its information disclosure policy as updated and approved pursuant to paragraph 53(b)(i)(3) above	In progress	The AP requests that the entity provide the requested information when it is available
	ESS	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence of the development of a policy to periodically review the effectiveness of the applicant's E&S and gender management system	In progress	The entity is working on providing the ESS procedures and ESS Policy update, which will include a policy to periodically review the effectiveness of its E&S and gender management system
			Provide evidence that the applicant has updated and approved its information disclosure policy consistent with requirements of the GCF Information Disclosure Policy for Category B/I-2 projects/programmes	In progress	The entity is working on providing its information disclosure policy

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<p>Provide evidence that the applicant has updated the following tools and procedures to reflect the requirements of the applicant's E&S policy adopted in 2018:</p> <ul style="list-style-type: none"> a. Environmental social impact assessment procedures to screen for cumulative and supply-chain impacts; b. E&S and gender questionnaire; c. Project supervision checklist; and d. Gender indicators 	In progress	The entity is working on providing the updated tools and procedures
	ESS and Gender	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide evidence to show that the applicant has implemented its E&S and gender capacity development plan in 2019 (e.g. list of training events and E&S and gender topics; list of participants; or correct use of new tools)	In progress	The entity is working on providing the TORs defining the E&S and gender training and related training schedule. Implementation will need to be conducted prior to first disbursement
HSBC Holdings plc and its subsidiaries (HSBC) ²⁴	Fiduciary	Condition to be met on an annual basis	Provide the Fund, through the Secretariat, with its annual reports that disclose information on regulatory compliance	In progress	The entity has been requested to provide the annual reports for 2016, 2017 and 2018 when they become available

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

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
IDFC Bank Limited (IDFC Bank) ²⁵	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the establishment of its oversight procurement function and the procurement procedures that it and entities who receive GCF funds from the applicant will be required to comply with	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Conditions to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence from the applicant of the establishment of a policy or guideline for providing information to the public regarding the applicant's decisions on on-lending and/or blending operations	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence from the applicant of the creation of a webpage on the applicant's website for disclosing information on beneficiaries and results from GCF-funded projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the establishment of its external communication system for environmental and social-related information that includes methods to (i) receive and register external communications from the public; (ii) screen and assess the issues raised and determine how to address them; (iii)	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			provide, track and document responses, if any		
			Approval by the applicant of a consultation and information disclosure policy consistent with the requirements of the GCF Information Disclosure Policy for I-2 projects/programmes	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence from the applicant of the establishment of its policy on project-level grievance mechanisms to be established by executing entities	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the adoption of a gender policy and procedures consistent with the Gender Policy of the GCF, and the curriculum vitae of a gender expert responsible for implementing the gender policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Infrastructure Development Company Limited (IDCOL) ²⁶	Fiduciary	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the establishment and introduction of the policies and processes listed below: a. Establish a process to monitor and assess the overall effectiveness of the internal audit function, including its procurement activities;	In progress	The entity had informed GCF that it has decided to use external auditors to carry out periodic assessments of the overall effectiveness of the internal audit function, including its procurement activities. The terms of reference for this task clearly required the external auditor to assess: (i) the effectiveness of the internal audit function; and (ii) the effectiveness of the entity's procurement

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<p>activities and compliance with its own procurement guidelines and those of donor/funding agencies</p> <p>The entity provided: (i) a copy of a procurement audit report; and (ii) the external auditor's Management Report following the audit of the entity's 2017 financial statements. However, the Management Report did not include any assessment of the effectiveness of the entity's internal audit function</p> <p>Subsequently, because the information provided was not yet satisfactory to fulfil the accreditation condition, the entity informed GCF that it will amend its internal audit charter to include a provision for periodic assessments of the effectiveness of the internal audit function, including procurement activities. The revised internal audit charter will be provided to GCF after it is approved by the entity's Board</p>
			b. Adopt a code of conduct, approved by the applicant's board;	Fulfilled and closed	Refer to document GCF/B.23/04
			c. Adopt a project closure policy, approved by the applicant's board;	Fulfilled and closed	Refer to document GCF/B.20/13
			d. Adopt a policy on the public disclosure of project monitoring and	Fulfilled and closed	Refer to document GCF/B.20/13

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			evaluation reports, and project results, approved by the applicant's board; and		
			e. Adopt a policy on the public disclosure of information regarding the applicant's decisions on on-lending and/or blending operations, approved by the applicant's board	Fulfilled and closed	Refer to document GCF/B.23/04
		Conditions to be met within one year of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide a copy of a procurement oversight/audit report; and	Fulfilled and closed	Refer to document GCF/B.20/13
			Provide evidence of monitoring of the observations contained in procurement oversight/audit reports and appropriate management response and actions	Fulfilled and closed	The entity has provided copies of 2017 and 2018 procurement audit reports. The 2018 report provides satisfactory information on the monitoring of the observations contained in the 2017 audit, as well as on the management responses and actions taken. The AP considers that the information provided is sufficient to close this condition
	Fiduciary (upgrade)	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	1. Provision of evidence of the adoption by the applicant of a standardized procedure for disclosing information to the public regarding its grant award decisions for GCF-funded projects/programmes, containing the following: a. Type and content of information on grant award	In progress	The entity is in the process of updating its Lending Policy. The updated policy will incorporate a separate section on the disclosure process that will be followed for GCF financing. The updated Lending Policy will be available by end of November 2019

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<p>decisions to be provided;</p> <p>b. Media/channels through which information on grant award decisions will be provided; and</p> <p>c. Timelines within which information on grant award decisions will be made public; and</p>		
			<p>2. Provision of evidence of the inclusion by the applicant in its standardized grant agreement provisions and/or terms for the suspension, reduction or termination of grants awarded in the event of the final beneficiary failing to comply with its obligations for GCF-funded projects/programmes. The provisions and/or terms should include terms for the recovery of funds paid to grantees in respect of expenditures which are unauthorized or fall outside the eligibility criteria of the grants awarded</p>	In progress	The entity anticipates sharing a draft standardized grant agreement template, including the required terms and conditions, with GCF by end of October 2019
Inter-American Investment Corporation (IDB Invest) ²⁷	Fiduciary	Condition to be met prior to the submission of the first funding proposal to the Board	Provision of evidence by the applicant of the adoption of a register to receive and address external comments, complaints and inquiries on E&S matters for GCF-funded projects/programmes	Fulfilled and closed	The AP has reviewed the evidence by the applicant of its existing register to receive and address external comments, complaints and inquiries on E&S matters, which would also be used for the GCF-funded projects/programmes. The AP considers that

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					the information provided is sufficient to close this condition
Japan International Cooperation Agency (JICA) ²⁸	Fiduciary	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Develop a system for providing public access to information on the periodic progress of all GCF-funded activities	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Develop a policy of periodic independent reviews/external audits of all grant award programmes funded by GCF	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Develop policies/guidelines for providing information to the public regarding all decisions on blending operations funded by GCF	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
		Condition to be met within one year of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the implementation of the items identified in decision B.17/13, annex XVI, paragraph 45(b)(i)	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
JS Bank Limited (JS Bank) ²⁹	Fiduciary	Condition to be met prior to the submission of the first funding proposal to the Board	Provision by the applicant of a report from an external independent audit firm on a quality assessment of the overall effectiveness of the applicant's internal audit function	Fulfilled and closed	Refer to document GCF/B.23/04
		Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provision by the applicant of a sample report on assessments or review of the procurement procedures of beneficiary institutions, executing entities or project sponsors applied to GCF-funded projects/programmes	In progress	This condition is triggered by the first disbursement by GCF for an approved project/programme to be undertaken by the entity
		Conditions to be met within 60 days of completing the implementation of the first GCF-funded project/programme to be undertaken by the applicant	Provision of evidence by the applicant of the publication of the list of beneficiaries under the first GCF-funded project/programme	In progress	This condition is triggered by the implementation of an approved project/programme to be undertaken by the entity
			Provision of evidence by the applicant of the publication of the results and outcomes of the first GCF-funded project/programme	In progress	This condition is triggered by the implementation of an approved project/programme to be undertaken by the entity
Korea Development Bank (KDB) ³⁰	Gender	Condition(s) prior to the first disbursement by GCF for an	Provide evidence that the applicant has further strengthened its competencies to implement its gender policy	Fulfilled and closed	Refer to document GCF/B.18/09

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		approved project/programme to be undertaken by the applicant			
	Fiduciary	Additional condition(s): for every GCF funding proposal in which the applicant seeks to provide equity funds, the Secretariat shall ensure that the following conditions are met by the applicant	Disclosure of information regarding the equity exit strategy, including information regarding the intended purchasers of the equity participation upon the applicant's divestment	In progress	This condition is triggered for each GCF approved project/programme in which the entity seeks to provide equity funds
			The applicant shall be the equity investor of record in the proposed project; thus, equity investments through funds provided by third parties, such as the applicant's subsidiaries or private equity funds, shall not be accepted	In progress	This condition is triggered for each GCF approved project/programme in which the entity seeks to provide equity funds
LandBank of the Philippines (LandBank) ³¹	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision by the applicant of the monitoring and evaluation policy for GCF-funded projects/programmes that has been adopted by the applicant's board, including the standardized templates for monitoring plans and reports, as well as the procedure on public disclosure of monitoring and evaluation reports	Fulfilled and closed	The entity provided the executive order containing the "LANDBANK GCF Framework and General Policy", which outlines the monitoring and evaluation process of LandBank's projects. The AP considers the process to be in line with the GCF specialized fiduciary criteria for project management The entity is currently in the process of finalizing and approving its operating policy guidelines for GCF projects/programmes, which provide more detailed procedures on

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<p>how the entity will implement the executive order</p> <p>LandBank also provided evidence of the implementation of the logical framework monitoring template in its funding proposal for the “Multi-Hazard Impact-Based Forecasting and Early Warning System (MH-IBF-EWS) for the Philippines” project. The logical framework establishes the core indicators at a baseline level and targeted level (midterm and final), such as the number of direct and indirect beneficiaries due to increased resilience; and the number of males and females benefiting from the adoption of diversified, climate-resilient livelihoods. Also, the logical framework contains the expected outcomes to be measured against GCF indicators. On the basis of the evidence provided by the entity, the AP considers the condition fulfilled and closed</p>
			<p>Establishment by the applicant of a policy for providing information to the public regarding the applicant’s decisions concerning on-lending and/or blending operations and results of the on-lending and blending operations. The policy should cover, inter alia:</p> <p>a. Type or content of information to be provided;</p>	<p>Fulfilled and closed</p>	<p>The entity provided the approved executive order containing the “LANDBANK GCF Framework and General Policy”, which contains the provisions for information disclosure concerning on-lending and blending operations. Based on the evidence provided by the entity, the AP considers the condition fulfilled and closed</p>

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			<ul style="list-style-type: none"> b. Media/channels through which information will be provided; c. Timelines within which the award information will be made public; and d. Results of the projects funded under the on-lending and blending mechanism 		
		Condition to be met on an annual basis for three consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provision of evidence from the applicant on the publication of monitoring and evaluation reports in accordance with the applicant's procedure on the public disclosure of monitoring and evaluation reports	In progress	The entity provided the approved executive order containing the "LANDBANK GCF Framework and General Policy", which contains the provisions for the information disclosure concerning on-lending and blending operations. However, the AP requires evidence of the publication of monitoring and evaluation reports in accordance with the entity's procedure on the public disclosure of monitoring and evaluation reports in order to close this condition
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the adoption of a policy on information disclosure of E&S assessment documents for projects financed with GCF resources, consistent with the requirements of the GCF Information Disclosure Policy for category A/I-1 projects/programmes	In progress	The entity provided the draft Executive Order containing the "LANDBANK GCF Framework and General Policy" which outlines a policy on information disclosure for E&S assessment documents for projects financed with GCF resources. However, the policy is not consistent with the requirements of the GCF Information Disclosure Policy for category A/I-1 projects/programmes. The GCF Information Disclosure Policy requires at least 120 days,

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					whereas the entity's policy stipulates only 90 days. The AP requests the entity to provide an updated approved executive order reflecting the requirement for a minimum of 120 days for category A/I-1 projects/programmes, noting that this condition will not be triggered by the submission of category B/I-2 or category C/I-3 funding proposals should they be submitted to the Board
			Provision of evidence from the applicant of the establishment of its policy on project-level grievance mechanisms to be established by executing entities	Fulfilled and closed	The entity provided the approved executive order containing the "LANDBANK GCF Framework and General Policy", which stipulates the requirement by the entity's executing entities of the establishment of project-level grievance redress mechanisms. Based on the evidence provided by the entity, the AP considers the condition fulfilled and closed
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence from the applicant of the approval of a gender policy and procedures consistent with the gender policy of the GCF, and the curriculum vitae of a gender expert responsible for implementing the gender policy	Fulfilled and closed	The entity provided the approved executive order containing the "LANDBANK GCF Framework and General Policy", which outlines the entity's Gender and Development Policy. The AP finds the entity's policy to be in line with the requirements of the GCF Gender Policy and sufficient to close the condition
Luxembourg Agency for Development	Fiduciary	Conditions to be met prior to submission of	1. Provision by the applicant of evidence of the adoption by the applicant's Board of Directors of a stand-alone policy on	In progress	The entity has finalized the content of its stand-alone policy and is in the process of working on a common registration, tracking

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Cooperation (LuxDev) ³²		the first funding proposal to the Board	prohibited practices for GCF-funded projects/programmes that fully complies with the GCF General Principles on Prohibited Practices		and reporting system for various integrity-related cases (including fraud, prohibited practices, grievance and complaints, sexual harassment, exploitation and abuse)
	ESS		2. Provision by the applicant of evidence of the adoption of a policy on requirements for the applicant's executing entities to include a project-level grievance redress mechanism	In progress	The entity has drafted a policy defining the principles of a grievance redress and accountability mechanism and its operationalization for GCF-funded projects but also more broadly
			3. Provision by the applicant of evidence on the establishment of a registry of E&S enquiries and complaints	In progress	The establishment of a registry of E&S enquiries and complaints will be carried out in conjunction with the above grievance redress mechanism and is part of this mechanism
	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	1. Provision by the applicant of evidence of the declaration of conflict of interest signed by the applicant's employees and other contracted parties with regard to the first GCF-funded project/programme	In progress	The entity has rewritten its Code of Conduct (including a declaration of conflict of interest) which is to be signed by the entity's employees (at all levels), external contractors and executing partners. The entity is in the process of seeking approval for this Code of Conduct from the entity's Board of Directors
			2. Provision by the applicant of evidence of the adoption by the applicant's Board of Directors of a public disclosure policy on periodic project reports for GCF-funded projects/programmes	In progress	The entity has indicated that it will address this condition following signing the accreditation master agreement with GCF

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Fiduciary	Condition to be met on an annual basis for two consecutive years, starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	1. Provision by the applicant of evidence of the publication of periodic project reports on the applicant's website	In progress	The entity has indicated that information on the publication of periodic project reports will be identified in funding proposals with respect to the implementation modalities and reporting requirements, and that evidence of the publication of periodic project reports on the entity's website will start with the first GCF funded project/programme
Macquarie Alternative Assets Management Limited (MAAML) ³³	Fiduciary	Conditions to be met on an annual basis for two consecutive years, starting from the date of the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	<p>1. Provision of evidence by the applicant of the publication of the information contained in the upfront summary of the activities and annual summary reports related to the first GCF-funded project/programme, including:</p> <ul style="list-style-type: none"> a. Name, address and nationality (in the case of individuals) or place of incorporation (in the case of legal entities) of the beneficiary; b. Brief summary of the project and purpose of the funding; c. Funded amount with details, such as rate, period, etc.; and b. d. Information on intermediate (e.g. annual) and final results of the GCF-funded projects/programmes such as actual versus planned results and outcomes; adherence to budgets, 	In progress	The entity has established a separate set of procedures for the implementation of GCF-funded projects/programmes. This includes a project monitoring and evaluation policy, and information disclosure procedures to meet the requirements of the GCF, including this condition

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			cost, timelines, and timelines within which the award information will be made public		
		Condition to be met upon submission of the first evaluation report for the first GCF-funded project/programme undertaken by the applicant	2. Provision of evidence by the applicant of the public disclosure of the first evaluation report for the first GCF-funded project/programme	In progress	The entity has established a separate set of procedures for the implementation of GCF-funded projects/programmes. This includes a project monitoring and evaluation policy, and information disclosure procedures to meet the requirements of the GCF, including this condition
Micronesia Conservation Trust (MCT) ³⁴	Gender	Condition to be met for each funding proposal	Provide in its funding proposal a gender action plan that reflects the applicant's adequate competency in terms of human and financial resources and a system for maintaining data that addresses gender aspects in line with the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	Fiduciary	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide an investigation procedure containing the description of the investigation process and corresponding follow-up actions to be taken	Fulfilled and closed	Refer to document GCF/B.22/02
			Provide anti-money laundering and countering the financing of terrorism policies that are fully in line with the	Fulfilled and closed	Refer to document GCF/B.19/14/Rev.01

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MoFEC) ³⁵	ESS	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	1. Finalize the recruitment of an E&S expert to help to oversee the project management cycle under the applicant's facility; and	Fulfilled and closed	Refer to document GCF/B.19/14/Rev.01
			2. Develop an external communications mechanism, which provides a system to receive, document and respond to questions or complaints from the general public	Fulfilled and closed	Refer to document GCF/B.20/13
	Fiduciary	Conditions to be met on an annual basis for the three consecutive years, starting with the financial year 2016. All information shall be included on an annual basis within a semi-annual progress report consistent with the requirements of the GCF monitoring and accountability framework for accredited entities	1. Report progress in respect of all projects and programmes being undertaken. The report should include: a. Progress of activities vis-à-vis a plan with specific indicators;	In progress	The progress reports presented for the fiscal years 2016 and 2017, as well as management letters dated 13 August 2018 and 29 April 2019, which were signed by the entity's Director for United Nations Agencies, CRGE Facility and Regional Economic Cooperation Directorate, provided by the entity satisfy the requirements of this condition for the fiscal years 2016 and 2017. However, the Project and Programme Progress Report for the fiscal year ending in June 2018 is still pending
			b. Budget variances and analysis;	In progress	Same as comment in 1(a) above
			c. Major risks and issues, if any, that may or are impacting the execution of a project/programme; and	In progress	Same as comment in 1(a) above

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			d. Brief qualitative write-up, including the likelihood of the project achieving its planned objectives (results, budget and schedule)	In progress	Same as comment in 1(a) above
			2. Provide the annual audit reports of projects/programmes, including verification of assets, prepared by the office of the federal auditor general within four months of the close of each year to GCF;	In progress	The audited reports provided by the entity satisfy the requirement of this condition for the 2016 and 2017 fiscal years. Furthermore, the entity provided letters from the Office of the Federal Auditor General (dated 13 August 2018 and 22 August 2019) that certify the following: "The Office of the Federal Auditor General provided the list of auditors & their findings & conclusions are valid & can be considered as substitute for our audit report". The AP find that the entity will need to provide audited financial statements for the 2018 fiscal year, and the certification issued by OFAG, in order to fully close this accreditation condition
			3. Provide the annual audit reports on procurement related to projects/ programmes where substantial procurement has been undertaken by an executing entity, which is not a public sector body, to GCF	In progress	In response to the request by the AP, the entity certified in the management letters dated 13 August 2018 and 29 April 2019, which were signed by the entity's Director for United Nations Agencies, CRGE Facility and Regional Economic Cooperation Directorate, "that no substantial procurement was undertaken by a non-public sector executing entity during the reporting period." (The reporting periods referred to in the management letters are the 2017 and the 2017 fiscal years)

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					The AP considers the procurement certifications provided by the entity as satisfactory to fulfil the requirements of this accreditation condition for the 2016 and 2017 fiscal years. However, the entity will need to provide similar information for the 2018 fiscal year
Ministry of Finance and Economic Management (MFEM) of the Cook Islands ³⁶	Fiduciary	Condition to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provision by the applicant of sample copies of two (2) reports on “know-your-customer” (KYC) due diligence undertaken in line with the applicant’s KYC procedures to combat money laundering and the financing of terrorism	Fulfilled and closed	The entity provided: (i) copies of its KYC procedures for combating money laundering and financing of terrorism which comprise: (a) a Financial Management Assessment KYC Questionnaire, and (b) a Due Diligence Checklist; and (ii) copies of KYC due diligence undertaken under three projects/programmes using the above procedures. The AP considers the information sufficient to address the condition
Ministry of Environment of Rwanda (MoE) (formerly, Ministry of Natural Resources of Rwanda (MINIRENA)) ³⁷	ESS	Condition in respect of any project/programme funded by GCF that invokes any of performance standards 2 to 8 until a mid-term review is undertaken for the purposes of determining the applicant’s competency in the	Use external support, including from co-financiers, acceptable to GCF in order to help to prepare projects or programmes that invoke any of performance standards 2 to 8	Fulfilled and closed	Refer to document GCF/B.20/13

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		five-year accreditation period meeting the ESS of GCF at the project level			
	Fiduciary	Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Relating to the investigation function: (i) Publishing on its website the instructions and appropriate forms through which to log a complaint;	Fulfilled and closed	The entity established its complaints/ comments mechanism on a web-based platform, available at the Complaint & Grievance System link at the bottom of < https://environment.gov.rw >. The AP recommended some improvements which were implemented by the entity. Based on the web-based system developed by the entity and the implementation of the AP recommendations, the AP considers this condition closed
		Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	(ii) Preparing quarterly reports on case trends and maintaining a formal record of all complaints received; and	Fulfilled and closed	The entity confirmed that the web-based complaints system “has capacity to generate different reports on quarterly basis”. Based on the information provided by the entity, the AP considers this condition closed
		Conditions prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	(iii) Submitting a report of the incidents recorded with its Office of the Ombudsman for investigation on a monthly basis	Fulfilled and closed	The entity explained that “the [web-based] system will generate monthly complaint reports, but it is important to clarify that only complaints that are not addressed at Ministry of Environment level will be submitted to office of the Ombudsman.” Therefore, in the case of the one complaint received, no report

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
					<p>was submitted to the Ombudsman office, as it was resolved at the Ministry level</p> <p>The AP agrees with the entity's rationale regarding the submission of reports to the Ombudsman office. Based on the explanation provided by the entity and the web-based complaints system in place to generate reports in the future, the AP considers this condition closed</p>
Ministry of Water and Environment (MWE) of Uganda ³⁸	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Provision of evidence of the approval by the applicant of the following: <ul style="list-style-type: none"> a. A project implementation manual that applies to the institutional level of the applicant; b. A framework for performance monitoring and evaluation for the water and environment sector; and c. A monitoring and evaluation policy for the water and environment sector, which must include provisions for the public disclosure of evaluation reports for GCF projects/programmes 	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision of evidence of the development by the applicant of guidelines for prevention, detection and investigation procedures pertaining to AML/CFT	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
MUFG Bank, Ltd. (MUFG Bank) (formerly, Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)) ³⁹	Fiduciary	Condition to be met prior to signature of the accreditation master agreement for completion of Stage III of the accreditation process	Provide a report on an independent assessment of the effectiveness of the applicant's measures and actions for improving its anti-money laundering and sanctions compliance programmes	Fulfilled and closed	Refer to document GCF/B.18/09
	Fiduciary, Gender	Conditions to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence to show that the applicant: a. Carries out checks and audits of the payment and disbursement of funds under projects financed by the applicant;	Fulfilled and closed	The entity has provided a copy of a report on an audit of its payment and disbursement of a sample of projects financed by the entity. The audit was carried out by PricewaterhouseCoopers Sustainability LLC ("PwC"), an independent audit firm. Based on the evidence provided by the entity, the AP considers the condition fulfilled and closed
			b. Has a publicly accessible and transparent procurement dispute resolution process;	Fulfilled and closed	Refer to document GCF/B.23/04
			c. Has an appropriate mechanism with clear terms of reference for continuous oversight of the ethics function;	Fulfilled and closed	Refer to document GCF/B.18/09
			d. Has procedures for overseeing procurement activities of executing entities under GCF-funded activities;	Fulfilled and closed	Refer to document GCF/B.23/04

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			e. Has a policy requiring the public disclosure of procurement policies and procedures, and procurement contract awards under GCF-funded activities;	Fulfilled and closed	Refer to document GCF/B.23/04
			f. Has a policy and guidelines on the public disclosure of information regarding the applicant's decisions on on-lending and/or blending operations in respect of activities that would be funded by GCF; and	Fulfilled and closed	Refer to document GCF/B.23/04
			g. Has adopted a gender policy in line with the GCF Gender Policy	Fulfilled and closed	Refer to document GCF/B.23/04
		Condition to be met within one year of the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	Provide evidence of the implementation of the items identified in paragraph 46(b)(ii) of annex XV to decision B.17/13	In progress	This condition is triggered by the first disbursement by GCF for an approved project/programme to be undertaken by the entity. The entity has been requested to provide information once available
National Environment Management Authority of Kenya (NEMA) ⁴⁰	ESS	Condition prior to the first disbursement by GCF for an approved project/programme to be undertaken by the entity	Use external support, including that from co-financiers, acceptable to GCF, to help to prepare projects or programmes that invoke any of performance standards 2 to 8	In progress	The entity is receiving readiness support from GCF for the development of its projects in line with this condition. Relevant documentation will be made submitted once available

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
National Rural Support Programme (NRSP) of Pakistan ⁴¹	Fiduciary	Conditions to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Development by the applicant of a mechanism to publicly disclose periodic progress reports of grant award activities, including information on budget utilization	In progress	The entity's willingness to publicly disclose the periodic progress reports of grant award activities, including information on budget utilization, is acknowledged. Currently, there is no grant award activity ongoing and the next round of grant awards will start by the end of the first quarter of 2019. Thereafter, the required periodic progress reports will be publicly disclosed on the entity's official website and GCF will be informed accordingly
			Publicly-publishing its guidelines for processing investigation cases, including standardized procedures for handling complaints and managing cases before, during and after the investigation process	Fulfilled and closed	NRSP has disclosed the investigation guidelines on its official public website (< http://nrsp.org.pk/complaints.html >). Considering the evidence provided on the publication of the guidelines for processing investigation cases, including standardized procedures for handling complaints and managing cases before, during and after the investigation process the AP finds the condition successfully closed
		Condition to be met at the accreditation mid-term review of the applicant	Provision of evidence from the applicant that bi-annual internal audits have been conducted for each GCF-funded project/programme	In progress	The entity indicated that this will be planned and followed for all GCF-funded projects/programme once the entity has approved the GCF-funded projects/programmes

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	ESS	Condition to be met prior to submission of the first funding proposal to the Board	Submission of the applicant's environmental and social management framework (ESMF), as part of the relevant funding proposal, that describes the applicant's project-specific approach to environmental and social risk and impacts identification, including categorization, mitigation, management and monitoring and reporting process based on the applicant's ESSF, and in line with the E&S risk Category B/I-2 and Category C/I-3 projects/programmes	In progress	The entity has committed itself to meeting this condition prior to submission of its first funding proposal to GCF
Nordic Environment Finance Corporation (NEFCO) ⁴²	Fiduciary	Condition to be met prior to the first disbursement by the GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide one example of the project implementation plan prepared in accordance with the "Project Implementation Framework for GCF funded activities" contained in the applicant's "GCF-NEFCO Rules, Policies and Procedures"	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Palli Karma-Sahayak Foundation (PKSF) ⁴³	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide evidence of an assessment of the effectiveness of the applicant's internal audit function	Fulfilled and closed	Refer to document GCF/B.20/13
			Provide a copy of a policy on the disclosure of financial conflicts of interest	Fulfilled and closed	Refer to document GCF/B.20/13

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

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		the twelfth month following the first disbursement for any GCF-financed project/programme undertaken by the applicant	reports of all GCF-funded projects/programmes		writing that it will fulfil the condition within the stipulated time frame
Pegasus Capital Advisors (PCA) ⁴⁴	Fiduciary	Conditions to be met prior to the submission of the first funding proposal to the Board	Development of a procurement policy (including procurement requirements at the executing entity level) that meets the relevant principles in the GCF basic fiduciary standards	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	Establishment of the applicant's grievance redress mechanism and procedures to be applied at the institutional-level, together with a register for recording environmental and social-related complaints	Fulfilled and closed	The entity provided a copy of its approved, entity-level "Grievance Mechanism Approach", which outlines the grievance redress procedure, timelines, responsible parties and the format and content of the grievance register log. The entity added a feedback link with a dedicated email address on its website to receive and register inquiries or complaints. Based on the evidence provided by the entity, the AP considers the condition fulfilled and closed
			Approval by the applicant of a consultation and information disclosure policy consistent with the requirements of the GCF Information Disclosure Policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			requirements for Category B/I-2 projects/programmes		
	Gender	Conditions to be met prior to the submission of the first funding proposal to the Board	Revision of the applicant's Diversity and Inclusion policy (or the development of a stand-alone gender policy) consistent with the GCF Gender Policy	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) ⁴⁵ (upgrade)	Fiduciary	Conditions to be met on an annual basis for three consecutive years starting from the date of the first disbursement by the GCF for the first approved project/programme that has a grant award and/or funding allocation mechanism to be undertaken by the applicant	Provision by the applicant of an attestation letter issued by an external auditor which certifies that no duplication of grants awarded for the same activity has occurred, and that no retroactive grant award has been made for activities under implementation or completed at the time of application for the grant by the grant proponent	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			Provision by the applicant of an attestation letter issued by an external auditor which certifies that the applicant has complied with the grant award guidelines established in its project procedures manual adopted in 2016, including procedures on the disclosure of material non-compliance	In progress	The entity has been requested to provide information on the efforts it is taking to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Protected Areas Conservation Trust (PACT) ⁴⁶	ESS and Gender	Conditions prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	Provide a copy of the applicant's approved E&S and gender capacity development plan for 2019 that shows capacity development for E&S and gender screening, categorization and monitoring in line with GCF interim ESS, and gender mainstreaming in line with the GCF Gender Policy. The applicant can provide evidence of training events; training materials; and screening, categorization and monitoring reports to address this condition	In progress	<p>PACT and the NDA are preparing a readiness proposal to meet the requirements of the two E&S conditions</p> <p>Of note, PACT provided a generic employee development plan to show that it has incorporated the E&S and gender training needs into its organizational plan. The training on raising awareness of the GCF fiduciary standards, ESS standards and Gender Policy is scheduled for quarter 4, 2019. To support the E&S training, PACT updated its E&S screening and categorization tool. It also provided an example of the tool being applied in a project</p> <p>The AP awaits evidence from the entity that the E&S capacity development plan covered screening, E&S risk and impact categorization and monitoring in line with the GCF interim ESS standards and GCF Gender Policy, and that said plan was implemented</p>
			<p>Provide evidence by the applicant to show the following updates to the applicant's procedures and tools:</p> <ul style="list-style-type: none"> a. E&S and gender monitoring form; b. Gender-sensitive communications strategy; and c. Monitoring and evaluation procedure that requires the applicant to review the adequacy of 	In progress	<p>PACT and the NDA are preparing a readiness proposal to meet the requirements of the two E&S conditions. The entity expects that it can address this condition within 12 months of the completion of readiness support</p>

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			the executing entity's grievance redress mechanism during monitoring and evaluation of a project/programme		
PT Sarana Multi Infrastruktur (PT SMI) ⁴⁷	Fiduciary	Condition(s) associated with the GCF fiduciary standards to be addressed prior to first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Provide a formal plan for mainstreaming the multilateral procurement framework into the applicant's operations, including plans for resourcing the function and making provision for an annual audit as a standard process and provide for lessons learned. This should include provision for disclosure of contract awards on the applicant's website;	Fulfilled and closed	Refer to document GCF/B.22/02
			2. Further develop its grant management framework, ensuring the framework is mainstreamed into its overall operations. This includes further developing how the applicant intends to blend grants as part of both its direct and, in the future, its intermediated lending portfolio;	In progress	The applicant continues to implement the enhancements to its grant management framework, and will provide further updates when available
			3. Provide further evidence (in the form of two examples) of its compliance with its most recent AML/CFT policy in the context of its new mandate;	Fulfilled and closed	Refer to document GCF/B.21/17

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			4. Provide for project disclosure on its website, including monitoring and evaluation of its projects;	Fulfilled and closed	<p>The entity has complied with the requirement of this condition by publishing, on its website, relevant details of the project Integrated Sustainable Bus Rapid Transit Development in Semarang. The entity's main webpage (<https://www.ptsmi.co.id>), under the heading "Our Portfolio" provides a link to display GCF-funded projects, and a further link to the page containing information specific to the above-mentioned project. (The relevant page can be found directly at: <https://www.ptsmi.co.id/gcf-projects/integrated-sustainable-bus-rapid-transit-development-in-semarang/>).</p> <p>Although the funding received, by the applicant is from the GCF Project Preparation Facility and not for an approved project/programme funding proposal, the content (and ease of access) of the information published provides assurance of the entity's commitment to appropriate disclosure of information for GCF-funded projects/programmes, as required by the GCF specialized fiduciary standard for project management</p>
			5. Provide the approved version of the risk management guidelines and procedures, including information on the segregation of duties;	Fulfilled and closed	Refer to document GCF/B.21/17

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			6. Provide two examples of reports from its management information system; and	Fulfilled and closed	Refer to document GCF/B.22/02
			7. Provide an English version of the outcome of the recent regulation associated with government guarantees where relevant for the applicant's sustainability	Fulfilled and closed	Refer to document GCF/B.22/02
	ESS	Condition(s) associated with the GCF interim ESS and Gender Policy to be addressed prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Demonstrate with one more example per procedural step, full application of the 2016 guidance including its 10 ESS, as well as the application of its gender policy (i.e. provide one screening exercise, one environmental and social impacts assessment (ESIA), one gap analysis, one corrective plan, one gender assessment, one project disclosure report, one monitoring report and one environmental and social impacts plan (ESMP); and	In progress	<p>To address this condition, PT SMI has provided:</p> <p>In 2018:</p> <ul style="list-style-type: none"> (a) One screening exercise; (b) One ESIA; (c) One gap analysis; (d) One corrective plan; (e) One project disclosure report; and (f) One ESMP; and <p>In 2019:</p> <ul style="list-style-type: none"> (a) One site monitoring report <p>To close this condition, the AP requests PT SMI to provide: one gender assessment (in compliance with its gender policy and the GCF Gender Policy)</p>

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			2. Provide proof of employment of an external expert acceptable to GCF to prepare the ESIA and ESMP of the first project to be submitted to GCF, in full compliance with its 2016 ESS guidelines	In progress	The entity provided evidence in the form of terms of references that it hired the consultant AECOM for a geothermal project. The AP found that the report by AECOM meets the required standards. To fully close this condition, the AP requests that PT SMI provide evidence that AECOM (or another similarly qualified consultant) will be hired to complete the ESIA for the first project (funding proposal) to be submitted to the GCF
Sahara and Sahel Observatory (OSS) ⁴⁹	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant	Provide evidence of the launch of the call for proposals, records of work of the Grant Evaluation Committee on evaluating grant proposals received, and evidence of the publication of the grant award decisions of the said committee	Fulfilled and closed	Refer to document GCF/B.23/04
	ESS		Provide a sample M&E report on actions taken for E&S risk mitigation and performance improvement measures in line with the applicant's performance standards under its E&S policy (adopted in April 2016)	Fulfilled and closed	Refer to document GCF/B.22/02
			Provide evidence of the establishment of an external communication channel, which may include a website to receive, register and respond to E&S complaints	Fulfilled and closed	Refer to document GCF/B.22/02

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
	Fiduciary	Condition to be met on an annual basis for three consecutive years starting after the twelfth month following the first disbursement by GCF for the first GCF-funded project/programme through a grant award and/or funding allocation mechanism to be undertaken by the applicant	Provide evidence of the public disclosure of periodic monitoring and evaluation reports, including information on budget utilization in respect of the relevant GCF-funded project/programme	In progress	This condition is triggered only for the first approved GCF-funded project/programme through a grant award and/or funding allocation mechanism to be undertaken by the entity. The entity indicated that the first Project Performance Report, which includes a monitoring and evaluation section, would be made available to GCF once the entity has its first approved GCF-funded project/programme through a grant award and/or funding allocation mechanism

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
Small Industries Development Bank of India (SIDBI) ⁵⁰	Fiduciary	Conditions associated with the GCF fiduciary standards, to be met prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Develop a policy for the public disclosure of information regarding projects, including grant award programmes and on-lending/blending operations, to be undertaken with GCF funds. This policy must include, at the minimum, the following: a. Guidelines for the publication of independent project evaluation reports; b. Guidelines for the public disclosure of information on beneficiaries of grant awards and/or loans disbursed, purpose of the grants and/or loans and amounts disbursed; and c. Identification of the media/channels through which the information will be disclosed, as well as the timeline for disclosure	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			2. Establish an independent project evaluation policy and capacity	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			3. Develop, for GCF-funded grant award programmes to be implemented through executing entities, the policies and	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			guidelines to be followed by the executing entity		response from the entity on the expected time frame for providing the information
			4. Develop the operating procedures the applicant will follow to ensure the executing entity's compliance with the policies and guidelines for the grant award programmes mentioned above	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			1. Submit to the AP for its review a copy of the new entity-wide environmental and social management framework (ESMF) (2017 version) and the revised policies, procedures and organization chart highlighting the integration of the 2017 ESMF into the entity	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
The Pacific Community (SPC) ⁵¹	ESS	Conditions to be met prior to the submission of the first funding proposal to the Board	1. Provision of evidence by the applicant of the establishment of a formal system of E&S monitoring and review in line with the GCF interim ESS; and	Fulfilled and closed	The entity has adopted a formal monitoring and review system. Based on the information provided by the entity, the AP considers the condition fulfilled and closed
			2. Provision of evidence by the applicant of the adoption of a policy on information disclosure of E&S assessment documents for GCF-funded projects/programmes, consistent with the requirements of the GCF Information	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
			Disclosure Policy for category B/I-2 projects/programmes;		
	Fiduciary	Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant	1. Provision of evidence by the applicant of the adoption of a project closure policy;	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			2. Provision of evidence by the applicant of the adoption of a project/programme evaluation disclosure policy; and	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
			3. Provision of evidence by the applicant of the development of “know-your-customer” guidelines and templates in accordance with the content of the applicant’s AML/CFT policy; and	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information
	ESS	Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved project/programme to	1. Provision by the applicant of the E&S monitoring and review report for its first GCF-funded project/programme	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
		be undertaken by the applicant			
Société de Promotion et de Participation pour la Coopération (PROPARCO) ⁵²	Fiduciary	Condition(s) prior to the first disbursement by GCF for an approved project/programme to be undertaken by the applicant	1. Formally adopt an external communication mechanism which provides a system to receive, document and respond to questions or complaints from the general public	In progress	The entity has indicated that it will be joining the independent complaints mechanism of Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) as of 1 February 2019
	ESS	Condition(s) prior to the submission of a funding proposal to GCF that includes a guarantee operation	1. Provide two examples to fully demonstrate the applicant's capacity and ability to undertake a guarantee operation of a project/programme that is of the large size category and high E&S risk (Category A/I-1) for which it is seeking accreditation	Fulfilled and closed	Refer to document GCF/B.18/09

Entity	Standard	Time frame	Description of accreditation conditions	Status	Remarks
United Nations Environment Programme (UN Environment) ⁵³ (upgrade)	Fiduciary	Condition to be met on an annual basis for two consecutive years starting from the date of first disbursement by GCF for the first approved project/programme that has a grant award and/or funding allocation mechanism to be undertaken by the applicant	Provision of evidence by the applicant of the publication on the applicant's website of the periodic progress reports of the grant award project/programme, including budget utilization	In progress	The entity has been requested to provide information on the efforts it is making to address the condition. The AP is waiting for a response from the entity on the expected time frame for providing the information

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

¹ Annex VIII to decision B.18/05.

² Annex XVII to decision B.12/30.

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

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

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

⁶ Decision B.23/13 and Annex IV to document GCF/B.23/04.

⁷ Annex V to decision B.14/10.

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

⁹ Decision B.21/16 and annex V to document GCF/B.21/17.

¹⁰ Annex VI to decision B.14/10.

¹¹ Annex XI to decision B.17/13.

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

¹³ Annex III to decision B.18/05.

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

¹⁵ Annex XV to decision B.12/30.

¹⁶ Annex IV to decision B.18/05.

¹⁷ Decision B.23/13 and Annex VII to document GCF/B.23/04.

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- ¹⁸ Decision B.23/13 and Annex VI to document GCF/B.23/04.
¹⁹ Decision B.22/09 and annex V of document GCF/B.22/02.
²⁰ Annex V to decision B.18/05.
²¹ Decision B.21/16 and annex XIV to document GCF/B.21/17.
²² Decision B.22/09 and annex VII of document GCF/B.22/02.
²³ Decision B.21/16 and annex XV to document GCF/B.21/17.
²⁴ Annex XVI to decision B.12/30.
²⁵ Decision B.21/16 and annex VII to document GCF/B.21/17.
²⁶ Annex XII to decision B.17/13.
²⁷ Decision B.21/16 and annex XX to document GCF/B.21/17.
²⁸ Annex XVI to decision B.17/13.
²⁹ Decision B.22/09 and annex IX of document GCF/B.22/02.
³⁰ Annex VII to decision B.15/09.
³¹ Decision B.21/16 and annex XVI to document GCF/B.21/17.
³² Decision B.22/09 and annex XII of document GCF/B.22/02.
³³ Decision B.22/09 and annex XI of document GCF/B.22/02.
³⁴ Annex XIV to decision B.17/13.
³⁵ Annex XII to decision B.12/30.
³⁶ Decision B.21/16 and annex VIII to document GCF/B.21/17.
³⁷ Annex IX to decision B.10/06.
³⁸ Decision B.23/13 and annex V to document GCF/B.23/04.
³⁹ Annex XV to decision B.17/13.
⁴⁰ Annex XIII to decision B.12/30.
⁴¹ Decision B.21/16 and annex IX to document GCF/B.21/17.
⁴² Decision B.21/16 and annex X to document GCF/B.21/17.
⁴³ Annex VI to decision B.18/05.
⁴⁴ Decision B.21/16 and annex XI to document GCF/B.21/17.
⁴⁵ Decision B.21/16 and annex XXI to document GCF/B.21/17.
⁴⁶ Decision B.21/16 and annex XVII to document GCF/B.21/17.
⁴⁷ Annex VIII to decision B.15/09.
⁴⁹ Annex VII to decision B.18/05.
⁵⁰ Annex XIII to decision B.17/13.
⁵¹ Decision B.22/09 and annex IX of document GCF/B.22/02.
⁵¹ Annex XI to decision B.15/09.
⁵³ Decision B.22/09 and annex XIII of document GCF/B.22/02.

Annex IV: Accreditation assessment of applicant 090 (APL090)

I. Introduction

1. Applicant 090 (APL090), the National Committee for Sub-National Democratic Development Secretariat (NCDDS), is a national public-sector organization based in Cambodia. The applicant is the secretariat for an interministerial mechanism for promoting democratic development through decentralization and de-concentration reforms throughout the country. The applicant is part of the Ministry of the Interior and has a fair degree of independence, which has increased because it became a government budgeting entity in 2018. Its core mission is to coordinate the Royal Government of Cambodia's National Programme for Sub-National Democratic Development. It plays an important role in implementing decentralization reform policies, local governance and capacity development by developing regulations and providing finance to local governments. Committed to addressing climate change issues, it mainly focuses on adaptation by engaging local government bodies in adaptation activities in areas such as livelihood enhancement, infrastructure and water security.

2. The applicant received support under the Readiness and Preparatory Support Programme for the gap assessment and action plan prior to submitting its application for accreditation. After having completed the readiness support, the applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 14 February 2017. Accreditation fees were received from the applicant on 18 May 2017, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 28 March 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of the GCF:

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

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

² Decision B.07/02.

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

II. Stage I institutional assessment and completeness check

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

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. NCDDS was established by Royal Decree No. NS/RFT/1208/1429 in 2008.

2.2 Institutional presence and relevant networks

5. As an entity composed of ministers and the heads of the units in different ministries of the Government, the applicant has a strong presence and network at the national level. Approximately 1,000 employees are based throughout head offices, ministries, provincial and district offices. By using this network, the applicant plays a key role in coordination and consultation on policies, strategies and programmes implemented at the subnational and national level.

6. The applicant works to strengthen the mandate, capacity and resources of Cambodia's subnational government bodies and thereby it also works to foster inclusive democratic development at the local level. In addition, it aims to assist local communities to adapt to the impacts of climate change and to follow low-emission development pathways by integrating climate change issues and appropriate responses into subnational planning and budget execution.

7. In order to advance the objectives of the GCF, the applicant intends to manage funds from different sources in a complementary manner to support subnational climate change adaptation projects. The applicant indicated that the GCF resources would not be blended with other funds but would be used to increase in scale the positive impacts, reduce overhead costs, and enable a programmatic approach. Its intended programmes would primarily focus on climate change adaptation and cross-cutting issues such as:

- (a) Strengthening local government institutional and regulatory systems for climate-responsive development planning; and
- (b) Financing investments in local infrastructure and services to strengthen adaptive capacity and reduce exposure to climate risks.

8. In response to the GCF requests for proposal for the enhancing direct access pilot programme, the applicant submitted a project concept note regarding climate change and local government. The applicant intends to continue developing this concept note into a funding proposal for GCF.

2.3 Track record

9. The applicant has been working with local government bodies and donors on climate adaptive investments and infrastructure, agriculture, livelihoods support and community-based adaptation. Its main activity has been achieved through the implementation of three consecutive three-year programmes, known as IP3, which were funded by the Government of Cambodia and by development partners such as the European Union, development banks and some direct donors.

10. The applicant's track record in financing climate change related projects includes the following, which fall within the GCF "small" and "micro" size categories:
 - (a) USD 5 million (in grants) for the programme Reducing the Vulnerability of Cambodian Rural Livelihoods through Enhanced Subnational Climate Change Planning and Execution of Priority Actions;
 - (b) USD 10 million (in grants) for the project Agriculture Services Programme for Resilience, Innovation and Extension;
 - (c) USD 26.86 million (in grants) for the Land Allocation for Social and Economic Development Programme (Phase I); and
 - (d) USD 1.4 million (in grants) for the Local Governments and Climate Change Programme (Bridging Phase).

III. Stage II accreditation review assessment

11. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the standards of the GCF in accordance with the accreditation requirements.
12. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application. The AP also undertook a site visit to the applicant's headquarters to determine whether the applicant would be in a position to strengthen its basic fiduciary capacity as would be required from an implementing entity given the strength it had shown as an executing entity for a number of development partners.

3.1 Fiduciary standards

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

13. The applicant is the secretariat of an interministerial mechanism whose governance structure consists of a body of 11 government ministers, 3 secretaries of state, a representative of the Council for Development of the country and the head of its secretariat. It normally meets twice a year.
14. The Deputy Prime Minister of the country has recently approved the "Operations Policies and Procedures" (OPP Manual) and the "Internal Audit Manual" that upgrade existing policies and procedures of the applicant. The applicant presented on 11 September 2019 a document titled "Roadmap for enhance NCDs to manage fund from Green Climate Fund" hereafter referred to as "Roadmap". It includes reformulating its structure and its terms of reference to align with the new policies and guidance. Conducting training or workshops to introduce the OPP Manual is planned for the first and last quarter of 2019 and 2020. The anticipated actions listed in the Roadmap are incorporated throughout this report.
15. The applicant has a Trust Fund Review Committee that is equivalent to a steering committee and provides governance for the nine-year IP3 programme. The Trust Fund Review Committee is also tasked with oversight functions normally executed by ethics, finance and audit committees. Its membership is mainly from donor representatives. The applicant needs to decide what kind of a steering committee should be in place if it is an implementing entity for projects or programmes financed by GCF for which it cannot rely on a "donor oversight" mechanism. The need to establish capacity to have its own oversight functions was pointed out by Price Waterhouse Coopers in January 2017 but does not yet exist. The applicant's Roadmap states, as a key action, the establishment and function of such an oversight committee in

quarter 4, 2019. Until there is an oversight committee in place that can operate independently from the donors and its capacity is demonstrated there is a gap in terms of the GCF basic fiduciary standard on key administrative and financial capacities.

16. Recently the Deputy Prime Minister approved the above-mentioned 400-page OPP Manual, which upgraded the established policies and guidance relating to:

- (a) Personnel policies and procedures including an Employees Code of Conduct;
- (b) Financial policies and procedures including prohibitive practices;
- (c) Procurement policies and procedures including control over procurement of executing entities; and
- (d) Administrative policies and procedures.

17. The AP reviewed various draft versions of the manual during the accreditation review and concluded that the approved OPP Manual has adequate policies and procedures that cover the basic fiduciary requirements. There are other revisions to existing manuals approved in early 2019 including: internal audit; performance-based grants to subnational entities; and project implementation for communities.

18. Many of the governance structures described in the OPP Manual will now need to be put in place and their effectiveness needs to be demonstrated. While the applicant's Roadmap anticipates key actions in this regard for the remainder of 2019 and for 2020 it is likely that significant gaps will exist for some time to come. The required assurance that the applicant's future operations adhere to the OPP Manual can best be obtained through a review and verification by a third party.

19. During the accreditation review the following fiduciary gaps of the applicant were identified, in relation to the implementation and demonstration of its own policies, procedures and the basic fiduciary standards:

- (a) The OPP Manual contains excellent terms of reference for an Audit and Ethics Committee and the Roadmap anticipated that such a committee will be established in quarter 4, 2019. The need for such a committee to be established and for it to demonstrate that it is effective is crucial, given that its tasks relate to areas within the organization that are only at a basic level of maturity, including:
 - (i) Its role and responsibilities: ethics management including oversight of the Employees Code of Conduct (including the review and handling of related complaints and investigations; risk management) that needs to be implemented; governance structures; prohibitive practices (it is the owner of the policy); and the internal control framework;
 - (ii) Its oversight of internal and external audit and other assurance providers: reviewing and approving internal audit policies and procedures; approving annual risk-based internal audit plans (internal audit effort has decreased in 2018 and 2019); reviewing internal audit reports and the track record of implementing recommendations (no follow-up of recommendations had been done in 2018 and 2019); and providing oversight over prohibited practices and investigations; and
 - (iii) Its responsibility for reviewing reports relating to investigations done by internal audit (no allegations received in the last three years); management letters from external auditors; overseeing the conflict of interest disclosure, review, resolution and reporting;
- (b) The applicant approved a detailed Internal Audit Manual on the 26 June 2019. The roadmap calls for a training workshop and operationalization of the Internal Audit

Manual in quarter 4 2019. The manual gives the internal audit function a comprehensive scope that not only includes compliance and regulatory verification but also extends to questions of quality of reporting and the achievement of programmes, plans and objectives in an economic and efficient manner. The organizational chart for internal audit provides for a staff of five individuals. To deliver the type of value-added internal audits as described in its own manual will be a considerable leap compared with the internal audits currently performed, which consisted of 101 days in 2017, 31 days in 2018 and a planned audit effort of 40 days in 2019. Audits are limited to regulatory and compliance verification and there has been inconsistent follow-up of audit recommendations (none in 2018 and 2019 to date). There have been no internal audits of the headquarters, but the applicant has stated that those will be done in the future. The first external quality review for the internal audit function is planned for 2020;

- (c) NCDDS uses the accounting software “Peachtree Quantum 2010”, which is distributed and supported worldwide by Sage Software. The applicant has annual audited financial statements for its IP3 programme as well as separate audited financial statements for its other projects. This demonstrates the ability of the applicant to account for any GCF-funded project even though NCDDS does not maintain a financial statement for itself as one organization. This means that transactions worth an average of USD 150,000 per annum are accounted for through other stand-alone projects;
- (d) The applicant’s financial system, cash disbursements and signing authorities, and accounting procedures follow the systems of the national government and are adequate. Nevertheless, the need to adhere to the various controls and perform the required reconciliations is a recurring theme mentioned in the internal and external audit reports from the field. The adherence to these controls at the subnational level should improve once the applicant is more vigilant in ensuring that the internal and external audit recommendations are being implemented;
- (e) The OPP Manual (part II, chapter 18) describes risk management and the role and related responsibilities of the applicant’s staff . The procedures and templates for an effective risk management system still need to be developed. The Internal Audit Group is the body responsible for providing independent assurance on risk management practices, but this has never been done. Although not specifically mentioned in the applicant’s Roadmap, the implementation of the OPP Manual should result in the implementation of a risk management system. The applicant has adopted a project risk management framework that defines the risk identification and mitigation measures that are considered in programmes and projects;
- (f) The OPP Manual (part II, chapter 19) describes internal control. It covers topics such the “tone at the top”, delegated signing authorities, segregation of duties and the need to do reconciliations and maintain records. There is a Financial Management and Internal Control Checklist, which is to be completed by the divisional directors in the subprogrammes and the Provincial Governor at the subnational level. The purpose is to determine the level and quality of internal control. There is also a Financial and Administrative Compliance Checklist to be completed twice a year by the applicant’s director of the financial administration division. Although these checklists have existed for over a decade they have not been completed. The applicant has confirmed that these will be done from now on, given that the OPP Manual is approved. This will provide a valuable self-assessment of the status of internal control. While not specifically mentioned in its Roadmap, the implementation of the OPP Manual should result in the completion of these key self-assessment documents and strengthen internal control where weaknesses have been identified;

- (g) The applicant has a vision and strategic direction, goals, objectives, outputs and indicators that are linked to the national programme of the Government. These are reported upon in the applicant's annual report. However, the vision and strategy will need to evolve as the applicant takes on development programmes with objectives linked to those of GCF;
- (h) The applicant's Procurement Policy and procedures are contained in part III of the OPP Manual, and cover different types of procurement. The policy and procedures meet the GCF basic fiduciary standards on key administrative and financial capacities. The policy does not include a requirement to publish procurement results, but the applicant has stated that it is drafting guidelines on awarding contracts, to be approved in quarter 2, 2020. Improvements to the procurement function can be anticipated because the Roadmap includes the establishment and functioning of a procurement oversight committee and a procurement review committee. The internal and external auditors cover procurement when they review supplier invoices, supporting documents and payments vouchers. Two procurement examples (procurement of a truck and some consultancy) were provided and showed that the applicant followed its own procedures; and
- (i) The OPP Manual includes procedures for procurement complaints. Investigations are done by the Internal Audit Group using the same system as for fraud investigations, which are under the oversight of the applicant's Audit and Ethics Committee. However, the effectiveness of the procurement complaint system could not be demonstrated because, according to the applicant, no procurement complaints have been received in the last three years. The situation of no complaints may be evolving because the Roadmap includes making the redress mechanism systematic.
20. The AP finds that the applicant's policies and procedures meet the GCF basic fiduciary standards on key administrative and financial capacities. However, the applicant has not demonstrated its capacity to implement its policies and procedures. The relevant gaps identified in paragraphs 15, 18 and 19 above are reflected by the corresponding conditions for accreditation in section 4.2.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

21. The Employees Code of Conduct, contained in part I, chapter 1 of the applicant's OPP Manual was revised during the accreditation review and is now applicable to individuals contracted or functionally related to the applicant at the national and subnational level and also all contractors, implementers and other stakeholders receiving funds from the applicant. However, how the application will be implemented to the individuals that are not employees still needs to be demonstrated. The Employees Code of Conduct contains the required provisions relating to conflict of interest and the filing of declarations of financial interest.
22. Oversight of the Employees Code of Conduct, discharging related roles, including the review of complaints and handling of investigations are all to be handled by the Audit and Ethics Committee. The Roadmap anticipated that the Audit and Ethics Committee will be established and functional in quarter 4, 2019. Until this aspect has been comprehensively treated by the Audit and Ethics Committee and its recommendations, if any, are implemented by the applicant there is a gap relating to the GCF basic fiduciary standards on transparency and accountability.
23. The OPP Manual (part I, chapter 16) deals with fraud and corruption, and chapter 17 deals with zero tolerance for prohibited practices and includes adequate whistleblower provisions. The OPP Manual requires all those receiving funds through the applicant, to act in accordance with the Employees Code of Conduct. This includes its suppliers, grant recipients, implementing or executing entities, subnational administrations, contractors and agents. The Audit and Ethics Committee is owner of the policy and the Director of the Internal Audit Group

is responsible for creating the required practices and carrying out the investigations. The provisions of the OPP Manual require investigations to be conducted and reported to the Audit and Finance Committee. These instructions are sufficient, given the nature of the operations of the applicant.

24. The applicant has stated that it has not received any allegations of wrongdoing for the last three years that required an investigation. The Roadmap anticipates that the Audit and Ethics Committee will be established and function in quarter 4, 2019. This must include effective discharge of its oversight over prohibited practices, including fraud and corruption, and examining the effectiveness of making the redress mechanism more systematic. Until all the elements are in place the applicant has not demonstrated its capacity and this is a gap related to the GCF Policy on Prohibited Practices.⁴

25. The applicant's policy on anti-money-laundering and countering the financing of terrorism is covered in the policy on zero tolerance for prohibited practices. There are provisions for "know-your-customer" checks and there is heavy reliance on the national banking system, which has the required policies in place. Given the development role that the applicant has, and its close working relationship with subnational entities, these procedures are sufficient.

26. The AP finds that the applicant's policies and procedures fully meet the GCF basic fiduciary standards on transparency and accountability, the GCF Policy on the Protection of Whistleblowers and Witnesses,⁵ the GCF Policy on Prohibited Practices and the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy.⁶ However, the applicant has not demonstrated its capacity to implement its policies and procedures and therefore has no track record in this regard. The relevant gaps identified in paragraphs 21, 22 and 24 above are reflected by the corresponding conditions for accreditation in section 4.2.

3.1.3 Section 5.1: Specialized fiduciary standard for project management

27. The applicant's project management policies and procedures are established, primarily, for the implementation of the National Programme for Sub-National Democratic Development (NP-SNDD). The applicant has not documented a project management framework applicable to projects other than NP-SNDD.

28. However, the applicant's experience as an executing entity for projects undertaken in cooperation with its country's development partners, as well as its experience implementing the NP-SNDD, provide evidence of its project management capacities. Furthermore, the national "Standard Operating Procedures For All Externally Financed Projects/Programs in Cambodia" (which, for the most part, contain the requisite elements of a project preparation, appraisal and implementation framework required by the GCF specialized fiduciary standard for project management) provide the applicant with appropriate guidance for the development of its project design, appraisal and implementation manual.

29. During the accreditation process the applicant confirmed its willingness to develop a project design, appraisal and implementation manual, as required by the GCF specialized fiduciary standard for project management; furthermore, the applicant demonstrated that it has the project management experience and resources to comply with this commitment.

30. The applicant demonstrated its capacity to incorporate project risk assessment at the preparation stage while developing the third three-year implementation plan for the NP-SNDD (IP3-III). IP3-III incorporates, for each of the five components of the plan, a detailed risk analysis, a risk rating (high, medium and low) and the proposed mitigating actions. The ability to incorporate a comprehensive risk analysis is based on the applicant's understanding of the

⁴ Decision B.22/19 and annex XIV thereto.

⁵ Decision B.21/25 and annex II thereto.

⁶ Decision B.18/10 and annex XIV thereto.

NP-SNDD, as well as on the collaborative method used to develop IP3-III. The IP3-III preparation process was initiated with a concept note, developed by the applicant, outlining the components and objectives of the plan. Based on the initial concept document the AP considers that the applicant exhibited the required capacity to engage relevant stakeholders, such as development partners and civil society organizations, and incorporate the input received into the first draft IP3-III. The draft plan was assessed by a team of external experts, which provided an independent assessment of the plan and incorporated further relevant input by broadening the range of stakeholders consulted. The applicant displayed the capacity to consolidate the information generated, during the consultation and appraisal period, into a coherent IP3-III document approved by the National Committee for Sub-National Democratic Development (NCDD). The IP3-III preparation process, characterized by its collaborative nature and consideration of stakeholder input, provides the required information for a comprehensive understanding of the project risks, as well as providing an effective quality review of IP3-III.

31. The applicant's current project management policies and procedures include guidelines for the consistent preparation of implementation plans, budgets and periodic reporting requirements. Specifically, for the projects that are executed as part of IP3-III, the implementation plans are prepared following the national guidelines for the preparation and implementation of the national programme annual work plan and budget (AWPB) issued by the NCDD. These guidelines establish the following stages that are completed during the preparation of the AWPB:

- (a) Formulation of the AWPB: the applicant proposes, and discusses with representatives of the ministries and of the provinces, the preliminary expected outputs;
- (b) Identification of the availability of required resources;
- (c) Preparation of the draft AWPB: based on the established preliminary outputs and available resources, the ministries and provinces prepare their draft AWPBs, which are assessed by the applicant to ensure consistency with, and attainment of, the objectives of the (IP3-III);
- (d) A national workshop on AWPB formulation: this is held and feedback is provided for enhancement of the work plans; and
- (e) Preparation of the detailed AWPB: based on the outcomes of the workshop, the ministries and provinces prepare the detailed AWPB and present it for approval by the NCDD.

32. The applicant consolidates all the (IP3-III) AWPBs into its national AWPB database, which is used to exercise oversight of all stages of the AWPBs (preparation, implementation, monitoring and evaluation). However, the applicant has not developed appropriate project closure guidelines, which are required by the GCF specialized fiduciary standard for project management. It is important to note that during the accreditation assessment the applicant recognized the need to enhance its project management capabilities with appropriate project closure guidelines.

33. The applicant's monitoring & evaluation (M&E) manual was updated on June 2019 and made available on its website.⁷ As previously described, for the implementation of the NP-SNDD the applicant develops three-year implementation plans (IP3), which are operationalized by the execution of the AWPB of the IP3 executing entities. The applicant's M&E manual provides comprehensive guidance for the monitoring of the AWPBs and for the impact evaluation of the IP3.

34. The monitoring of the AWPBs is done at two levels: monitoring of the IP3 executing entities AWPBs and monitoring of the NCDD AWPB, which consolidates the results obtained by

⁷ Available at <<http://ncdd.gov.kh/wp-content/uploads/2019/06/ME-manual-ENG-Last-Version.pdf>>.

the executing entities. NCDD prepares quarterly, half-yearly and yearly monitoring reports. These periodic reports include an overview section that summarizes progress in IP3 implementation at the date of the report, as well as describing the milestones attained, implementation issues encountered, status of project indicators and project expenditure by budgeted source of funds. The second section of these reports contains a detailed consolidation, organized by project component, of progress information reported in the AWPBs of the executing entities. Finally, annexes that contain financial, procurement and staffing information are included in the reports.

35. The IP3 executing entities prepare monthly reports that provide a summary of the main achievements attained, budget execution information and implementation problems faced. Furthermore, these reports include a detailed account of execution progress and expenditure by planned activity and description of procurement activities. IP3 executing entities must establish an accounting system and prepare monthly financial reports (and a year-end closing report for the AWPB).

36. All the information collected to prepare the periodic reports must be uploaded into the national AWPB database, which serves as the repository for all information related to the AWPBs executed in the context of the NP-SNDD three-year implementation plans.

37. The AP found that the applicant's AWPB and IP3 monitoring guidelines and procedures, supported by the technical tools implemented are effective.

38. The applicant recognizes the importance of relying on independent assessments in order to obtain relevant information for enhancements of the NP-SNDD. The applicant provided several examples of independent evaluations it has commissioned. However, the requirement to undertake independent project evaluations is not mandated in its M&E manual, nor did the applicant provide a policy on disclosure of final project evaluation reports. The GCF specialized fiduciary standard for project management establishes that consistent and independent evaluation of project results must be undertaken, either by external experts or an organizational unit of the applicant that is independent from the project implementation and supervision units. Furthermore, an evaluation disclosure policy that mandates the public disclosure, to the extent possible, of project final evaluation reports must be implemented.

39. The applicant draws guidance for project-at-risk management from the various sources, including the "Standard Operating Procedures for all Externally Financed Projects/Programs in Cambodia"; the risk analysis and mitigation measures developed for IP3-III; and from the project-level risk analysis and risk management procedures included in donor-funded projects. In addition to these, the applicant has developed a project risk management framework that will apply to GCF-funded projects/programmes and to AWPB projects that do not have explicit donor requirements.

40. The project risk management framework specifies that:

- (a) The applicant will establish an independent project-at-risk function;
- (b) The applicant will develop a project-at-risk database, managed by its M&E department, to monitor and generate project risks reports; and
- (c) The project-at-risk procedures will be standardized for smaller projects (less than USD 250,000) and the project-at-risk procedures for larger projects will be formulated to address the specific risks of the project.

41. In addition, the project risk management framework establishes a matrix to classify the risks of every project; defines the obligation of the project managers to periodically report the status of project risk indicators; and defines the corrective actions to be implemented if a project is classified as a project-at-risk.

42. The applicant's project risk management framework satisfies the requirements of the GCF specialized fiduciary standard for project management. Specifically, the GCF specialized fiduciary standard for project management establishes that the project-at-risk unit must be independent from the project implementation and supervision units, and additionally, must have the capacity to identify project risks and propose appropriate mitigation actions. The applicant is yet to establish an independent project-at-risk function, and demonstrate the risk management capacity of this function, as defined in its project risk management framework.

43. The applicant's main project management experience comes from the implementation of the NP-SNDD. The formulation and implementation of the current NP-SNDD IP3-III demonstrates the applicant's project preparation and implementation competencies specific to the requirements of the NP-SNDD. The applicant's main responsibilities, pertaining to the NP-SNDD include:

- (a) Developing, in consultation with relevant stakeholders, the IP3 for the NP-SNDD;
- (b) Coordinating the activities of executing entities that participate in the execution of the IP3;
- (c) Executing the IP3 activities that are under its purview; and
- (d) M&E of the execution of the IP3.

44. The AP finds that the applicant's policies, procedures and capacity partially meet the GCF specialized fiduciary standard on project management, and the applicant has not demonstrated its track record to implement its recently developed policies and procedures. The relevant gaps identified in paragraphs 29, 32, 38, and 42 above are reflected by the corresponding conditions for accreditation in section 4.2.

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

45. The applicant's lead role in the implementation of the NP-SNDD and its experience of implementing grant award programmes, in collaboration with development partners, mean the applicant has the potential to successfully manage grant award programmes directed towards supporting the strengthening of its country's subnational administrations (SNAs).

46. The applicant has implemented important improvements in its grant management capacities; specifically, it recently introduced a manual for performance-based grants to SNAs, which institutionalizes the experience it acquired as an executing entity of several donor programmes that have used performance grants as the funding mechanism.

47. However, further verification is needed regarding the effective implementation of the manual for performance-based grants to SNAs. The applicant has yet to execute a performance-based grant programme guided by its recently developed manual; thus, confirmation of successful implementation is required.

48. The applicant confirmed during the accreditation process that its grant programmes will have two defining characteristics:

- (a) The grants will only be awarded to SNAs as a funding mechanism for projects that further the goals of the NP-SNDD; and
- (b) Its grant programmes will include two funding components:
 - (i) A base funding allocation; and
 - (ii) A performance-related allocation.

49. The applicant's grant award procedures require there to be a clear definition of the grant programme's objectives. For example, if the objective of the programme is to improve the capacity of SNAs to deliver a specific service, the SNAs that have the potential to obtain the most

benefit from the grant are selected as target grant recipients; the evaluation and selection of target SNAs (undertaken by the applicant) is based on objective criteria and, to the extent possible, publicly available information (such as government statistics of the service deficiency that the grant programme aims to address). Once selected, the applicant provides the target SNAs with a complete description of the grant programme, including the grant award application. The interested SNAs submit their application form, authorized by the SNA Council, which is responsible for the good use of grant funds. SNAs that decline the invitation are replaced by the next highest ranked SNA. The applicant SNAs are evaluated in terms of pre-established minimum conditions required for grant award eligibility. Two outcomes are possible from this evaluation: either the applicant SNA is rejected and the next highest ranked target SNA is invited to apply, or the applicant SNA is approved with the condition that no funds be disbursed until the minimum conditions are met. Once the grant recipient SNAs have been selected, the applicant calculates the grant amounts for every recipient following the programme's pre-established allocation formula.

50. A detailed list of selected SNAs is presented to the Grants Committee for approval of the grant awards. The procedure for convening a session of the Grants Committee requires that the applicant provide the committee members, with enough anticipation, the list of SNAs considered, a summary of the evaluation exercise and criteria applied, and details of the grant allocation calculation. The Grants Committee reviews the grant awards proposal and either authorizes the grant awards or requests that the applicant review the proposal and confirm compliance with the grant programme rules, which were previously authorized by the Grants Committee. It is relevant to note that the Grants Committee cannot request changes to the grant award proposal presented by the applicant that contravene the approved terms and conditions of the grant programme.

51. Once the Grants Committee has authorized the selection of grant recipient SNAs, the applicant will publish the grant award results. The publication will contain details of the purpose of the grant awards, source of funds (donor), names of the grant recipient SNAs, the amounts awarded and, if it contributes to further enhance transparency, the selection and allocation criteria can also be published.

52. The composition of the Grants Committee includes the applicant's senior leader (who acts as chair of the committee), a representative of the donor agency, a representative of the local governments, a representative of the relevant ministry (relevance is defined by the issue the grant award aims to address) and a representative of the Ministry of Economy and Finance.

53. The terms of reference of the Grants Committee assign functions and responsibilities that establish the required authority for effective oversight and control of the grant award process. The functions of the committee include approving the applicant's recommendations concerning purpose and objectives of grant programmes, eligible expenditure, minimum conditions, performance indicators, criteria for target SNA selection, formula for grant allocation amounts and grant award proposals.

54. In addition to the monitoring procedures established in the applicant's M&E manual the applicant has established additional monitoring and evaluation guidelines in its Manual for Performance-Based Grants to Sub-National Administrations, including the use of annual performance assessments to determine the allocation of performance-related grant funds.

55. The applicant's grant award manual establishes the following standard monitoring activities that must be undertaken for its grant award programmes:

- (a) The subnational administration (grant beneficiary) must periodically provide progress reports that contain updated information pertaining to the execution of the planned activities (including budget execution);
- (b) The subnational administration must monitor and report on the attainment of the outcomes established for the performance-based grant;

- (c) The applicant must periodically monitor the attainment of the performance-based grant programme outcome indicators and evaluate the impact of the programme; and
- (d) Independent external evaluations of the performance-based programmes should be commissioned to evaluate the grant programme in general, but mainly to determine the impact of the programme, and the attainment of the expected outcome. Independent evaluators will normally be engaged once there is enough information to evaluate (the applicant suggests in its grant award manual that the external evaluation “should be conducted every three years”).

56. In addition to the standard M&E of the grant programme, the applicant will perform annual performance assessments to determine the allocation of the performance-based component of the grant awards. This annual assessment measures, for each grant beneficiary, the attainment of the agreed performance indicators, thus determining the amount of grant funds that will be allocated during the following year. In addition, the annual performance assessments help to identify any capacity development activities that the SNAs need to implement in order to further enhance their capacity to attain the performance outcomes.

57. As a result of its active participation in performance-based grant programmes, the applicant has acquired the expertise needed to implement this type of programme. The Local Governments and Climate Change Programme (which is the Cambodian adaptation of the United Nations Capital Development Fund’s Local Climate Adaptive Living Facility⁸) and United Nations Development Programme/Global Environment Facility “Reducing the vulnerability of Cambodian rural livelihoods through enhanced sub-national climate change planning and execution of priority actions”⁹ are reported examples of the applicant’s capacity to implement performance-based grant programmes.

58. The AP finds that the applicant’s policies, procedures and capacity meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms. However, the applicant has not demonstrated its track record of implementing its recently developed performance-based grant programme policies and procedures. The relevant gap identified in paragraph 47 above is reflected by the corresponding condition for accreditation in section 4.2.

59. The applicant applied for the small size category for projects/programme activities, as referenced in paragraph 2 above. However, following the recommendation of the AP, revised its accreditation application during the Stage II (Step 1) assessment to the micro size category.¹⁰ The applicant has recently approved key policies required by the GCF basic fiduciary standards (including the ones required on key administrative and financial capacities and on transparency and accountability), the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant must demonstrate effective implementation of its new policies and acquire a track record in the project/programme implementation role that is required of GCF accredited entities. The applicant recognized the need to develop this track record and decided to apply for the micro size category at this time.

3.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending for loans, equity and/or guarantees

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

⁸ See <<http://www.local-uncdf.org/>>.

⁹ See <<https://www.adaptation-undp.org/resources/reports-and-publications-country-teams/mid-term-review-reducing-vulnerability-cambodian>>.

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

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

61. The applicant's environmental and social management system (ESMS) comprises its "Environmental and Social Safeguards (ESS) Policy for Sub-National Democratic Development", approved in June 2019, and the "Guideline for Managing Environmental and Social Risks (ESRM guidelines) in projects in the framework of the national programme for Sub-National Democratic Development", approved in August 2019. The environmental and social safeguards (ESS) policy is posted on applicant's website. It was developed to ensure the sustainability of the ecosystem, natural resources, cultures, traditions, customs, indigenous peoples, as well as gender equality, safety and social welfare at the subnational level. The ESS policy is part of the subnational development programme, which aims to promote the participation, responsibility, transparency and effectiveness of SNAs in respect of environmental and social protections that are in line with national and international standards for the implementation of funding projects. This policy requires the SNAs to identify and address the impacts and risks to the environment and society that may arise as a result of the project implementation by focusing greatly on gender equity, vulnerable groups, indigenous peoples and cultural heritage protection.

62. The ESS policy articulates eight strategies:

- (a) Assessment and management of environmental and social risks and impacts;
- (b) Labour and working conditions;
- (c) Resource efficiency and pollution management;
- (d) Health, safety and welfare of the community;
- (e) Land acquisition and involuntary resettlement;
- (f) Biodiversity conservation and sustainable management of living natural resources;
- (g) Indigenous peoples; and
- (h) Cultural heritage.

63. These eight strategies are consistent with performance standards 1 to 8 of the GCF interim ESS standards. The applicant leads and provides facilitation to the working team and the relevant ministries and institutions with regards to legal standards, strategic plans, instructions and specifics as a support for the SNAs in implementing the ESS policy. The ESS policy was approved in June 2019. ESS policy-related training for SNA staff is planned for quarter 4, 2019.

64. The AP finds that the applicant's ESS policy and related documents, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy¹¹ and interim ESS standards for a maximum environmental and social (E&S) risk category B/I-2 projects/programmes with respect to performance standards 1 to 8 of the GCF interim ESS standards.

3.2.2 Section 6.2: Identification of risks and impacts

65. The ESRM guidelines serve as an annex to the applicant's ESS policy and include a description of the applicant's institutional procedure to guide staff on identifying the E&S risks and impacts of projects/programmes in line with performance standards 1 to 8 of the GCF interim ESS standards. The ESRM guidelines build on the eight strategies indicated in section 3.2.1 above and describe the applicant's E&S risk screening of projects or funding facilities to

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

identify potential risks based on the E&S risk categories: category A/I-1 (high risk), category B/I-2 (medium risk) or category C/I-3 (low risk).

66. The applicant's organizational head is responsible for ensuring that the E&S risk management process is properly implemented. Implementation is carried out by the E&S safeguards officers who carry out technical tasks on E&S risk screening; preparation of the environmental and social management plan (ESMP); and monitoring, learning and knowledge management. The applicant's Project Implementation Unit is responsible for the design and implementation of projects. The applicant provided a sample of E&S risk screening for projects using strategies 2–8 of its ESS policy, which include a project in the category B smallholder rural livelihood programme and a climate resiliency in infrastructure project, and a category C programme to reduce gender violence.

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

3.2.3 Section 6.3: Management programme

68. The ESRM guidelines describe the applicant's institutional process to track and manage mitigation measures and actions stemming from the E&S risk identification process for E&S risk category B/I-2 and C/I-3 projects, in line with performance standards 1 to 8 of the GCF interim ESS standards. The ESRM guidelines provide details of the process for the preparation of an environmental and social impact assessment (ESIA) or an ESMP for category B/I-2 projects. Category C/I-3 projects do not require an ESMP.

69. The applicant provided examples of two E&S risk category B/I-2 appraisal reports on financing to the applicant's Government: one on the land allocation for a social and economic development project (April 2016) financed by the World Bank; and another on a poverty reduction and smallholder development project (October 2009) financed by the Asian Development Bank and the International Fund for Agriculture Development. Both of these project appraisal documents have well-formulated E&S assessment and mitigation management plans, although they were prepared by the lending institutions. The applicant also provided documents on two road projects financed through the Commune/Sangkat (community/village) Fund, which include a limited E&S assessment. The applicant stated that it has not independently developed plans for managing E&S mitigation measures in the project design phase. The AP found that these reports do not constitute sufficient evidence on the applicant's capacity to independently develop mitigation and plans. The applicant indicated that it is willing to comply with requirements to develop ESIA/ESMP for GCF-funded projects/programmes in E&S risk category B/I-2, using the procedures described in its ESS policy and ESRM guideline.

70. The ESS policy includes a requirement for the applicant to conduct an external audit on the effectiveness of its institution's E&S management programme for GCF-funded projects/programmes. However, the applicant could not provide a sample of an external audit report on its ESS policy. The applicant indicated that it would be willing to provide an external audit report for GCF-funded projects/programmes in accordance with its ESS policy, once accredited.

71. The AP finds that the applicant's management programme and track record do not fully meet the GCF Environmental and Social Policy and interim ESS standards for a maximum E&S risk category B/I-2 projects/programmes. The applicant could not provide ESIA/ESMP for projects/programmes in E&S risk category B/I-2. The applicant also could not provide an external audit report on implementation of its ESS policy. The relevant gaps identified in paragraphs 69 and 70 above are reflected by the corresponding conditions for accreditation in section 4.2.

3.2.4 Section 6.5: Monitoring and review

72. The ESRM guidelines describe the applicant's internal processes to support a monitoring/supervision programme that tracks and ensures completion of mitigation activities. The applicant is responsible for monitoring, evaluating, facilitating and counselling with the relevant ministries, SNAs and relevant institutions regarding the practices of its ESS policy. The applicant may also use an external (independent) monitoring and evaluation team, depending on the resources and budgets available. The safeguards officers are responsible for following up on implementation of the ESMP and compliance with the ESS policy for all projects, except where alternative arrangements are made in line with donor requirements.

73. The applicant provided its annual safeguards reports, which contain summaries of evaluations on the management of E&S mitigation measures. The applicant has demonstrated a long track record in managing and monitoring E&S risks in subprojects based on the guidelines in its project implementation manual for the Commune/Sangkat Fund, and provided an example of an environmental analysis that was conducted on the basis of these guidelines, as well as an example of a land acquisition plan prepared for Commune/Sangkat Fund subproject. However, the AP found that these documents do not constitute sufficient evidence of the applicant's monitoring and review of E&S mitigation measures. The applicant indicated that future safeguards monitoring reports will report on compliance under each of the strategies (1-8) of the revised ESS policy, which are aligned with performance standards 1 to 8 of the GCF interim ESS standards.

74. The AP finds that the applicant's system of monitoring and review does not fully meet the GCF Environmental and Social Policy and interim ESS standards. The applicant could not provide E&S monitoring reports on its projects/programmes in E&S risk category B/I-2 in line with performance standards 1 to 8 of the GCF interim ESS standards. The relevant gap identified in paragraph 73 above is reflected by the corresponding condition for accreditation in section 4.2.

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

75. The applicant maintains a corporate-level website that provides contact details of the applicant's personnel, through which citizens can contact the organization. The applicant provided its communications strategy and an accompanying "Communications plan for inclusive civic engagement, social services and accountability". The procedure for submitting and managing complaints through the website is described in the applicant's OPP Manual. However, the OPP Manual does not address E&S-related complaints. Complaints can also be submitted in writing, by telephone or in person. In all cases, the complaints are recorded and appropriately investigated. The applicant's safeguards officers are informed of all cases of complaints concerning ESS. The safeguards officers are involved in investigating the complaint, except in the case where the safeguards officers, or actions they are responsible for, are themselves the subject of the complaint.

76. The applicant indicated that it is willing to develop and implement a communication and complaints-handling system for GCF-funded projects/programmes, once accredited, and that the complaints-handling procedure (including a register to record complaints and related responses) will be put in place following approval of the OPP Manual.

77. At the SNA level, complaints are being handled through an "accountability box" system whereby the public can submit complaints/issues through boxes that are located at each Commune and Sangkat council office nationwide (1,645 local councils) plus additional locations. The accountability boxes are under the management of the Accountability Working Group (AWG), an independent body. The applicant provided a document describing the structure and responsibilities of the AWG. The complaint handling at SNAs is done by an Ombudsman Office in accordance with regulations and procedures. The applicant also oversees

a local-government (SNA) level complaints process through an Ombudsman system that has been in pilot-form since 2005 and is now being rolled out nationally to replace the existing accountability box system). The applicant provided data on complaints handled through this system.

78. The ESRM guidelines briefly describes the applicant's grievance redress mechanism; however, the AP found that it is not sufficient to meet the GCF requirements. The applicant has indicated that it is willing to develop guidelines for an independent grievance redress mechanism including a register of queries and complaints in quarter 4, 2019, by the new AWG structure as mentioned above. For the time being the existing AWG mechanism will be used. This will be linked with the subnational level to the Ombudsman system and at national level to the applicant's complaints system described in the OPP Manual.

79. The ESRM guidelines include requirements for the applicant and its executing entities on the disclosure and consultation on E&S assessment information, including the duration of the disclosure period in line with the requirements for the disclosure of E&S information for E&S risk category B/I-2 contained in the GCF Information Disclosure Policy. The applicant does not have a track record on implementing its E&S assessment information disclosure.

80. Further, the applicant's ESS policy needs to include a requirement for its executing entities to have a project-level grievance redress mechanism in place for GCF-funded projects/programmes.

81. The AP finds that the applicant's system of external communications, consultations, information disclosure, and grievance redress mechanism do not fully meet the GCF Environmental and Social Policy, interim ESS standards and the GCF Information Disclosure Policy requirements on disclosure of E&S information for a maximum E&S risk category B/I-2 projects/programmes. More specifically, the applicant does not have an external communication system such as a website to receive, respond and register E&S complaints. Furthermore, the applicant does not have an independent grievance redress mechanism at its institutional level, and it does not have a track record in implementing its E&S information disclosure policy for E&S risk category B/I-2 projects/programmes. The relevant gaps identified in paragraphs 75, 76, 78, 79 and 80 above are reflected by the corresponding conditions for accreditation in section 4.2.

3.2.6 Section 6.4: Organizational capacity and competency

82. The applicant's ESS policy contains the organizational structure, while the ESRM guidelines describe the role of the management and safeguards officers responsible for E&S monitoring and review. The applicant leads and provides facilitation to the working team and the relevant ministries and institutions with regards to legal standards, strategic plans, instructions and specifics as a support for the SNAs in implementing the ESS policy.

83. The safeguards officers select a sample of projects that have "risk flags" and visit the selected projects to verify that safeguards procedures were followed properly; whether any negative environmental or social impacts occurred; whether the local community and other stakeholders are satisfied with the implementation of safeguards; and whether there are any lessons that can be learned for future projects. If the safeguards officers discover that the ESMP and ESS policies have not been correctly implemented, they investigate the reasons for incorrect implementation of the ESMP or ESS; investigate whether any serious negative impacts have resulted; discuss these with the SNA and with stakeholders; and make recommendations to correct the problem, including redress to affected people where appropriate. In serious cases the safeguards officers may recommend that the applicant halt further project financing to the SNA until the problem is resolved and compliance with the ESS policy and ESMP can be assured in future.

84. The safeguards officers prepare a quarterly E&S summary report and an annual report that should include number, type and location of project activity sites inspected; number of

projects found compliant with the ESMP and ESS policies; number of projects where violations of the ESMP and ESS policies were found; and actions taken to correct violations of the ESMP and ESS policies. The annual E&S monitoring report then summarizes general issues identified with implementation of the ESS policy and recommendations, including strengthening of the ESS policy and ESRM guidelines, additional resources, training or other actions needed. The relevant staff have previously undergone training on E&S matters and further training on the E&S policy and ESRM guidelines is planned for later in 2019.

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

3.3 Gender

86. The applicant provided its Gender Policy entitled "Gender Equality for Sub-National Democratic Development", approved in 2018, which is in line with the GCF Gender Policy. The aim of the applicant's policy is to ensure management, arrangement and delivery of public services in an effective and socially equitable manner through integrating gender into all aspects and levels of activity within the framework of the implementation of subnational democratic development (decentralization and deconcentration) reforms. The applicant provided a gender checklist to be applied when implementing its Gender Policy.

87. One of the key strategies of the Gender Policy is to develop programmes, projects, activity plans and budgets that respond to gender equality needs. The main activities the strategy promotes include:

- (a) Development of guidelines, forms and procedures for studying, preparing, procuring and implementing infrastructure projects and service projects that meet the needs of vulnerable groups as well as promoting gender equality;
- (b) Use of gender data (segregated by gender, age, group, status and so on) to analyse the impacts on gender that may arise from the implementation of projects or development work at the subnational level;
- (c) Ensuring a gender balance in the participation of both men and women in the design of projects and programmes;
- (d) Reviewing and fully responding to the need for the elimination of gender inequality and for the promotion of inclusion in the description of the vision, purpose, goals and strategies as well as components of the national programmes;
- (e) Ensuring that monitoring and evaluation of project activities and other tasks of the programmes clearly define the focus and ensure a review of the impacts on gender and inclusion;
- (f) Ensuring that the development and implementation of medium- and long-term activity plans and budgets of the programmes take into account and support gender mainstreaming and women's empowerment;
- (g) Coordination and collaboration with development partners, civil society organizations and other projects to implement the activities that respond to gender equality needs;
- (h) Strengthening cooperation and support for consultations and dialogues related to gender equality at the subnational administration level through broadcast media or other events; and
- (i) Compilation and wide dissemination of good practices related to gender equality promotion.

88. The applicant provided an organigramme, terms of reference and curriculum vitae of its gender experts, which demonstrate that the applicant has sufficient capacity to implement its Gender Policy. The applicant indicated that further training will be provided to all of its staff, including the national institutions and SNA, once accredited.

89. The applicant provided two project documents (on sustainable resilient livelihoods financed by the Global Environment Facility and a small holders project co-financed by the International Fund for Agriculture Development and Asian Development Bank) with specific reference to women and men who have benefitted from climate change projects. The applicant's projects provide evidence that projects to which the entity lends benefit both men and women equitably. Furthermore, the projects are linked to climate change and also have non-discriminatory practices in terms of benefits and remuneration for both men and women employees.

90. The AP finds that the applicant's Gender Policy, procedures and capacities, supported by evidence of its track record, fully meet the requirements of the GCF Gender Policy.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant meets the requirements of the GCF basic fiduciary standards on transparency and accountability, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy. The applicant only partially meets the requirements of the GCF basic fiduciary standard on key administrative and financial capacities, because a number of important activities contained in its own policies and procedures are not in place. These include organizational risk management and oversight of key activities by the applicant's Audit and Ethics Committee. Investigative procedures relating to prohibited practices and procurement could not be demonstrated because the applicant stated that it has not received allegations and complaints in the last three years despite the country ranking low according to the Transparency International ratings. The applicant also only partially meets the GCF specialized fiduciary standard for project management. In order to fully meet this standard the applicant must fulfil the following requirements: develop a project management manual that addresses project design, appraisal, implementation and project closure; include in its M&E manual a section on independent project evaluation; develop a project evaluation disclosure policy; and provide evidence of the effective implementation of its project risk management framework. Further, the applicant partially meets the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms, because validation of the effective implementation of its "Manual for Performance Based Grants to Sub-National Administrations" is required;
- (b) The applicant partially meets the requirements of the GCF Environmental and Social Policy, the interim ESS standards and the GCF Information Disclosure Policy requirements on disclosure of E&S information in relation to the medium E&S risk (category B/I-2). As the applicant's ESS policy and ESRM guidelines were developed only recently some of the required elements were missing:
 - (i) The applicant could not provide evidence on implementation of the policy and guidelines in terms of management of E&S mitigation measures, and related monitoring and reporting;

- (ii) The applicant needs to conduct an external audit of its ESMS;
 - (iii) The applicant does not have an external communication channels such as a website to receive, respond and register E&S-related complaints;
 - (iv) The applicant does not have a track record of implementing its E&S information disclosure policy in line with the GCF Information Disclosure Policy requirements on the disclosure of E&S information for E&S risk category B/I-2 projects/programmes; and
 - (v) The applicant has yet to develop a guide on an independent grievance redress mechanism at its institutional level and the project level (i.e. applicable to its executing entities' projects), including a register to record grievances and their responses, for GCF-funded projects/programmes; and
- (c) The applicant has demonstrated that it has competency, policies and procedures to implement its gender policy, which is found to be consistent with the GCF Gender Policy, and has demonstrated that it has experience with gender consideration in the context of climate change.

4.2 Recommendation on accreditation

92. The AP recommends, for consideration by the Board, applicant APL090 for accreditation as follows:

- (a) **Accreditation type:**
- (i) **Maximum size of an individual project or activity within a programme:** micro;¹²
 - (ii) **Fiduciary functions:**
 1. Basic fiduciary standards;
 2. Specialized fiduciary standard for project management; and
 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/intermediation 3 (I-3)¹³)); and
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Conditions to be met prior to the signature of the accreditation master agreement during Stage III of the accreditation process:
 1. Provision by the applicant of a detailed implementation plan with specific milestones and implementation dates for all the policies and procedures contained in the applicant's Operational Policies and

¹² As per annex I to decision B.08/02, "micro" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme".

¹³ As per annex I to decision B.07/02, category C is defined as "Activities with minimal or no adverse environmental and/or social risks and/or impacts" and intermediation 3 is defined as "When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts".

Procedures Manual, the Internal Audit Manual, the project risk management framework, the Monitoring and Evaluation Manual and the Manual for Performance-Based Grants to Sub-National Administrations; and

2. Provision by the applicant of the terms of reference, to the satisfaction of the AP, for the procurement of an independent entity, preferably a recognized external audit firm, that will periodically verify whether the execution of the following is appropriate:
 - a. Implementation plan referenced in paragraph 92(b)(i)(1) above; and
 - b. Implementation of the actions contained in the document titled “Roadmap for enhance NCDs to manage fund from Green Climate Fund” provided by the applicant to the AP via email on 11 September 2019.

The terms of reference shall include an assessment of the effectiveness of the Audit and Ethics Committee per its terms of reference contained in the OPP Manual (part II, chapter 22) and contained in the Employees Code of Conduct (part I, chapter 1); and the chapters on fraud and corruption (part II, chapter 16) and prohibited practices (part II, chapter 17);

- (ii) Conditions to be met prior to the submission of the first funding proposal to GCF:
 1. Provision by the applicant of evidence in the form of an executed legal agreement demonstrating that it has procured an entity in accordance with the terms of reference identified in paragraph 92(b)(i)(2) above;
 2. Provision by the applicant of the project management manual approved by the applicant’s board that addresses project design, appraisal, implementation and project closure;
 3. Provision by the applicant of procedures approved by the applicant’s board for the independent evaluation of projects/programmes. The procedures may be included in the applicant’s Monitoring and Evaluation Manual;
 4. Provision by the applicant of a project evaluation disclosure policy that provides the guidelines for the public disclosure of final evaluation reports for GCF-funded projects/programmes;
 5. Provision by the applicant of a procedure adopted by the applicant’s board on the establishment of an institutional grievance redress mechanism;
 6. Provision by the applicant of an updated ESS policy containing the requirements for the applicant’s executing entities to establish a grievance redress mechanism at the project/programme-level; and
 7. Provision of evidence by the applicant on the establishment of an external communication system, which may include a website, to receive, register and respond to any E&S-related complaints;
- (iii) Conditions to be met with the submission of the first funding proposal to GCF that is categorized as E&S risk category B/I-2:

1. Provision by the applicant of an environmental and social management plan including an E&S monitoring plan for the first funding proposal to GCF that is categorized as E&S risk category B/I-2; and
 2. Provision of evidence by the applicant on the disclosure of the environmental and social management plan for the first funding proposal to GCF that is categorized as E&S risk category B/I-2 consistent with the requirements of the GCF Information Disclosure Policy for category B/I-2 projects/programmes;
- (iv) Condition to be met on a semi-annual basis for five (5) consecutive years, starting with the calendar year 2020:
1. Provision by the applicant of semi-annual verification and progress reports conducted in accordance with the terms of reference identified in paragraph 92(b)(i)(2) above; and
- (v) Condition to be met within three (3) years of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:
1. Provision by the applicant of a final report prepared by an independent body assessing the effectiveness of the implementation of the applicant's environmental and social management system, which shall include examples of its application and of lessons learned.
93. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 92 above, and agrees to the recommendation.

4.3 Remarks

94. The applicant may wish to:
- (a) Seek, through a Readiness and Preparatory Support Programme proposal made by the national designated authority, support to address the accreditation conditions identified in paragraphs 92(b)(i) and 92(b)(ii)(2)–(7) above; and
 - (b) Consider applying the project evaluation disclosure policy referred to in paragraph 92(b)(ii)(4) above to all projects/programmes (e.g. not only GCF-funded projects/programmes as required in the condition) such that the information contained in the project evaluation reports can be used as a valuable input for the design and implementation of other projects/programmes with similar objectives. Furthermore, the disclosure of these reports greatly enhances transparency of project implementation.

Annex V: Accreditation assessment of applicant 091 (APL091)

I. Introduction

1. Applicant 091 (APL091), CRDB Bank PLC, is a national, private sector financial institution based in the United Republic of Tanzania. Its mission is to provide competitive and innovative financial solutions while delivering a sustainable contribution to the society. In addition, with its vision of being a leading financial services provider in the country, the applicant promotes responsible citizenship, sustainability and social consciousness. The applicant recognizes the urgent need to address causes and consequences of climate change and has been undertaking various climate change-related projects and programmes within the context of the United Nations Framework Convention on Climate Change. By becoming accredited to GCF, the applicant aims to catalyse low emissions and climate resilient development by implementing various projects with grants, loans and other fit-for-purpose bank products.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 26 September 2017. Accreditation fees were received from the applicant on 18 December 2017, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 20 December 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:

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

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

² Decision B.07/02.

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

II. Stage I institutional assessment and completeness check

2.1 Legal status, registration, permits and licences

3. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant is registered under the Tanzania Revenue Authority (Reference No. 100-476-541), and it provided documents to demonstrate its legal status.

2.2 Institutional presence and relevant networks

4. The applicant, which has a network of 260 branches, 455 microfinance partner institutions, 11,000 Bank Agents (registered business individuals and companies that offer basic banking products and services within CRDB Bank network within a pre-determined threshold), 12 mobile branches and online banking services, offers a wide range of services to its clients. Such services include corporate business, retail, small and medium-sized enterprises, business insurance, agent banking and wholesale microfinance services. In addition, the applicant continuously provides both financial and non-financial support to promote sustainability and social consciousness, particularly in the areas of environment, education and health.

5. The applicant has a strong commitment to help the United Republic of Tanzania achieve its nationally determined contribution. It intends to undertake projects or programmes financed by GCF resources in key sectors that would contribute to 10 to 20 per cent emissions reductions relative to the business as usual scenario by 2030 in the United Republic of Tanzania, such as renewable energy, agriculture, livestock, coastal and marine environment, water resources, forestry and tourism.

6. To advance the objectives of GCF, the applicant aims to implement projects/programmes that drive a paradigm shift from current business practices, which include the following projects and programmes:

- (a) Increasing renewable energy in the national grid power mix through construction of geothermal power plants, gas turbine combined power plants, and Malagarasi river hydropower plants, among others;
- (b) Improving mass mobility through constructing bus rapid transit systems and central railway lines; Introducing climate-smart housing to provide modern and sustainable housing estates fast growing cities in the United Republic of Tanzania (eg. Dodoma government city, Dar es Salaam, Mwanza, Arusha, Unguja);
- (c) Increasing carbon sequestration through afforestation and forest conservation by promoting privately and public owned forest programmes;
- (d) Supporting the National Food Reserve Agency to increase food security through addressing local food shortages; and
- (e) Increasing climate resilience in globally renowned national parks in selected areas of Tanzania (eg Kilimanjaro, Ngorongoro, Serengeti, Tanager, Ruaha, Selous, Burigi, Minziro and Mkomazi).

2.3 Track record

7. The applicant, as a commercial bank, has rich experience in on-lending and blending activities, such as extending loans and establishing guarantee facilities to implement projects

across all sectors of the Tanzanian economy. In addition, the applicant has experience in introducing innovative financial products and services to attract finance from private banking and investors, as well as to provide finance to small and medium-sized enterprises.

8. In addition, the applicant has a track record in financing various sectors of agriculture, fisheries, forestry, tourism and hotels, transportation, energy, water, and health. The applicant's track record in financing sustainable development and climate change-related projects to date includes the following:

- (a) USD 51 million out of USD 200 million (in loans) for an infrastructure project to construct Terminal 3 airport in Dar es salaam, Tanzania;
- (b) USD 1.04 million (in equity) to the mortgage financing scheme for a housing project to support enhancing livelihood through urban development;
- (c) USD 3.5 million (in guarantees) for a water supply and sanitation project to support expansion of water distribution network along the lake Victoria surrounding regions in Tanzania.

III. Stage II accreditation review assessment

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

10. As part of this assessment, the AP consulted the applicant's website to complement the information provided in the application. The AP also undertook a site visit to the applicant's headquarters in Dar es Salaam, the United Republic of Tanzania. During the site visit the AP assessed the applicant's various policies and procedures and conducted a number of interviews with the applicant's staff to determine whether the applicant's policies and procedures meet GCF accreditation standards.

3.1 Fiduciary standards

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

11. The applicant has a governance structure suitable for a full-service commercial bank. An organizational chart lays out the institution's key areas of authority, responsibilities and reporting lines. The Board of Directors is aided by several board committees of which the Audit and Risk Committee is the most prominent. It assists the Board of Directors in fulfilling its oversight role with regard to risk governance, financial reporting, system of internal control, management of internal and external audits and regulatory compliance. Terms of reference of the Audit and Risk Committee and sample minutes of its meetings show that the Committee carries out its functions in accordance with its mandate.

12. The applicant has a process for setting its short- and long-term objectives. The process is managed by a fully-fledged Department of Strategy and Innovation headed by a Director of Business Transformation. A copy of the applicant's current five-year strategic plan (2018–2022) was provided and reviewed by the AP.

13. The applicant has an independent Internal Audit Department headed by a Director who reports to the Board of Directors through the Audit Committee. The work of the Department is guided by an internal audit charter and a comprehensive internal audit manual, which is revised regularly to keep it in line with international best practice. A risk-based audit workplan is prepared annually and approved by the Audit Committee. Sample reports of internal audits carried out in the past three years were provided along with additional information that shows that implementation of audit recommendations is actively followed up by both management

and the Audit Committee, and that the internal audit function is carried out in accordance with internationally recognized standards.

14. The applicant has a process to monitor and assess the overall effectiveness of the internal audit function. Performance of internal audit is assessed by the Audit Committee annually. In addition, the Committee now requires that an independent external assessment of the effectiveness of the internal audit function be carried out after every five years. Such an assessment is scheduled for the first quarter of 2020.

15. The applicant's annual financial statements are audited by independent external audit firms. The audited financial statements for the past two fiscal years were provided and show that the applicant continues to register strong financial performance. The external auditors' reports confirm that the applicant's financial statements were prepared in accordance with the International Financial Reporting Standards and the applicable requirements of the Companies Act and the country's central bank.

16. The applicant has a well-documented internal control framework that defines the roles for the Board of Directors, internal oversight bodies, management, internal and external auditors, and other personnel. Risk assessment processes are in place to identify, analyse and provide a basis for proactive risk responses in each of the operational areas. Risks are assessed at multiple levels and plans of action are in place for addressing risks that are deemed significant.

17. The procedures for payment of the applicant's expenditures and the system/processes for disbursement of loans are laid out in the applicant's Financial Policy and Credit Operating Manual, respectively. Evidence of a system for periodic compliance check/audit of the payment and disbursement system was provided.

18. The applicant has appropriate procurement policies and guidelines for promoting economy, fairness, transparency and efficiency in procurement. The guidelines include written standards and procedures that specify procurement requirements, accountability and authority to take procurement actions, and guidelines for different types of procurement, such as consultants, contractors and service providers. The applicant provided examples of two separate recent major procurements undertaken and a copy of an audit of procurement, which demonstrate compliance with the applicant's procurement policies, procedures and guidelines. The applicant has a process for resolution of procurement disputes, which the AP finds meets the GCF initial basic fiduciary standards regarding procurement. The AP found that the applicant's procurement practices are also consistent with recognized international practices.

19. To meet GCF initial basic fiduciary standards regarding procurement, the applicant has revised its procurement procedures to incorporate provisions for assessing procurement practices of the entities that would execute GCF-funded projects/programmes. However, evidence of assessments of procurement procedures of beneficiary institutions was not provided.

20. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, do not fully meet the GCF basic fiduciary standards on key administrative and financial capacities. The relevant gaps identified in paragraphs 14 and 19 above are addressed in the corresponding conditions for accreditation in section 4.2 of this document.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

21. The applicant has a Code of Conduct and Ethics, which applies to its staff and all parties with which it has business relationships, such as consultants and service providers. The Code of Conduct and Ethics is shared with all staff through the applicant's intranet, to which all staff have access. It is also issued to all third parties who have a business relationship with the applicant, who are also required to sign an anti-bribery commitment form.

22. The applicant has recently put in place a “disciplinary framework” through which oversight of the ethics function is exercised. Its main objective is to ensure that misconduct/ethical issues are managed and dealt with in a fair, transparent and consistent manner.
23. A comprehensive Conflict of Interest Policy has recently been put in place. Its main objective is to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the institution and manage associated risks. The Policy provides examples of what constitutes a conflict of interest, and all staff are required to sign a declaration of conflict of interest annually.
24. The applicant has a clear policy on zero tolerance for fraud, financial mismanagement and other forms of malpractice. The policy is published on the applicant’s website. Furthermore, the policy is communicated to consultants, contractors and other relevant parties in the form of an anti-fraud declaration they are required to sign as a condition of business engagement with the applicant.
25. The applicant provided a copy of a revised Whistle-blower Policy that incorporates mechanisms for protecting whistle-blowers who report violations. The Policy includes information, which is publicized on the applicant’s website, on the mechanism for reporting suspected ethics violations, misconduct and other forms of malpractice.
26. The applicant has an investigation function under which cases of reported or suspected fraud and other forms of misconduct are investigated by the Internal Audit Department. The information provided shows that the function has adequate procedures for processing cases of fraud and mismanagement, undertaking the necessary investigative activities and generating periodic reports for information and follow-up by the ethics function. The investigation function has a defined process for periodically reporting case trends. Information on cases of fraud investigated and disposed of in the past three years was provided.
27. The applicant has a robust Anti-money-laundering and Countering the Financing of Terrorism (AML-CFT) Policy, which was revised in 2018 to align it with international best practice. The Policy is guided by:
- (a) The country’s Anti-Money Laundering Act, 2006, the Prevention of Terrorism Act, 2002; and the Banking and Financial Institutions Act 2006;
 - (b) Regulations, guidelines and directives issued by the county’s central bank and the Financial Intelligence Unit; and
 - (c) The International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation of the Financial Action Task Force.
28. In accordance with the central bank’s regulations, the applicant has a designated Compliance Officer whose duty is to ensure that the AML/CFT Policy is effectively implemented and complies with applicable laws and regulations. The Internal Audit Department is required to conduct an annual review of the applicant’s anti-money-laundering controls process and provide a report to the Board on the level of compliance with the requirements of the applicant’s AML/CFT Policy and the relevant anti-money-laundering legislation.
29. Sound “know-your-customer” (KYC) due diligence procedures are in place to combat money laundering and financing of terrorism. The procedures guide the applicant’s staff in conducting due diligence to determine the identity of customers, the legitimacy of their businesses and the sources of funds used. The procedures require that a full KYC process is completed before opening an account for any individual or business enterprise. As part of the due diligence process, all new accounts are classified as either high, medium or low risk. Accounts classified as high risk are flagged and subjected to more intensive monitoring. The procedures further require reporting of suspicious and unusual transactions to the central bank and the Financial Intelligence Unit. The applicant regularly monitors electronic funds transfers

to ensure that funds are received from bonafide sources and paid to the intended beneficiaries. Samples of reports on KYC due diligence carried out and monitoring reports on electronic fund transfers were provided.

30. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on transparency and accountability, as well as the GCF Policy on the Protection of Whistleblowers and Witnesses,⁴ GCF Policy on Prohibited Practices⁵ and GCF AML/CFT Policy.⁶

3.1.3 Section 5.1: Specialized fiduciary standard for project management

31. The applicant has a set of well-documented policies and procedures that guide its operations. These include:

- (a) A Credit Policy that lays out the framework/guidelines for appraisal of projects financed by the applicant; and
- (b) Several policies relating to management of resources, investments, risk, asset and liability management, project closure and independent evaluation of project results.

32. These policies are supplemented by a newly developed Project Appraisal and Management Procedures Manual, which includes:

- (a) Appraisal templates/formats for use during the credit appraisal process;
- (b) Procedures for preparation of project implementation plans, project budgets and reporting guidelines; and
- (c) Procedures for reporting on project results achieved and lessons learned.

33. Sample project appraisal documents, implementation plans, and monitoring and evaluation reports provided by the applicant demonstrate its capacity to effectively use the appraisal guidelines and assess project risks and integrate corresponding mitigation strategies at the project appraisal stage.

34. The applicant has a monitoring and evaluation function with well-defined roles and responsibilities. Monitoring and evaluation are independent of the project appraisal function. The applicant also has a Policy on Independent Evaluation of Project Outcomes and Results. The Policy requires that the body undertaking such evaluation is completely independent and not accountable for the particular project. As the applicant does not have an in-house independent evaluation unit, independent evaluation of projects is carried out by external firms. A copy of the terms of reference for independent evaluation of projects and copies of independent evaluation reports were provided. These demonstrate that the applicant's evaluation function follows impartial and widely recognized professional standards and methods.

35. The applicant has a risk management function handled by the Risk and Compliance Department. The function is segregated from the project implementation and supervision functions, which are the responsibility of the Credit Department. As part of risk management, the applicant has a project-at-risk system for monitoring of projects to detect potential project problems at an early stage to ensure appropriate remedial actions are taken in a timely manner. Examples were provided of project problems identified and remedial actions taken; these demonstrate effectiveness of the applicant's risk management function and the project-at-risk system.

36. To ensure transparency in the use of funds provided by GCF for projects/programmes, the applicant has recently put in place an Information Disclosure Policy with provisions for publication of project monitoring and evaluation reports, project results and beneficiaries.

⁴ Decision B.BM 2018/21 and annex I thereto.

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

⁶ Decision B.18/10 and annex XIV thereto.

However, effective implementation of the Policy can only be demonstrated during and at the end of implementation of a GCF-funded project/programme.

37. The AP finds that the applicant's policies, procedures and capacity fully meet the GCF specialized fiduciary standard for project management. However, the applicant has not yet demonstrated implementation of these policies and procedures as they are new. This gap, identified in paragraph 36 above, is addressed in the corresponding condition for accreditation in section 4.2 of this document.

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

38. The applicant did not proceed with applying for assessment against this standard following the recommendation of the AP. Upon review by the AP of the information provided by the applicant, the AP found that the applicant did not have a sufficient track record or the policies and procedures required for accreditation for this standard at this time.

3.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees

39. The applicant's policies and procedures for its on-lending, blending, equity investments and guarantee operations are contained in two main documents: the Credit Policy and a credit operating manual. The two main policies are supplemented by several other operational policies including:

- (a) A Financial Policy that guides management of the applicant's financial resources;
- (b) An Investment Management Policy;
- (c) A Limit Policy that guides the level of investments in treasury bonds;
- (d) An Asset and Liability Management Policy; and
- (e) A Financial Risk Management Policy.

40. The Financial Risk Management Policy has provisions for instituting and implementing risk management strategies with a focus on credit, liquidity, foreign exchange and operational risks. The applicant provided information that shows that the major financial risk management strategies are effectively implemented.

41. In processing credit applications, the applicant uses an internal credit rating system and a credit scoring system, which are designed to suit the country's lending environment while reflecting best internationally acceptable lending practices.

42. The applicant provided:

- (a) Sample due diligence reports in respect of its on-lending and blending operations. The reports show that the due diligence process places emphasis on the borrowers' track record in project management, financial and economic viability of the proposed project, and capacity to service the financing provided;
- (b) Guidelines and procedures for managing its investment portfolio and to guarantee operations;
- (c) Copies of loan and equity portfolio management reports;
- (d) Data relating to three projects that provide evidence of the advantages to final beneficiaries of the projects it finances; and
- (e) External annual audits of its financial statements.

43. Based on the information provided as indicated above, the AP has found that the applicant has demonstrated its capacity to effectively and transparently channel funds that

could be provided by GCF in line with the GCF specialized standard for on-lending and/or blending for loans, blending, undertaking equity investments and providing guarantees.

44. The applicant has recently put in place an Information Disclosure Policy with provisions, among others, for providing the public with information on: its decisions on GCF-funded on-lending and/or blending operations, and beneficiaries and results of GCF-funded projects. However, the applicant has not demonstrated effective implementation of this Policy as required by the GCF specialized fiduciary standard for on-lending and/or blending for loans, blending, undertaking equity investments and providing guarantees since the Policy is new and applicable to GCF-funded projects/programmes.

45. To support its lending operations the applicant mobilizes resources from several institutions. The applicant has raised a total of USD 300 million from the African Development Bank, European Investment Bank, International Finance Corporation (IFC) and Kreditanstalt für Wiederaufbau.

46. The AP finds that the applicant's policies, procedures and capacity fully meet the GCF specialized fiduciary standard for on-lending and/or blending for loans, undertaking equity investments and providing guarantees. However, the applicant lacks demonstration of implementation of these policies and procedures as they are new. The gap identified in paragraph 44 above is addressed in the corresponding condition for accreditation in section 4.2 of this document.

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

47. The applicant's environmental and social management system (ESMS) comprises the environmental and social risk assessment (ESRA) manual adopted in January 2017. The ESRA manual states that the applicant is committed to promoting environmentally and socially sound and sustainable development in the full range of its credit products. The applicant confirmed to the AP during the site visit that environmental and social (E&S) sustainability is a fundamental aspect of achieving outcomes consistent with its Credit Policy and recognizes that projects that foster E&S sustainability rank among the highest priorities of its activities.

48. The applicant adheres to its national environmental regulations, primarily the Environmental Management Act of 2004 and related Environmental Impacts Assessment and Audit Regulations of 2005, as well as IFC Performance Standards 1 to 8 (PS 1-8). The applicant's Credit, Environmental and Social Risk Unit is responsible for overseeing the implementation of the ESRA manual. The applicant's Credit Policy also defines the E&S safeguards applied during lending procedures. The Credit Policy states that no borrower will qualify for credit if it does not adhere to E&S standards that closely align to PS 1-8. The Credit Policy is communicated internally to all staff and training for the whole organization is arranged annually.

49. The AP finds that the applicant's ESRA manual, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy⁷ and interim environmental and social safeguards (ESS) standards for maximum E&S risk category A/I-1 projects/programmes with respect to PS 1-8.

3.2.2 Section 6.2: Identification of risks and impacts

50. The ESRA manual describes the applicant's institutional process to guide its staff in identifying the E&S risks and impacts of projects/programmes as they evolve over the project life. The applicant's categorization process starts from the project origination stage whereby a lending officer fills out an E&S checklist, which is included in an annex of the ESRA manual. The

⁷ Decision B.19/06 and annex X thereto.

checklist is reviewed through all stages of the credit approval process. The ESRA manual applies to all three financing instruments, namely loans, equities and guarantees.

51. The applicant provided samples of E&S risks and impacts identification and assessment for projects in E&S risk category A for forest management and gold mining; for category B on airport development and a road project; and for category C on software development and the purchase of construction material, in line with PS 1-8 of the GCF interim ESS standards. The applicant provided an illustrative list of projects and descriptions from the past three years and their risk category, including an indication of who within the organization made the risk categorization determination for E&S risk category A/I-1, B/I-2 and C/I-3.

52. The AP finds that the applicant's system of identification of E&S risks and impacts, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes.

3.2.3 Section 6.3: Management programme

53. The ESRA manual describes the applicant's institutional process for managing mitigation measures and actions stemming from the E&S risk identification process, with more details in annexes of the ESRA manual. This process includes follow-up and site visits for medium (E&S risk category B/I-2) and high risk (E&S risk category A/I-1) projects, review of a client's monitoring reports, ensuring grievance mechanisms are in place in projects executed by a client, and preparing E&S compliance reports.

54. The ESRA includes a policy statement requiring audit of the effectiveness of the applicant's institution-wide ESMS. The IFC and Commonwealth Development Corporation Group Limited, who are part of the shareholders of the applicant's organization, have frequently reviewed the applicant's ESMS. The applicant provided a sample of the international investor/shareholder reports on the favourable review of the audit of the applicant's ESMS. Currently, the IFC, in collaboration with the Commonwealth Development Corporation Group, are primarily responsible for checking the effectiveness of the applicant's ESMS and conduct periodic site visits to review compliance of the applicant's ESMS. The applicant provided a sample of an E&S performance report and an E&S monitoring report submitted to the IFC.

55. The applicant provided three environmental and social impact assessment (ESIA) documents for E&S risk category A projects (for gold mining, granite mining, tourism and a recreational facility) and two environmental and social management plans (ESMPs) for E&S risk category B/I-2 projects (ceramic tiles construction and a fuel station). The applicant's sample project documents also cover examples of its intermediary operations I-1, I-2 and I-3. The applicant also provided related due diligence reports as evidence of its internal review and approval process of these documents in line with its ESRA manual. The applicant has indicated that it is willing to conduct an audit of the application of its ESMS for GCF-funded projects once accredited.

56. The AP finds that the applicant's management programme, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

57. The ESRA manual describes the applicant's monitoring and review procedures that instruct staff on how to systematically track completion of mitigation and performance improvement measures, including roles and responsibilities. The applicant uses an Excel-based tracker, which captures various issues identified on E&S risks and impacts for different projects/sectors with implementation status and timeline for ensuring completion of mitigation and performance improvement measures. Supervision/monitoring is done through periodic site visits by the E&S Risk Analysts from the applicant's E&S unit and/or Lending Officers from its business units. E&S issues identified during supervision are shared with all staff dealing with

lending for common understanding regarding E&S management on projects financed by the applicant. The loan facility letters provided by the applicant to project loan borrowers clearly indicate all the environmental laws that borrowers are required to comply with during the entire life of the project. The same applies to the applicant's equity and guarantee operations. This information is also part of the E&S dissemination to the public. The applicant provided a sample of a loan facility letter titled "standard terms and conditions", which refers to E&S compliance clauses. The same were also provided for the applicant's equity and guarantee operations.

58. The applicant provided sample E&S project monitoring and evaluation reports for E&S risk category A/I-1 projects (for a forest management project, a mining project and a tourism and recreational project). The applicant provided sample external E&S audit reports on projects it has implemented that formed the basis for the update to its ESMS.

59. The AP finds that the applicant's system of monitoring and review, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes.

3.2.5 **Section 6.6: External communications: consultations, information disclosure and grievance redress mechanism at the institutional level**

60. The applicant provided a link to its corporate website to receive and register external communications, including E&S related complaints and grievances on projects from the public. The website is used to screen and assess issues raised and determine how to address them as well as to provide, track, and document responses. The applicant provided a documented, "Customer Complaints Redressal Procedure", which describes its grievance redress mechanism procedure on who and how to handle complaints from the point of receiving, addressing, re-opening and closure. The ESRA manual includes information on its external communications channels, including telephone numbers, call boxes, and email contact addresses, among others. All grievances received in the field would be received by the Manager of the Credit Operation, located at the applicant's branch offices in the field. The grievances would then be forwarded to the Credit, Environmental and Social Risk Unit at the Risk and Compliance Department for its analysis and response. The Director of Risk and Compliance at the applicant's headquarters is responsible for managing the grievance redress mechanism in an independent manner.

61. The applicant has a customer complaint register in all its branches where complaints of all kinds and levels are registered. The applicant indicated that currently no complaints related to E&S, and registered as such, had been directly sent to National Environment Management Council. The applicant provided examples of cases of E&S related inquiries/complaints that have met successful closure. The applicant has established a register in order to capture E&S related enquiries/complaints for GCF-funded projects/programmes once accredited.

62. The ESRA manual includes the policy statement on the requirement for the applicant and its executing entities to disclose E&S assessment documents in line with the GCF Information Disclosure Policy, specifically for E&S risk category A/I-1 and B/I-2 projects/programmes. The ESRA manual also includes a requirement for the applicant's executing entities to include a grievance redress mechanism in projects it finances.

63. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy, interim ESS standards and the GCF Information Disclosure Policy requirements on disclosure of E&S information for maximum E&S risk category A/I-1 projects/programmes.

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

64. The ESRA manual contains the applicant's organizational structure, which defines roles, responsibilities, reporting lines and authority. Detailed activities of each of the responsible

officers for ESMS implementation are also provided. Credit, Environmental Risk Assessment (ERA) is a unit in the Risk and Compliance Department headed by the senior manager and assisted by five staff members specializing in the two key functions of Credit and E&S risk management. The CESR Unit is independent from the risk taking unit i.e. Credit team and reports directly to the Director of Risk and Compliance who has an overall responsibility to ensure control oversight and implementation of the Credit Policy and ESRA manual and to ensure the quality of the applicant's loan, equity and guarantee portfolios and all credit management functions from project origination to collection/recovery. The Director of the Credit Department which is responsible for the day to day management of the credit portfolio is responsible for carrying out routine and periodic performance appraisal for the Credit Analyst Team.

65. The applicant's specific procedures for coordination of work and information sharing among investment (business) units, credit and legal officers in respect of the organization's E&S requirements and ESMS are clearly elaborated in the flow chart for the E&S risk assessment and monitoring procedure in the ERA manual.

66. The ESRA manual describes the E&S responsibilities of the CESR Unit. The applicant also provided curricula vitae of the staff in the CESR Unit of the Risk and Compliance, including their training conducted by IFC and a list of participants as well as samples of their work demonstrating that they have a good understanding of the PS 1-8.

67. The AP finds that the applicant's organizational capacity and competency, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes.

3.3 Gender

68. The applicant provided its May 2019 Gender Policy, including an action plan. As the Gender Policy was adopted just recently, the applicant provided a plan for conducting gender training for its staff; this is planned for later in 2019 and early 2020.

69. The applicant is committed to promoting gender mainstreaming as a means of fostering poverty reduction, economic development and gender equality in all its operations. The focus is on implementation and integration of the gender issues in all its functions and activities in terms of accountability, learning and engendering climate change. The vision includes creating opportunities for women, disadvantaged and marginalized people, and communities so that they can participate in, and benefit from, the development of their communities. The applicant believes that inclusive growth and social cohesion will lead to peaceful, stable and vibrant societies. The applicant and its implementing partners will strive to uphold women's rights as universal human rights and to attain the goal of gender equality and the equal treatment of women and men, including equal opportunities for access to resources and services, in all its operations through a gender mainstreaming approach.

70. This Gender Policy reaffirms the applicant's commitment to: reduce gender disparities; transform gender relations; promote women's empowerment; strengthen organizational structures and systems for gender equality by incorporating them into policies, plans, strategies and programmes; redress gender gaps and inequalities between men and women; and guide the applicant's different business units on gender issues.

71. The procedures in the Gender Policy facilitate gender analysis of proposed projects and programmes, to ensure that gender issues are considered at all the appropriate stages of the project cycle, including identification, preparation, appraisal, implementation and evaluation. A special loan programme and product were established by the applicant to provide loans to women with less stringent conditions. The applicant has a special account that is specifically

designated to encourage a saving culture among women and that supports women's economic empowerment activities.

72. The applicant provided descriptions of three lending operations (a hydroelectric power project, forest management project and sugar refinery project), which contain specific reference to the numbers of men and women who have benefited from these projects and outlined how this was achieved. The applicant's project examples clearly demonstrate how it links gender and climate change. The applicant's Credit Policy requires that non-discriminatory practices are included in its projects/programmes, on-granting and on-lending, among others. The sugar production company, one of the applicant's borrowers, adopts non-discriminatory practices in terms of benefits and remuneration for both male and female employees.

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

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant meets the requirements of the GCF basic fiduciary standards on transparency and accountability, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy. The applicant partially meets the requirements of the GCF basic fiduciary standards on key administrative and financial capacities, specialized fiduciary standard for project management, and specialized fiduciary standard for on-lending and blending for loans, equity and guarantees. Relevant gaps relate to a lack of demonstration of the applicant's Information Disclosure Policy and are identified in paragraphs 14, 19, 36 and 44 above and are addressed in the corresponding conditions for accreditation in section 4.2 of this document;
- (b) The applicant meets the requirements of the GCF Environmental and Social Policy, interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the high E&S risk (Category A/I-1); and
- (c) The applicant has demonstrated that it has the competencies, policies and procedures to implement its Gender Policy, which is found to be consistent with the GCF Gender Policy, and has demonstrated that it has experience with gender considerations in the context of climate change.

4.2 Recommendation on accreditation

75. The AP recommends, for consideration by the Board, applicant APL091 for accreditation as follows:

- (a) **Accreditation type:**

- (i) **Maximum size of an individual project or activity within a programme:** medium (including micro⁸ and small⁹);
- (ii) **Fiduciary functions:**
1. Basic fiduciary standards;
 2. Specialized fiduciary standard for project management; and
 3. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
- (iii) **Maximum environmental and social risk category:** high risk (category A/I-1) (including lower risk (category B/intermediation 2 (I-2)¹⁰ and category C/intermediation 3 (I-3)¹¹));
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Condition to be met prior to the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:
1. Provision of evidence by the applicant of an independent external quality assessment of the overall effectiveness of the applicant's internal audit function;
- (ii) Condition to be met within one year of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:
1. Provision of evidence by the applicant, in the form of a report, on the assessment of procurement procedures and practices of executing entities in the first approved GCF-funded project/programme;
- (iii) Condition to be met on an annual basis for two consecutive years starting from the date of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:
1. Provision of evidence by the applicant of the publication on the applicant's website of information on the periodic progress of the first approved GCF project/programme, including budget utilization; and

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

⁹ As per annex I to decision B.08/02, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme".

¹⁰ As per annex I to decision B.07/02, category B is defined as "Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures" and intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

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



(iv) Condition to be met within one year of the closure of the first approved GCF project/programme to be undertaken by the applicant:

1. Provision of evidence by the applicant of the publication on the applicant's website of the final evaluation report, including information on project results and beneficiaries, for the first approved GCF project/programme.

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

Annex VI: Accreditation assessment of Applicant 092 (APL092)

I. Introduction

1. Applicant 092 (APL092), Finanzas y Negocios Servicios Financieros Limitada (FYNSA), is a national private sector entity based in Chile. Its mission is to provide advisory services and solutions for financial, commercial and investment activities of clients through a deep understanding of the market. As a subsidiary of the financial holding company, the applicant has more than 30 years of financial experience and is structured into four areas: stock market brokerage, wealth management, asset management and financial advisory services, and business consultancy. The applicant has focused on various sectors, such as energy generation and access, energy efficiency, real estate, green buildings, and financial sectors.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system of the GCF on 18 August 2017. Accreditation fees were received from the applicant on 23 January 2018, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 23 November 2018, and the applicant progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of GCF:

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

II. Stage I institutional assessment and completeness check

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

² Decision B.07/02.

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

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

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant was registered under Santiago Commerce (Reference No. 13494) and provided a document to demonstrate its legal status.

2.2 Institutional presence and relevant networks

5. The applicant has a strong commitment to achieving Chile's nationally determined contribution. It intends to undertake projects or programmes in all areas that would contribute to a 35–45 per cent reduction in carbon emission intensity below 2007 levels in Chile as well as adaptation projects. The applicant aims to work on projects in the following areas:

- (a) Implementing a wastewater reuse system from submarine pipelines, which contributes to the adaptation of agriculture and other activities affected by permanent drought;
- (b) Promoting local action for renewable energy and energy efficiency projects;
- (c) Implementing a programme for the reduction in consumption of moist fuelwood by increasing efficiency in the production and commercialization of the fuel;
- (d) Utilizing financial mechanisms to promote energy technology renovations for existing residential houses, which would allow families to gain access to soft loans for the execution of various energy efficiency projects that generate energy savings in the houses; and
- (e) Developing a project in the Araucanía region to integrate waste management and transform waste to energy.

6. To advance the objectives of GCF, the applicant aims to implement projects that drive a paradigm shift from current business practices by screening projects based on the following criteria:

- (a) Potential for scaling up and replication;
- (b) Potential for knowledge and learning;
- (c) Contribution to the creation of an enabling environment; and
- (d) Contribution to the regulatory framework and policies.

7. In addition, the applicant aims to deploy its financial knowledge and expertise and work with the public sector through public-private partnerships to structure projects. Furthermore, the applicant already considered potential projects against the GCF investment criteria in response to the GCF request for proposals for mobilizing funds at scale, which include potential projects on wetland and resilience, buildings, geothermal projects, solar technology and electric buses.

2.3 Track record

8. The applicant has experience in on-lending and blending, such as investing in companies and projects through equity participation, using guarantees in projects and debt through investment funds. In addition, the applicant has experience in the innovative and

flexible use of financial instruments to attract finance from private banking and investors as well as to provide finance to projects of small and medium-sized enterprises.

9. The applicant's track record in financing sustainable development and climate change-related projects in Chile to date includes the following:
- (a) USD 108 million (in loans, equity and guarantees) for the Apoquindo 5400 Project in the areas of energy efficiency and green buildings;
 - (b) USD 34.82 million (in loans and equity) for the Inmobiliaria R3 S.p.A Project in the real estate sector;
 - (c) USD 95 million (in loans, equity and guarantees) for an individual activity within the Anpac and Fondo FYNSA Energia Programme to acquire equity of a medium-sized company and to build and operate run-of-the-river hydroelectric stations that use the natural energy potential of water; and
 - (d) USD 50 million (in loans and guarantees) for the project Fondo de Inversión FYNSA Renta Fija Privada I to provide financial access to micro, small and medium-sized businesses by acquiring private debts.

III. Stage II accreditation review assessment

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

11. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application. The AP also undertook a site visit to the applicant's headquarters in Santiago, Chile. During the site visit, the AP assessed various processes and procedures and conducted a number of interviews with the applicant's staff to determine whether the applicants' system meets the relevant GCF initial fiduciary standards and principles, environmental and social safeguards (ESS) standards and the GCF Gender Policy. During the site visit, the AP also piloted the use of the complimentary guidance for private equity funds developed by the Secretariat in cooperation with the AP.

3.1 Fiduciary standards

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

12. The applicant entity (FYNSA Financial Services) is a 100%-owned subsidiary of FYNSA group (FYNSA Holding or FYN S.A.). The governance structure of FYNSA Holding is based on the requirements of Chilean financial regulations. The main governing body of the group is the FYN S.A. Board (FYNSA Holding). It has seven directors who are the seven founders of the company. The group has four business areas: stock market brokerage; investment banking; wealth management and asset management. In addition, FYNSA Holding has a subsidiary in Peru that provides wealth management services to Peruvian clients. As a requirement of Chilean law, there is a firewall between the brokerage business and the asset management business. The companies FYNSA Brokerage (Finanzas y Negocios S.A. Corredores de Bolsa) and FYNSA Asset Management (FYNSA Administradora General de Fondos S.A.) are subsidiaries of FYNSA Holding and have separate boards. The Board of FYNSA Brokerage has three members from the Board of FYNSA Holding plus one independent member, and the Board of FYNSA Asset Management has five members from the Board of FYNSA Holding plus two independent members.

13. All the overarching fiduciary, as well as ESS and Gender policies and procedures that are applicable to the applicant (FYNSA Financial Services) are approved at the FYNSA Holding Board level and are also applicable to FYNSA Asset Management Company and FYNSA Brokerage according to internal legal agreement. In the course of the AP assessment the applicant has developed several policies specifically for the GCF-funded projects: Ethics committee statutes, Investment Committee Statutes of GCF projects, Management Manual for GCF-funded projects, E&S Project management manual, E&S Safeguards Policy, Gender Policy. For the GCF-funding projects the applicant is planning to engage both with the FYNSA Asset management company and FYNSA Brokerage depending on the financial instruments (equity, loans or guarantees) used for the specific project and capacity required.
14. The brokerage operations are regulated by the Bolsa de Comercio (a stock exchange) and the Chilean financial regulator, La Comision para el Mercado Financiero (CMF). The asset management business is also regulated by CMF and is a member of the Asociación Chilena de Administradores de Fondos de Inversión, which is the Chilean association of investment fund managers. These regulators play an active role in the oversight of FYNSA operations.
15. Internal oversight of FYNSA is managed by four principal subcommittees of the Board: a new products committee; a vigilance committee, responsible for risk and external and internal audit; an investment committee; and a newly formed ethics committee. Each of these committees has both members from the Board of FYNSA Holding and independent members. In addition, each of the existing funds managed by the asset management arm has its own investment committee. FYNSA will create a separate investment committee within the three main subsidiaries: FYNSA Brokarege, FYNSA Asset Management, and FYNSA Financial Services for projects with GCF.
16. Under Chilean law, investment funds are required to have a tripartite oversight structure consisting of a management company, an Oversight Committee and an investors assembly, all of which report regularly to CMF. The management company must report to CMF, directly and periodically, all activities of the investment funds under its administration, providing financial and regulatory information on such funds. The Oversight Committee must report directly to CMF whenever requested to do so. It must have an odd number of members (at least three) who are independent of the management of the fund. The Oversight Committee must report to the investors assembly on the fulfilment of the investment policies of the fund, the internal statutes and the Chilean law applicable to the fund. The Oversight Committee also acts on behalf of investors and makes decisions in their best interests. The investor assembly must report to the CMF whenever requested to do so. FYNSA currently manages eight public investment funds.
17. FYNSA has a yearly cycle of setting objectives and key performance indicators, with associated budgets, for all business areas. The 2017–2010 business plan has been provided, together with updated budgets for 2018–2019. Financial statements are prepared using the International Financial Reporting Standards, and audited statements for 2014–2018 have been provided. FYNSA has a policy of changing its external auditor every two years. FYNSA management acknowledges there are trade-offs to changing auditors so regularly but value the greater oversight afforded by an auditor that is not relying on its familiarity with the business. Comprehensive financial statements are produced quarterly using an effective management information system.
18. Records of meetings of the Vigilance Committee have been provided together with the accounting manual and the internal audit manual. These demonstrate strong financial controls and frequent and extensive oversight of both external and internal audit functions. The internal audit function follows international internal audit standards, with findings and recommendations reviewed and followed up on by the FYNSA Holding Board. Examples of internal audit reports have been provided as well as annual internal audit plans. The effectiveness of the internal audit function is monitored by both the external auditor and the

stock exchange regulator. Examples of external auditors' management letters have been provided. They are addressed to the Chief Executive of FYNSA but are also sent to CMF, which requires progress reports on actions resulting from auditors' findings and recommendations. Overall, FYNSA has a robust and well-documented control framework as a result of its own internal policies and procedures and extensive external oversight from the financial regulators in Chile.

19. The FYNSA procurement manual has been provided together with details of two recent procurements. The manual was updated this year and is consistent with global standards for procurement and supply. It includes satisfactory oversight of executing entities and a procedure to capture and handle complaints. FYNSA has not to date had any complaints regarding procurements.

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

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

21. FYNSA has provided its code of ethics, which promotes a culture of fairness, accountability and transparency throughout the company. Staff are required to agree to the code of ethics as part of signing their contract of employment. The employment contract also requires staff to agree to the FYNSA crime prevention procedure manual, which has been provided and which demonstrates a policy of zero tolerance for fraud and corruption.

22. The robust procedures for reporting, reviewing and resolving potential conflicts of interest are addressed in the the FYNSA "Manual de Buenas Practicas Corporativo 2016" (manual of good corporate practices 2016). FYNSA has confirmed that it has not had any cases of serious conflicts of interest or breaches of its code of ethics in the last two years. Nevertheless, as a result of the GCF accreditation process, FYNSA has established an Ethics Committee to meet GCF standards and to follow best international corporate governance practices.

23. The investigation function is headed by a dedicated Crime Prevention Officer who has to report at least twice per year to the FYNSA Holding Board and to the regulatory authorities. Procedures are in place for whistle-blowers to report possible financial mismanagement. These reports can be made anonymously and only go to the company's compliance officer. The identity of the whistle-blower can only be disclosed if required by law. Just as with conflicts of interest, FYNSA has confirmed that there have been no cases of fraud or financial mismanagement in the last two years.

24. Chilean law and regulations on preventing money laundering and the financing of terrorism follow best international practice. FYNSA has provided its guide to detecting signs of possible money laundering and terrorist financing, and the external regulator plays an active role in monitoring and ensuring compliance with the law. The regulator also requires financial entities to meet strict "know-your-customer" procedures. FYNSA has provided its manual for opening accounts and vetting new customers. Two recent "know-your-customer" reports have also been provided as well as electronic funds transfer records.

25. In summary, FYNSA is a well-managed, closely held financial sector company with robust internal controls and a strong ethical culture. This, combined with Chile's very strong regulatory environment, which involves not just strict laws and rules but also active and frequent external monitoring from various regulatory bodies, ensures the strength and stability of the financial sector and the companies that operate within it. It also contributes to the growth and track record of FYNSA, which has had no serious cases of fraud or financial mismanagement in its 35-year history.

26. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on transparency and accountability, as well as the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF Anti-money Laundering and Countering the Financing of Terrorism Policy.

3.1.3 Section 5.1: Specialized fiduciary standard for project management

27. FYNSA also has provided examples of mature and well-documented operational procedures (statutes) for several investment funds, including a description of the process for selecting financial instruments, due diligence of the potential project development partner, risk management of the projects, continuous monitoring of the project activities, and financial assets evaluation. The investment opportunities defined by the applicant include stand-alone project or programme activities, investment funds that finance individual projects and programmes, as well as acquisition of the companies that develop multiple projects/programmes.

28. The applicant has developed a comprehensive management manual for developing of the GCF-funded projects/programmes. The manual contains procedures for project selection and preparation, project approval, project implementation, monitoring and evaluation guidelines, as well as procedures for the public disclosure of project related information. The project appraisal guidelines incorporate detailed criteria for the projects' screening and selection. The market, legal and technical analysis define the selection of the investment opportunity. The applicant appraises the project cost and key financial indicators, undertakes an evaluation of the project's financial projections and builds up a project financial model taking into account sources of financing and financial instruments applied.

29. The management manual defines clear roles and responsibilities at each of the project development stages. The investment committee of the management company of a particular fund(s) screen(s) the investment opportunities, prepare(s) the initial investment proposal and undertake(s) project(s) or fund appraisal according to the specific criteria. Investment analysis, including risk, environmental, legal and financial considerations for a potential investment opportunity, are presented to the Oversight Committee prior to its endorsement. The Oversight Committee of the particular fund or business area considers the prepared project appraisals and hands them over to the investors' assembly for final approval.

30. Some of the FYNSA investment funds are specialized in providing loans to real estate project companies (Leadership in Energy and Environmental Design buildings). Others were set up to provide equity investments in the energy generation business. Depending on the investment focus of the particular fund, the applicant develops a specific strategy supported by corresponding objectives and targets, operational guidelines, and risk management procedures applicable to the type and focus of the business. For example, for the funds specializing in real estate businesses, the number of special purpose vehicles are allocated to a specific fund that manages separate buildings. The applicant also provides financial guarantees to the infrastructure and water management projects and companies in cooperation with the national government.

31. Throughout the past five years of its operations, the applicant has attracted a considerable number of investment fund management mandates and successfully raised and deployed the acquired capital in the form of loans, equities and guarantees. FYNSA was able to demonstrate to the AP that investors found the applicants' work successful in terms of adding value to the execution of the projects and improved financial indicators. Positive outcomes of the funds' operation resulted in increasing commitments of capital from the investors and creating new public funds by FYNSA Holding.

32. The effective use of the procedures was demonstrated through sample project appraisals and due diligence reports, periodic quarterly progress reports provided by executing entities (e.g. project development companies), site visit reports, and other supporting

documents that the applicant provided. These documents also show that the applicant has the capacity to examine and incorporate the technical, financial, economic, legal and environmental (including climate change mitigation and adaptation) aspects of the project at the appraisal and implementation stages.

33. The applicant provided examples of the mature and well-documented monitoring function undertaken by the project development companies and investment committee. The project monitoring function places emphasis on continuous oversight of the project implementation process and periodic reporting on the project's implementation status and results achieved against the implementation plan and budget. The monitoring function is also performed by the country's financial markets regulator CMF. The quarterly progress reports are also disclosed on the CMF website. The applicant also engages the independent audit firm to undertake the comprehensive financial valuation of all of its funds' assets, taking into account recent acquisitions. The reports of the independent auditor are made publicly available on the regulators' website.

34. The project monitoring and evaluation policy and information disclosure procedures in line with the GCF specialized fiduciary standard for project management were included in the new management manual for GCF-funded projects/programmes. However, the provisions for the independent evaluation of projects/programmes as contained in the monitoring and evaluation procedures have yet to be demonstrated. The investment committee, as an authorized unit independent from the project development function, would present to the investment assembly the comprehensive evaluation reports of the performance of the specific funds and the results of the projects included in the fund against the initial objectives and criteria. The reports will contain a description of lessons learned and a justification of the decision to continue with an investment in a particular fund or such fund's transfer/sale.

35. The applicant has a mature risk identification system at the project implementation stage through continuous monitoring of the activities in cooperation with the project developers and regular site visits undertaken by FYNSA staff members. These close project oversight practices enable FYNSA to address the technical and financial issues in a timely manner and provide efficient preventative measures where required.

36. The applicant has extensive experience in managing projects relating to infrastructure, energy generation, construction, real estate and other aspects of development in Chile through its asset management company and brokerage company. FYNSA mainly works through specialized investment funds with capital raised from institutional investors, where the applicant serves as an investment manager and investments are made in individual projects and/or private companies.

37. The AP finds that the applicant's policies, procedures, capacity and track record do not fully meet the GCF specialized fiduciary standard on project management. The relevant gap identified in paragraph 34 above is addressed by the corresponding condition for accreditation in section 4.2.

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

38. The applicant did not proceed with applying for this standard at this time at the recommendation of the AP. In reviewing the information provided by the applicant, the AP found that the applicant did not have adequate policies and procedures or a sufficient track record for accreditation for this standard at this time. The applicant also confirmed that it has not yet gained sufficient experience in managing grant award mechanisms to demonstrate compliance with this standard.

3.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees

39. The applicant's on-lending and blending operations are supported by a set of well-developed investment management procedures developed for each of the investment funds. The policies relate to funds management, identification of projects at risk, counterparty monitoring, and funds allocation, which together form the end-to-end process of making an investment, including sourcing, screening, due diligence, execution and ongoing monitoring. These are well aligned with the GCF specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees.
40. Example due diligence guidelines for several of the applicants' investment funds provide a comprehensive analysis with regard to the underlying project company or beneficiary and also include due diligence checks on other counterparties involved, such as developers, contractors and workers. The due diligence reports support the decision-making process of the investment committee with regard to the provision of equity and loan financing or financial guarantee to the project beneficiary. The supporting evidence on the due diligence screening exercises and the corresponding minutes of the investment committee meetings for a number of projects were provided to the AP during its site visit. The records of the meetings demonstrate that decisions on investment are taken in an objective manner based on the full technical, financial and legal assessment and taking into consideration the investors' opinion.
41. The applicant has segregated functions for payment approval (treasury) and the operations functions in carrying out the transactions for the beneficiaries. Every transaction is reviewed and approved by the compliance team supporting the applicants' "know-your-customer" requirements. FYNSA performs ongoing monitoring on all payments and transactions in support of their "know-your-customer" and anti-money-laundering obligations. Responsibility in monitoring transactions is assigned to specific individuals to ensure that the payment controls are in place and that any control breakdowns are prevented.
42. FYNSA provided the investment portfolios for several investment funds, including the status of all projects and associated financial information. The copies of the agreements and legal statutes for the various investment funds, which indicate the choice of appropriate financial instruments for the projects, including equity, loans (debts) and guarantees and corresponding lending conditions, were provided. The financial agreements are valid for a defined period of time after which the investors assembly can take a decision to change or modify the legal statutes of a particular fund or investment.
43. The applicant provided evidence of its financial control system, including the preparation of financial statements and the engagement of the independent auditor of the financial statements and the country regulator. The evidence provided by the applicant shows that all the checks and balances were completed regularly by the applicant's controller with regard to the financial status of the applicant.
44. The applicant raises capital on the financial markets or from institutional investors. In line with the mandate given by investors, the applicant searches for the appropriate investment opportunities and further deployments of funds in the various businesses/companies, projects and programmes. Currently FYNSA manages USD 500 million of assets for third-party investors.
45. FYNSA has a solid track record of working with various large family investors, institutional investors and pension funds, as well as the Government of Chile. The applicant has provided reports from independent auditors that include the evaluation of the performance of the investment funds, supported by graphs and information showing the project results and future projections, the funds' credit ratings and increases in fundraising.
46. The applicant intends to set up a separate fund or funds for the existing and potential project activities to be developed in cooperation with GCF.
47. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees.

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

48. The applicant's environmental and social safeguards (abbreviated as SSA as by the applicant) comprise the Environmental and Social Safeguards (ESS) Policy and Environmental and Social Project Management Manual (E&S management manual), which were approved at the FYNSA Holding Board level. The applicant indicated that the SSA will apply exclusively to GCF funded projects. Those projects that are not funded by GCF will need to comply with the applicant's current national environmental and social impacts assessment system and related regulations. The ESS Policy commits the applicant to oversee and supervise its clients' compliance with the SSA to avoid or mitigate the adverse effects of projects on people and the environment. The applicant's clients can include project developers, project originators or project executing entities, and the applicant can also assume the role of project developer. The applicant's clients have the primary responsibility for the development of the project and for providing the applicant with the necessary E&S assessment information needed to perform its supervisory tasks.

49. The SSA requires the applicant to adhere to Performance Standards 1 to 8 (PS 1–8) of the International Finance Corporation, as well as the applicant's national E&S laws and regulations. The E&S management manual includes an equivalent comparison between PS 1–8 and the corresponding applicable national E&S laws and regulations. The Manager of the Asset Management Unit of FYNSA Holding is responsible for ensuring applicant's and its client's conformance with the execution of the SSA. The ESS policy has been approved by the FYNSA Holding chief executive officer. The ESS policy and the E&S management manual have been disclosed within the FYNSA Holding, in particular within the applicant's organisation and the team responsible for the execution of the policy and the manual have already familiarized itself with the application of the policy.

50. The AP finds that the applicant's ESS Policy, SSA, E&S management manual and related documents, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy⁴ and interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1–8.

3.2.2 Section 6.2: Identification of risks and impacts

51. The E&S management manual describes the applicant's institutional process for the identification of E&S risks and impacts of projects/programmes. At the inception of the project preparation phase, the project developer prepares and submits a socio-environmental pre-feasibility study to the applicant. The pre-feasibility study defines the baseline information for the project site consisting of a description and analysis of the ambient E&S conditions. This information, together with the nature and scale of the project, including the sensitivity of receiving environments and communities, allows for a preliminary determination of the E&S risk category. The pre-feasibility study is then used by the applicant's E&S experts to screen the project and propose a preliminary E&S risk category (A/I-1, B/I-2 or C/I-3). For the GCF-funded projects, this would be done in line with the PS 1–8 and the applicable equivalent E&S national laws and regulations.

52. The pre-feasibility study is then submitted to the national regulatory body called the Environmental Assessment Service (SEA as abbreviated by the applicant) to obtain the resolution as to whether the project is admissible for further evaluation by the developer of the project. The admissibility of the project by SEA implies a preparation by the project developer of either an environmental impact statement (EIS), which is equivalent to an environmental and social management plan (ESMP), for an E&S risk category B/I-2, or an environmental impact

⁴ Decision B.19/06 and annex X thereto.

assessment (EIA), which is equivalent to an environmental and social impacts assessment for risks greater than those included under E&S risk category B/I-2. The E&S management manual provides a guide on which types of projects require an EIS or an EIA, as defined by the local regulation. SEA is then responsible for issuing a formal response called an environmental qualification resolution (RCA as abbreviated by the applicant) as part of its technical verification process of the correct methodological application and the relevance and completeness of the proposed mitigation measures. The project developer, under the supervision of the applicant, is responsible for obtaining the RCA that certifies SEA decisions. Finally, the RCA will serve as a supporting document that the project developer uses to confirm the project risk categorization (A/I-1, B/I-2 or C/I-3).

53. During the site visit, the AP reviewed the EIS for four small run-of-the-river hydroelectric power plants. These EIS identify and describe the E&S risks and impacts of those projects in line with E&S risk category B. The applicant also identified E&S risk and impacts, including categorization of a project comprising two commercially integrated power plants (a 300 MW pumped storage hydroelectric plant and a photovoltaic solar plant) in E&S risk category B.

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

3.2.3 Section 6.3: Management programme

55. The E&S management manual describes the applicant's institutional process for managing mitigation measures and actions stemming from the E&S risk identification. The developer of each project is responsible for the design and implementation of an environmental and social management system (ESMS) relevant to its project. The ESMS addresses the E&S risks and impacts associated with the projects as well as the mitigation measures to manage them.

56. In accordance with SEA regulations, the admissibility of the project requires the project developer to prepare either an EIS or an EIA for the project depending on the level and sensitivity of the identified E&S risks. The key outcome in either case (EIS or EIA) is an action plan on mitigation management measures to avoid, minimize or compensate for the E&S risks and impacts identified, including the occurrence of emergencies or unexpected events. The same four projects EIS indicated in paragraph 53 above also include the management of E&S mitigation measures, which were approved by SEA. The applicant also provided an ESMP for a project comprising two commercially integrated power plants (a 300 MW pumped storage hydroelectric plant and a photovoltaic solar plant) in E&S risk category B.

57. The applicant's E&S management manual includes a provision for the applicant to carry out an audit of its SSA for GCF-funded projects. The applicant stated that it currently does not have a sample audit report of the SSA; however, the applicant is willing to prepare an audit report on its institution-wide SSA once accredited.

58. The AP finds that the applicant's management programme, supported by evidence of its track record, meet the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category B/I-2 projects/programmes. However, the applicant has not yet carried out an audit of its SSA. The relevant gap identified in paragraph 57 above is addressed by the corresponding condition for accreditation in Section 4.2.

3.2.4 Section 6.5: Monitoring and review

59. The E&S management manual describes the applicant's monitoring/supervision procedure that instructs its staff on how to systematically track the completion of mitigation and performance improvement measures, including their roles and responsibilities. The applicant uses the monitoring plan contained in the EIS and/or EIA action plan to guide the

implementation of the mitigation and E&S performance improvement measures. A key aspect of the monitoring plan is the definition of key E&S performance indicators that reflect quantitative and qualitative measures of progress in relation to the established objectives of the mitigation measures. The annex to the E&S management manual contains a guide to the key E&S performance indicators grouped according to PS 1–8 to apply during the monitoring process.

60. The project developer is required to notify the applicant and SEA when there are significant changes in the design and/or execution of the project requiring changes to its ESMS. The applicant also carries out an E&S monitoring and evaluation of the activities of its third parties (e.g. contractors or subcontractors).

61. The EIS of the four small hydroelectric power plants mentioned in sections 3.2.2 and 3.2.3 above also contain E&S monitoring plans. The applicant provided E&S monitoring and evaluation reports for a 40 MW hydroelectric power plant project in E&S risk category B, which also included an external audit report on the E&S matters.

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

3.2.5 **Section 6.6: External communications, consultations, information disclosure and grievance redress mechanism at the institutional level**

63. The applicant provided a corporate website link used to receive and register external communications, including complaints or grievances on E&S matters. The E&S management manual describes the procedures and competencies to screen, assess and address issues raised, in line with the applicant's ESS.

64. The E&S project management manual describes the applicant's E&S information disclosure and consultation requirements, which the AP found to be in line with the requirements for E&S category B/I-2 in the GCF Information Disclosure Policy. The applicant is committed to follow a free, prior and informed consent process in its consultations with project stakeholders. This commitment will be designed and implemented in accordance with the risks and impacts of the proposed activities and will continue throughout the project life cycle. The consultations will be conducted in a timely and culturally appropriate manner and free of coercion, and will incorporate the views of stakeholders in the decision-making process.

65. The E&S project management manual also describes applicant's grievance redress mechanism (GRM). The GRM process is managed by the applicant's validators, which comprises the applicant's Investment Committee and members of the applicant's Board. The validators would operate in an independent and transparent manner. The E&S management manual includes a policy statement on the requirement for the applicant's executing entities to include a project-level GRM. The applicant has established a register to record external inquiries/complaints along with responses, which would be also be used for GCF-funded projects/programmes. The applicant indicated that it has not yet received any E&S-related complaints for projects it finances.

66. The AP finds that the applicant's system of external communications, consultations, information disclosure and GRM, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy, interim ESS standards and the GCF Information Disclosure Policy requirements on the disclosure of E&S information for maximum E&S risk category B/I-2 projects/programmes.

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

67. The applicant provided the institutional organisational chart of the Holding that it belongs to that identifies key units, departments, senior and line management personnel who are responsible for implementing the ESMS along with their authority and reporting lines. The CEO of FYNSA Holding is responsible for keeping tracking the status of ESMS or ESAP

implementation of the projects and sharing this information with his directorates. The Chief of Investment Banking is responsible for consolidating information on the implementation of ESMP or ESAP by all projects funded by GCF. The Investment Banking Analyst is responsible for updating the monitoring data, including the key performance indicators relating to the implementation of E&S mitigation measures in accordance with the information provided by the project developer. The E&S Coordinator (i) advises the asset management unit on the correct compliance with ESS policy and the E&S management manual; and (ii) produces documentation and carries out field audits or verification processes on the activities of the project developer with the objective of identifying gaps and setting up corrective actions. Finally, the E&S Safeguard Analyst serves as technical support to the coordinator in advisory activities and accompanies the documentary and field auditing procedures and the follow-up to the actions to close gaps detected.

68. The applicant provided the curricula vitae of its E&S Coordinator and E&S Safeguard Analyst, including samples of their work that demonstrate the knowledge, skills and experience necessary to understand and ensure the implementation of PS 1–8. The applicant provided a description of training and development programmes for its E&S staff and other relevant staff.

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

3.3 Gender

70. One of the key aspects of the applicant’s Gender Policy that is approved at the Board level of FYNSA Holding is an action-oriented framework on its human resources development to achieve gender equality in all institutional level cross-cutting issues such as staff recruitment, retention of talents, and maintaining a safe working environment. The Gender Policy applies to group companies, as well as to applicant’s clients including the project originators, project developers and project executing entities. Furthermore, the applicant adheres to a 2015 national law that created a Ministry of Women and Gender Equity, which is responsible for collaborating with the President of Chile in designing, coordinating and evaluating the policies, plans and programmes destined to promote gender equity and eliminate discrimination against women. The applicant’s human resources department is in charge of the application of the Gender Policy both at the applicant’s institutional and project levels. The human resources manager, with the support of an internal joint committee comprising hygiene, safety and project auditors, will monitor and continuously improve the promotion of gender equality and women’s empowerment.

71. The Gender Policy requires the applicant to ensure that the concept notes and funding proposals submitted for GCF financing are in compliance with the requirements of the GCF Gender Policy and guidelines and that its clients submit, as part of their funding proposal: (i) a gender assessment along with appropriate environmental and social assessments; and (ii) a project-level gender action plan. The gender assessment shall integrate an analysis of context and sociocultural factors underlying gender inequality exacerbated by climate change and optimize the potential contributions of women and men of all ages to build both individual and collective resilience to climate change. This assessment shall be used to inform project formulation, implementation, and monitoring and evaluation. The project-level gender action plan shall be based on the gender analysis and contain gender-related activities, baselines, sex-disaggregated indicators and targets, roles and responsibilities, and financial and human resources. The Gender Policy requires that consultations with the stakeholders will be carried out in a gender-responsive manner to ensure information is shared equitably with women and men stakeholders and presented in accessible formats across all stakeholder groups.

72. As stated in the Gender Policy, the applicant's gender procedure and practices are derived from the guidelines proposed in the GCF publication "Mainstreaming Gender in Green Climate Fund Projects: A practical manual to support the integration of gender equality in climate change interventions and climate finance".⁵ Guided by this manual, the applicant's gender consultant was instrumental in the development of the gender assessment and gender action plan for a project comprising two commercially integrated power plants (a 300 MW pumped storage hydroelectric plant and a photovoltaic solar plant, E&S risk category B). The applicant has created a project under its social fund to promote housing for homeless men and women. Both of these projects benefit men and women.

73. The applicant currently does not have a gender expert/consultant on its payroll to help with the implementation of the Gender Policy. The Gender Policy states that a gender expert/consultant shall be engaged for designing, implementing and monitoring the gender-assessment study and related gender action plan for GCF-funded projects/programmes. The manager of the applicant's human resources department has made a commitment to lead the development and delivery of a training programme for the applicant's staff on implementing its Gender Policy, prior to submitting its first funding proposal to GCF.

74. The AP finds that while the applicant's gender policies and procedures meet the requirements of the GCF Gender Policy, the applicant lacks the necessary capacity to implement its Gender Policy for GCF-funded projects/programmes. The relevant gap identified in paragraph 73 above is addressed by the corresponding condition for accreditation in section 4.2.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant fully meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy, and the specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees. The applicant partially meets the requirements of the specialized fiduciary standard for project management. Although the applicant has developed the procedure on the evaluation of the projects and funds, it has yet to demonstrate its effective implementation. The applicant has agreed to provide the AP with the evaluation report that is to be prepared by the investment committee for the investors assembly in the 2021 fiscal year on the performance of one of the energy funds managed by FYNSA;
- (b) The applicant partially meets the requirements of the GCF Environmental and Social Policy and interim ESS standards, and the GCF Information Disclosure Policy requirements on the disclosure of E&S information in relation to medium E&S risk (category B/I-2). The applicant has demonstrated that it has experience in implementing its E&S safeguards (SSA). However, the SSA system has not undergone an external audit. The applicant has agreed to commission an external audit of its SSA system and provide the audit report to GCF; and
- (c) The applicant's gender policies and procedures are found to be consistent with the GCF Gender Policy. The applicant, with the help of a Gender Consultant, demonstrated its

⁵ Available at <https://www.greenclimate.fund/documents/20182/194568/Guidelines_-_GCF_Toolkit_Mainstreaming_Gender.pdf/860d1d03-877d-4c64-9a49-c0160c794ca7>.

experience with early stage project preparation with gender considerations in the context of climate change. However, since then the applicant has not maintained the competencies required to implement its Gender Policy. The applicant has agreed to recruit a gender expert/consultant for GCF-funded projects and develop and implement a gender training for its staff.

4.2 Recommendation on accreditation

76. The AP recommends, for consideration by the Board, applicant APL092 for accreditation as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or activity within a programme:** medium (including micro⁶ and small⁷);

(ii) **Fiduciary functions:**

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

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

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

(i) Conditions to be met prior to submission of the first funding proposal to GCF:

1. Provision of evidence by the applicant of the recruitment of a gender expert to help the applicant's Gender Policy focal point to implement the applicant's Gender Policy; and
2. Provision of evidence by the applicant of the development and implementation of training on its Gender Policy for the applicant's staff;

(ii) Condition to be met no later than three years following signature of the accreditation master agreement in Stage III of the accreditation process:

1. Provision by the applicant of evidence, in the form of one example, demonstrating that the independent evaluation report for the applicant's investment funds has been prepared in accordance with the evaluation procedure contained in the updated Management Manual

⁶ As per annex I to decision B.08/02, "micro" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme".

⁷ As per annex I to decision B.08/02, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme".

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

for GCF-funded projects and disseminated in accordance with the applicant's Information Disclosure Policy; and

(iii) Condition to be met no later than three years of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:

1. Provision by the applicant of a report on the audit of the effectiveness of the applicant's environmental and social safeguards (SSA) system.

77. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 76 above, and agrees to the recommendation.

Annex VII: Accreditation assessment of applicant 093 (APL093)

I. Introduction

1. Applicant 093 (APL093), IL&FS Environmental Infrastructure and Services Limited (IEISL), a subsidiary of Infrastructure Leasing and Financial Services (IL&FS), is a national private sector entity based in India. IEISL has experience in advisory and project development services in environmental management, geospatial technologies, energy conservation and carbon market business. It promotes environmental initiatives through public-private partnerships and aims to create innovative solutions for environmentally sustainable development.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 5 May 2016. Accreditation fees were received from the applicant on 15 May 2016, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 28 March 2018 and the applicant progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of GCF:

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

II. Stage I institutional assessment and completeness check

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

2.1 Legal status, registration, permits and licences

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

² Decision B.07/02.

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

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. IEISL, formally known as IL&FS Waste Management and Urban Services Limited, was incorporated in 2007 and is now registered under the Companies Act 1956 under the Registrar of Companies, National Capital Territory of Delhi and Haryana, Ministry of Corporate Affairs, Government of India.

2.2 Institutional presence and relevant networks

5. The applicant has seven offices in different regions of India from which it manages the projects and programmes it implements. It works on the planning, development, implementation and operations of environmentally friendly projects that could contribute to low-emission and climate-resilient development pathways in India. It also leverages its partnerships with central and local government agencies, national and international private sector organizations, including providers of innovative technologies and multilateral institutions, to mobilize financial resources that it uses to develop and implement its projects.

6. The applicant intends to use its experience in developing and implementing projects that deliver climate change mitigation and adaptation solutions through waste management, renewable energy generation and energy efficiency in urban areas in order to further objectives of GCF. Specifically, with respect to mitigation, the applicant intends to undertake activities that reduce emissions through increased investments in low emission energy sources, such as waste-to-energy projects. The applicant also plans to continue investing in waste-to-compost projects throughout the country to assist India with its increasing volume of waste and support the agricultural sector by making organic compost fertilizers.

7. The applicant intends to continue cooperating with its partners in order to assist India its country in achieving sustainable development that mainstreams climate change by implementing environmentally and socially sustainable projects in India.

2.3 Track record

8. The applicant undertakes climate-resilient sustainable development by mainstreaming environmental issues and climate mitigation and adaptation in the sectors in which it operates. The applicant has a track record in financing renewable energy generation, energy efficiency and waste management projects in India by deploying grants, loans and equity.

9. In addition, the applicant has experience in project development, environmental management and urban infrastructure. The applicant's track record in financing sustainable development and climate change-related projects in these sectors to date includes the following, which fall within the GCF small and micro-size categories:

- (a) USD 0.9 million (in equity) for the Refuse-Derived Fuel Power Project in India;
- (b) USD 1.7 million (in loans) for the Ahmedabad Municipal Corporation Light-Emitting Dioxide Street Lighting Project in India;
- (c) USD 37.5 million (in grants and loans) for the 12 MW Ghazipur Waste to Energy Plant Project in India; and
- (d) USD 50 million (in grants and loans) for the Municipal Energy-Efficiency Project in Gujarat, India.

10. Although the entity has a track record in financing projects through loans and equity, it has confirmed that it does not intend to currently apply for the specialized fiduciary standard for on-lending and/or blending for loans and equity. Thus, specific structures of potential

projects/programmes, if accredited, would need to fall within the specialized fiduciary standard for project management, for which the applicant is seeking accreditation.

III. Stage II accreditation review assessment

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

12. As part of this assessment, the AP consulted third-party websites to complement the information provided in the application, and to gather information regarding the financial situation of the applicant's parent company, the alleged failures of the statutory auditors during the execution of external financial audits and the actions of the Government of India in response to the financial situation of IL&FS and some of its subsidiaries.

3.1 Fiduciary standards

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

13. The applicant is a wholly owned subsidiary of IL&FS. The members of the applicant's Board of Directors and Managing Director are appointed by IL&FS; furthermore, IL&FS, through its designated subsidiaries, exercises financial oversight and project approval authority over the applicant.

14. In October 2018, the Government of India, in response to the financial situation of IL&FS, replaced the previous Board of Directors of IL&FS with Government-appointed members under the oversight of the Ministry of Corporate Affairs. The applicant's Board of Directors was also restructured; a director (appointed in 2008) with experience in environmental and climate change matters was named Chairman of the Board and the ex-Deputy Comptroller & Auditor General of the Government of India was appointed as a director. The applicant's Board of Directors is composed of three members, and the Chairman is an independent director as defined by the Companies Act 2013.⁴ Furthermore, the applicant's current Audit Committee was appointed in the company's last Board Meeting, held on 24 June 2019, and is chaired by the director with experience as Deputy Controller and Auditor General of the Government of India.

15. In order to exercise its oversight functions, the applicant's Board of Directors has established three committees of the Board, as follows:

- (a) Committee of Directors, responsible for the approval of new business initiatives and project undertakings, the presentation of project bids, and additional borrowings and investments;
- (b) Audit Committee, responsible for overseeing the internal and external audit functions and serving as the applicant's Ethics Committee; and
- (c) Nomination & Remuneration Committee, responsible for proposing, for Board approval, appropriate personnel policies, including the nomination of candidates for key executive positions and compensation policies.

16. The applicant's organization is structured in alignment with its business model and support service requirements. The applicant is led by a Managing Director and supported by a Senior Vice-President responsible for all waste management operations and by the Chief Financial Officer responsible for all finance and accounting support activities (including taxation, budgeting and coordination of the work of the internal auditors). Additionally, the

⁴The Companies Act, 2013 refers to the Act issued by the Government of India. Available at <<http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>>.

following five units are operational: Advisory Services (environment, energy efficiency, and carbon solutions), Sales & Marketing, Procurement, Business Development (waste management), and Human Resources and Administration. It is relevant to note that there have been no changes in the applicant's organizational structure and business strategy as a result of the governance changes at the parent company level.

17. The applicant has two main, fully functional information systems developed to provide the information required for appropriate decision-making and management of its operations. The information systems include a financial information system and a management information system (MIS). The financial information system generates timely periodic reports on sales, production, business segment performance, costing (both at product level as well as at plant level), debtor and vendor aging, cash flow realization, budget monitoring, and financial statements. The MIS generates information required for the management of the plants operated by the applicant. The MIS generates specific input and output reports on production, input consumption, sales dispatch and plant performance. The applicant provided sample copies of the reports generated by its information systems that demonstrate the functionality of the technology adopted. In addition to the applicant's information systems, further assurance of appropriate accounting procedures is provided by the definition of the functions and responsibilities of the financial management units established in its Accounting and Operations Manual.

18. The applicant's Accounting and Operations Manual establishes the procedures for payments and disbursements. The authority for approving disbursements of expenses and capital expenditures are delegated to the applicant's Managing Director, who subdelegates this authority as required. The procedures for the approval, recording and disbursement of funds are defined in detail for each type of disbursement made by the applicant. Specific processes for disbursements to vendors and project executors, payment of production inputs, and payment of administrative/operating expenses are defined. Each of these processes establish the requirements for disbursement, including proper documentation, recording in the financial management system and definition of an officer responsible for payment authorization. The payment and disbursement procedures adequately segregate functions and are supported by the applicant's financial management systems. Furthermore, the internal audit function reviews the Finance and Accounts Units to ensure compliance with the established payment and disbursement procedures.

19. The Companies Act 2013 (the Act) requires that the applicant establish an Audit Committee with members of its Board of Directors. Furthermore, the Act establishes the minimum requirements for the terms of reference of the Audit Committee. Based on the mandate of the Act, the applicant formed its Audit Committee and formulated the terms of reference that establish the following main responsibilities:

- (a) Exercise periodic oversight over the external and internal audit functions, including oversight of the internal control system, approval of the annual internal audit plan, approval of the statutory audit proposal and regular review of audit observations and management responses;
- (b) Recommend the appointment of the statutory auditor and internal auditor;
- (c) Review the annual audited financial reports and approve the presentation of the report to the Board of Directors;
- (d) Scrutinize intercorporate loans and investments; and
- (e) Approve, or subsequently modify (if necessary), transactions of the company with related parties.

20. The applicant provided minutes of the Audit Committee, which demonstrate that the Committee is fulfilling its responsibilities as defined in its terms of reference.

21. The applicant outsources the internal audit function to a firm of chartered accountants. The Institute of Chartered Accountants of India (ICAI) establishes the standards for internal audit that must be observed by its members when engaging in internal audit functions.⁵ The Audit Committee selects the chartered accountant that will undertake the internal audit functions, approves the annual internal audit plan and receives periodic reports from the chartered accountant of audit findings and observations. The internal audit services provided by the third party allow the applicant to meet the requirements of the GCF basic fiduciary standards for key administrative and financial capacities, provided that the internal audit is performed in observance of the ICAI Internal Audit Standards (or equivalent). The applicant provided enough evidence that its established practice is to only outsource internal audit services to firms that are led by chartered accountants and mandated to observe the ICAI Internal Audit Standards, and it is reasonable to expect that this practice will be maintained in the future.
22. The Audit Committee, aided by periodic Audit Action Taken Reports (ATRs),⁶ regularly monitors the internal audit findings and observations. The ATRs contain the audit findings and observations (both current findings and past audit findings that are pending resolution), actions taken by management to resolve the issues detected and the status of the corrective actions proposed by management. The applicant provided copies of the ATRs, which demonstrate that the Audit Committee actively monitors the status, including closure, of internal audit findings
23. The applicant's Audit Committee recommends the external audit firm that will be engaged in undertaking the biannual statutory audits of the applicant's financial statements. The Board of Directors confirms this recommendation, and the statutory auditor selection is approved at the Annual General Meeting. The terms of reference of the statutory auditor are defined in the International Standard on Auditing 210: Agreeing the Terms of Audit Engagements.⁷ In addition to the statutory (financial) audit, the applicant's Accounting and Operation Manual, in compliance with relevant national laws and regulations, establishes the requirement for periodic independent tax and production cost audits.
24. The National Company Law Tribunal of India upheld a five-year ban on the audit firm that was employed to perform the latest available statutory audit of the applicant's financial statements.⁸ It is relevant to note that the allegations of statutory audit lapses do not mention the statutory audits performed on the applicant's financial statements; however, this legal case may require that the applicant engage a new statutory audit firm. The GCF basic fiduciary standards for key administrative and financial capacities require that accredited entities appoint an external auditor; given the circumstances described above, confirmation that the applicant has engaged an external audit firm will be requested.
25. The applicant has not formally documented the adoption of a control framework, such as the Committee of Sponsoring Organizations of the Treadway Commission Framework (COSO Framework); however, the Companies Act 2013 (the Act) mandates that the Board of Directors establish internal financial controls and ensure that the controls are adequate for the scope of the applicant's operations and effectively implemented. Based on the requirements of the Act, the applicant developed its Accounting and Operational Manual and Financial Control Policy. These documents provide detailed procedures that serve as guidance to the applicant's officers and employees for executing daily transactions in a manner that provides effective control over the company's operations. Furthermore, as mandated by the Act, the Audit Committee shall

⁵ Available at <https://www.icai.org/new_post.html?post_id=597&c_id=145>.

⁶ The ATRs are prepared by the applicant's Finance Department, as the unit responsible for coordinating the work of the internal and external auditors. These reports are prepared with the inputs provided by the internal audit function, relevant organizational units and the Audit Committee.

⁷ Available at <<https://www.ifac.org/system/files/downloads/a009-2010-iaasb-handbook-isa-210.pdf>>.

⁸ Available at <https://www.business-standard.com/article/companies/nlct-allows-ban-on-deloitte-bsr-for-alleged-auditing-lapses-in-il-fs-firm-119080901220_1.html>.

periodically evaluate the “internal financial controls and risk management systems”. In order to fulfil this responsibility, the Committee relies on the ATRs, statutory audit reports, internal audit reports and the applicant’s Financial Risk Register. The applicant could benefit from adopting a control framework such as the COSO Framework, however, the regulatory mandates, the functioning of the internal audit unit, the comprehensive oversight of the Audit Committee, and the level of detail of the relevant policies and procedure manuals provide the applicant with an appropriate internal control framework. Finally, the internal control environment is further strengthened by the Act’s requirement that the statutory auditors include in their annual financial report an annex that contains the “Report on the Internal Financial Controls Over Financial Reporting”.

26. Special mention is made of the applicant’s substantial reliance, as disclosed in its March 2018 Audited Consolidated Balance Sheet, on funding received from its parent company (and from subsidiaries of its parent company). The GCF basic fiduciary standards for key administrative and financial capacities require that accredited entities assess relevant risks and implement proper mitigation plans. The exposure to funding received from related companies represents a relevant financial risk for the applicant that must be addressed. The applicant provided assurance that an action plan is in place to reduce its exposure to related company funding, however, updated financial information to assess the evolution of related company lending will be requested.

27. Based on the Purchase Policy approved by the applicant’s Audit Committee and its Board of Directors, the applicant developed detailed procurement guidelines which are organized in three sections: Decision Authority Matrix, Procedures for Non-Purchase Committee Procurement and Procedures for Purchase Committee Procurement. The monetary value of the goods or services to be procured determines the procedure to be applied. The procurement guidelines classify procurement activities based on the following criteria: consumable or capital goods, regular or extraordinary, and budgeted or non-budgeted. All procurement activities undertaken by the applicant follow an ordered sequence including pre-purchase activities, purchase preparation, form of procurement (for example public tender) and conditions for release of payment to vendor. The applicant’s procurement activities are appropriately managed by the procurement department and supported by mandatory documentary requirements, an appropriate vendor rating system and well-defined procedures for undertaking public tender processes. Overall, the applicant’s procurement guidelines satisfy the requirements of the GCF basic fiduciary standards on key administrative and financial capacities; however, the procurement guidelines’ conflict of interest procedure is not sufficiently developed in the applicant’s procurement policy, and a procurement dispute resolution policy is required. Finally, it is important to note that the applicant developed guidelines for monitoring the procurement activities of executing entities (EEs), including the requirement that EEs periodically report their procurement activities using a standard template.

28. The AP finds that the applicant’s policies, procedures and capacity, supported by evidence of its track record, do not fully meet the GCF basic fiduciary standards on key administrative and financial capacities. The relevant gaps identified in paragraphs 24, 26 and 27 above are addressed by the corresponding conditions for accreditation in section 4.2 of this document.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

29. The applicant’s ethical standards are defined in its Employee Handbook, Code of Conduct, and Whistle Blower Policy and Vigil Mechanism, which was developed in accordance with the mandate of the Companies Act, 2013. The Whistle Blower Policy and Vigil Mechanism specifies that the expected ethical behaviours are applicable to all employees and individuals contractually engaged with the applicant. The ethical standards are appropriately communicated in the employee’s appointment letter, the Employee Handbook, and in Whistle

Blower Policy and Vigil Mechanism, which is publicly available on the applicant's website.⁹ The Whistle Blower Policy and Vigil Mechanism, in accordance with the guidance of the Companies Act 2013, assigns the function of ethics oversight to the Audit Committee. Furthermore, the position of ombudsman is established as the channel through which ethical violations can be reported (violations can also be reported directly to the Chairperson of the Audit Committee.).

30. The applicant's Code of Conduct and the Companies Act 2013 provide the framework for the definition of conflicts of interest, the individuals that are bound by these regulations, the disclosure requirements of financial interests and the sanctions for failure to disclose financial interests, and they direct covered parties to the Compliance Officer to report violations of the Code of Conduct or raise questions regarding potential conflicts of interest. The Companies Act 2013 establishes the financial interests that must be disclosed, using a standard template. Disclosure of financial interests must be done annually (or when changes occur). The Companies Act 2013 also establishes the sanctions (fines and imprisonment) for failure to make the required disclosures. The applicant's Code of Conduct provides further detail on the covered parties that must disclose conflicts of interest, including directors and senior officers from the level of assistant vice-president and higher. The Code of Conduct requires that each covered party acknowledge in writing that they have received and understood the requirements of the Code of Conduct.

31. The applicant's Financial Control Procedures and Accounting and Operations Manual contain detailed descriptions of the way financial management and accounting activities must be undertaken. These detailed procedures, supported by effective internal audit and a functioning Audit Committee, constitute the main mechanism to prevent fraud and other malpractices. The company's Employee Handbook, Code of Conduct and Whistle Blower Policy and Vigil Mechanism establish the applicant's ethical values, which include strict regulatory compliance, accurate financial reporting, professional integrity and transparency. The applicant's Whistle Blower Policy and Vigil Mechanism defines the main forms of malpractice and the procedures that will be followed for investigations (including the designation of the officer/director that will lead the investigation process and its resolution).

32. The applicant's Whistle Blower Policy and Vigil Mechanism and the regulatory mandate contained in paragraph 177 (9) of the Companies Act 2013 (on the establishment of a vigil mechanism) contain the requisite provisions to comply with the requirements established in the GCF Policy on the Protection of Whistleblowers and Witnesses.¹⁰ The GCF Policy on the Protection of Whistleblowers and Witnesses contains more detailed descriptions, however, the applicant's Whistle Blower Policy and Vigil Mechanism contains the required protections for whistle-blowers, the appropriate definition of the avenues to report alleged misconduct incidents, and defines the organizational positions that are responsible for the effective functioning of the whistle-blower mechanism. It is important to note that paragraph 177 of the Companies Act 2013 defines the functions of the Audit Committee and assigns the responsibility for oversight of the Whistle Blower Policy and Vigil Mechanism to this governance body.

33. The applicant's investigation function is defined in its Whistle Blower Policy and Vigil Mechanism. The purpose of the investigation function is to receive all complaints of unethical or improper actions allegedly committed by a covered party (covered party as defined by the applicant's Code of Conduct and its Zero-Tolerance Policy). The investigation function will evaluate the allegation and determine if it warrants further action. If the allegation is found to have credible evidence, a formal investigation will be initiated. The Companies Act 2013 designates the Audit Committee as the governance body responsible for investigating allegations of misconduct received under the procedures of the Whistle Blower Policy and Vigil

⁹ Available at <<http://www.ilfsenv.com/Brochures/Vigil-Mechanism.pdf>>.

¹⁰ Decision B.BM-2018/21 and annex I thereto.

Mechanism. The Chair of the Committee is delegated the authority to act as the principal officer of the investigations function, assisted by the applicant's Ombudsman.

34. The Whistle Blower Policy and Vigil Mechanism provides guidelines for the entire investigation process, including the way complaints are received, initially evaluated, investigated and resolved. All complaints pertaining to finance and accounting issues or involving a senior official (Vice-Presidents and above) must be submitted to the Chair of the Audit Committee; all other complaints must be submitted to the Ombudsman. The investigation procedures focus strictly on determining the accuracy of the facts presented in the complaint. The accused party's identity, to the extent possible, will be kept confidential throughout the investigation. Furthermore, unless justifying causes are present, the accused party will have the right to know it is under investigation and will have the right to present its defence arguments. Based on the outcome of the investigation, the Chair of the Audit Committee (or the Ombudsman) will either absolve the accused subject or recommend that management take disciplinary action against the offender (it is important to note that all disciplinary action will observe the relevant personnel policies and legal requirements.). All records of the investigation must be stored for a minimum period of eight years (or longer if legally required).

35. As an infrastructure company, the applicant is not required to comply with the national Prevention of Money Laundering Act 2005; however, in order to meet the GCF basic fiduciary standards for transparency and accountability and comply with the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT Policy),¹¹ it developed an AML/CFT Policy specifically for GCF-funded projects/programmes. The applicant's AML/CFT Policy, which has been approved by the applicant's Board of Directors, complies with the requirements of the GCF AML/CFT Policy.

36. The applicant's Code of Conduct and its Whistle Blower Policy and Vigil Mechanism contain most, but not all, of the types of conduct that are defined as prohibited practices in the GCF Policy on Prohibited Practices.¹² Furthermore, the GCF Policy on Prohibited Practices establishes the accredited entity's responsibility to ensure observance of the GCF Policy on Prohibited Practices at the EE level and (if needed) cooperate in the investigation (for GCF-funded projects/programmes) of alleged violations of this Policy. In order to fully comply with the GCF Policy on Prohibited Practices, the applicant must ensure that the scope of prohibited practices, defined in its Code of Conduct and in its Whistle Blower Policy and Vigil Mechanism, contain all the definitions of prohibited practices that are established in the GCF Policy on Prohibited Practices. Compliance of the applicant's ethical standards is monitored by the Audit Committee, which, based on the evidence provided, is effective in ensuring compliance with the matters that are under its purview.

37. The AP finds that the applicant's policies, procedures and capacity, supported by its track record, fully meet the GCF basic fiduciary standards on transparency and accountability, as well as comply with GCF Policy on the Protection of Whistle Blowers and Witnesses and GCF AML/CFT Policy. However, the applicant partially complies with the GCF Policy on Prohibited Practices. The relevant gap identified in paragraph 36 is addressed by the corresponding condition for accreditation in section 4.2 of this document.

3.1.3 Section 5.1: Specialized fiduciary standard for project management

38. The applicant provided a copy of the project preparation guidelines used to develop bid proposals for municipal solid waste management concessions. These guidelines demonstrate the applicant's comprehensive procedures for project preparation. The guidelines incorporate the required stages for effective project preparation, including the following:

- (a) A general description and characteristics of the project;

¹¹ Decision B.18/10 and annex XIV thereto.

¹² Decision B.22/19 and annex XIV thereto.

- (b) A comprehensive technical project description;
- (c) Proposed project partners;
- (d) A detailed analysis of processing plant requirements;
- (e) A comprehensive evaluation of project risks and mitigation measures;
- (f) Project funding requirements; and
- (g) A comprehensive project financial analysis.

39. The applicant provided a sample of a completed project preparation document that demonstrates the effective application of its project preparation guidelines.

40. The applicant provided a copy of its project appraisal process that demonstrates its organizational expertise to undertake quality project appraisals. The project appraisal guidelines incorporate detailed assessments of the market for the services to be provided by the project and a comprehensive technical evaluation of the proposed technology, production processes and project location. Once the market and technical analysis are completed, the project appraisal focuses on the project implementation framework, specifically evaluating the implementation strategy, the procurement strategy (including vendor evaluation and vendor synergy to optimize implementation), and the proposed implementation schedule. Finally, the applicant appraises the project cost and sources of financing proposed by the project sponsor, and undertakes an evaluation of the project's financial projections, including a sensitivity analysis of key variables. The final steps in the project appraisal process include an assessment of environmental, social, legal and regulatory project components, and an analysis of project risks and appropriate mitigation measures. The applicant provided copies of completed project appraisals, thus validating that the relevant guidelines are effectively applied.

41. The applicant, as a subsidiary of IL&FS, is subject to the oversight of, and the project approval procedures defined by, the Board of Directors of IL&FS. These procedures include delegating approval authority over specific transactions to specialized IL&FS subsidiaries. The oversight of specialized IL&FS subsidiaries provides additional assurance of proper project preparation and appraisal.

42. For this applicant, project implementation refers to the construction and preparation of the physical components of its projects (i.e. construction and preparation of a waste management plant). The applicant's Project Monitoring and Oversight Guidelines establish the monitoring procedures specifically for the implementation stage of the project.

43. The applicant relies on both independent experts, as well as its own staff, to ensure effective monitoring of project implementation. External experts are engaged to perform periodic project oversight functions, including on-site inspection of execution progress for all project components, verification of costs incurred (and analysis of variances), and analysis of critical implementation activities. External accounting firms are retained to monitor the disbursements of funds to the project and expenditures by project component (including analysis of variances) and prepare periodic project cash flow statements. The company staff and project lenders also perform project site inspections. Based on the results of the project implementation monitoring activities, the applicant's staff prepare periodic Project Implementation Progress Reports that are reviewed by management and reported to the Board of Directors.

44. For this applicant, the monitoring and evaluation function shall be understood as the effective operation of the plants (i.e. waste management plants) it operates. The applicant's financial management, operational and accounting processes, supported by its management information system and managerial reports received from the plants, provide the required elements to adequately manage the operation of the projects it has implemented.

45. The applicant developed its Policy and Procedure for Disclosure of Project Completion/Evaluation Report. The applicant defines project closure as the “completion of the physical components of the project development and all funds against project cost have been disbursed and utilized in project construction”. Based on this definition, the applicant’s guidelines establish the content of and the channel used to publish project closure reports. Furthermore, this policy establishes that after six months, counted from the date the project becomes operational, an independent qualified professional will be engaged to evaluate the project; this evaluation exercise will be undertaken every six months, and the evaluation reports will be published. The applicant’s policy establishes the procedures for the publication of the evaluation report, including guidance on appropriate report content and communication channels used for publication.

46. The applicant’s project appraisal serves as the foundation for effective project implementation risk management by providing a comprehensive evaluation of the probable risks and available mitigation strategies. During the project implementation stage, technical and performance risks are mitigated by the thorough vendor/service provider selection process implemented by the applicant. Furthermore, the applicant relies on project monitoring performed by independent experts, the project manager and experts assigned by the project lenders. Through these monitoring activities, project implementation risks are identified and corrective actions are implemented in a timely manner. The applicant provided copies of reports, including implementation progress reports, expense analysis reports, monitoring reports and site inspection reports that evidence the importance given by the applicant to appropriate project monitoring and risk identification. It is important to note that the reliance on external experts provides the required separation between project implementation and the project monitoring team.

47. The applicant has a proven track record in developing projects that generate positive environmental impacts. The applicant’s track record in implementing and operating waste management plants demonstrates that its project management policies and procedures are effective. A leading example of the applicant’s track record that demonstrates the competencies developed to successfully bid, implement and operate the projects it designs is the municipal solid waste processing plants it operates. The applicant has been “mandated to manage over 14,000 tonnes per day of solid waste (municipal solid waste and construction and demolition waste) across the country”.¹³ The applicant provided additional examples of projects it has developed in the different areas of waste management in which it specializes. Examples include the construction and demolition waste recycling project in Burari, Delhi, with a capacity to process 500 tonnes per day of construction demolition debris; the development of the Ghazipur Bio-Meth Plant in New Delhi; and the development of Sewapura Compost Plant, which has a capacity to process 300 tonnes per day of municipal solid waste for conversion into organic compost.

48. The AP finds that the applicant’s policies, procedures and capacity, supported by its track record, fully meet the GCF specialized fiduciary standard on project management.

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

49. The applicant’s Board adopted an environmental and social policy framework (ESPF) in August 2015. The ESPF also applies to the applicant’s subsidiaries and associate companies as suitably adapted to reflect each individual business unit’s processes. The ESPF is founded on the concept of sustainable development, which recognizes environmental and social (E&S) considerations in its business operations to add value and minimize impacts and risks to

¹³ Available at <<http://www.ilfsenv.com>>.

increase the effectiveness of the applicant's services on environmental infrastructure projects. The applicant has established and implements mechanisms to conserve natural resources, protect the environment and provide a safe and healthy workplace for their employees and contractual staff. The applicant is committed to complying with applicable local and national laws and to be responsive to existing and emerging global E&S concerns on a proactive basis.

50. The applicant provided an analysis showing the equivalence between the various E&S principles in the ESPF demonstrating that the ESPF conforms to the Performance Standards (PS) 1–4 in the GCF interim environmental and social safeguards (ESS) standards. The applicant claimed that PS 5–8 are not relevant to its operations as they do not involve resettlement/compensation (PS 5), impacts on biodiversity (PS 6), impacts on indigenous people (PS 7) or impacts on cultural heritage (PS 8). Although the ESPF contains provisions for addressing requirements specified under PS 5–8, the applicant, in its project execution, has not encountered elements applicable to PS 5–8 in its operations. The applicant has agreed to comply with PS 1–8 of the GCF interim ESS standards as relevant for GCF funded projects. The ESPF is available to all of the applicant's staff on its intranet. The applicant has created a Corporate Sustainability Cell (CSC) staffed by experts for overall guidance, advice and coordination on E&S matters related to its operations. The CSC is responsible for knowledge management, communication and outreach, training, and compliance monitoring for the applicant's ESPF. A coordinator is identified in each subsidiary to coordinate activities related to the ESPF.

51. The AP finds that the applicant's ESPF and related documents, supported by evidence of its track record, fully comply with the GCF Environmental and Social Policy¹⁴ and interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1–8.

3.2.2 Section 6.2: Identification of risks and impacts

52. The ESPF describes the applicant's institutional process of guiding staff in identifying the E&S risks and impacts of projects/programmes as they evolve over the project lifetime. The process for assigning E&S risk ratings involves reviewing E&S impacts and assessing exposure and liabilities related to environmental and social non-compliance. The E&S risk ratings identify the extent of follow-up actions and monitoring required for the project to avoid or mitigate E&S risks. Based on such assessment, the project is assigned any one of the following E&S risk ratings: Low (L), Medium (M) and High (H), which are found to be consistent with the corresponding E&S risk categories (A, B and C) in the GCF interim ESS standards. The ESPF annexes contain E&S risk rating criteria for waste management projects and advisory services.

53. The applicant provided a sample of E&S risk screening and rating forms in E&S risk categories H and M for projects on municipal waste management, waste-to-energy, and composting plants. An example of a project involving the purchase of light-emitting diode lights falling in E&S risk category L was also provided. The applicant provided an illustrative list of projects and descriptions from the past three years and their E&S risk category (H, M or L). The ESPF coordinator in the CSC is responsible for the determination of the E&S risk categorization.

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

3.2.3 Section 6.3: Management programme

55. The ESPF describes the applicant's institutional process for managing mitigation measures and actions stemming from the E&S risk identification process provided, distinguishing between different categories of risk. The information related to E&S risks is collected at the project planning stage and is communicated to other departments, such as finance and/or legal, through a Business Approval Memorandum. This Business Approval

¹⁴ Decision B.19/06 and annex X thereto.

Memorandum is reviewed by the applicant's senior management to identify all project-associated E&S risks. The mitigation measures are also identified, and an estimate of costs incurred for the same is also calculated. This information becomes part of the project preparation and appraisal process. Following the communication of E&S risks, the applicant submits final technical and financial bids or letters of intent to a client, depending on the typology of sourcing of projects. The E&S risk reduction controls are executed in alignment with requirements for environmental, health and safety-related legal compliance and taking into account E&S studies. incorporating covenants to this effect in contract agreements drawn; and communicated to the client. The applicant provided a sample of three E&S assessments for projects it implemented in the areas of waste-to-energy and composting that were placed in E&S risk categories H, M and L.

56. The applicant's ESPF describes the E&S audit requirements. The applicant's project audit takes place in two forms: corporate review and external audit. The corporate review is conducted by the CSC, which is an internal audit process. The corporate review is a two-tier process that includes office-based review and project site-based review. In the office-based review, a random sampling of the ongoing and new projects is carried out, and all E&S compliance documents are checked. In the site-based review, E&S compliance documentation, safety aspects, emergency preparedness and status of E&S issues are reviewed. The finding/observations of the corporate review are compiled in a format indicated in the ESPF. The external audit is conducted by a third-party agency, such as an external audit firm. The findings of the corporate review are submitted for the review of the Audit Committee of the applicant's parent company, IL&FS, at the Audit Committee's next meeting. The findings of the external audit are submitted for the review of the Board of Directors of IL&FS. The applicant provided a sample corporate audit and an external audit report, both of which addressed E&S matters.

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

3.2.4 Section 6.5: Monitoring and review

58. The ESPF describes the applicant's monitoring and supervision procedure, which instructs staff on how to systematically track completion of mitigation and performance improvement measures, including roles and responsibilities. After the execution of contracts for project development, the monitoring of the E&S risks is performed as per a separate set of guidelines laid out in the ESPF. During this stage, relevant covenants related to social factors such as bonded/child labour are communicated to contractors through the insertion of relevant clauses in their contracts. The periodicity for monitoring is based on the risk rating (H, M and L) assigned to the project. The monitoring of the project starts during the inception phase of the project. Any new risks identified during monitoring is captured in ESPF format with an action plan for subsequent monitoring in the next cycle. Based on the monitoring results, the E&S risk rating may be elevated as per the guidance given in in the ESMF to ensure further close monitoring of the project. The applicant has also adopted a monthly monitoring report for the project site during construction. The applicant provided examples of three monitoring reports addressing E&S matters related to waste-to-energy and composting projects.

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

3.2.5 Section 6.6: External communications, consultations, information disclosure and grievance redress mechanism at the institutional level

60. The applicant provided a website link where it receives and registers external communications from the public so it can screen and assess issues raised, determine how to

address them, and provide, track and document responses. The applicant provided a copy of its Policy and Procedures for Grievance Management, External Communications and Related Matters for IEISL and Executing Entities, applicable at its institutional level and to its EEs at activity/project level. This policy is linked to the ESPF, which was found by the AP to be in line with the GCF Environmental and Social Policy and PS 1–8 of the interim ESS standards. This policy describes internal procedures, including its grievance redress mechanism and related responsibilities, for screening, assessing and addressing issues raised. The applicant's Grievance Management and Communication Coordinator, who is viewed as functioning independently from the project operations staff, is responsible for the grievance redress mechanism and external communication.

61. The applicant provided a copy of the register for external inquiries/complaints on E&S matters received along with responses from the past three years. The applicant agrees to continue with this practice for GCF-funded projects/programmes.

62. The AP finds the applicant's E&S disclosure and public consultation policy to be in line with the GCF Information Disclosure Policy related to the E&S information disclosure requirements for E&S risk category B/I-2 projects/programmes. The ESPF requires the applicant's executing entities to include a grievance redress mechanism in projects financed by the applicant as part of the engagement process to ensure that consultation, disclosure and community engagement continue throughout the applicant's association with that project.

63. As per the ESPF, the engagement of project-affected persons in a structured and culturally appropriate manner is to be ensured for each project wherever relevant. This includes free, prior and informed consent and facilitating their informed participation as a means to establish whether a project has reasonably incorporated affected peoples' concerns within the framework of applicable legislation. The process and results of the consultation, including any actions agreed resulting from the consultation, are documented. The information disclosure takes place, in a culturally appropriate manner and in the local language, through requisite documents at appropriate stages of the project cycle.

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

3.2.6 Section 6.4: Organizational capacity and competency

65. The applicant provided its organizational structure responsible for implementing the ESPF along with their authority and reporting lines. This comprises the ESPF Coordinator, who heads the Regional Coordinators and Project Coordinators. The applicant provided the E&S responsibilities of its staff, as outlined in the organizational chart, which are as follows: the CSC has been instituted for the implementation of ESPF. The E&S Cell comprises an E&S Coordinator supported by E&S specialists. The E&S Cell coordinates with the project managers from different teams on E&S risk assessments and monitoring. It further presents periodic updates on ESPF implementation to the applicant's Board. The project managers are responsible for conducting E&S risk assessment and monitoring for their respective projects. The applicant provided biodata on its E&S staff responsible for project/programme performance, showing that they have the knowledge, skills and experience necessary to understand and ensure the implementation of PS 1–8 of the GCF interim ESS standards. The applicant also provided a list of wide-ranging E&S-related training undertaken by its staff.

66. To ensure the quality of E&S-related services, the applicant has empanelled ten E&S consultants and nine environmental laboratories across the country. The applicant indicated that it is a dynamic process, and the list of empanelled consultants and laboratories is updated

from time to time. This list is used for engaging in various services as required by the different business units of the applicant.

67. The AP finds that the applicant's organizational capacity and competency, supported by evidence of its track record, fully comply with the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category B/1-2 projects/programmes.

3.3 Gender

68. The applicant provided its Gender Policy and Procedure adopted in August 2018, which the AP found to be in line with the GCF Gender Policy. The Gender Policy and Procedure has been approved by the applicant's Board and included in its Human Resource Manual.

69. The applicant's Gender Policy and Procedure reflects its commitment to bring about a behavioural and organizational change with respect to gender through the applicant's policies, procedures and processes. This will be brought about by promoting the better understanding of dimensions of gender discrimination and its effects through data collection from its activities. The aim is to develop clear guidelines which enable the applicant to achieve gender mainstreaming in its operations. In particular, the applicant seeks to:

- (a) Adopt a gender-sensitive approach in operations through knowledge- and capacity-building on gender inequality and its various dimensions;
- (b) Contribute to reducing the gender gap and the ensuing social, economic and environmental vulnerabilities, both existing as well as climate change-induced, in contemporary Indian society;
- (c) Achieve equality for women in GCF-funded operations by pursuing a policy of equal rights, power, responsibilities and opportunities for women and men, as well as equal consideration of interests, needs and priorities of women and men; and
- (d) Achieve non-discrimination in terms of benefits and remuneration for both women and men employee beneficiaries for GCF-funded projects at a minimum.

70. The applicant's Gender Policy and Procedure reflects its commitment to maintaining an environment where all women enjoy a safe, friendly and supportive working environment, free of harassment and exploitation. The applicant believes that sexual harassment and abuse damages both individual and organizational health. As a result, it has enacted and applied a policy on the sexual harassment of women at the workplace for prevention, prohibition and redress. As per this policy, an Internal Complaints Committee has been set up, and information is disseminated to the applicant's employees.

71. The applicant's Gender Policy and Procedure includes a requirement for its EEs to have non-discriminatory practices in terms of benefits and remuneration for both women and men employees. The applicant provided examples of its lending operations that specifically target women among project/programme beneficiaries. The applicant agrees to include the linkage between gender and climate change for GCF-funded projects/programmes.

72. The applicant currently does not have a gender expert on its staff. However, the applicant has provided a terms of reference for recruiting suitable candidates as gender experts and agreed to provide curricula vitae of gender staff/consultants who would be responsible for implementing its Gender Policy and Procedure for GCF-funded projects/programmes.

73. The AP finds that the applicant's gender policies and procedures are in line with the GCF Gender Policy. However, the applicant currently does not have a gender expert on its staff to implement its Gender Policy and Procedure for GCF-funded projects/programmes. The relevant gap identified in paragraph 72 above is addressed by the corresponding condition for accreditation in section 4.2 of this document.

IV. Conclusions and recommendation

4.1 Conclusions

74. Following its assessment, the AP concludes the following in relation to the application:
- (a) The applicant fully complies with the GCF basic fiduciary standards on transparency and accountability, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF AML/CFT Policy and the specialized fiduciary standard for project management. The applicant partially meets the requirements of the GCF basic fiduciary standards on key administrative and financial capacities and partially complies with the GCF Policy on Prohibited Practices. Specific actions are required by the applicant in order to fully meet the GCF basic fiduciary standards on key administrative and financial capacities. These actions include providing updated financial information for the assessment of its related company borrowing position; providing formal verification that it has engaged an external auditor; include in its procurement policy guidance on the management of conflict of interest situations specific to procurement activities; and implement a procurement dispute resolution policy. In order to fully comply with the GCF Policy on Prohibited Practices, the applicant needs to review and update its Code of Conduct and its Whistle Blower Policy and Vigil Mechanism to ensure these policies cover the scope of prohibited practices defined in the GCF Policy on Prohibited Practices;
 - (b) The applicant meets the requirements of the GCF Environmental and Social Policy, the interim ESS standards and the GCF Information Disclosure Policy requirements on the disclosure of E&S information in relation to the medium E&S risk (category B/I-2); and
 - (c) The applicant has demonstrated that it has policies and procedures in place to implement its Gender Policy and Procedure, which is found to be consistent with the GCF Gender Policy, and that it has experience with gender considerations in the context of climate change. However, the applicant currently does not have gender expert(s) on its staff to implement its Gender Policy and Procedure. The applicant has agreed to recruit at least one gender expert to help implement its Gender Policy and Procedure, once accredited.

4.2 Recommendation on accreditation

75. The AP recommends, for consideration by the Board, applicant APL093 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** small (including micro¹⁵);
 - (ii) **Fiduciary functions:**
 1. Basic fiduciary standards; and
 2. Specialized fiduciary standard for project management; and

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

- (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/intermediation 3 (I-3)¹⁶));
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes. The conditions are as follows:
- (i) Conditions to be met prior to the signature of the accreditation master agreement during Stage III of the accreditation process:
1. Provision by the applicant of a copy of the audited financial statements for the fiscal year ending March 2019;
 2. Provision by the applicant of a letter issued by its Audit Committee confirming that a statutory auditor has been engaged to perform an external audit of IEISL for the fiscal year ending March 2020; and
 3. Provision by the applicant of a letter issued by the applicant's Managing Director explaining the actions the applicant is undertaking and those it plans to undertake to reduce its reliance on funding from Related Parties as defined in the list of entities disclosed in Note 40: "Related Party Disclosures" contained in the applicant's Report on the Consolidated Statements for the fiscal year ended 31 March 2018 and prepared by Deloitte Haskins & Sells. For the purposes of this condition, the actions to be considered are those undertaken or planned to be undertaken up to twenty-four (24) months from the date of the decision by the Board to accredit the entity in Stage II (Step 2) of the accreditation process;
- (ii) Conditions to be met prior to submission of the first funding proposal to GCF:
1. Provision by the applicant of evidence of recruitment of a gender expert or an external gender consultant to help with the implementation of the applicant's Gender Policy, including the expert's or consultant's curriculum vitae; and
 2. Provision by the applicant of evidence of the adoption by the Board of Directors a Procurement Dispute Resolution procedure; and
- (iii) Conditions to be met prior to the first disbursement by GCF for the first approved project/programme:
1. Provision by the applicant of evidence that it has included in its Code of Conduct and/or in its Whistle Blower Policy and Vigil Mechanism the required changes to ensure that either one or both cover the scope of all the prohibited practices defined in the GCF Policy on Prohibited Practices; and
 2. Provision by the applicant of evidence that it has updated its procurement policy and included guidance on potential conflicts of interest, disclosure requirements and the designation of the officer to

¹⁶ As per annex I to decision B.07/02, category C is defined as "Activities with minimal or no adverse environmental and/or social risks and/or impacts" and intermediation 3 is defined as "When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts".

whom authority is delegated to resolve potential conflict of interest situations.

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

4.3 Remarks

77. The applicant may wish to consider:

- (a) Providing further AML/CFT training for relevant staff, mainly because its AML/CFT Policy was recently developed and the applicant has not yet acquired experience implementing this specific policy; and
- (b) Issuing a single document that contains all the conduct, behaviours and actions the applicant defines as prohibited practices; currently these definitions are contained in several organizational documents.

Annex VIII: Accreditation assessment of applicant 094 (APL094)

I. Introduction

1. Applicant 094 (APL094), Yes Bank Limited (Yes Bank), is a national private sector financial institute based in India. The applicant commits to contribute to the fulfilment of India's nationally determined contributions for climate change by mobilizing USD 5 billion by 2020 for climate action through lending, investing and raising capital for mitigation, adaptation and resilience efforts
2. It has geographical reach across all Indian states and is partnered with various international organizations to catalyse climate finance, such as the International Finance Corporation (IFC), the United Nations Environment Programme Finance Initiative and the United Nations Global Compact.
3. In order to advance the objectives of GCF, the applicant intends to mobilize finance towards renewable energy, energy efficiency, clean drinking water, green buildings, sustainable livelihoods and agriculture projects. It also intends to create a carbon sink by planting two million saplings and to offset carbon emission from its operations. In addition, it has developed processes and platforms to incorporate local knowledge at the community level into the implementation of its projects.

II. Stage I institutional assessment and completeness check

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

2.1 Legal status, registration, permits and licences

5. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. Yes Bank was established in 2004 and is registered under the Reserve Bank of India, 1934, and the Banking Regulation Act, 1949.

2.2 Institutional presence and relevant networks

6. With a mission to create a commercially viable financial institution that incorporates sustainability within its core business focus, Yes Bank undertakes a "responsible banking" strategy and focuses on sustainable finance, innovative projects that address environmental and social concerns, and proactive investments for projects that have positive environmental and social impacts.
7. Yes Bank has undertaken its role in mainstreaming the 2030 Agenda for Sustainable Development and innovative climate finance at the global level. It has geographical reach across all Indian states and is partnered with various international organizations to catalyse climate finance, such as the International Finance Corporation (IFC), the United Nations Environment Programme Finance Initiative and the United Nations Global Compact.
8. In order to advance the objectives of GCF, the applicant intends to mobilize finance towards renewable energy, energy efficiency, clean drinking water, green buildings, sustainable livelihoods and agriculture projects. It also intends to create a carbon sink by planting two million saplings and to offset carbon emission from its operations. In addition, it has developed processes and platforms to incorporate local knowledge at the community level into the implementation of its projects.

2.3 Track record

9. Yes Bank has been working with diverse stakeholders from the government, non-governmental organizations, enterprises and international organizations and has shown expertise in various sectors for projects of different sizes and duration, in both adaptation and mitigation. Such activities typically fall within the GCF environmental and social (E&S) category A/I-1 or lower E&S risk levels.
10. The applicant's track record in financing climate change-related projects includes the following, which fall within the GCF medium-size categories:
 - (a) USD 4.4 million (loans and equity) for a Rural Housing and Infrastructure Project;
 - (b) USD 9.4 million (loans and equity) for the development and operation of storage food grain silo complexes;
 - (c) USD 125 million (loans and equity) for the 100-megawatt (MW) Solar Power Project in West India; and
 - (d) USD 187.4 million (loans and equity) for a 170 MW Wind Farm Project.

III. Stage II accreditation review assessment

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

3.1 Fiduciary standards

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

13. The applicant has a clearly defined governance and oversight structure that formally defines the roles, responsibilities and assigned authority for each functional area and individual in the organization. The applicant's Board of Directors has several subcommittees with defined tasks, and their terms of reference, membership and attendance record are made public through the applicant's 2018–2019 Annual Report. There are also senior management committees, such as the Executive Credit Committee, the Asset Liability Management Committee and the Operational Risk Management Committee.
14. The applicant has a consistent and formal process to set objectives and ensure that the chosen objectives support and align with the mission of the applicant. The applicant's strategic plan has growth targets relating to total assets, advances, deposits, banking ratios, number of branches, customer allocation, staff numbers and return on capital. The strategic plan is the basis for the applicant's annual plans and budgets. A management committee meets on a quarterly basis and has oversight of the applicant's five-year strategic plan, including the key performance indicators, the risk profile of the applicant and the annual plans of the applicant's units.
15. The annual audited financial statements are consistent with the International Financial Reporting Standards and meet the requirements of the country's banking authority. The applicant's accounts are kept in Oracle FLEXCUBE, which is used by several other banks in the country.

16. The applicant has a robust internal control framework. Each department of the applicant has its procedures documented by way of a self-assessment matrix, and these are tested on a sampling basis through the operational risk management function. There is an authority matrix that applies throughout Yes Bank. There is a strong Operational Risk Management Policy that is consistent with the country's Companies Act.
17. The Audit Committee is a subcommittee of the Board of Directors. It met nine times in 12 months for the period ending 31 March 2019, and its five members attended all the meetings. The Audit Committee reviews and monitors the adequacy of the internal audit function. The AP's review of documents indicates that there is a strong internal audit unit with over 100 staff with an International Organization for Standardization 9001:2015 certification as a Quality Management System. These observations are consistent with documents and audit reports seen by the AP.
18. The applicant's internal audit approach is risk based and consists of extensive branch audits and headquarter audits, of which the AP reviewed a sample of internal audit reports covering areas of cash management, which include disbursements, and audits of the control department, which include procurement and aspects of information technology security. The internal audits are compliance oriented, and their reports are clear and have a high implementation rate for the recommendations.
19. The procurement system is guided by a clear policy that establishes a fair and transparent set of procurement rules with proper oversight. A policy for controlling the procurement procedures of GCF executing entities has recently been established. However, the applicant has provided ample examples of how it monitors its projects on a monthly and bi-monthly basis and frequently uses independent engineers to do so. These examples demonstrate that the applicant has the mechanisms in place and will be effective in controlling the procurements of projects financed by GCF.
20. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on key administrative and financial capacities.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

21. The applicant has several policies relating to transparency and accountability, including: a code of conduct with wide applicability; a conflict of interest policy; an insider trading policy; a whistle-blower policy; and a vigilance policy. These policies have a clear tone from the top that financial mismanagement and other forms of malpractice, such as those listed in the GCF Policy on Prohibited Practices, are not tolerated. The applicant's policies are compliant with the requirement of the country's banking authority. The application of these policies is under the oversight of the Audit Committee.
22. The Fraud Investigation Unit, headed by the Chief of Internal Vigilance, has the required independence and operates under two committees of top managers, the Fraud Control and Suspicious Transaction Monitoring Committee and the Fraud Monitoring Committee of the Board of Directors. Complaints can be submitted through a web-based platform operated by an independent third party that is bound by the whistle-blower policy.
23. The applicant provided sufficient documentation, including evidence of the oversight activity, to demonstrate that the policies and practices described in the two paragraphs above are consistently applied.
24. The applicant has policies and procedures in place against money laundering and terrorist financing that are in line with the country's banking authority requirements and meet GCF requirements. Its "know your customer" due diligence process involves the scrutiny of the relationship manager, branch operations and central operations team. Criminal and terrorist databases are checked as part of the "know-your-customer" review, and anti-money-laundering

software warns of potential violations based on a predefined logical algorithm. The related systems, policies and procedures have been demonstrated to the AP, and they are regularly reviewed by internal audit. They are also overseen by the Audit Committee and reviewed on behalf of the country's banking authority.

25. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully comply with the GCF basic fiduciary standards on transparency and accountability as well as the GCF Policy on the Protection of Whistleblowers and Witnesses,¹ its Policy on Prohibited Practices² and its Anti-Money Laundering and Countering the Financing of Terrorism Policy.³

3.1.3 Section 5.1: Specialized fiduciary standard for project management

26. The applicant's project management process is guided by two main operational policies: a Credit Policy that provides guidance on the identification, formulation and appraisal of projects; and a Project Oversight Policy, which was recently adopted to meet GCF fiduciary standards. The Project Oversight Policy provides guidance for overall project management, from project conceptualization to closure, particularly in relation to projects that would be financed by GCF either through grants or loans. The applicant provided examples of projects it has financed, which show that the project management process complies with its Credit Policy.

27. Projects financed by the applicant are appraised based on project reports prepared by the borrowers' staff or external consultants. As part of the project appraisal process, the applicant ensures that all the projects under review comply with the Reserve Bank of India's asset classification and reporting requirements, as well as the country's labour laws, such as the Workmen's Compensation Act 1923, Minimum Wages Act 1948, Equal Remuneration Act 1976, and Child Labour (Prohibition and Abolition) Act 1986.

28. To ensure project quality at entry, a project proposal goes through a multi-tiered scrutiny process of quality checks until it is approved by the Head of the Risk Management Team and ultimately by the Managing Director/Chief Executive Officer, depending on the size of the project.

29. Being a commercial bank, the applicant does not implement projects, and, as such, it does not prepare project implementation plans, including project budgets. However, as a best practice, it requires borrowers to prepare and provide such project implementation plans, including budgets, before applications for financing are approved.

30. The applicant has a comprehensive process for monitoring the projects it finances:

- (a) The applicant appoints a Lender's Independent Engineer to carry out continuous oversight of the projects, including monitoring of project expenditure against the budget, and to highlight the results achieved and lessons learned at the end of the project implementation period;
- (b) Site visits are undertaken where necessary to monitor project status and help address any emerging problems;
- (c) Specific teams comprised of sectoral experts monitor the projects on a regular basis while relationship teams liaise with clients to receive updates on project progress; and
- (d) A management committee reviews project progress at the time of the annual renewal of loan facilities and may, on a case-by-case basis, increase project monitoring, impose new covenants or demand additional security in the event of unsatisfactory project progress.

¹ Decision B.BM-2018/21 and its annex I.

² Decision B.22/19 and its annex XIV.

³ Decision B.18/10 and its annex XIV.

31. The applicant has a well-established risk management function carried out by a Credit Risk Management Team comprised of credit risk professionals. The team operates independently and does not have business targets. It undertakes due diligence of project proposals with an emphasis on the identification of project risks and putting in place appropriate mitigation measures; it also monitors project progress on an ongoing basis. The Credit Risk Management Team also manages the applicant's project-at-risk system, which uses risk filters to identify/flag project problems at an early stage to ensure appropriate remedial actions are taken in a timely manner. The work of the Credit Risk Management Team is overseen by the Risk Monitoring Committee of the applicant's Board of Directors; this committee is responsible for overall risk governance and oversight.

32. To ensure transparency in the use of funds provided by GCF, the applicant has recently put in place an Information Disclosure Policy with provisions for the publication of project monitoring and evaluation reports, project results and beneficiaries. However, the effective implementation of the Information Disclosure Policy can only be demonstrated during and at the end of the implementation of a GCF-funded project/programme.

33. As the country's fourth largest private sector bank with a wide range of financial products and a network of over 1,000 branches, the applicant has a sound track record in project management guided by a set of mature policies and procedures. The applicant has financed several climate-related projects. Examples include:

- (a) A wind power project with an aggregate capacity of over 200 MW spread across various locations;
- (b) A 100 MW solar power project sponsored by one of the country's leading renewable energy groups; and
- (c) A residential and commercial real estate project with a focus on the country's Green Development and Responsible Urbanization Programme.

34. The AP finds that the applicant's policies, procedures and capacity, including its track record, do not fully meet the GCF specialized fiduciary standard on project management. The gap identified in paragraph 32 above is addressed by the corresponding condition for accreditation in section 3.2.

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

35. The applicant provides grants to various entities/beneficiaries who meet specific eligibility criteria under its corporate social responsibility programme. The grant award programme is guided by four major policies:

- (a) Its Corporate Social Responsibility Policy, which lays out guidelines for the selection of potential partners in executing grant-funded projects/programmes. The policy is posted on the applicant's website and publicized in its annual reports along with summaries of grant activities financed by the applicant;
- (b) Its Corporate Social Responsibility Implementation Policy, which aims at ensuring that grant awards are implemented as planned. It also serves as a standard operating procedure for grant awards and lays out the framework/process for due diligence, monitoring and evaluation of grant award activities;
- (c) Its Project Oversight Policy to guide overall management of projects from conceptualization to closure. This policy was designed to meet GCF standards on project management and would apply to all GCF-financed projects; and
- (d) Its Information Disclosure Policy, which would apply specifically to projects/programmes financed by GCF either through grants and/or loans.

36. Responsibilities/authorities for the award of grants are clearly defined in the Corporate Social Responsibility Implementation Policy. Decisions on grant awards of up to INR 1,000,000 are made by the applicant's Internal Corporate Social Responsibility Committee. Decisions on grant awards exceeding this limit are made by the applicant's Managing Director/Chief Executive Officer on the basis of key focus areas approved by the Corporate Social Responsibility Board Committee.

37. The applicant has a number of focus areas to which grant funding is targeted. The focus areas, approved by the applicant's Corporate Social Responsibility Board Committee, include: livelihood security and enhancement, education and skills training, healthcare and social welfare, and environment sustainability. In line with these focus areas, the applicant identifies potential partners through market research. In this context, it looks at the capabilities, experience/track record and potential synergies. Potential partners are then invited to submit project proposals for which due diligence is carried out either internally or by an appointed third party. The grant proposals are then presented to the Internal Corporate Social Responsibility Committee for evaluation and final decision for grant amounts of up to INR 1,000,000. Approval of the Managing Director/Chief Executive Officer is required for grants exceeding this threshold.

38. The criteria for the selection of grant-funded project/programme partners include:

- (a) Number of operational years of the partner organization;
- (b) Details of projects of comparable scale in the key focus areas financed by the partner organization in last five years; and
- (c) Registration certificates under applicable laws.

39. A legally binding memorandum of understanding is to be signed with every grant implementing/executing partner before the disbursement of a grant award. The memorandum of understanding has adequate provisions for:

- (a) The grant awarding entity's right to visit partners' premises and have access to financial and other project records for the purpose of the applicant ensuring, for itself, its auditors and regulators, that the partners are complying with the terms and conditions of grant awards;
- (b) Disbursement of grants in tranches based on agreed milestones;
- (c) Ensuring that no grant is awarded retrospectively for activities already started or completed at the time of the application;
- (d) Suspension, reduction or termination of the grant in the event of the beneficiary failing to comply with its obligations;
- (e) An annual, periodic independent review and external audit of its grant award activities;
- (f) Recovery of funds paid to the grantees with regard to expenditures that are unauthorized or fall outside the scope of the funding for the project; and
- (g) A requirement to follow the grant awarding entity's procurement rules and procedures.

40. To ensure transparency in the use of funds that would be provided by GCF, the applicant has recently put in place an Information Disclosure Policy with provisions for providing access to the public to information on grant activities, including information on the periodic progress of individual projects and budget utilization. However, the effective implementation of the policy can only be demonstrated during the implementation of a GCF-funded project.

41. Upon completion of a project, a detailed project completion report (covering all aspects of project implementation from inception to completion) is prepared by the implementing agency in consultation with the applicant's Corporate Social Responsibility Core Team. The

project completion report highlights lessons learned that inform the design and implementation of future projects.

42. The applicant has provided sufficient information, which demonstrates a sound track record of effectiveness and consistency in the implementation of its grant award policies, procedures and process. However, the AP finds that the applicant's policies, procedures and capacity do not fully meet the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms. A relevant gap is identified in paragraph 40 above and addressed by the corresponding condition for accreditation in section 3.2 .

3.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees

43. The applicant has policies that guide its on-lending, blending, equity and guarantee operations. The policies include procedures and guidelines for undertaking due diligence with clearly defined roles and responsibilities and appropriate formats/templates for assessing the capabilities of individuals or corporate bodies applying for financing for loans, equity and guarantees. Sample due diligence reports reviewed by the AP indicate that the applicant's framework/guidelines for undertaking due diligence are effectively implemented.

44. The applicant has recently adopted Information Disclosure Policy with provisions for providing information to the public regarding its decisions on on-lending and/or blending operations that would be funded by GCF as well as the beneficiaries and results of GCF-funded projects. However, the applicant has not demonstrated effective implementation of this policy as required by the GCF specialized fiduciary standard for on-lending, blending, equity investments and provision of guarantees as no GCF-funded projects have been approved and implemented.

45. The applicant has a proven track record, institutional experience and capacities in on-lending and blending of funds from different international and multilateral funding sources, such as IFC and the Deutsche Investitions- und Entwicklungsgesellschaft, a German development finance institution. The credit lines from IFC and Deutsche Investitions- und Entwicklungsgesellschaft are blended with the applicant's own resources to support the financing of small and medium-sized enterprises.

46. In addition to lines of credit from international and multilateral funding sources, the applicant has raised resources through the issue of green bonds for on-lending to green infrastructure projects. These bonds are guided by an internal green bond framework that has emphasis on natural resources conservation, biodiversity conservation, renewable energy, energy efficiency, sustainable waste management, sustainable land use, clean transportation, sustainable water management and climate change adaptation.

47. The applicant provided sufficient evidence, including annual accounts, reports on internal audits of key risk areas and external annual audits of its financial statements, to show that it has adequate procedures for ensuring that the funds it provides are channelled transparently and used effectively. Based on the information provided, the AP has found that the applicant has demonstrated its capacity to effectively and transparently channel funds that could be provided by GCF through an on-lending, blending, equity or guarantee structure.

48. The AP finds that the applicant's policies, procedures and capacity meet the GCF specialized fiduciary standard for on-lending, blending, making equity investments and providing guarantees. However, the applicant does not have a sufficient track record to meet this standard. The gap identified in paragraph 44 above is addressed by the corresponding condition for accreditation in section 3.2.

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

49. The applicant decided in August 2017 to revise its application to apply for a maximum E&S risk category B/intermediation 2 (I-2)⁴ rather than E&S risk category A/1-1. The applicant's E&S Policy was approved in 2013, replacing the 2005 version. The E&S Policy outlines the E&S responsibilities and a summary is available on the applicant's web page. It refers to national laws and country obligations under international laws, the Equator Principles and the Performance Standards 1 to 8 of IFC. The E&S Policy refers to an environmental and social impact assessment (ESIA) process aligned with Performance Standard 1. This process involves the assessment of the impacts of associated facilities and cumulative impacts and the application of a mitigation hierarchy to manage the impacts. An addendum to the E&S Policy, approved by senior management in July 2019 provides for GCF-specific requirements (e.g. it includes an indigenous peoples policy/guideline) and applies to any GCF-funded project/programme.

50. The applicant has signed relevant international initiatives, including the United Nations Environment Programme Finance Initiative, the Global Reporting Initiative and the Climate Disclosure Project, and developed national voluntary guidelines on responsible financing with its partners. It has been listed on the Dow Jones Sustainability Emerging Markets Index since 2015 until 2018.

51. The AP finds that the applicant's E&S Policy and addendum, supported by evidence of its track record, meet the GCF Environmental and Social Policy⁵ and interim environmental and social safeguards (ESS) standards for maximum E&S risk category B/I-2 projects/programmes with respect to Performance Standards 1 to 8.

3.2.2 Section 6.2: Identification of risks and impacts

52. The E&S policy has an exclusion list to screen out certain types of projects (e.g. projects that use child labour). Projects/programmes are screened for impacts using IFC guidance and the project/programme documents (e.g. the ESIA report) are then categorized as A/I-1, B/I-2 or C/intermediation 3 (I-3). The addendum to the E&S policy provides additional guidance on how to categorize projects/programmes. The applicant provided a list of projects/programmes that were categorized using IFC guidance, demonstrating an adequate track record of screening and categorizing its projects/programmes as A/I-1, B/I-2 or C/I-3.

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

3.2.3 Section 6.3: Management programme

54. The E&S policy and its addendum provide the institutional process, tools, checklists and templates to manage mitigation measures, check compliance, develop corrective action plans and develop E&S covenants. A process flowchart shows how E&S management is integrated into all investment steps (e.g. pre-investment, pre-disbursement and post-disbursement). The identified E&S risks and covenants are captured in the loan documentation. Sanctions can then be applied in the case of non-compliance, including the withholding of further disbursement. The applicant provided a sufficient track record showing application of its E&S management

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

⁵ Decision B.19/06 and its annex X.

system over the project/programme cycle (e.g. the applicant's port project and wind energy and solar energy projects).

55. The applicant conducts internal and external third-party audits of its environmental and social management system (ESMS) and its annual sustainability report. Examples of its ESMS performance reports and examples showing that the ESMS was improved over time based on the performance reviews were provided and reviewed by the AP.

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

3.2.4 Section 6.5: Monitoring and review

57. The applicant's E&S monitoring framework and procedures, E&S Policy and addendum to the E&S Policy require that compliance with project/programme-level E&S commitments and mitigation measures be monitored and linked to the disbursement of funds. The applicant's risk management framework requires an annual independent review to track E&S risks and the effectiveness of the mitigation measures. The applicant provided various types of E&S monitoring reports, including government monitoring reports, client reports and annual monitoring reports of its projects to show its track record of monitoring E&S against IFC Performance Standards 1 to 8. The applicant also demonstrated an adequate track record of reporting the monitoring and review findings to its senior management.

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

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

59. The applicant is committed to E&S knowledge dissemination, specifically publishing reports on its E&S performance and carbon emissions. The applicant is required to comply with national requirements related to consultation. The addendum to the E&S Policy requires the applicant's executing entities to engage in inclusive, meaningful consultation with stakeholders during project/programme preparation and implementation. The applicant facilitates compliance with national requirements related to disclosure of E&S documents. The addendum to the E&S Policy specifically addresses the requirements for the disclosure of E&S information contained in the GCF Information Disclosure Policy.

60. The applicant's whistle-blower policy, 2017 Complaints Management Procedures and 2019 Grievance Redressal Policy (which includes the applicant's Grievance Redressal Mechanism) outline the procedures and timelines to address inquiries and complaints. The policies and procedures allow for confidentiality and the escalation of a concern, where needed. Several internal and external channels can receive inquiries and complaints (e.g. in person, by telephone, mail or email, or through social media e.g. Facebook). Also, the website provides a general contact button, an outline of the procedure to submit inquiries and complaints, an online complaints form and a whistle-blower portal and platform with an email address. Complainants can also opt to use the national banking ombudsman.

61. Inquiries/complaints, including any E&S inquiry/complaint, are managed at the lowest possible level, typically at branch level (level 1) through a designated officer or branch manager. Complaints that escalate to levels 2 and 3 are managed at headquarters by the Complaints Management Team (a Grievance Redressal Officer for level 2 complaints and a Principal Nodal Officer for level 3) within the Retail Service Excellence and Quality Assurance Unit of the Risk Management Department. There are also regional nodal officers. All complaints received by telephone, email or letter are recorded and tracked in a database. The Complaints Management Team maintains the register and status of resolution of the inquiries and

grievances. The Team also analyses the complaints to report to the Standing Committee, the Customer Service Committee and the applicant's Board of Directors, who together will consider unresolved complaints and the effectiveness of the redress mechanism. The complaints management process is audited by the Internal Audit Team; complaints received through the whistle-blower portal are presented to the Audit Committee. The applicant shared a register of external inquiries and complaints covering 2015 to 2018. There has not been any project-level E&S complaint submitted to the institutional-level system to date.

62. The addendum to the E&S policy requires the applicant's executing entities to establish a project/programme-level grievance mechanism (i.e. a mechanism that is understandable, transparent, gender-sensitive, culturally appropriate and easily accessible). The addendum specifies that project/programme stakeholders could also submit grievances through the institutional-level system.

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

3.2.6 Section 6.4: Organizational capacity and competency

64. The applicant provided an organizational chart and a flow chart to show the E&S reporting lines, responsibilities and roles. The applicant's Board of Directors and Risk Monitoring Committee provide oversight on E&S matters. The responsible banking division at headquarters implements the E&S Policy, supported by project/programme teams and the risk management department. The E&S Risk Analyst screens projects/programmes and recommends E&S covenants. The project/programme team incorporates the E&S covenants into the loan conditions. The loan management team, the E&S staff and the monitoring team monitor E&S compliance during implementation.

65. The curriculum vitae of the Chief Sustainability Officer and the three staff that identify E&S risks and implement the E&S Policy were provided. The applicant uses reputable external firms to conduct ESIA's. The applicant provided a copy of its three E&S courses, showing routine and relevant internal E&S training from a basic to advanced level. The E&S courses are available on the applicant's online learning portal, with the basic course being mandatory for all employees. Evidence was provided to show that E&S staff attend external trainings, as needed. In addition, the applicant's sustainable investment banking team provides advisory services for clean renewable energy (e.g. solar), showing climate-relevant technical capacity and competency.

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

3.3 Gender

67. The addendum to the E&S Policy provides the applicant's Gender Policy/Guidelines, committing the applicant to gender equality and equity. The addendum provides a gender action plan template and a list of questions to guide a gender analysis; it requires gender-sensitive stakeholder engagement, project/programme-specific gender analysis and a gender action plan, allocation of a gender budget, gender-sensitive data collection, gender-aware monitoring, evaluation and reporting, and a gender-sensitive grievance mechanism. The Gender Policy/Guidelines apply to all clients, projects/programmes and beneficiaries of future GCF project/programmes. The E&S policy includes gender requirements in line with the GCF Gender Policy. However, the applicant's capacity for gender risk assessment is currently limited (e.g.

capacity to conduct or oversee gender assessments and gender analyses); it will continue to hire external gender consultants to implement its Gender Policy and to guide gender assessment and analysis for projects, until it has developed the capacities of its own in-house gender experts.

68. The applicant's annual reports, in line with the Global Reporting Initiative requirements, provide some gender-disaggregated data. For instance, the breakdown of employees by category, pay scale and gender is provided, demonstrating the applicant's application of its non-discrimination remuneration policy. The applicant has experience with developing special bank branches focused on serving women customers; it also has experience with projects that focus on lending to women-owned businesses.

69. The AP finds that the applicant's gender policies, procedures and capacity do not fully meet the GCF Gender Policy. The relevant gap related to capacity and competency for gender mainstreaming is identified in paragraph 67 above and is addressed in the corresponding condition for accreditation in section 3.2 of this document.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant fully meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy. The applicant partially meets the specialized fiduciary standard for project management, the specialized fiduciary standard for grant award and/or funding allocation mechanisms, and the specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees. Relevant gaps are identified in paragraphs 32, 40 and 44 above. The gaps arise as the applicant has not demonstrated effective implementation of its recently approved Information Disclosure Policy. The gaps are addressed through the corresponding conditions for accreditation in section 3.2;
- (b) The applicant meets the requirements of the GCF Environmental and Social Policy, interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the medium E&S risk (category B/1-2); and
- (c) The applicant partially meets the requirements of the GCF Gender Policy. The relevant gap is identified in paragraph 67 above. The gap arises as the applicant has not demonstrated in-house gender mainstreaming capacity and experience. The gap is addressed through the corresponding condition for accreditation in section 4.2.

4.2 Recommendation on accreditation

71. The AP recommends, for consideration by the Board, applicant APL094 for accreditation as follows:

- (a) **Accreditation type:**

- (i) **Maximum size of an individual project or activity within a programme:** medium (including micro⁶ and small⁷);
 - (ii) **Fiduciary functions:**
 - 1. Basic fiduciary standards;
 - 2. Specialized fiduciary standard for project management;
 - 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - 4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
 - (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2) (including lower risk (category C/ I-3⁸));
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Conditions to be met with the submission of the first funding proposal to GCF:
 - 1. Provision of evidence by the applicant that it has strengthened the capacities of its gender expert to lead the implementation of its Gender Policy (e.g., the designated expert has received a certificate of professional development in gender from a reputable organization, e.g., United Nation Women’s Training Centre);
 - 2. Provision of evidence by the applicant of the development and implementation of gender training to the applicant’s staff on the applicant’s Gender Policy;
 - (ii) Condition to be met on an annual basis for two consecutive years, starting from the date of the first disbursement by GCF for the first approved project/programme to be undertaken by the applicant:
 - 1. Provision of evidence by the applicant of the publication on the applicant’s website of information on the periodic progress of the first approved GCF project/programme, including budget utilization; and
 - (iii) Condition to be met within one year of the closure of the first GCF-funded project/programme to be undertaken by the applicant:
 - 1. Provision of evidence by the applicant of the publication on the applicant’s website of the final evaluation report, including information on project results and beneficiaries, for the first GCF-funded project/programme.

⁶ As per annex I to decision B.08/02, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme”.

⁷ As per annex I to decision B.08/02, “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 10 million and up to and including US\$ 50 million for an individual project or an activity within a programme”.

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



72. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 71 above, and agrees to the recommendation.

Annex IX: Accreditation assessment of applicant 095 (APL095)

I. Introduction

1. Applicant 095 (APL095), Cassa Depositi e Prestiti S.p.A. (CDP), is a public and private sector entity based in Italy that operates internationally. The applicant is an Italian national promotional institution mandated to promote international development and cooperation and national economic development and growth. The applicant supports national foreign policies, strategies and programmes with regard to international cooperation for sustainable development, human rights and peace, poverty eradication, conflict prevention and reconciliation, and education. In addition, the applicant acts as a financial institution and has carried out various activities to promote Italy's actions in development cooperation by providing finance to the government, local authorities and public entities and also in support of the local private sector.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 28 February 2018. Accreditation fees were received from the applicant on 8 August 2018, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 27 June 2019 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:

- (a) **Access modality:** international access;
- (b) **Track:** the applicant became fast-track eligible under the Directorate-General for International Development and Cooperation of the European Commission (DG DEVCO) part-way through Stage I;
- (c) Maximum size of an individual project or activity within a programme: large;¹
- (d) Fiduciary functions:²
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management;
 - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - (iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
- (e) **Maximum environmental and social risk category:** high risk (category A/Intermediation 1 (I-1)).³

II. Stage I institutional assessment and completeness check

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

² Decision B.07/02.

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

3. The applicant initially applied under the normal track and later became eligible for the fast-track accreditation process as a DG DEVCO entity. Its application has been assessed by the Secretariat during Stage I under the normal track, and later in accordance with the requirements and gaps identified in decisions B.08/03 and B.12/30.

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant is a joint-stock company (Law Decree No. 269/2003) registered in Rome under the Chamber of Commerce, Industry, Handicrafts and Agriculture of Rome. The applicant's largest shareholder is the Ministry of Economy and Finance of Italy, followed by private shareholders and treasury shares. In accordance with Law n.125/2014, the applicant is authorized to perform the task of acting as a financial institution for international development cooperation.

2.2 Institutional presence and relevant networks

5. The applicant is a national promotional institution with its public mandate and acts as a financial institution. Therefore, the applicant serves as a bridge between the public and private sectors and aims to develop a 360-degree approach to address climate finance. The applicant deploys various financial instruments to invest in sectors where the scarcity of investments and the lack of coordination of interventions are likely to compromise the achievement of development goals. For example, the applicant crowds-in private sector actors through initiatives that help remove market distortions and improve market regulatory frameworks.

6. Furthermore, the applicant has a global presence in 69 countries in Africa, Asia Pacific, Eastern Europe, and Latin America and the Caribbean with a special focus on small island developing States and the least developed countries. It promotes investments in green economy and places "green initiatives" as a priority of its operations. As a lender and investor using its own resources, the applicant provides soft loans, sovereign loans, private loans and equity investments. In addition, it co-finances green projects and initiatives with various partners, such as national governments, private funds, multilateral development banks and international financial institutions.

7. The applicant supports the sustainable and low carbon growth of the private sector and promotes the financing of development cooperation projects. It aims to leverage more finance and provide financial support to advance the paradigm shift towards new development models to address climate change and sustainability issues, in particular by mobilizing finance to unblock bottlenecks to private investment by addressing the risks involved, and by developing an inviting business environment for climate investments.

8. The applicant is committed to the Paris Agreement and the United Nations 2030 Agenda for Sustainable Development. It aims to identify a new balance between public and private resources and to foster effective public-private partnerships in order to achieve positive results in terms of transition to a low emission and climate-resilient economic system. It also intends to leverage its experience at the national level and focus on renewable energy, smart grids and energy savings through the promotion of clean and innovative technologies.

9. In order to advance the objectives of GCF, the applicant intends to deploy innovative financing tools and blending schemes to leverage private sector interventions. The applicant intends to finance climate projects in its identified strategic regions, such as Africa, small island developing States and South-East Asia. In addition, it aims to focus on both mitigation and adaptation actions and intends to prioritize the following GCF results areas:

(a) Energy generation and access;

- (b) Buildings, cities, industries and appliances; and
- (c) Infrastructure and built environment.

2.3 Track record

10. The applicant has track record in using different and innovative financing tools, including grants, loans, equity and guarantees, and also has experience in treasury, risk management and credit risk analysis. For example, the applicant has been working on launching a risk-sharing platform with multilateral financial institutions in order to provide guarantees to foster the financing of small renewable energy development projects for local private beneficiaries in Sub-Saharan Africa.

11. In collaborations with other financial institutions, the applicant also gained experience in managing the full project cycle from financial assessment, disbursement, financial monitoring in several key sectors of the economy.

12. The applicant's track record in financing sustainable development and climate change-related projects to date includes the following:

- (a) USD 600 million (in grants) for the Kyoto Fund to improve energy efficiency of school buildings;
- (b) USD 28 million (in grants and loans) for a revolving fund for development cooperation to provide access to drinking water for schools, cities and rural areas in the Plurinational State of Bolivia;
- (c) USD 274 million (out of USD 274 million) (in loans) for the Mosul Dam project in Iraq;
- (d) USD 240 million (out of USD 800 million) (in loans) for a Lima Metropolitana Project in Lima, Peru;
- (e) USD 60.95 million (out of USD 265 million) (in equity) for a European Energy Efficiency Fund project to finance member states of the European Union through public-private partnerships in small-scale renewable energy and clean urban transport projects; and
- (f) USD 42 million (out of USD 140 million) (in guarantees) for a project in Italy to modernize the Milazzo refinery to reduce dust emissions and consumption of gas fuels.

2.4 Potential support for direct access entities

13. The applicant aims to support national and regional entities in improving their institutional functions, so that these entities have a strengthened capacity to better assist their countries in implementing a "green revolution" towards low carbon and climate-resilient development. For example, the applicant intends to support direct access entities through the following strategies:

- (a) Partnering with developing countries' subnational, national and regional entities as well as intermediaries in designing, developing and implementing projects for GCF;
- (b) Providing technical assistance in selecting specific projects and improving awareness and accountability in climate initiatives;
- (c) Providing capacity-building for risk assessment and management of financial issues related to investment projects, and development of innovative financial tools; and
- (d) Supporting direct access entities' partnerships with international and European financial organizations.

14. In addition, in order to support direct access entities in their accreditation to GCF, the applicant intends to provide for direct involvement of national and regional entities in projects and initiatives that CDP will bring forward to GCF. It intends to help direct access entities in the selection of appropriate financial instruments dedicated to projects that can contribute to GCF objectives. It also intends to share knowledge and experience gained in its network of international financial institutions to promote new initiatives.

III. Stage II accreditation review assessment

15. The applicant is eligible for, and applied under, the fast-track accreditation process as a DG DEVCO entity. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against GCF accreditation standards in accordance with the requirements and gaps identified in decisions B.08/03 and B.12/30.

16. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application. The AP also undertook a site visit to the applicant's headquarters to gain better knowledge and understanding of its operations and check the information provided with the application and especially the applicant's capacity to meet GCF requirements under the Environmental and Social Policy and Gender Policy.

3.1 Fiduciary standards

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

17. As per paragraph 15 above, the basic fiduciary standards concerning key administrative and financial capacities is considered to have been met by way of fast-track accreditation.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

18. As per paragraph 15 above, the basic fiduciary standards concerning transparency and accountability, with the exception of items 4.2.3, prohibited practices and whistle-blowers and witnesses, and 4.2.5, anti-money-laundering (AML) and countering the financing of terrorism (CFT) policies, have been met by way of fast-track accreditation.

19. Regarding item 4.2.3, the applicant has adequate policies and procedures and capacity to prevent or deal with financial mismanagement and other forms of malpractice. In this context, the applicant has: a code of ethics that lays out the institution's policy on zero tolerance for fraud, financial mismanagement and other forms of malpractice by staff and all other relevant parties associated directly or indirectly with the general operations of the applicant; avenues and tools for reporting suspected ethics' violations, misconduct and any kind of malpractice; a function for investigating allegations of fraud and corruption and other forms of malpractice; disclosure of conflict of interest procedures; and a policy and associated mechanisms for protecting whistle-blowers and witnesses.

20. The AP finds that the applicant's policies, procedures and capacity fully meet the GCF Policy on Prohibited Practices and its Policy on the Protection of Whistleblowers and Witnesses.

21. Regarding item 4.2.5, the applicant has a comprehensive AML/CFT Policy, which is designed to comply with: European Union Directive (2015/849); the Financial Action Task Force international standards and recommendations; Italian Legislative Decree 231/2007; and AML/CFT regulations of the Supervising Authorities (i.e. the Bank of Italy and the Italian Financial Intelligence Unit. The framework for preventing money laundering and financing of terrorism includes:

- (a) “Know-your-customer” procedures to achieve real knowledge of counterparties. The procedures follow a risk-based approach and provide for enhanced measures/scrutiny in the case of clients with a high risk profile;
- (b) Systems and procedures to identify suspicious transactions which are reported to the Italian Financial Intelligence Unit;
- (c) Maintenance of a database where information is updated on a regular basis and stored for a least 10 years; and
- (d) Annual educational events to spread AML/CFT knowledge among the applicant’s employees.

22. The applicant’s “know-your-customer” due diligence procedures involve three key steps: client verification, registration of information, and reporting of suspicious transactions. Sample copies of recent reports on “know-your-customer” due diligence undertaken were provided. The reports are comprehensive and are consistent with the applicant’s “know-your-customer” due diligence procedures. The applicant traces and monitors the transfers of funds between itself and its clients by keeping records of all transactions in a dedicated financial transactions database. Sample copies of reports on monitoring of funds transfer were provided.

23. The AP finds that the applicant’s policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on transparency and accountability by way of fast-track accreditation, as well as the GCF Policy on the Protection of Whistleblowers and Witnesses,⁴ GCF Policy on Prohibited Practices⁵ and the GCF AML/CFT Policy.⁶

3.1.3 Section 5.1: Specialized fiduciary standard for project management

24. The applicant has several policies, frameworks and guidelines used in the management of its loan, equity investment and guarantee operations. The main ones include:

- (a) Project preparation and appraisal guidelines;
- (b) Procedures for undertaking project quality review during the project preparation and appraisal processes;
- (c) Procedures for assessing project risks, including provisions for the development and implementation of appropriate risk mitigation strategies and actions;
- (d) Policies and operational procedures for the preparation of project implementation plans and budgets;
- (e) Project monitoring and evaluation procedures; and
- (f) Policies and procedures relating to project closure.

25. The applicant also has an Evaluation Disclosure Policy that provides guidance on disclosure of project information in accordance with the applicant’s “Regulation for the Disclosure of Privileged Information to the Public”. The information provided by the applicant clearly demonstrates that the above policies and procedures are effectively implemented.

26. The applicant has a sound process for undertaking project quality review during the project preparation and appraisal stages. The first stage of this process is performed by the Risk Operation Department, which is independent of the business unit that originates the project proposal. The second stage of the process is carried out by the Credit Committee, comprising representatives of the Legal, Risk Operation, Risk Management Compliance, and Finance

⁴ Decision B.BM 2018/21 and annex I thereto.

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

⁶ Decision B.18/10 and annex XIV thereto.

Departments. Sample quality review reports were provided and show that the process operates effectively.

27. The applicant has well-documented procedures for monitoring and evaluation of its lending, equity finance and guarantee operations. However, even though in practice the applicant uses independent advisers to carry out evaluations of some of the projects it finances, these procedures did not include specific provisions for independent evaluation of projects/programmes as required by the GCF specialized fiduciary standard for project management. Accordingly, the applicant has subsequently revised its monitoring and evaluation procedures to include a clear requirement for independent evaluation of GCF-funded projects.

28. The applicant's overall project oversight and control function is handled by two main units. While the Business Management Unit monitors the overall project implementation progress, the independent Internal Audit Unit focuses on monitoring counterparty compliance with the applicant's internal policies, procedures, as well as the terms and conditions set out in financing agreements.

29. The applicant has a project-at-risk system, which is independent of the project implementation and project supervision functions. The system is overseen by the Business Management Unit. Examples of project problems identified and addressed to demonstrate effectiveness of the use of the system were provided.

30. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF specialized fiduciary standard on project management.

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

31. As per paragraph 15 above, the specialized fiduciary standard for grant award and/or funding allocation mechanisms is considered to have been met by way of fast-track accreditation.

3.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees

32. The applicant has a set of well-documented policies and procedures for its on-lending, blending, equity and guarantee operations. These include: due diligence policies and procedures for assessing the capabilities of the counterparties seeking financing; an investment management policy; and a comprehensive risk management policy. The latter has provisions for implementing risk management strategies to mitigate a broad range of risks including equity risk, credit risk, liquidity risk, exchange rate risk, operational risk, reputational risk, country risk, and interest rate risk.

33. The applicant has a policy/guidelines for publishing information on its lending, equity and guarantee operations. The information is made available to the public by publication on the applicant's website and in its annual report. In addition, as required by the GCF specialized fiduciary standard for on-lending and/or blending, the applicant provides public access to information, via its website, on beneficiaries and results of the projects it finances. Evidence of publication of information on the applicant's operations was provided.

34. The applicant has experience and capacities in mobilizing funds for its on-lending, blending, equity investment and guarantee operations from international and multilateral sources. In 2015, the applicant successfully passed the European Union Seven Pillars Assessment Procedure for the management of resources available under the European Union blending facilities for the financing of international development cooperation projects. The applicant is currently participating in two initiatives with other international development financial institutions aimed at stimulating investment in Africa. The applicant is also in the

process of negotiating with the European Commission the terms of three Guarantee Agreements, including:

- (a) A guarantee programme for a renewable energy initiative whose aim is to support the financing of small renewable energy plants in sub-Saharan Africa;
- (b) A programme jointly promoted by the applicant and two other development finance institutions which aims at addressing the causes of migration inflows from sub-Saharan Africa by promoting financial inclusion and local entrepreneurship; and
- (c) An initiative promoted jointly with the African Development Bank to support the development of Africa's most ambitious small and medium-sized enterprises.

35. The applicant has a system for ensuring that the funding it provides is used for the intended purposes. In accordance with the applicant's business management procedures, the Internal Audit Division verifies the effective allocation and utilization of the financing provided by the applicant. Examples of internal audit reports on the use of funds and evidence of advantages to final beneficiaries were provided.

36. The applicant provided information that shows there is clear segregation of the treasury function and operations. The segregation of duties is demonstrated in relation to disbursement of financing provided by the applicant. Disbursement requests are prepared by business units which are entered into the applicant's information technology system along with supporting documentation. The Treasury Office receives the request for payment directly from the information technology system, verifies the supporting documentation and proceeds with the payment.

37. In addition to its lending and on-lending activities, the applicant undertakes equity investments primarily through investment in funds set up by institutions such as the European Investment Bank, the European Commission and other entities. Examples of such funds include: (a) the European Energy Efficiency Fund, whose main objective is to combat climate change through investments proposed by public bodies within the European Union; and (b) InfraMed Fund, sponsored by the applicant, the European Investment Bank and French, Moroccan and Egyptian financial institutions to support diversified long-term investments in infrastructure in the fields of transport, energy and urban areas development. The applicant also provides guarantees for loans by the European Investment Bank and other financial institutions to finance a broad range of private and public sector activities, such as the financing of an oil refinery to improve energy efficiency and operational reliability and ensure compliance with Italy's national environmental legislation, and a project for increasing the availability and quality of broadband services in Italy and Brazil. Although the applicant does not provide grant financing from its own resources it has a strong track record in managing grants from the European Commission, the Italian Ministry of Environment and other donors. Examples of grant funds managed by the applicant on behalf of the various donors were provided.

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

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

39. The applicant provided its new draft Environmental, Social (E&S) and Gender Policy, The draft E&S and Gender Policy also refers to the United Nations Sustainable Development Goals, a scaled risk-based approach, use of a mitigation hierarchy and stakeholder engagement.

40. The service provider for E&S services is within the applicant's group structure. It provides E&S services to group members, including to the applicant. The service provider has adopted and implemented the Organisation for Economic Co-operation and Development Recommendation of the Council on Common Approaches for Officially Supported export Credits and Environmental and Social Due Diligence (the Common Approaches) since 2001, as its Environmental and Social Management System (ESMS) when providing all E&S services. The principles and objectives of the Common Approaches focus on: human rights; the International Labour Organization Declaration on Fundamental Principles and Rights at Work; host country standards and regulations; related international agreements and conventions; E&S assessment procedures aligned to the International Finance Corporation (IFC) performance standards (PS) 1-8 on environmental and social sustainability; and World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines). The applicant has signed a new agreement with the service provider for it to conduct the E&S assessment of any GCF-funded project/programme.

41. The applicant has endorsed the declaration by the European Long-Term Investors Association⁷ to contribute to the transition to a low carbon economy. The applicant's commitment to energy transition and climate change (as well as to equal opportunity, non-discrimination and social change) are highlighted in its 2018 Annual Report.

42. The new draft E&S and Gender Policy will be approved and made publicly available by the end of 2019/early 2020. The AP finds that the applicant's draft E&S and Gender Policy (including annexes) once adopted, supported by its E&S service providers' track record under the Common Approaches, will meet the GCF Environmental and Social Policy⁸ and interim environmental and social safeguards (ESS) standards for maximum E&S risk category A/I-1 projects/programmes with respect to PS 1-8. The gap related to the applicant's Board approving the draft E&S and Gender Policy identified in paragraph 39 above is addressed by the condition for accreditation in section 4.2 of this document.

3.2.2 Section 6.2: Identification of risks and impacts

43. The applicant's draft E&S and Gender Policy describes the institutional process to identify E&S risks and impacts and to categorize projects/programmes, in line with IFC PS 1-8. The service provider has the tools (e.g. checklists) and personnel to conduct this process, categorizing projects from A/I-1 (projects with significant impacts) to C/I-3 (projects with minimal impacts) and identifying further E&S studies, where needed. The service provider provides the screening/categorization report to the applicant's Business Unit (e.g. international development department) and Risk Department. The Sustainability Unit supervises and provides oversight, ensuring compliance of the applicant's ESMS.

44. The applicant provided a list of projects (e.g. two combined-cycle power plants, an urban development project and a food/beverage project), which were categorized on its behalf by the service provider to demonstrate its track record of categorizing projects from A/I-1 to C/I-3 using IFC PS 1-8.

45. The AP finds that the applicant's system to identify E&S risks and impacts and to categorize projects, supported by its E&S service providers' track record under the Common Approaches, meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes.

3.2.3 Section 6.3: Management programme

46. The draft E&S and Gender Policy describes in detail the applicant's ESMS and institutional process to manage mitigation measures and actions stemming from the E&S risk and impact identification process, from risk identification to monitoring, reporting and evaluation. The policy includes process flowcharts showing integration of E&S into the

⁷ See <<https://www.eltia.eu/>> and <http://www.d20-ltic.org/images/ELTI_website_info_as_brochure.doc_3.pdf>.

⁸ Decision B.19/06 and annex X thereto.

applicant's project cycle and project-appraisal cycle. The project-appraisal cycle requires that all risks (i.e. economic, financial and E&S risks) be assessed. In the case of E&S risks, the service provider or an external supplier will review the full ESIA (category A/I-1) or limited ESIA (category B/I-2). When the ESIA predicts E&S risks and impacts, the E&S mitigation measures and time-bound corrective actions are outlined in an Environmental and Social Management Plan (ESMP) and/or Environmental and Social Action Plan (ESAP), in line with IFC PS 1-8 and the EHS Guidelines.

47. The ESIA findings are summarized by the service provider, including any proposed E&S loan conditions, in conjunction with the applicant's Business Unit and Sustainability Unit. The applicant's Risk Department reviews all risks and submits its overall findings to senior management, for final decision-making.

48. The applicant provided a copy of the service provider's ESMP/ESAP template and several ESMPs/ESAPs (e.g. for the combined-cycle power project and urban transportation project) to demonstrate integration of E&S risk management over the project cycle in line with IFC PS 1-8.

49. The AP finds that the applicant's management programme, supported by evidence of its E&S service providers' track record, meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes.

3.2.4 Section 6.5: Monitoring and review

50. The draft E&S and Gender Policy describes the E&S monitoring, review and reporting framework and procedure. The framework comprises project-specific annual performance reports, and interim and final evaluations/audits to ensure implementation of the ESMPs/ESAPs and E&S conditions. The applicant's projects are subject to three levels of internal control:

- (a) The service provider is responsible for E&S monitoring, review, reporting and coordination on any follow-up action, which can include site visits and conference calls with relevant parties. An independent consultant is typically hired (especially under co-financing arrangements) to assess the implementation and effectiveness of mitigation measures. The monitoring and review reports are checked by the applicant's Business Unit and Operational and Legal Department;
- (b) The applicant's Risk Management Department conducts the second-level check on all risks and mitigation measures; and
- (c) The applicant's Sustainability Unit conducts the third-level oversight check, compiling the periodic and final E&S monitoring and review reports based on the information from the other levels.

51. In the case of a GCF-funded project/programme, the applicant will use a risk-based approach to monitor all projects from category A/I-1 (frequent monitoring) to C/I-3 (limited monitoring to confirm the category C/I-3 designation).

52. The draft policy requires that the effectiveness of ESMP/ESAP mitigation measures and the effectiveness of the ESMS be reviewed periodically to capture lessons learned during implementation and to align with the evolving international best practices. The draft policy requires the review results to be reported to its senior management on a periodic basis. The draft E&S and Gender Policy provides a monitoring report template, which covers the requirements of IFC PS 1-8.

53. Several ESAP monitoring reports (e.g. for the steel mill project, transportation project and combined-cycle power plants) were provided, demonstrating that the applicant's projects under the Common Approaches framework are monitored and reviewed against IFC PS 1-8, that the implementation and effectiveness of the mitigation measures are reviewed by external

independent consultants, and that additional corrective measures are identified and tracked, where needed.

54. The applicant does not have a track record in conducting ESMS effectiveness reviews and reporting the results to its senior management. This track record will be built once it starts implementing its new ESMS for a GCF-funded project/programme.

55. The AP finds that the applicant's system of monitoring and review, supported by evidence of its E&S service provider's track record under the Common Approaches framework, partially meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes. The relevant gap identified in paragraph 54 above is addressed by the corresponding condition for accreditation in section 4.2 of this document.

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

56. The draft E&S and Gender Policy requires projects to have a stakeholder engagement plan to describe the process to conduct meaningful consultation and the provisions for E&S information disclosure. Furthermore, ESIA/ESMPs/ESAPs must document all consultation meetings and describe the schedule for communicating with the affected communities. The draft policy requires category A/I-1 and B/I-2 projects to be disclosed 120 days and 30 days, respectively, before Board approval, with the documents provided in English and the local language. This requirement is aligned to the requirements for E&S information disclosure in the GCF Information Disclosure Policy.

57. The applicant provided a track record for consultation and information disclosure in line with the Common Approaches (i.e. category A/I-1 ESIA were disclosed 30 calendar days before final commitment). The applicant will apply the consultation and information disclosure provisions of its new draft E&S and Gender Policy to all GCF-funded projects/programmes.

58. The applicant provided its 2016 grievance redress mechanism (GRM) policy ("Rules for Managing Complaints"). The applicant's website provides its GRM procedure ("Complaints Procedure") and a link to the complaints form. The GRM policy and procedure are in line with best practices (e.g. transparency, accessibility, and predictability) and describe the type of complaints eligible for resolution under the GRM, the expected timelines and the appeal procedure. Complaints can be submitted by letter, fax, or through a dedicated email address. The draft E&S and Gender Policy refers to the applicant's GRM policy and procedure, further emphasizing good-practice GRM principles. The draft E&S and Gender Policy also explicitly requires the applicant's executing agencies to provide an adequate project-level GRM.

59. The applicant provided evidence of its competency to manage its GRM, submitting the curricula vitae of its Compliance Unit staff assigned to register and manage complaints. The Compliance Unit staff provide annual reports to senior management on the status of grievances and the effectiveness of the GRM. The applicant also provided a register of complaints for 2016 to 2017. No E&S complaints have been submitted to the applicant's GRM system to date.

60. The applicant indicated that it will establish a dedicated web portal, with its own independent GRM, for its GCF-funded projects/programmes.

61. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its E&S service provider's track record, partially meets the requirements of the GCF Environmental and Social Policy, interim ESS standards and GCF Information Disclosure Policy requirements on disclosure of E&S information for maximum E&S risk category A/I-1 projects/programmes. The gap identified in paragraph 60 above is addressed by the corresponding condition for accreditation in section 4.2 of this document.

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

62. The applicant provided various organizational charts and two process flowcharts to show the E&S reporting lines and the departments responsible for the ESMS. The draft E&S and Gender Policy identifies in detail the E&S responsibilities and roles, as follows. The Internal Auditing Department assesses the suitability of the internal control systems and compliance with applicable rules and management instructions. Audit findings are reported to senior management through the Board Risk Committee, Board of Directors, and Board of Statutory Auditors on a quarterly basis. The Operations Management Department ensures that the counterparty is meeting its contractual obligations.

63. The applicant's Risk Department is responsible for E&S risk assessment; the Business Unit is responsible for ESMS implementation and monitoring. The Sustainability Unit coordinates and supervises the ESMS implementation and is responsible for updating and disseminating the E&S and Gender Policy/ESMS. The service provider performs the E&S activities (i.e. screening/categorization, recommending E&S covenants and monitoring and review), submitting E&S findings to the applicant's Business Unit and Risk Department.

64. The applicant provided the curriculum vitae of its service provider staff, as well as work samples, showing capacity to identify E&S risks, categorize projects and monitor and review ESMP/ESAP performance. The applicant also provided the curricula vitae of its own internal staff responsible for the ESMS implementation and supervision.

65. The service provider has trained the applicant's staff in line with the Common Approaches and a copy of the E&S training materials was provided. The applicant will need to conduct a training programme in early 2020 to disseminate and build capacity to fully implement the new E&S and Gender Policy.

66. The AP finds that the applicant's organizational capacity and competency, supported by evidence of its E&S service provider's track record, partially meets the GCF Environmental and Social Policy and interim ESS standards for maximum E&S risk category A/I-1 projects/programmes. The gap identified in paragraph 65 above is addressed by the corresponding condition for accreditation in section 4.2 of this document.

3.3 Gender

67. The draft E&S and Gender Policy provides the applicant's Gender Policy and gender-sensitive approach. It supports a country-ownership approach, refers to the gender requirements under IFC PS 1, 2, 5 and 7 and requires gender analysis, a gender action plan and gender-sensitive monitoring and evaluation over the project cycle. The gender provisions apply to all clients and beneficiaries of any future GCF project/programme.

68. The applicant's Code of Ethics emphasizes that it is an equal opportunity employer and that it does not discriminate on the basis of gender or sexual orientation. The new management model is oriented towards creating a non-discriminatory and inclusive work environment.

69. The applicant provided the curricula vitae of the service provider's staff, responsible for the gender aspects related to IFC PS 1, 2, 5 and 7 and the curricula vitae of its Sustainability Unit staff specifically responsible for gender mainstreaming in line with the new draft E&S and Gender Policy. As the draft E&S and Gender Policy is new, the applicant will need to train its staff on the gender provisions of the new draft E&S and Gender Policy in early 2020.

70. The applicant's commitment to gender equity and gender equality is highlighted in its Annual Reports. The applicant provided project examples with components to enhance the participation of women (e.g. through a technical training project that trained low-income women in non-traditional skills, such as carpentry; a programme, which included a gender equality analysis, that focused on encouraging diaspora investments into small and medium-scale enterprises, including women's enterprises). The applicant is a founding member of the

2X Challenge,⁹ a programme that provides capital to improve women's leadership skills, access to finance and access to gender-sensitive products and services.

71. The AP finds that the applicant's gender policies, procedures and capacities, supported by evidence of its E&S service provider's track record, partially meets the GCF Gender Policy requirements. The gap identified in paragraph 69 above is addressed by the corresponding condition for accreditation in section 4.2 of this document.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy, specialized fiduciary standard for grant award and/or funding allocation mechanisms, specialised fiduciary standard for project management, and specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees.
- (b) The applicant partially meets the requirements of the GCF E&S Policy and interim ESS standards as well as the GCF Information Disclosure Policy requirements on disclosure of E&S information in relation to the high E&S risk (category A/I-1). The main gaps identified in paragraphs 39, 54, 60 and 65 above relate to the applicant having a new draft E&S and Gender Policy approved by its Board; conducting and reporting on ESMS effectiveness reviews; establishing an independent GRM on its portal for GCF-funded projects/programmes; and implementing a training programme to disseminate the new E&S and Gender Policy. The gaps are addressed in the corresponding conditions for accreditation in section 4.2 of this document; and
- (c) The applicant has demonstrated that it partially meets the competencies in order to implement its Gender Policy. The main gap identified in paragraph 69 above, relating to training its staff on the gender provisions in the new draft E&S and Gender Policy, is addressed in the corresponding condition for accreditation in section 4.2 of this document.

4.2 Recommendation on accreditation

73. The AP recommends, for consideration by the Board, applicant APL095 for accreditation as follows:

- (a) **Accreditation type:**

⁹ See <<https://www.2xchallenge.org>> and <https://www.cdp.it/sitointernet/page/en/women_empowerment_3_billion_dollars_for_investment_in_women?contentId=PRG20059>.

- (i) **Maximum size of an individual project or activity within a programme:** large (including micro,¹⁰ small¹¹ and medium¹²);
- (ii) **Fiduciary functions:**
1. Basic fiduciary standards;
 2. Specialized fiduciary standard for project management;
 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 4. Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
- (iii) **Maximum environmental and social risk category:** high risk (category A/I-1) (including lower risk (category B/intermediation 2 (I-2)¹³ and category C/intermediation 3 (I-3)¹⁴);
- (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Conditions to be met prior to the signature of the accreditation master agreement during Stage III of the accreditation process:
1. Provision of evidence by the applicant of the adoption by its Board and publication on its website of the E&S and Gender Policy; and
 2. Provision of evidence by the applicant demonstrating that the applicant has implemented its 2019 training programme on the new E&S and Gender Policy (i.e. provide the training materials and workshop report);
- (ii) Condition to be met prior to the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:
1. Provision of evidence by the applicant demonstrating that the web portal for the first approved GCF project/programme was established

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

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

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

¹³ As per annex I to decision B.07/02, category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

¹⁴ As per annex I to decision B.07/02, category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts” and intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

and that this web portal has its own independent grievance redress mechanism for this first project/programme; and

- (iii) Condition to be met within two years of the first disbursement by GCF for the first approved GCF project/programme to be undertaken by the applicant:
 - 1. Provision by the applicant of a final report prepared by an independent body assessing the effectiveness of the implementation of the applicant's ESMS, which shall include examples of its application and of lessons learned.

74. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 73 above, and agrees to the recommendation.

Annex X: Accreditation assessment of applicant 096 (APL096)

I. Introduction

1. Applicant 096 (APL096), Save the Children Australia (SCA), is a non-governmental organization (NGO) based in Australia that operates internationally through its network. With its vision of ensuring a world in which every child attains the right to survival, protection, and development, the applicant tackles various issues that affect children, including access to health and education, saving lives in a disaster, mitigating and adapting to climate change and protecting children from harm. The applicant manages various programmes related to climate change adaptation, disaster risk reduction, education, health and nutrition, and urban and humanitarian areas, among others. It integrates knowledge of climate change impacts into its programmes, which helps children and their communities to better prepare for future disasters and the effects of climate change and helps to safeguard the outcomes of the programmes.

2. The applicant submitted its application for accreditation to the Secretariat via the online accreditation system on 30 May 2017. Accreditation fees were received from the applicant on 17 October 2017, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 21 December 2018 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:

- (a) **Access modality:** international access;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** small;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards; and
 - (ii) Specialized fiduciary standard for project management; and
- (e) **Maximum environmental and social risk category:** minimal to no risk (category C).³

II. Stage I institutional assessment and completeness check

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

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. The applicant was registered under the Australian

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

² Decision B.07/02.

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

Securities and Investments Commission on 29 November 2004 (Company No. 008-610-035) and provided documents to demonstrate its legal status.

2.2 Institutional presence and relevant networks

5. The applicant, a global NGO, has work that spans across 125 countries around the world in Africa, the Middle East, Pacific Islands, South Central Asia and South-East Asia. It has worked with local communities, various levels of government, international NGOs, advocacy groups, academia, private sector entities and the media.

6. In order to advance the mission and objectives of GCF, the applicant intends to develop community-based adaptation projects in developing countries. In order to ensure that the potential projects address national needs and priorities, the applicant intends to undertake initial analyses of national climate change policies and strategies and understand how the national needs intersect with the areas of expertise in SCA programming. The applicant also intends to actively engage with national designated authorities from the start of the project design phase to ensure that the funding proposals would support national priorities and local needs on climate change.

7. In addition, the applicant intends to build on its existing global experience to develop innovative approaches to the climate change adaptation challenges facing poor and vulnerable children and their communities. The applicant aims to place children at the core of disaster risk reduction and resilience building, which would allow children's needs and capacities to be considered in the way people prepare for, react to and recover from disasters and adapt to longer-term changes.

8. To generate the potential for a paradigm shift in risk reduction and resilience building actions, the applicant also intends to scale up community-based adaptation approaches by partnering with governments, local communities and private sector entities.

2.3 Track record

9. The applicant's climate change work focuses on disaster risk reduction and building the resilience of children and their communities to the adverse impacts of climate change. For example, the applicant worked with its partners to improve the way communities, schools and governments plan for climate change impacts and integrate these plans into policies. The applicant also focuses on the education sector to safeguard investments in the sector, on ensuring safe construction projects that could be resistant to natural disasters and on raising public awareness through campaigns to help children and families to prepare for disasters.

10. In addition, the applicant has experience working in a consortium with pre-defined project partners to reach scale and to deliver transformative change with communities for adapting to climate change impacts. The applicant's track record in financing sustainable development and climate change-related projects to date includes the following:

- (a) USD 47.8 million (in grants) for the 'Western Program of Integrated Food Security and Food Action' project in Guatemala;
- (b) USD 29.85 million (in grants) for the project Livelihoods, Agriculture and Health Interventions in Action in the Niger;
- (c) USD 26.68 million (in grants) for the project Children of Uruzgan in Afghanistan; and
- (d) USD 1.83 million (in grants) for the Sayaboury Integrated Hazard Mitigation Project in the People's Democratic Republic of Laos.

2.4 Potential support for direct access entities

11. While recognizing direct access entities as the future for the majority of climate finance flows, the applicant intends to play a complementary role as an international NGO to help to ensure that climate finance reaches the most vulnerable people in developing countries. The applicant, if accredited, intends to closely collaborate with national designated authorities to identify partners at the national level, within the scope of SCA expertise and projects, that may be candidates for accreditation as direct access entities. Thereafter, the applicant would work with these entities through GCF-funded projects/programmes to build the required capacities, including financial management, technical knowledge, social and environmental safeguards, gender equality, and child protection.

12. Furthermore, the applicant intends to work with subnational governments, civil society and project partners to build capacity to develop and implement adaptation projects that meet community needs while ensuring that project partners' fiduciary, environmental and social (E&S) standards meet SCA standards and those of GCF. In doing so, SCA aims to ensure that subnational partners are well placed to channel future climate finance to local communities to address their adaptation needs.

III. Stage II accreditation review assessment

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

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

3.1 Fiduciary standards

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

15. SCA has a non-executive Board consisting of six to 14 directors elected by members. Directors receive appropriate expenses but no remuneration. Members serve a three-year term and can be re-elected for up to a maximum of nine years of service. The Board meets at least six times per year and has three subcommittees: the Audit (Board Audit Committee (BAC)), Human Resources (Board Human Resources Committee (BHRC)) and Programs and Risk (Board Programs and Risk Committee (BPRC)). SCA has provided two organizational charts, one describing the management structure and the other describing the separate subcommittee structure, which outlines the oversight of the Board and its three subcommittees as well as the Executive Committee, which reports to the Chief Executive Officer (CEO).

16. SCA does not have a stand-alone ethics committee, but strong ethics are very much part of its culture. Ethics are addressed by various codes and practices and each one has an oversight mechanism which ultimately escalates to one of the three Board subcommittees and if necessary to the Board. For example, the code of conduct is governed by BHRC; programmes practice and risk management, including child safeguarding, are governed by BPRC; and financial integrity and compliance is governed by BAC.

17. SCA does not have a separate finance committee. However, issues that would normally be addressed by a finance committee are the responsibility of BAC. BAC is also responsible for internal audit. BAC is independent from management, with up to five independent non-executive members, at least three of whom are Board members with the rest being either Board members or qualified external persons. SCA employees are not permitted to be BAC members.

18. BPRC assists the Board on risk management, programme work, and policy and advocacy work. BHRC assists the Board with nominations and appointments, performance and succession of directors, CEOs and other executives as well as setting human resources strategy and policy.

19. SCA has a rigorous process for setting objectives and preparing short- and long-term strategic plans. The yearly cycle starts with a bottom-up exercise with staff and management preparing plans and objectives that are presented to the executive management and eventually to the Board. Following a process of intensive internal planning and consultations with a set timetable, operational plans and key performance indicators (KPIs) are set for the coming year together with annual budgets. Progress against objectives is monitored continuously throughout the cycle at board, executive management and staff level through dashboards and departmental reporting. Information on SCA activities is provided to:

- (a) The Board and subcommittees;
- (b) Members at SCA annual general meetings;
- (c) Supporters and the general public through the SCA Annual Report;
- (d) Employees at quarterly all-staff meetings; and
- (e) Donors who have funded specific programmes.

20. SCA has provided its 2016–2018 Strategic Plan and its Global Strategy: “Ambition for Children 2030”, and the 2017 executive KPIs together with the 2016 budget and 2017 budget pack that is prepared following the budget discussion at the Board. The alignment of objectives with the mission of SCA is part of the process of intensive internal planning and consultation between departments, executive management and the Board.

21. Following the objective setting process, management produce a comprehensive set of KPIs with qualitative and quantitative metrics that are disseminated to staff across the organization. The bar is set quite high and progress against objectives is actively and regularly monitored and recorded. One of the objectives for 2017 was to achieve GCF accreditation. A specified budget is earmarked for funding internal capacity-building projects that support strategic priorities and for funding a project management office to provide oversight of the project portfolio. SCA has a policy of setting “stretch targets” to encourage strong efforts in meeting the organization’s aims. The December 2018 dashboard shows how targets are adjusted from one year to the next when it is recognized that some targets were set unrealistically high in previous years. Detailed reporting on SCA activities and programmes is made available to all employees and to the general public through the SCA Annual Report.

22. Financial statements are prepared in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. SCA has provided a copy of its policy on accounting policies and audited financial statements, including a satisfactory auditor’s opinion for 2014, 2015, 2016, 2017 and 2018. SCA uses a financial reporting system called Agresso Business World. The system is enabled by the SCA integrated systems platform and allows the Board to review bimonthly financial reports. Senior management also receives rolling forecasts and cash flows together with monthly departmental financial dashboards. The cost centres and departments receive monthly profit and Loss and expenditure reports, weekly fundraising performance and attrition reports and daily cash appeal reports. Examples of dashboards, forecasts, departmental Profit and Loss , expenses and fundraising reports have been provided.

23. The SCA Internal Audit Charter has been provided. It explains the purpose, authority and responsibilities of the SCA internal audit function in accordance with the Institute of Internal Auditors mandatory definition of internal audit, code of ethics and international standards. The function is led by the Head of Risk and Audit and the terms of reference for this position have been provided. Reporting is direct to BAC. The SCA internal audit is assessed as

part of internal assurance within the risk support team, which reports annually to the Board. Satisfactory internal audit plans have been provided as part of the overall Risk Management Plan for 2017, 2018 and 2019. Status reports for internal audit recommendations over the last three years have also been provided.

24. The external auditor provides a report to BAC on its findings concerning financial management and systems during the process of performing the annual audit. A report to BAC of June 2019 detailing progress in addressing issues identified by the external auditor has been provided. SCA has a well-defined control framework with roles and responsibilities clearly defined and robust risk management policies appropriate to its business. SCA uses the Agresso Financial Management System application for intranet accessed management accounting systems for income and expenditure reporting and this drives financial and management control and reporting. The external auditors provide BAC with an annual report that comments on SCA internal controls.

25. SCA has a comprehensive procurement policy that is consistent with recognized international best practice. Complementing the policy is the procurement policy guidelines document, which was updated in 2018 to strengthen certain areas of procurement, including oversight of the procurement of executing entities when required by specific funders and donors such as GCF. In most cases the executing entities for SCA projects are Save the Children International country offices, which follow Save the Children International and local procurement policies equivalent to those of SCA. Where outside executing entities are engaged, they are required to comply with SCA procurement policies. SCA has also provided documents and an explanation of how procurement disputes and complaints are managed and escalated when necessary.

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

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

27. Given the nature of the business of SCA as a charity focused on the well-being of children worldwide, strong ethical standards are an integral part of the culture of the organization. The approach to ethics is documented in the Code of Conduct and the Safeguarding Code and Policies, all of which are applicable to all SCA staff. The Child Safeguarding Policy Guidelines state that all SCA permanent, maximum-term and casual staff, trustees and Board members, volunteers, other personnel including interns, work experience/placement students, visitors to programmes and individual contractors and consultants must sign the Child Safeguarding Code of Conduct and agree to comply with the principles and standards it contains. Staff receive a task prior to starting work that requires them to read all essential SCA policies, including the Code of Conduct and the Safeguarding Code to acknowledge that they have read and agree to the essential policies through the system – this is referred to as the Red Carpet Notification. SCA human resources staff track and report on the completion of this task through this online Red Carpet application.

28. SCA has provided a copy of its Conflict of Interest Policy, to which all employees must adhere. Cases are escalated to the CEO and to the Board as necessary. Directors' (Board members') interests are dealt with in the SCA constitution. Directors are also subject to the requirement of the Australian Corporations Act 2001, which requires disclosure of any and all interests. Such declarations must be recorded by the Company Secretary in the minutes of Board meetings. SCA also has a Gifts and Benefits Workplace Policy, which defines its rules on receipt of gifts and benefits by employees in their professional capacity. SCA has provided examples of two potential conflict of interest cases.

29. SCA has provided its Anti-Corruption Policy, which supports its zero tolerance of bribery, corruption and fraud, whether direct or indirect, by anyone working with or on behalf

of SCA in whatever capacity. As a major charity, SCA has worked with funds and donations from a wide range of sources, from major corporations, multilateral development banks (such as the World Bank) and governments to individuals making small donations. SCA has provided its Whistle-blower Policy and policy guidelines. Disclosures and complaints can be made anonymously via an external secure online service. In the first instance, disclosures are handled by the SCA Legal Counsel and Head of Risk Support, who have been nominated to ensure adherence to the obligations within the Protected Disclosure Policy and Guidelines. Cases may then be escalated to the CEO and SCA Board if necessary. Verbal reports can also be made via the supporter care number provided on the website.

30. The SCA investigation system is based on the Investigations Guide, which defines the process of initiating and conducting investigation, as well as the corresponding authorities. Investigations are escalated to different levels of SCA depending on the severity of the possible malpractice. The independence of the Investigating Officer is safeguarded by making sure that there are no conflicts of interest. The applicant's fraud investigation guidelines reflect the methodology used in the Australian Government Investigation Standard. The Investigations Guide references a number of templates used in documenting investigations. The status of investigations of severe violations is reported to BAC and BHRC. SCA has provided a summary of investigations of suspected breaches of the code of ethics and possible malpractices during the last four years and confirmed that there had been no violations in the last three years severe enough to warrant escalation to BHRC.

31. SCA has provided its Anti-money-laundering and Counter-terrorism Financing Policy for itself and for Save the Children International investigations. As SCA is a charity and not a financial institution, there is no "know-your-customer" policy per se. However, SCA has provided its Donation Partnership Policy and guidance documents, which explain how potential donors are analysed prior to their donations being accepted. Two examples of assessments of potential donors have been provided. SCA has provided an explanation of how its electronic fund transfers are monitored and traced. SCA uses the National Australia Bank as its banking service provider. Monitoring of payments by the National Australia Bank is done through the SCA online banking portal, which generates payment audit reports upon demand. Two monthly payment audit logs generated by the National Australia Bank for July and November 2018 have been provided.

32. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on transparency and accountability, as well as the GCF Policy on the Protection of Whistleblowers and Witnesses,⁴ Policy on Prohibited Practices⁵ and Anti-Money Laundering and Countering the Financing of Terrorism Policy.⁶

3.1.3 Section 5.1: Specialized fiduciary standard for project management

33. The SCA Program Implementation Manual and annexes detail the approach to project cycle management, how opportunities arise, design and planning, implementation and evaluation, and close out. SCA has provided examples of three projects undertaken during the past three years: the first on enhancing the resilience of communities to disasters and climate change in the Philippines; the second on an integrated child centred climate change adaptation project in Bangladesh; and the third on Afghan returnees for reintegration into Afghanistan. Within each of these project documents, SCA highlights the work of the project and how the applicant complied with its institutional guidelines for project identification, preparation and appraisal.

⁴ Decision B.BM 2018/21 and annex I thereto.

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

⁶ Decision B.18/10 and annex XIV thereto.

34. The Program Implementation Manual provides an overview of how project cycle management is undertaken, including risk management. When an award is implemented the project is governed by a Risk Management Plan. The Risk Management Plan is managed by the Save the Children International implementing office and consists of a summary of net risk levels across the programming year and an issues tracker to ensure appropriate follow-up and lessons to be learned. The issues tracker is prepared for each project and is updated in conjunction with the Risk Management Plan. The Program Implementation Manual explains how KPIs and project baselines are set as well as the process of monitoring and evaluation. The three projects mentioned in paragraph 33 above demonstrate the capacity of SCA to examine and incorporate technical, financial, economic and legal aspects as well as environmental, social and climate change considerations, into their assessments.

35. The project quality review is incorporated into the initial project assessment as well as into the process of preparation of the evaluation reports. An assessment tool is used by staff for this purpose. SCA has provided two quality review reports – a sustainable education reform gains project in the Philippines and a consortium for community-based education and a learning project in Afghanistan. Also provided is a visit report on a quality monitoring trip to Cambodia, with associated recommendations and proposed follow-up actions. The Cambodian four-year project (2017–2021), entitled “Protecting Children Through System Strengthening and Evidence – PraCTiSE”, is linked to a previous project implemented in 2013–2017 that focused on positive parenting in Cambodia. SCA has explained and demonstrated how project results are made publicly available dependent on the specific agreement of project donors. Examples have been provided of two reports published for projects supported by the Australian Government Department of Foreign Affairs and Trade – one in the Uruzgan province of Afghanistan and the other in Pakistan.

36. A monitoring and evaluation plan must be developed at the project proposal phase. SCA has provided its evaluation handbook, which details the evaluation procedures. The independent monitoring focuses on project quality improvement, risk management and compliance. This independent monitoring of the project is executed through quarterly calls, field visits and project reviews. A diagnostic tool is also used to assess the maturity of monitoring, evaluation and lessons learned. Analyses of budget versus actual project finances are made regularly with reasons for variances and possible actions to rectify discrepancies. Monitoring and evaluation reports are published on the SCA website.

37. The AP finds that the applicant’s policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF specialized fiduciary standard on project management.

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

38. The applicant did not apply for this standard at this time.

3.1.5 Section 5.3: Specialized fiduciary standard for on-lending and/or blending for loans, equity and/or guarantees

39. The applicant did not apply for this standard at this time.

3.2 Environmental and social safeguards standards

3.2.1 Section 6.1: Environmental and social policy

40. Although not required for category C projects, the applicant submitted its Environmental Sustainability Policy and associated Environmental Sustainability Implementation Plan 2016–2018. The policy, approved by the Board of the applicant and disseminated within the organization, provides the applicant’s sustainability aims: to reduce its

organizational carbon footprint, reduce the environmental impacts of development projects, build evidence from their programming to provide support for action, and to influence their stakeholders and partners.

41. It should be noted that the applicant explicitly adopts International Finance Corporation Performance Standards (PS) 1-8 as its standards in its Program Environmental Management System (PEMS). PEMS, approved and implemented by the management of the applicant, implements the applicant's Environmental Sustainability Policy and provides the procedures it follows to meet policy objectives.

42. The AP finds that the applicant's E&S Policy and related documents, supported by evidence of its track record, fully meet the GCF Environmental and Social Policy⁷ and interim environmental and social safeguards (ESS) standards for maximum E&S risk category C projects/programmes with respect to PS 1-8.

3.2.2 Section 6.2: Identification of risks and impacts

43. PEMS provides a procedure for the identification and assessment of E&S risks and impacts. Because it did not originally include an E&S risk categorization framework, a risk screen against PS 1-8 of the GCF interim ESS standards has recently been added to the PEMS risk identification and assessment procedure.

44. In accordance with its PEMS, the applicant conducts risk identification during the preliminary project assessment. This allows it to make the appropriate decisions on how to monitor and mitigate the ESS impacts of projects.

45. The applicant provided examples of its track record in identifying and managing E&S risk mitigation measures and other actions identified as part of the E&S risk assessment process. These include community-based disaster risk reduction and climate change adaptation projects in Viet Nam, Bangladesh, Somalia and the Philippines that focused on the resilience of children, families and communities. Country offices, supported by Save the Children Australia, were responsible for implementing these measures in the above-mentioned projects.

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

3.2.3 Section 6.3: Management programme

47. PEMS has a fully developed system to monitor and manage the identified E&S risks. Based on the outcome of the environmental risk categorization, an appropriate level of assessment and mitigation is undertaken as follows using an ESS management tool:

- (a) If a project is categorized as low risk, no further action is taken except risk monitoring during implementation;
- (b) If a project is categorized as medium or high risk, the environmental risks are assessed by a Technical Adviser, and an environmental management plan is developed to avoid risks and to reduce, manage, monitor and report on unavoidable risks; and
- (c) If, following the mitigation measures, it is considered that a project is still likely to have a significant impact on the environment, it is referred to the Australian Government's Minister for the Environment for an appropriate decision on what is to be done.

48. The information the applicant submitted on its community-based disaster risk reduction and climate change adaptation project in Somaliland illustrates how it has managed ESS impacts and how its project team ensured local positive environmental outcomes given the environmental fragility of the project sites.

⁷ Decision B.19/06 and annex X thereto.

49. The AP finds that the applicant's management programme, supported by evidence of its track record, fully meets the GCF Environmental and Social Safeguards and interim ESS standards for maximum E&S risk category C projects/programmes.

3.2.4 Section 6.5: Monitoring and review

50. The PEMS implementation manual holds country offices responsible for undertaking regular project monitoring throughout the life of a project to ensure that it is on track, and to make adjustments where necessary. The applicant's project staff also provide ongoing remote support to country offices as well as conducting in-country site visits, as required. Project reporting takes into consideration the overarching policies and guidelines that inform the applicant's approach to programming (e.g. child rights, gender equality, environmental sustainability, disability inclusion, child participation, child protection, resilience building).

51. The applicant provided monitoring reports on projects in Viet Nam, Bangladesh, Somalia, and the Philippines (e.g. the same projects mentioned in paragraph 33 above).

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

3.2.5 Section 6.6: External communications; consultations, information disclosure, and grievance redress mechanism at the institutional level

53. The applicant has a well-developed complaints and feedback mechanism, which is based on principles adopted by its management such as being responsive, professional, engaged, accessible and respectful of privacy. The weblink to the mechanism complaints are received, registered and handled. There is also the facility to resort to the Supporter Care Manager, who supervises the Supporter Care Team, which handles complaints, if the response is unsatisfactory.

54. The applicant's grievance redress mechanism, for which the Supporter Care Unit is responsible, allows for the involvement of independent entities, in particular the Fundraising Institute of Australia (for funding issues) and the Australian Council for International Development (for other issues) if the complainant is not satisfied with the response of the applicant's Supporter Care Team.

55. The applicant provided a register of enquiries dating back two years, including E&S complaints, responses and current status. It also provided the text of the relevant contractual stipulations that require executing entities to establish project-level grievance mechanisms.

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

3.2.6 Section 6.4: Organizational capacity and competency

57. The applicant has a well-developed organizational structure to implement its E&S mandates. Responsible offices include: Head of Specialized Technical Services, Head of Process & Project Quality and the Climate Change Team comprising the Climate Change Manager and Climate Change Adviser working closely with the E&S Compliance Expert to provide the necessary technical support and approval for the completion of the PEMS assessment.

58. The Partnership and Business Development Managers or the in-country Programme Managers play lead roles in the field on implementing projects, including the applicant's PEMS. According to the applicant, which provided their curricula vitae, these staff have detailed knowledge of the PS 1-8 and know which individuals in the organization have specific expertise in the PS 1-8 area within Save the Children Australia, the wider Save the Children organization

and externally should specific technical support be needed on issues that the above-mentioned team have deemed in need of referral.

59. The AP has reviewed the curricula vitae of selected staff responsible for E&S matters and finds them satisfactory. The quality of the work of these staff is illustrated by the project documents submitted by the applicant on its community-based disaster risk reduction and climate change adaptation projects in Viet Nam, Bangladesh and the Philippines.

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

3.3 Gender

61. The applicant's Gender Policy complies with the GCF Gender Policy and follows best practice in this area. It is embedded in three related documents: "Gender programming policy", "Policy guidelines – gender program" and "Principles for gender equality". The first document provides a framework outlining the applicant's approach to gender equality across all programme development, implementation, and monitoring and evaluation. This policy is complemented by the other two above-mentioned documents.

62. In addition to these three documents, the applicant provided its Gender Equality Program Guidance and Toolkit and Gender Equality Market Tool as evidence for its procedures and practices that support its Gender Policy.

63. At the policy level, the applicant makes an explicit link between gender and climate change and integrates this approach into its programming.

64. Finally, the applicant provided three examples of climate change projects that have benefited both boys and girls, and that highlight the provision of grants to both men and women. These are the projects in the Philippines, Viet Nam and Bangladesh mentioned in paragraphs 33, 45 and 51 above.

65. The AP has reviewed the curricula vitae of selected staff of the applicant, including its Gender Adviser, responsible for Gender Policy matters and finds them satisfactory.

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

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) The applicant fully meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF Anti-Money Laundering and Countering the Financing of Terrorism Policy and the specialized fiduciary standard for project management;
- (b) The applicant meets the requirements of the GCF Environmental and Social Policy and the interim ESS standards in relation to the minimal to no E&S risk (category C); and
- (c) The applicant has demonstrated that it has competencies, policies and procedures in order to implement its Gender Policy, which is found to be consistent with the GCF Gender Policy, and has demonstrated that it has experience with gender consideration in the context of climate change.

4.2 Recommendation on accreditation

68. The AP recommends, for consideration by the Board, applicant APL096 for accreditation as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or activity within a programme:** small (including micro⁸);

(ii) **Fiduciary functions:**

1. Basic fiduciary standards; and
2. Specialized fiduciary standard for project management; and

(iii) **Maximum environmental and social risk category:** minimal to no risk (category C);

(b) **Conditions:**

None.

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

⁸ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of up to and including US\$ 10 million for an individual project or an activity within a programme”.

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

I. Background

1. In decision B.08/03, paragraphs (e–g), the Board decided that entities accredited by the Global Environment Facility (GEF), the Adaptation Fund (AF) and the Directorate-General for International Development and Cooperation (DG DEVCO) up to and including 17 October 2014 and in full compliance with those institutions' requirements, as contained in annex V to decision B.08/03 (annex V to document B.08/45), are eligible to apply under the fast-track accreditation process for the accreditation requirements of the GCF identified in the relevant paragraphs of the decision.
2. In decisions B.10/06, B.12/30, B.14/09, B.15/09, B.17/13, B.18/05, B.19/14, B.22/09 and B.23/13 the Board expanded the list of entities eligible to apply under the same fast-track approach, assuming all prerequisite criteria were met to include those under the GEF, the AF and DG DEVCO up to and including 9 July 2015, 9 March 2016, 14 October 2016, 17 December 2016, 6 July 2017, 2 October 2017, 1 March 2018, 28 February 2019 and 8 July 2019, respectively.
3. The entity presented below has been accredited by AF since 31 May 2019. No new entities have been accredited by the GEF and DG DEVCO since that time that are seeking to become eligible for fast-track accreditation to GCF.

II. Adaptation Fund

Table 4: The Adaptation Fund – national implementing entities since 31 May 2019^a

Name	Acronym	Country
Environmental Management Agency of Zimbabwe	EMA	Republic of Zimbabwe
Ministry of Finance and Economic Development	MFED	Tuvalu

a The list of the national accredited entities of the Adaptation Fund is available at <<https://www.adaptation-fund.org/apply-funding/implementing-entities/national-implementing-entity/>>. See also Adaptation Fund Board decision B.33-34/10, available at <https://www.adaptation-fund.org/wp-content/uploads/2019/07/Intersessional-Decision-B-33-34_10-Accreditation-of-EMA.pdf> and decision B.33-34/28 at <https://www.adaptation-fund.org/wp-content/uploads/2019/07/Decision-B-33-34_28-Accreditation-of-MFED_Tuvalu.pdf>.

4. The national direct access entities listed in table 4 have been confirmed via evidence provided by the entity regarding their successful accreditation as a National Implementing entity of the Adaptation Fund (decision B.33-34/10 and decision.33-34/28, respectively) on 15 July 2019.