



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
17 – 20 July 2022  
Incheon, Republic of Korea  
Provisional agenda item 10

**GCF/B.33/09**

25 June 2022

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# Consideration of accreditation proposals

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## **Summary**

This document presents an overview of accreditation progress up to 31 May 2022; 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) Initial guidance to national designated authorities (NDAs) and entities interested in engaging with GCF related to the role and responsibilities of the accredited entity (AE), and the accreditation process;
  - (b) The pipeline of entities, particularly to support direct access entities (DAEs) seeking accreditation, AEs in addressing their accreditation conditions, and AEs seeking to upgrade their accreditation scope;
  - (c) Relationship management of AEs, including completing their accreditation master agreements (AMAs) with GCF and AE-level monitoring and reporting; and
  - (d) Re-accreditation.
3. In addition to the above, the Secretariat supports the work of the Accreditation Committee and the Accreditation Panel (AP).
4. This document presents an overview of accreditation progress up to 31 May 2022. In particular, it includes an overview of the pipeline of applicant entities with information on support to DAEs, an overview of the portfolio of AEs, including the status of AEs addressing accreditation conditions, and the re-accreditation pipeline for 2022. The document also presents re-accreditation proposals and a proposal for upgrading the accreditation scope of AEs 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.33/09 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) “Matters related to the accreditation framework” and “Consideration of accreditation proposals, including consideration of the reaccreditation deadline” regarding the re-accreditation process (decisions B.24/13 and B.26/01, respectively);
  - (d) “Policy on Prohibited Practices” (decision B.22/19);<sup>1</sup>

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<sup>1</sup> This replaces the “Interim Policy on Prohibited Practices” (Exhibit A of the AMA considered in decision B.12/31).

- (e) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (decision B.18/10);<sup>2</sup>
- (f) “Policy on the Protection of Whistleblowers and Witnesses” (decision B.BM-2018/21);
- (g) “Revised Environmental and Social Policy” (decision B.BM-2021/18);<sup>3</sup>
- (h) “Updated Gender Policy and Action Plan 2020–2023” (decision B.24/12);<sup>4</sup>
- (i) “Evaluation Policy” (decision B.BM 2021/07);
- (j) “Assessment, including gap analysis, of institutions accredited by other relevant funds” (decision B.08/03);
- (k) “Country programming, readiness and preparatory support” (decision B.13/32);
- (l) “Application documents for submissions of applications for accreditation” (decision B.08/06);
- (m) “Policy on fees for accreditation” (decision B.08/04);
- (n) “Comprehensive information disclosure policy of the Fund” (decision B.12/35);
- (o) “Consideration of accreditation proposals” (decisions B.09/07, B.10/06, B.12/30, B.14/09, B.14/10, B.14/11, B.15/09, B.17/13, B.18/05, B.21/16, B.22/09, B.23/13, B.24/11, B.25/12, B.BM-2020/05, B.26/01, B.27/05, B.29/05, B.29/06, B.30/05, B.31/12 and B.32/03);
- (p) “Legal and formal arrangements with accredited entities” (decision B.09/08);
- (q) “Accreditation master agreements” (decisions B.12/31 and B.23/15, paragraph (d));
- (r) “Updated Strategic Plan for the Green Climate Fund: 2020–2023” (decision B.27/06);
- (s) “Strategy on accreditation” (decisions B.13/19 and B.14/08); and
- (t) “Strategy to increase funding proposals from direct access entities” (document GCF/B.20/04).

#### IV. Overview of the pipeline of new 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.<sup>5</sup> 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 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

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<sup>2</sup> Decision B.23/15, paragraph (b), requested 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 this integration has yet to be presented to the Board for its consideration.

<sup>3</sup> This replaces the “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10).

<sup>4</sup> This replaces the “Gender policy and action plan” (decision B.09/11).

<sup>5</sup> Paragraph 45 of the Governing Instrument.

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

9. The accreditation term for an AE is five years.<sup>6</sup> AEs are considered fully accredited to GCF upon the effectiveness of the AMA.<sup>7</sup> An AE will need to seek re-accreditation to GCF in order to maintain its status as an AE or its status as an AE will lapse at the end of its accreditation term.<sup>8</sup>

10. 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. GCF relies on the primary due diligence and the risk assessments performed by AEs.<sup>9</sup> The AEs are responsible for the overall management, implementation and supervision of activities financed by GCF and are expected to administer funds disbursed with the same degree of care they use in the administration of their own funds. This includes management and oversight of executing entities.

#### 4.1 Overview of the status of applications for re-accreditation and accreditation

11. Since the opening of the call for accreditation applications on 17 November 2014 and up to 31 May 2022, 75 AEs (including first-time and re-accredited, excluding those with a lapsed accreditation term) have fully completed the accreditation process by having a signed and effective AMA.<sup>10</sup> An additional nine AEs (including first-time and re-accredited, excluding those with a lapsed accreditation term) have signed AMAs that are yet to become effective to complete the accreditation or re-accreditation process.<sup>11</sup> An additional 25 AEs (including 17 first-time and 8 re-accredited) have been approved by the Board to be accredited or re-accredited, for which negotiations for the AMA or amended and restated AMA, respectively, are in progress. Four AEs have lapsed AMAs and are yet to be re-accredited by the Board, including two being recommended at this Board meeting (B.33). Altogether, GCF has 113 AEs that have been accredited by the Board for their first or subsequent terms and that are at various stages of completing the accreditation or re-accreditation process by having signed and effective AMAs.<sup>12</sup>

12. The Secretariat continues to work closely with entities throughout the stages of accreditation and re-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

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

<sup>7</sup> Decision B.23/11, paragraph (a).

<sup>8</sup> Decision B.24/13, paragraph (a), and annex XXVI to the decision.

<sup>9</sup> Annex XXVII to decision B.12/31.

<sup>10</sup> Decision B.23/11, paragraph (a). The number does not include AEs that are seeking re-accreditation to GCF after their accreditation term had lapsed. AEs with lapsed AMAs will be able to resume their fully operationalized engagement with GCF once re-accredited and their amended AMA has been signed and made effective.

<sup>11</sup> The number does not include AEs that are seeking re-accreditation to GCF after their accreditation term had lapsed.

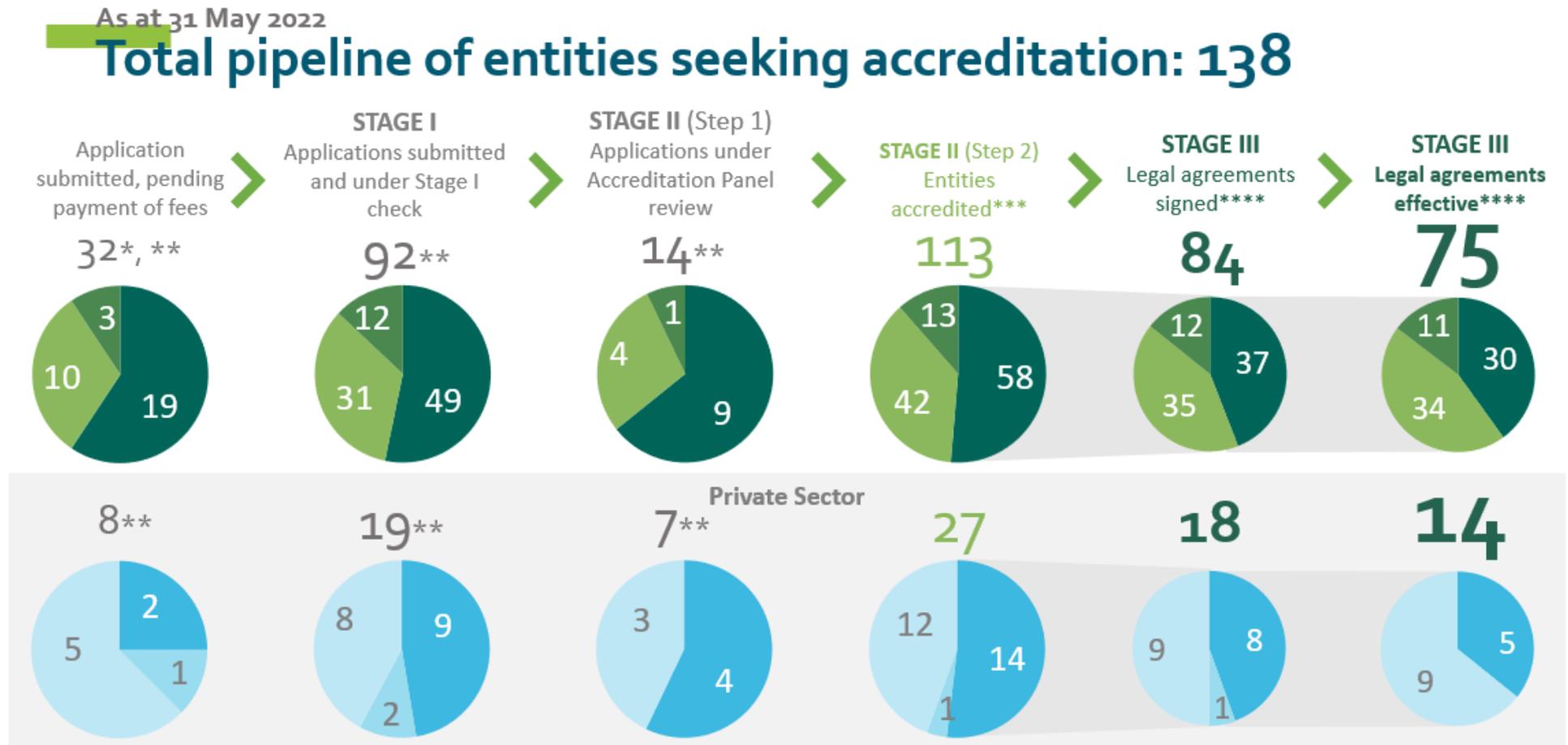
<sup>12</sup> This number excludes entities that have not sought re-accreditation to GCF. The World Meteorological Organization (WMO) was accredited by the Board in decision B.12/30, and entered into the AMA with GCF on 1 June 2016, which was made effective on 23 August 2016. WMO requested an extension of the deadline for it to submit its re-accreditation application in line with decision B.26/01, paragraph (h), which was provided by GCF to WMO, thereby extending the deadline for application submission from 22 February 2021 to 22 August 2021. WMO did not apply for re-accreditation to GCF by the extended deadline.

while meeting GCF standards. Such early engagement takes place prior to and during issuance of accounts for the new Digital Accreditation Platform (DAP), the web-based portal through which applicants submit their accreditation applications, which replaced the online accreditation system (OAS) starting from 22 March 2022, as well as during preparation of invoices for accreditation fees, which are linked to the accreditation criteria an entity is seeking. The distribution of AEs and accreditation applications for potential new AEs received as at 31 May 2022 is summarized in figure 1.<sup>13</sup>

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<sup>13</sup> 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.

Figure 1: Status of accreditation applications (as at 31 May 2022)



- DAE – national
- DAE – regional
- IAE

\* 122 entities have access to the Digital Accreditation Platform (including active and inactive), but have yet to submit their application

\*\* Includes active and inactive applications.

\*\*\* Does not include former AEs that are not seeking re-accreditation to GCF.

\*\*\*\* Does not include AEs that are seeking re-accreditation to GCF during which the accreditation term has lapsed. AEs with lapsed AMAs will be able to resume their fully operationalized engagement with GCF once re-accredited and their amended AMA has been signed and made effective.

Abbreviations: AE = accredited entity, AMA = accreditation master agreement, DAE = direct access entity, IAE = international access entity.

13. A pipeline of 138 entities have submitted accreditation applications (including active and inactive) on the DAP. Of these, 14 new applications are under Stage II (Step 1 – AP review) and 92 applications are under Stage I. A further 32 entities have submitted an application but have yet to pay accreditation application fees in order to begin Stage I.
14. In addition to the entities that have submitted applications, 122 entities (including active and inactive) have access to the DAP but are yet to submit their application.
15. 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 the private sector.
16. The Secretariat is continuing to work with DAEs that have submitted applications for accreditation and DAEs seeking to launch an accreditation application. Additionally, the Secretariat is working with NDAs and focal points to identify entities that may be nominated to seek accreditation to GCF in line with the role of an AE and in alignment with the country programming process. Figure 2 shows the geographical coverage of national and regional entities nominated for accreditation by NDAs and focal points, of which 71 DAEs have been accredited by the Board. A total of 93 DAEs are in the accreditation pipeline and have submitted an application with nomination letters from the NDAs and focal points, of which 10 are in Stage II (Step 1 – AP review), 61 are in Stage I, and 22 have yet to commence the Stage I review pending payment of accreditation fees.

**Figure 2: Direct access entities nominated for accreditation (as at 31 May 2022)**

31 May 2022

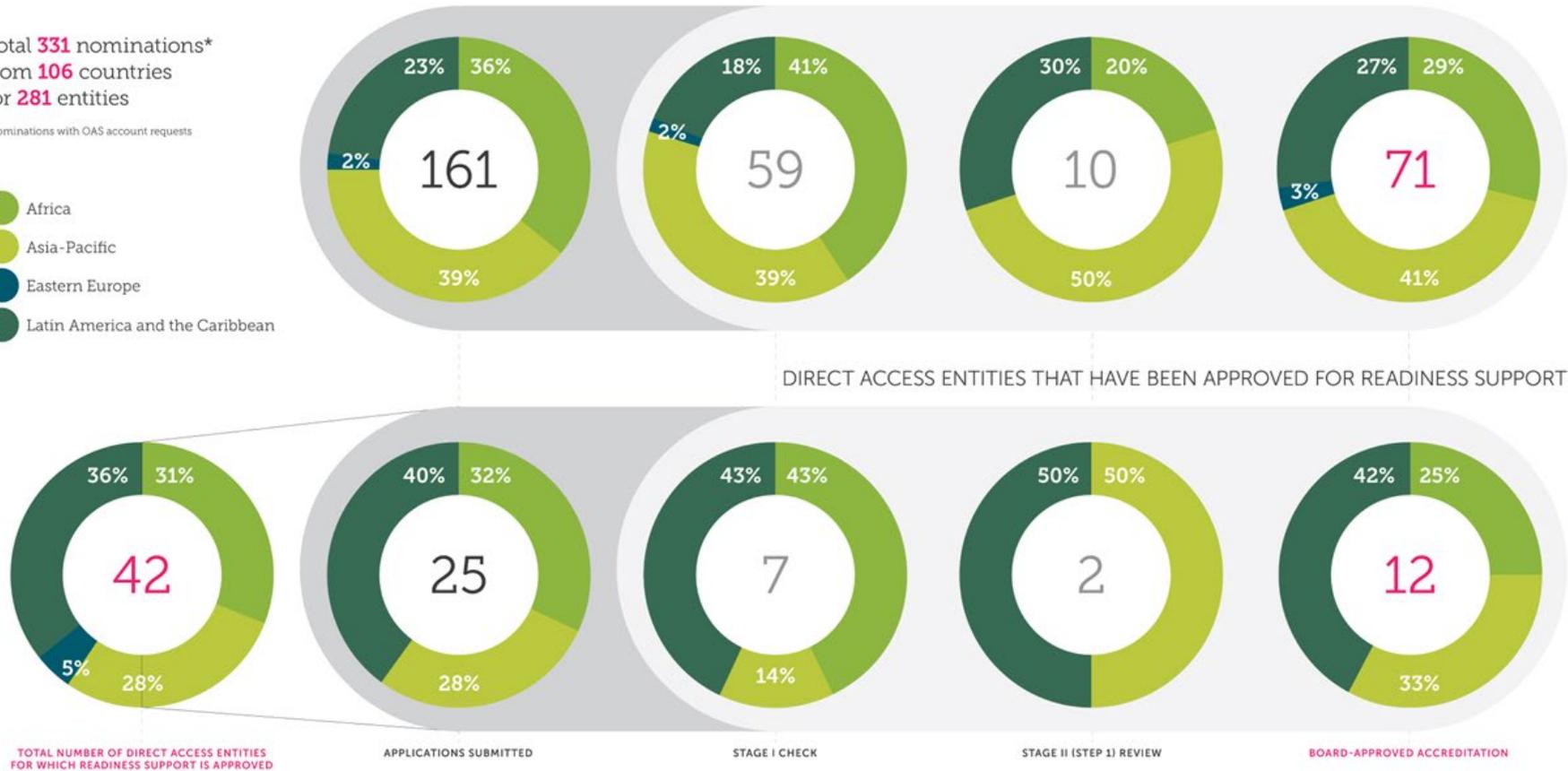
**ACCREDITATION STATE OF PLAY DIRECT ACCESS ENTITIES**

NDA / FP NOMINATIONS

Total **331** nominations\*  
from **106** countries  
for **281** entities

\* nominations with OAS account requests

- Africa
- Asia-Pacific
- Eastern Europe
- Latin America and the Caribbean



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

17. All applications for accreditation and re-accreditation are reviewed, regardless of suitability of entities to undertake the AE role. Applications are also reviewed on a first come, first complete basis in the absence of a prioritization approach to accreditation. The time taken to process applications 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, including for re-accreditation, 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, 11 new policies or standards have been adopted that had an immediate effect on accreditation, prolonging the accreditation process.<sup>14</sup> This meant that assessments for the entire accreditation pipeline had to be re-opened each time a new standard or policy was adopted and came into effect, so that entities could also be assessed against such new or amended policies and standards. This has contributed to the lengthy time frames for accreditation. Furthermore, entities that do not have the policies or procedures in place also take time during the accreditation process to develop the new policies or procedures.

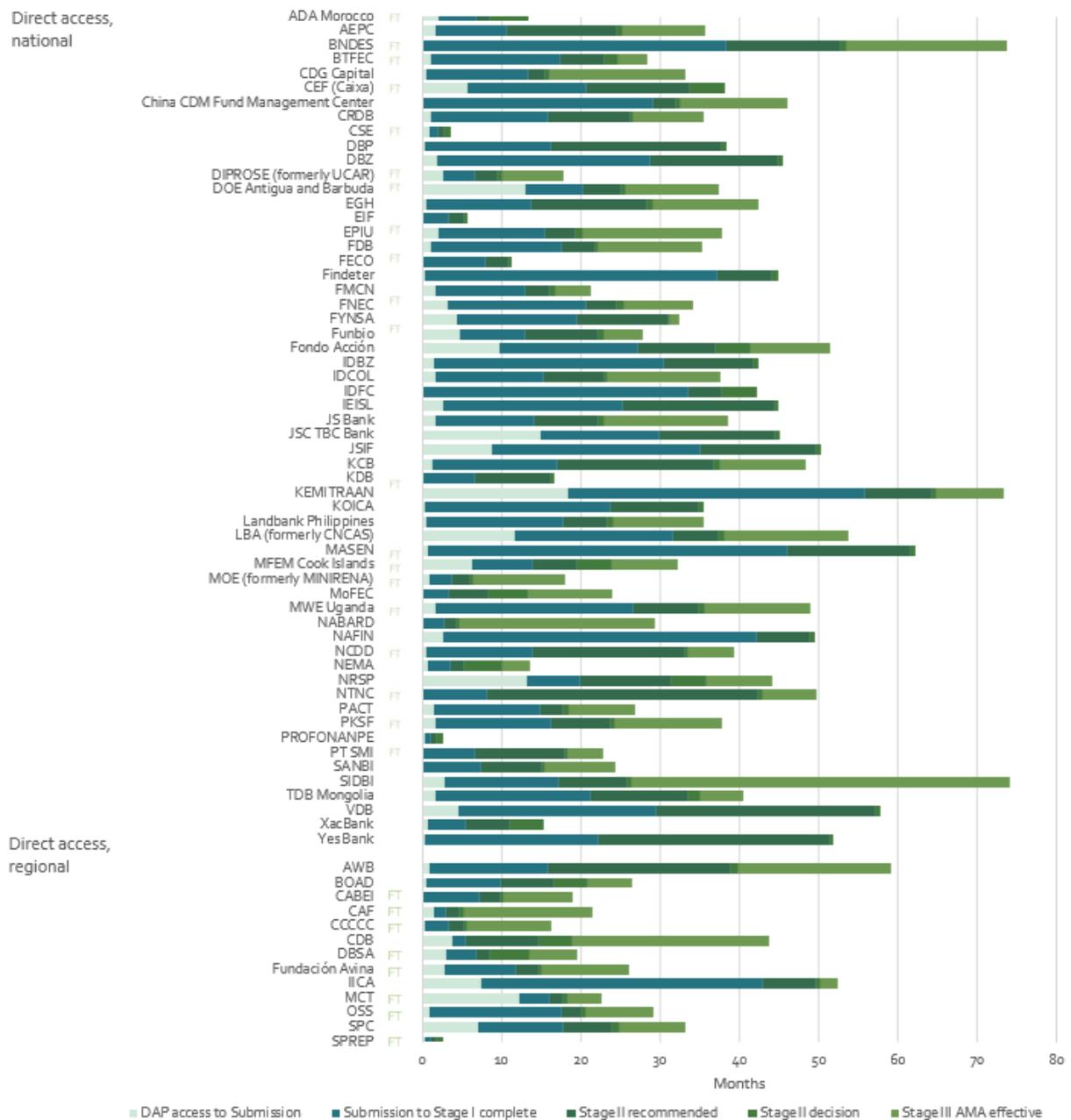
18. Based on the dates of key milestones and not accounting for actual active time spent by the applicants or GCF, from opening a DAP (formerly OAS) account to approval by the Board, it took 24.6 months on average to accredit the 113 AEs – noting that 49 of them were fast-tracked and 64 were normal-tracked. Of the 113 AEs, it took 27 months on average to accredit each of the 71 DAEs, compared to 16.6 months on average to accredit each of the 25 fast-track DAEs and 32.6 months on average to accredit each of the 47 normal-track DAEs (see figure 3). It took 16.8 months on average to accredit each of the 24 fast-track international access entities (IAEs) and 25.5 months on average to accredit each of the 17 normal-track IAEs (see figure 4). In particular, it took 29.5 months on average to accredit each of the 27 private sector entities included in the 113 AEs (see figure 5). This includes an average time frame of 22.9 months for application review by the Secretariat and the AP and for responses by applicants; however, the active time for review per application is significantly shorter.<sup>15</sup> 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 a limited number of fiduciary and E&S functions.

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<sup>14</sup> "Gender policy and action plan" (decision B.09/11); "Updated Gender Policy and Action Plan 2020–2023" (decision B.24/12); "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); "Revised Environmental and Social Policy" (decision B.BM-2021/18); "Comprehensive information disclosure policy of the Fund" (decision B.12/35); and Evaluation Policy (decision B.BM-2021/07). The Board adopted decision B.23/15, paragraph (b) requesting 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 into the interim fiduciary standards and present to the Board a proposal for its consideration in 2019 as a matter of urgency. A proposal on this integration has yet to be presented to the Board for its consideration. In addition, the Board has adopted the "Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment" (decision B.23/16) and "Board decisions without a Board meeting: Implementation matters relating to the GCF's obligations under the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment" (decision B.25/05).

<sup>15</sup> Refer to figure 27 in annex IV to 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.

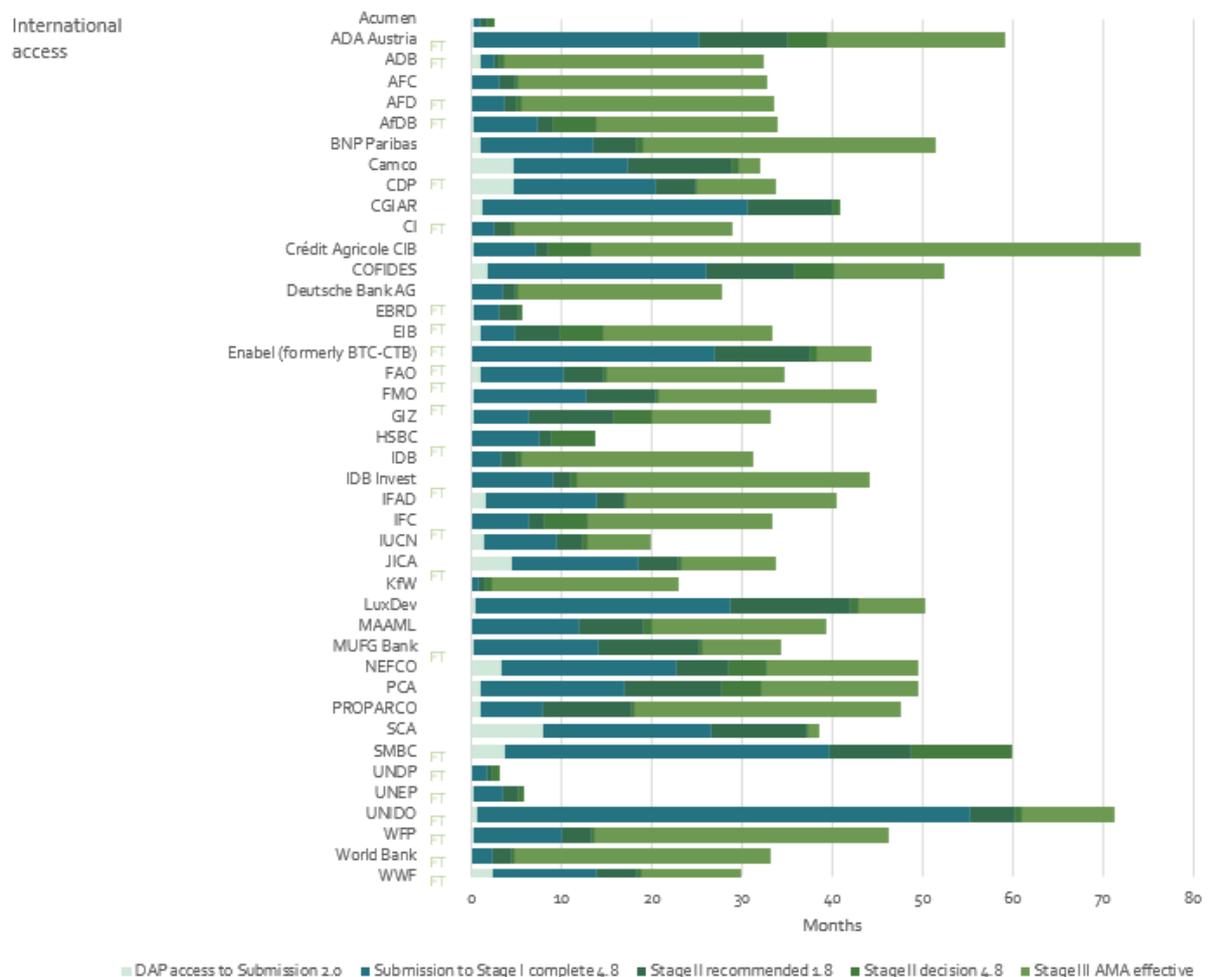
**Figure 3: Time frame from online accreditation system access to accreditation for direct access accredited entities (including private sector) (as at 31 May 2022)**



*Abbreviations:* ADA Morocco = Agency for Agricultural Development of Morocco, AEPC = Alternative Energy Promotion Center, AMA = accreditation master agreement, AWB = Attijariwafa Bank, BNDES = Banco Nacional de Desenvolvimento Econômico e Social, BOAD = Banque Ouest Africaine de Développement (West African Development Bank), BT FEC = Bhutan Trust Fund for Environmental Conservation, 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, CRDB = CRDB Bank Public Limited Company, CSE = Centre de Suivi Ecologique, DBP = Development Bank of the Philippines, DBSA = Development Bank of Southern Africa, DBZ = Development Bank of Zambia, DIPROSE (formerly UCAR) = General Directorate of Sectoral and Special Programs and Projects of the Ministry of Agriculture, Livestock and Fisheries (formerly Unidad para el Cambio Rural (Unit for Rural Change) of Argentina), DOE Antigua and Barbuda = Department of Environment of Antigua and Barbuda, EGH = Ecobank Ghana Limited, EIF = Environmental Investment Fund of Namibia, EPIU = Environmental Project Implementation Unit of the Ministry of Nature Protection of the Republic of Armenia, FDB = Fiji Development Bank, FECO = Foreign Environmental Cooperation Center of the Ministry of Ecology and Environment of China (formerly Foreign Economic Cooperation Office of the Ministry of

Environmental Protection of China), Findeter = Financiera De Desarrollo Territorial S.A., FMCN = Fondo Mexicano para la Conservación de la Naturaleza A.C., FNEC = National Fund for the Environment of Benin, Fondo Acción = Fondo para la Acción Ambiental y la Niñez, Funbio = Fundo Brasileiro para a Biodiversidade, FYNSA = Finanzas Y Negocios Servicios Financieros Limitada, IDBZ = Infrastructure Development Bank of Zimbabwe, IDCOL = Infrastructure Development Company Limited, IDFC = IDFC Bank Limited, IEISL = IL&FS Environmental Infrastructure and Services Limited, IICA = Inter-American Institute for Cooperation on Agriculture, JS Bank = JS Bank Limited, JSC TBC Bank = Joint Stock Company TBC Bank, JSIF = Jamaica Social Investment Fund, KCB = KCB Bank Kenya Limited, KDB = Korea Development Bank, KEMITRAAN = Kemitraan bagi Pembaraun Tata Pemerintahan, KOICA = Korea International Cooperation Agency, Landbank = Land Bank of the Philippines, LBA (formerly CNCAS) = La Banque Agricole (formerly Caisse Nationale de Credit Agricole du Senegal), MASEN = Moroccan Agency for Sustainable Energy S.A., 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), MoFEC = Ministry of Finance and Economic Cooperation of Ethiopia, MWE Uganda = Ministry of Water and Environment of Uganda, NABARD = National Bank for Agriculture and Rural Development, NAFIN = Nacional Financiera, S.N.C., Banca de Desarrollo, NCDD = National Committee for Sub-National Democratic Development, NEMA = National Environment Management Authority of Kenya, NRSP = National Rural Support Programme, NTNC = National Trust for Nature Conservation, OAS = online accreditation system, OSS = Sahara and Sahel Observatory, PACT = Protected Areas Conservation Trust, PKSf = Palli Karma-Sahayak Foundation, PROFONANPE = Peruvian Trust Fund for National Parks and Protected Areas, PT SMI = PT Sarana Multi Infrastruktur, SANBI = South African National Biodiversity Institute, SIDBI = Small Industries Development Bank of India, SPC = Pacific Community, SPREP = Secretariat of the Pacific Regional Environment Programme, TDB Mongolia = Trade and Development Bank of Mongolia, VDB = Vietnam Development Bank, XacBank = XacBank LLC, Yes Bank = Yes Bank Limited.

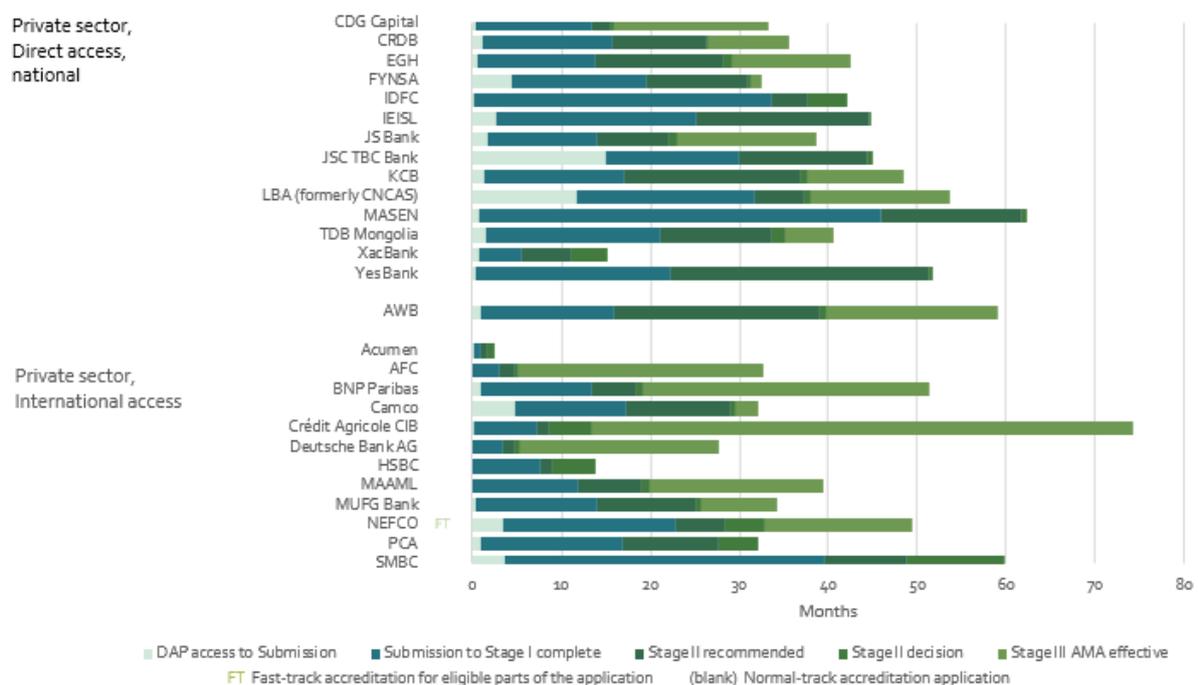
**Figure 4: Time frame from online accreditation system access to accreditation for international access accredited entities (including private sector) (as at 31 May 2022)**



*Abbreviations:* Acumen = Acumen Fund, Inc., ADA Austria = Austrian Development Agency, ADB = Asian Development Bank, AFC = Africa Finance Corporation, AFD = Agence Française de Développement, AfDB = African Development

Bank, AMA = accreditation master agreement, BNP Paribas = BNP Paribas S.A., Camco = Camco Management Limited, CDP = Cassa Depositi e Prestiti – Societa per Azioni, 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, DAP = Digital Accreditation Platform, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, Enabel (formerly BTC-CTB) = Belgian Development Agency (formerly Belgian Technical Cooperation), FAO = Food and Agriculture Organization of the United Nations, FMO = Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, HSBC = HSBC Holdings plc and its subsidiaries, IDB = Inter-American Development Bank, IDB Invest = Inter-American Investment Corporation, IFAD = International Fund for Agricultural Development, IFC = International Finance Corporation, IUCN = International Union for Conservation of Nature, JICA = Japan International Cooperation Agency, KfW = Kreditanstalt für Wiederaufbau, LuxDev = Luxembourg Development Cooperation Agency, MAAML = Macquarie Alternative Assets Management Limited, MUFG Bank (formerly BTMU) = MUFG Bank, Ltd. (formerly Bank of Tokyo-Mitsubishi UFJ, Ltd.), NEFCO = Nordic Environment Finance Corporation, OAS = online accreditation system, PCA = Pegasus Capital Advisors, L.P., PROPARCO = Société de Promotion et de Participation pour la Coopération Economique, SCA = Save the Children Australia, SMBC = Sumitomo Mitsui Banking Corporation, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNIDO = United Nations Industrial Development Organization, WFP = World Food Programme, World Bank = International Bank for Reconstruction and Development and International Development Association, WWF = World Wildlife Fund, Inc.

**Figure 5: Time frame from online accreditation system access to accreditation for private sector entities (as at 31 May 2022)**



**Abbreviations:** Acumen = Acumen Fund, Inc., AFC = Africa Finance Corporation, AMA = accreditation master agreement, AWB = Attijariwafa Bank, BNP Paribas = BNP Paribas S.A., Camco = Camco Management Limited, CDG Capital = CDG Capital S.A., Crédit Agricole CIB = Crédit Agricole Corporate and Investment Bank, CRDB = CRDB Bank Public Limited Company, DAP = Digital Accreditation Platform, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, EGH = Ecobank Ghana Limited, FYNESA = Finanzas Y Negocios Servicios Financieros Limitada, HSBC = HSBC Holdings plc and its subsidiaries, IDFC = IDFC Bank Limited, IEISL = IL&FS Environmental Infrastructure and Services Limited, JS Bank = JS Bank Limited, JSC TBC Bank = Joint Stock Company TBC Bank, KCB = KCB Bank Kenya Limited, LBA (formerly CNCAS) = La Banque Agricole (formerly Caisse Nationale de Credit Agricole du Senegal), MAAML = Macquarie Alternative Assets Management Limited, MASEN = Moroccan Agency for Sustainable Energy S.A., MUFG Bank (formerly BTMU) = MUFG Bank, Ltd. (formerly Bank of Tokyo-Mitsubishi UFJ, Ltd.), NEFCO = Nordic Environment Finance Corporation, OAS = online accreditation system, PCA = Pegasus Capital Advisors, L.P., SMBC = Sumitomo Mitsui Banking Corporation, TDB Mongolia = Trade and Development Bank of Mongolia, XacBank = XacBank LLC, Yes Bank = Yes Bank Limited.

## 4.2 Accelerating direct access for programming

19. The Secretariat is continuing to support subnational, national and regional public and private sector entities interested in seeking, or that are in the process of applying for, accreditation to programme with GCF 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 281 DAEs nominated by the NDAs or focal points of 106 countries across four regions throughout the application process, including via conference calls;
- (b) Providing institutional gap assessments under the Readiness and Preparatory Support Programme (Readiness Programme) for DAEs from different geographical/regional areas seeking accreditation and action plans based on the gap assessments to address any identified gaps; and
- (c) Using an online accreditation self-assessment tool<sup>16</sup> in order to assess preparedness for the accreditation process. This tool may be accessed by any organization, as well as NDAs and focal points, for the purposes of identifying organizations to nominate for accreditation. As at 31 May 2022, 2,600 users, including NDAs/focal points considering nominating entities and entities themselves, had completed the questionnaire.

20. Regarding the support to the entities indicated in paragraph 19(b) above, as at 31 May 2022:

- (a) In-depth institutional assessments against GCF accreditation standards and action plans had been completed for 37 entities (out of a total of 42 entities nominated by 48 countries). Of these:
  - (i) Twenty-five entities have submitted their accreditation applications, of which:
    - (1) Twelve entities (Caixa Econômica Federal, Central American Bank for Economic Integration, Fondo para la Acción Ambiental y la Niñez, Infrastructure Development Bank of Zimbabwe, Jamaica Social Investment Fund, La Banque Agricole, Micronesian Conservation Trust, Nacional Financiera, S.N.C., Banca de Desarrollo, National Committee for Sub-National Democratic Development, National Fund for the Environment of Benin, the National Rural Support Programme and the Pacific Community) have been accredited;
    - (2) Two entities are in Stage II (Step 1); and
    - (3) Eleven entities are in Stage I; and
  - (ii) In addition, the other 12 entities are working towards closing the identified gaps and intend to submit their application thereafter; and
- (b) Readiness support is underway for the remaining five entities.

21. As of 31 December 2022, a total of USD 1,213,906 has been disbursed for the implementation of this support. The Secretariat has committed USD 2,087,704 to strengthen direct access applicants through a gap analysis and action plan, and USD 458,821 and EUR 21,660 to strengthen direct access applicants' gender action plans and E&S safeguard capacities vis-à-vis GCF accreditation E&S requirements.

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<sup>16</sup> The tool, developed with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH and the World Resources Institute, is available at <<https://www.greenclimate.fund/accreditation/self-assessment>>.

### 4.3 Improving the accreditation process

22. In decision B.31/06, the Board adopted the updates to the accreditation framework as set out in annex IV to the decision to replace the initial guiding framework for the accreditation process adopted by the Board pursuant to decision B.07/02, paragraph (a). The Board also decided to implement, on a pilot basis, a project-specific assessment approach (PSAA) that combines assessments undertaken during the existing accreditation and proposal approval processes in a fit-for-purpose manner, in accordance with the parameters set out in the annex to the decision. The updates to the accreditation framework and PSAA will come into effect by 1 April 2023.

23. In decision B.31/06, the Board requested the Secretariat, under guidance of the Co-Chairs, to prepare the accreditation strategy. The draft accreditation strategy is being presented in document GCF/B.33/09 for the Board's consideration at B.33.

24. The Secretariat continues its efforts to streamline the accreditation process by increasing efficiency through improving tools and guidance, increasing transparency, enhancing communications, and implementing digitalization of workflows.

25. As of 22 March 2022, the DAP – based on an improved accreditation form and new re-accreditation application forms – is fully operationalized for receiving new DAP account requests and accreditation and re-accreditation applications by entities. The DAP also serves as a one-stop shop for reviews by the Secretariat and the AP, and responses from applicants. The Secretariat has continued developing a new module for accreditation upgrade applications, which is expected to be launched by the third quarter of 2022. In addition, the Secretariat will develop new modules of the DAP for accreditation conditions and information management in 2022. The Secretariat has continued to refine the existing modules launched based on feedback from the DAP users.

## V. Overview of the portfolio of accredited entities

26. The Board has accredited or re-accredited 113 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, B.23/13, B.24/11, B.BM-2020/05, B.26/01, B.27/05, B.29/05, B.29/06, B.30/05, B.31/12 and B.32/03. Seventy-five out of 113 AEs have completed the accreditation process by having signed and effective AMAs as at 31 May 2022.<sup>17</sup> Further details on AMAs are contained in the limited distribution document GCF/B.33/Inf.06/Add.01 titled “Status of accreditation master agreements and funded activity agreements”.<sup>18</sup>

27. 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 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 their respective accreditation types.<sup>19</sup>

<sup>17</sup> The number does not include AEs that are seeking re-accreditation to GCF after their accreditation term had lapsed. AEs with lapsed AMAs will be able to resume their fully operationalized engagement with GCF once re-accredited and their amended AMA has been signed and made effective.

<sup>18</sup> To be considered by the Board at B.33.

<sup>19</sup> Available at <<https://www.greenclimate.fund/about/partners/ae>>.

**Table 1: Range of options by number of AEs out of the total 113 Board-approved AEs for countries to partner with by region and type of capacity (cumulative, as at 31 May 2022)<sup>20</sup>**

Region	Fiduciary functions <sup>a</sup>					E&S risk category <sup>a</sup>			Size of an individual project or programme activity <sup>b</sup>	
	Project management <sup>c</sup>	Providing grants, including through grant award and/or funding allocation <sup>d</sup>	Blended finance			C/ I-3	B/ I-2	A/ I-1	Micro and small	Medium and large
			Loans	Equity	Guarantees					
AF	54	32	37	28	31	62	56	25	62	40
AP	62	40	40	27	30	68	59	22	68	41
EE	30	19	21	16	17	34	31	19	34	25
LAC	55	42	34	25	28	59	51	25	59	37
LDCs	56	38	33	24	25	62	54	24	62	35
SIDS	48	35	29	24	23	50	43	23	50	32

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

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

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

<sup>c</sup> The specialized fiduciary standard for project management is contained in annex II to decision B.07/02, available at <<https://www.greenclimate.fund/document/initial-fiduciary-principles-and-standards-fund>>. 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.

<sup>d</sup> The specialized fiduciary standard for grant award and/or funding allocation mechanisms is contained in annex II to decision B.07/02, available at <<https://www.greenclimate.fund/document/initial-fiduciary-principles-and-standards-fund>>. 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 DAEs, is needed. Such institution-level support and relationship management work include providing a dedicated focal point to guide AEs in engaging with GCF, developing and operationalizing the entity work programmes (EWPs), and 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 institution-level requirements under the MAF and supporting the re-accreditation process.

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 detailed status of AEs addressing their conditions is contained in the “Status of the fulfilment of accreditation conditions” (document GCF/B.33/09/Add.02), which is reported to the Board for information purposes in accordance with decision B.10/06, paragraph (e).

<sup>20</sup> Includes AEs that are seeking re-accreditation to GCF during which the accreditation term has lapsed. AEs with lapsed AMAs will be able to resume their fully operationalized engagement with GCF once re-accredited and their amended AMA accounting for re-accreditation has been signed and made effective.

## 5.1 Entity work programmes

30. The GCF project approval process starts with the preparation of country programmes by NDAs/focal points (Stage 1, Step 1) and EWPs by AEs (Stage 1, Step 2) to originate transformational initiatives aligned with the mandate of GCF. EWPs are intended to foster a proactive, strategic and country-owned approach to pipeline development and programming with GCF. They play an important role as a strategic tool in providing insights on project ideas and programmes being developed by regional DAEs and IAEs, which will eventually contribute towards high-quality, climate-focused funding proposals at entry. NDAs are requested to integrate the work programmes of their national DAEs into their respective country programmes to ensure full alignment and coherence with the programming plans of the country.

31. The Secretariat is continuing to engage with 13 regional direct access AEs, 2 national direct access AEs operating globally and 42 IAEs to update or develop their multiannual EWPs.<sup>21</sup> Out of these, the EWPs of a total of 19 AEs were endorsed by the Climate Investment Committee (CIC) following extensive review processes within the Secretariat. The EWPs endorsed in 2020, the first year of the first replenishment period of GCF (GCF-1), were from one regional DAE and eight IAEs. Throughout 2021, the second year of the GCF-1 period, seven additional EWPs were endorsed, comprising three regional DAE EWPs and four IAE EWPs. In the first half of 2022, an additional three EWPs were endorsed by CIC, all submitted by regional DAEs. Some of the AEs with EWPs endorsed in 2020 have revised their EWPs at the midpoint of the GCF-1 period to reflect updates in programming and evolving needs of countries and re-submitted for the Secretariat's feedback.

32. As of 31 May 2022, the Secretariat has received a total of 36 EWP submissions (including the 19 already endorsed), which consist of 9 from regional DAEs, 1 from a national DAE that operates regionally, and 26 from IAEs. This includes three re-submissions and one new submission of EWPs by IAEs. The Secretariat will continue to engage with the relevant AEs to further develop or update their EWPs and submit them for CIC consideration when ready. The EWPs that are yet to be presented to CIC are under various stages of the review process either by the Secretariat or the relevant AEs.

33. The Secretariat is continuing to provide feedback and guidance to AEs on their EWPs through regular calls, email exchanges, and virtual workshops where needed. The Secretariat continues to engage with national DAEs, both directly and via NDAs, to support their programming development as part of their respective country programming processes. For example, the Secretariat held a regional-level session with African DAEs to advance pipeline development and in-person Regional Technical Programming Dialogue for the Caribbean.

## 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 regional DAEs in their EWPs, as detailed in section 5.1 above.

35. Under the GCF MAF, IAEs regularly report to GCF on their efforts to support DAEs accredited to or in the process of seeking accreditation with GCF. It is also envisaged that IAEs submit relevant information on these efforts in their re-accreditation applications.

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<sup>21</sup> The EWPs of national direct access AEs are contained in country programmes.

36. 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 concept notes and funding proposals. Such technical assistance has been provided to over 33 DAEs, with 7 funding proposals already approved by the Board.

37. The Secretariat is also engaging with direct access AEs on readiness support that may be needed, addressing accreditation conditions and preparing and submitting Project Preparation Facility (PPF) applications. Regarding PPF, as at 31 May 2022, the Secretariat was working on 79 active PPF applications with letters of no objection from the NDAs/focal points, of which 46 (58 per cent) are from DAEs. Of these applications, 51 have been approved. Among the 51 approved PPFs, 34 (67 per cent) are from DAEs. The total approved amount for PPF applications was USD 32.4 million, of which USD 23.2 million has been disbursed.

38. Further details on assistance to DAEs to help them strengthen their concept notes and associated PPF applications are contained in document GCF/B.33/Inf.01 titled “Status of the GCF pipeline, including the status of Project Preparation Facility requests”.<sup>22</sup>

### 5.3 Accredited entity monitoring and reporting

39. The accreditation process is considered complete upon the date of effectiveness of the AMA. Such date of effectiveness serves as the start date of the accreditation term for all entities accredited to GCF.<sup>23</sup> The relevant institutional-level monitoring and reporting requirements commence upon AMA effectiveness, which marks the start of the accreditation term of an AE with GCF.

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

40. The MAF establishes the main monitoring and evaluation tools related to AEs on two levels:<sup>24</sup>

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

41. AE compliance comprises annual self-assessments, a midterm review and, if needed, ad hoc compliance reviews. AEs that are entering or are in the third year of their accreditation term are requested to complete the midterm review. This midterm review replaces the annual self-assessment for the third year of the accreditation term.

42. In order to operationalize the MAF regarding institutional-level reporting, the Secretariat identified 37 AEs required to provide their annual self-assessment report for calendar year 2021 and 19 AEs required to undertake the midterm review. These AEs were requested to fill in the relevant template available on the DAP and submit the completed reports to the Secretariat via the DAP by 28 February 2022 in line with AMA requirements. The templates have been in use since the operationalization of this reporting requirement.

43. With regard to annual self-assessments, a total of 28 AEs submitted the reports by the deadline of 28 February 2022. An additional eight AEs submitted the reports after the deadline with three having requested an extension. One AE has yet to submit the report as at 31 May 2022. The Secretariat is following up with the AE for its submission.

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<sup>22</sup> To be considered by the Board at B.33.

<sup>23</sup> Decision B.23/11, paragraph (a).

<sup>24</sup> Decision B.11/10.

44. With regard to midterm review reports, a total of 14 AEs submitted the reports by the deadline of 28 February 2022. An additional five AEs submitted after the deadline having requested an extension.

45. The Secretariat is in the process of reviewing the annual self-assessments, with the AP reviewing reports if the AE has indicated impacts to its ability to meet the GCF accreditation standards in the context of their role as an AE. The Secretariat is also conducting the initial check of the midterm review reports for completeness, with the AP conducting the review of all midterm review reports. The Secretariat and AP will report to the Board on the outcomes of the annual self-assessments for calendar year 2021 and midterm reviews at upcoming meetings of the Board.

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

46. 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 the MAF and the AMA.

47. In line with their AMAs, 36 international access AEs are required to provide annual reports on the support they intended to provide (and the support they provided) to DAEs covering calendar year 2021. These AEs have been requested to fill in the template available on the DAP and submit the completed reports to the Secretariat via the DAP by 28 February 2022, in line with AMA requirements. The template has been in use since the operationalization of this reporting requirement.

48. A total of 26 AEs submitted the reports by the deadline of 28 February 2022. A further ten AEs submitted after the deadline with four having requested an extension.

49. The Secretariat is in the process of reviewing the reports of IAE support to DAEs. The Secretariat will report to the Board on the outcomes of the reports for calendar year 2021 at upcoming meetings of the Board.

## 5.4 Upgrades in accreditation scope of accredited entities

50. In addition to applications for accreditation, 20 applications from 16 AEs to upgrade their accreditation types, including 7 in parallel with re-accreditation, were received between 17 November 2014 and 31 May 2022, of which 13 upgrades were approved by the Board.<sup>25</sup> The remaining seven applications comprise two from direct access AEs<sup>26</sup> and one international access AE that are in Stage I, and two from direct access AEs and two from international access AEs in Stage II, including one in parallel with re-accreditation, both being presented at B.33 for the Board’s consideration. The AEs are seeking to upgrade their accreditation type for increased

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<sup>25</sup> Decision B.15/09, paragraph (f); decision B.18/05, paragraph (d); decision B.21/16, paragraph (d); decision B.22/09, paragraph (d); decision B.23/13, paragraphs (d) and (e); decision B.BM-2020/05, paragraph (d); decision B.26/01, paragraph (e); decision B.29/05, paragraph (r), and decision B.30/06 paragraph (f). Since 31 December 2021, two additional AEs have submitted an application for an upgrade in parallel to their re-accreditation applications.

<sup>26</sup> Includes one that was originally submitted during its first accreditation term but has been placed on hold by the AE, and subsequently was replaced by the AE with an upgrade application in parallel to its re-accreditation application.

size categories, additional fiduciary functions (e.g. grant award and/or funding allocation mechanisms) and higher E&S risk categories.

## 5.5 Re-accreditation of accredited entities

51. By decision B.24/13, paragraph (a), the Board adopted the re-accreditation process as set out in annex XXVI to that decision. The accreditation term for an AE is five years.<sup>27</sup> The accreditation term begins upon completion of the three-stage institutional accreditation process, that is, when the signed AMA entered into between GCF and an AE becomes effective.<sup>28</sup> Per paragraph 3 of the re-accreditation process, an AE may submit an application either for re-accreditation in the same categories as its accreditation scope during the initial accreditation (including upgrades in accreditation scope, if any) or for accreditation in higher categories (i.e. combining the re-accreditation application with an upgrade application), no later than six months prior to the end of its accreditation term (i.e. four and a half years into its five-year accreditation term).

52. The Secretariat may issue a one-time extension to the accreditation term for a period of six months if further time is required to complete the re-accreditation review process and consideration by the Board, provided that the AE has submitted the complete re-accreditation application no later than six months prior to the end of its accreditation term. During this extension period, the AE shall not be able to submit any new funding proposals to GCF for consideration. One such extension has been issued by the Secretariat since the launch of the re-accreditation process in 2020.

53. In order to provide flexibility during the COVID-19 pandemic, the Board decided in decision B.26/01, paragraph (h), pursuant to decision B.24/13, paragraph (a), and on an extraordinary basis, that the Secretariat may issue a one-time extension for a period of six months to the deadline for submission of a re-accreditation application, subject to a justified request from AEs. As at 31 May 2022, the Secretariat has issued such an extension to eight AEs in response to their submitted requests.

54. As at 31 May 2022, 24 AEs submitted their re-accreditation applications to the Secretariat, of which 11 had their second re-accreditation term approved by the Board at B.29, B.30, B.31 and B.32. Out of the 13 remaining applications for re-accreditation received by the Secretariat, 7 applications are under the AP's review in Stage II (including those being presented at B.33 for the Board's consideration), and 6 applications are under Stage I. A further four AEs will need to submit their applications for re-accreditation in 2022 in accordance with the deadline of no later than six months prior to the end of the accreditation term should they seek to continue in the role of an AE.

55. To manage and implement the re-accreditation process, the Secretariat is actively engaging with and providing guidance to AEs that will need to submit their re-accreditation applications in 2022 and 2023, encouraging AEs that may be in a position to submit their application earlier to do so. In cases where the AE seeks to upgrade their accreditation scope for new criteria in parallel with their re-accreditation application, the AE is recommended to submit the joint re-accreditation and upgrade application even earlier given that it would be the first time GCF conducts its review of the information relevant to the upgrade application. Despite this, and given that an accreditation term commences only upon the date of effectiveness of the AMA, the current time frame of six months is not sufficient for all steps to take place from application submission and payment of accreditation fees, where relevant; to Secretariat and AP reviews and AE responses; to AMA negotiation, agreement (including

<sup>27</sup> Decision B.11/10, annex I, paragraph 6, "[t]he accreditation of an entity to the GCF is valid for a fixed term of five years or less, depending on the terms of accreditation, in accordance with decision B.10/07."

<sup>28</sup> Decision B.23/11, paragraph (a).

approvals by the Secretariat, Risk Management Committee of the Board (RMC), and – in cases where there are substantive deviations as compared to the AMA template approved by the Board in decision B.12/31 – the Board), signing, and the AE meeting the conditions precedent in order to make the AMA effective. A number of AEs are experiencing lapses in their accreditation terms, affecting their ability to programme new pipelines of potential projects/programmes with GCF.<sup>29</sup> This includes AEs for which the AMA is pending approval by the RMC, as the RMC has not been constituted since 1 January 2022 and by the end of reporting period.

56. The Secretariat is also identifying ways to avoid or reduce the amount of time between an AE's accreditation terms given that the next accreditation term starts upon the date of effectiveness of the amendment to the original AMA following a Board decision to re-accredit the AE.

57. During the re-accreditation process the Secretariat reviews the overall performance of the AE in the AE role, in particular its engagement through all stages of the project cycle from development – including on programming from national DAEs contained in country programmes with GCF and EWPs from regional DAEs and IAEs, concept note and funding proposal submission – to implementation.

58. The Secretariat also contributes to the review of the extent to which the AE's portfolio of activities beyond those funded by GCF has evolved towards low-emission and climate-resilient development pathways during the AE's accreditation term. AEs, the Secretariat and the AP use the GCF methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs (document GCF/B.28/11/Add.02) to address this factor considered during re-accreditation.

## **VI. Accreditation and re-accreditation applications in Stage II (Step 1) Accreditation Panel review**

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

60. The AP recommends the re-accreditation of three AEs: re-accreditation applicant 005 (RAPL005, Asian Development Bank (ADB)); re-accreditation applicant 017 (RAPL017, European Bank for Reconstruction and Development (EBRD)); and re-accreditation applicant 019 (RAPL019, United Nations Environment Programme (UNEP)). In parallel with its re-accreditation application, one AE (UNEP) is recommended by the AP for an upgrade in accreditation scope in its size category to medium.

61. In addition, one international access AE, the World Food Programme (WFP), is recommended by the AP for an upgrade in its accreditation scope.

62. The USP includes as a key priority for GCF the need for improving access to fund resources. GCF will “continue to build its AE network by focusing on the value-addition of AEs to delivering developing countries’ programming priorities and advancing GCF strategic objectives, including keeping a strategic focus on strengthening the role of DAEs in programming.” The USP identifies as a key action for this period the adoption of a more strategic approach to accreditation, which includes, among other things, increasing the share of DAEs in the AE portfolio above the initial resource mobilization level of 59 per cent and striving for sufficient coverage in terms of geography, access modalities, accreditation scope (i.e. size, financing modalities, and E&S risk categories) and themes/sectors/results areas. The information below comprises the Secretariat’s assessment of how the entities recommended by

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<sup>29</sup> Per decision B.17/09, para. (d)(i), the funding proposals from AEs that have signed the AMA may be submitted to the Board for its consideration. Once approved, the AE must have a signed and effective AMA in order to enter into the funded activity agreement for the approved project/programme.

the AP for re-accreditation and an upgrade in accreditation scope at B.33 could address the USP for 2020–2023:

- (a) All three re-accreditation candidates (ADB, EBRD and UNEP), as demonstrated via reporting to GCF on an annual basis, implement capacity-building activities creating enabling environments for local, national and regional institutions to improve access to climate finance, including GCF finance;
- (b) All three re-accreditation applicants and the AE applying for an upgrade in accreditation scope have the potential to bring transformative projects/programmes aligned with country programming to GCF for consideration;
- (c) One re-accreditation applicant (ADB) operates in the Asia-Pacific region, one re-accreditation candidate (EBRD) operates in Western and Central Asia, Southern and Eastern Europe and Northern Africa; and one re-accreditation candidate (UNEP) and the AE applying for an upgrade in its accreditation scope (WFP) operate in the Africa, Asia-Pacific, Eastern Europe and Central Asia and Latin America and the Caribbean regions, including in small island developing States and the least developed countries;
- (d) Two of the re-accreditation applicants (ADB and EBRD) have the potential to engage with the private sector in its programming; and are able to deploy a wide range of innovative financial instruments, such as equity and guarantees;
- (e) All three re-accreditation applicants are able to bring to GCF for consideration cross-cutting projects in broad variety of result areas; two (ADB and EBRD) are able to mobilize finance at scale;
- (f) Two re-accreditation candidates (EBRD and UNEP) and the AE seeking an upgrade have submitted the EWP's seeking to respond to country programming priorities and GCF objectives in the countries of potential operations; and
- (g) For all three re-accreditation applicants, their overall portfolios of activities beyond those funded by GCF have demonstrated a positive trend towards low-emission and climate-resilient development pathways in the context of sustainable development.

63. All three of the re-accreditation applicants were found by the AP to fully meet the requirements of GCF with regard to relevant accreditation standards and policies, and are recommended by the AP to be re-accredited without conditions.

64. In cases where gaps have been identified at the institutional level (e.g. where they relate to systems, policies, procedures and capacities) against the requirements of GCF, the AP recommends conditions to be met by the AE. This applies to one AE recommended by the AP for an upgrade in its accreditation scope, and the relevant conditions have been proposed related to grievance mechanism for the AE's projects/programmes.

65. 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 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.

66. Where relevant, the AP provides remarks to the applicants for their consideration to improve institutional systems.

67. The assessments of the re-accreditation applicants and of the AE applying for an upgrade in its accreditation scope are presented in the document GCF/B.33/09/Add.01 and in annex III to this document, respectively, for consideration by the Board.

68. A summary of recommendations by the AP for entities to be considered by the Board for re-accreditation or upgrade is presented in table 2.

**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 <sup>a</sup>	Fiduciary functions <sup>b</sup>	Environmental and social risk category <sup>c</sup>	
<b>Re-accreditation (including upgrade applications where relevant)</b>					
RAPL005 Asian Development Bank (ADB)	International access	Large (no change to accreditation type)	Basic fiduciary standards; Specialized fiduciary standard for project management; Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees) (no change to accreditation type)	High (category A/ intermediation 1 (I-1) including lower risk category B/ intermediation 2 (I-2) and C/ intermediation 3 (I-3))  (no change to accreditation type)	None
RAPL017 European Bank for Reconstruction and Development (EBRD)	International access	Large (no change to accreditation type)	Basic fiduciary standards; Specialized fiduciary standard for project management; Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees) (no change to accreditation type)	High (category A/ intermediation 1 (I-1) including lower risk category B/ intermediation 2 (I-2) and C/ intermediation 3 (I-3))  (no change to accreditation type)	None

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 <sup>a</sup>	Fiduciary functions <sup>b</sup>	Environmental and social risk category <sup>c</sup>	
RAPL019 United Nations Environment Programme (UNEP)	International access	Medium (upgrade)	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for grant award and/or funding allocation mechanisms  (no change to accreditation type)	Medium (category B/intermediation 2 (I-2) including lower risk category C/intermediation 2 (I-3))  (no change to accreditation type)	None
<b>Upgrade</b>					
World Food Programme (WFP)	International access	Medium (upgrade)	Basic fiduciary standards; Specialized fiduciary standard for project management; and Specialized fiduciary standard for grant award and/or funding allocation mechanisms (upgrade)	Medium (category B/intermediation 2 (I-2) including lower risk category C/intermediation 2 (I-3))  (upgrade)	<u>Conditions to be met by the AE prior to the submission of the first funding proposal with an E&amp;S risk level category B/intermediation 2 to GCF:</u>  1. Provision by the AE of:  (a) a procedure for receiving, assessing and responding to E&S related complaints from the public at large, including project-affected persons, for projects/programmes financed by the AE; and  (b) evidence of publication of the procedure on the AE's website; 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 <sup>a</sup>	Fiduciary functions <sup>b</sup>	Environmental and social risk category <sup>c</sup>	
					2. Provision of evidence by the AE of the establishment on the AE's website of a page, form or other process for members of the public, including project-affected persons, to submit E&S related complaints to the AE.

<sup>a</sup> "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.

<sup>b</sup> "Fiduciary functions" refer to the basic fiduciary standards, the specialized fiduciary standard for project management, the specialized fiduciary standards for 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.

<sup>c</sup> "Environmental and social risk category" refers to category C/intermediation 3, category B/intermediation 2 and category A/intermediation 1, as per decision B.BM-2021/18.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.33/09 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 for re-accreditation:

- (i) Applicant R005 (RAPL005) is the Asian Development Bank (ADB) based in the Philippines, as contained in annex I of document GCF/B.33/09/Add.01;
- (ii) Applicant R017 (RAPL017) is the European Bank for Reconstruction and Development (EBRD) based in the United Kingdom of Great Britain and Northern Ireland, as contained in annex II of document GCF/B.33/09/Add.01; and
- (iii) Applicant R019 (RAPL019) is the United Nations Environment Programme (UNEP) based in Kenya, as contained in annex III of document GCF/B.33/09/Add.01;

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 subject to the completion of Stage III of the accreditation by having an effective amendment to the original accreditation master agreement, in accordance with decision B.24/13;

(b) *Approves* the re-accreditation of RAPL005, the Asian Development Bank based in the Philippines, as contained in annex I of document GCF/B.33/09/Add.01;

(c) *Also approves* the re-accreditation of RAPL017, European Bank for Reconstruction and Development based in the United Kingdom of Great Britain and Northern Ireland, as contained in annex II of document GCF/B.33/09/Add.01; and

(d) *Further approves* the re-accreditation and upgrade of RAPL019, United Nations Environment Programme based in Kenya, as contained in annex III of document GCF/B.33/09/Add.01;

(e) *Takes note* with appreciation of the assessment conducted by the Secretariat and the Accreditation Panel contained within the relevant annex for the following applicant seeking to upgrade its accreditation type:

- (i) World Food Programme based in Italy, as contained in annex III to this document; and

(f) *Agrees* to upgrade the accreditation type of the World Food Programme as contained in decision B.12/30, paragraph (b), subject to, and in accordance with the assessment by the Accreditation Panel contained in annex III to this document.

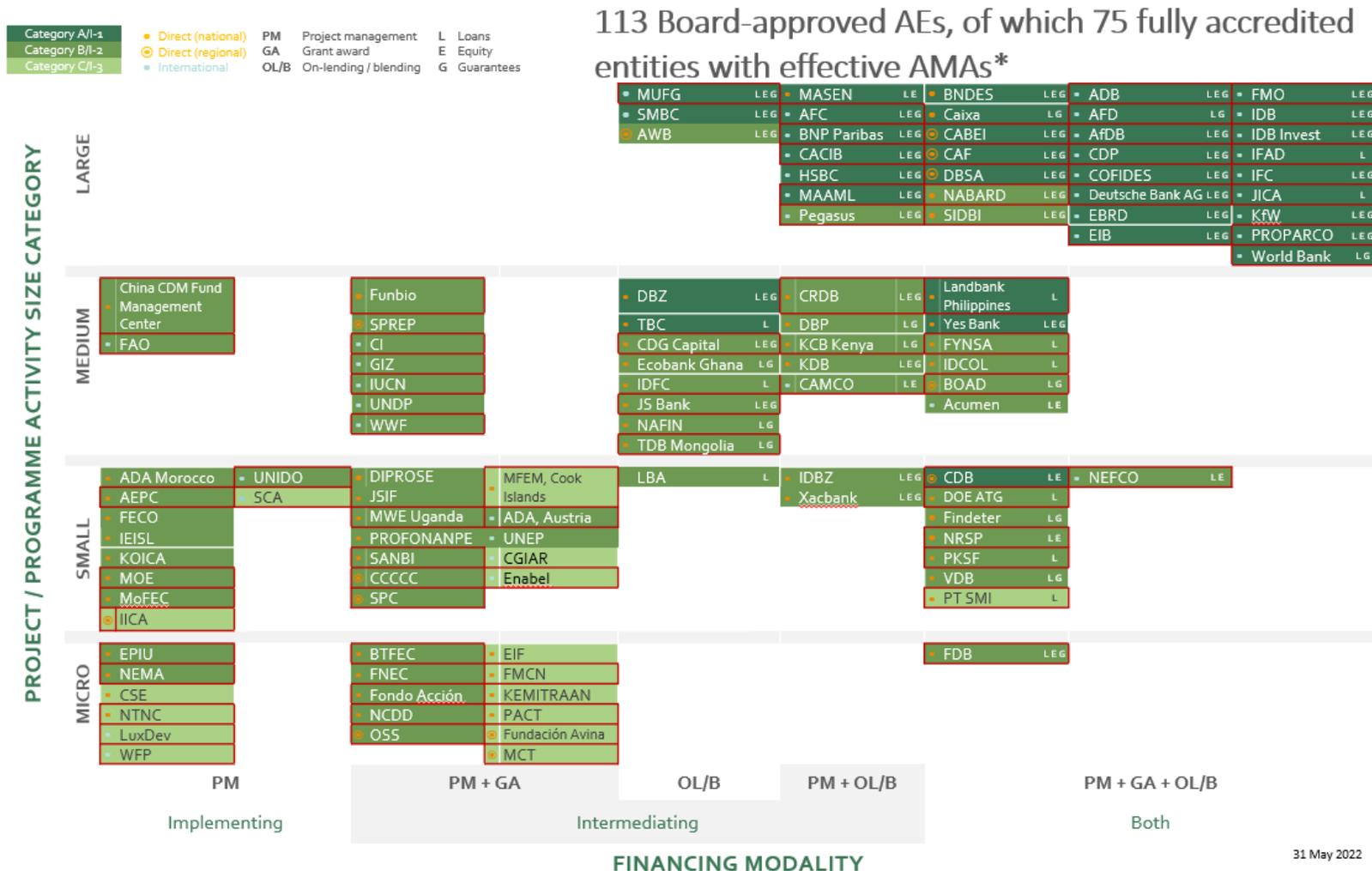
## Annex II: Accredited entities and accreditation categories

1. A mapping of the 113 accredited entities and their accreditation scope (i.e. financing modalities, size category and environmental and social risk category) as at 31 May 2022 is shown in figure 1 below.<sup>1</sup> Some accredited entities have conditions, remarks or recommendations attached to their accreditation or re-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, B.23/13, B.24/11, B.25/12, B.BM-2020/05, B.26/01, B.27/05, B.29/05, B.29/06, B.30/05, B.31/12 and B.32/03 and their relevant annexes for further details.

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<sup>1</sup> The World Meteorological Organization (WMO) was accredited by the Board in decision B.12/30, and entered into the AMA with GCF on 1 June 2016, which was made effective on 23 August 2016. WMO requested an extension of the deadline for it to submit its re-accreditation application in line with decision B.26/01, paragraph (h), which was provided by GCF to WMO, thereby extending the deadline for application submission from 22 February 2021 to 22 August 2021. WMO did not apply for re-accreditation to GCF by the extended deadline.

**Figure 1: Range of capabilities reflected in accreditation scopes in the network of 113 AEs accredited (as at 31 May 2022)**



31 May 2022

\* Does not include AEs that are seeking re-accreditation to GCF during which the accreditation term has lapsed. AEs with lapsed AMAs will be able to resume their fully operationalized engagement with GCF once reaccredited and their amended AMA accounting for reaccreditation has been signed and made effective.

*Abbreviations:* Acumen = Acumen Fund, Inc., ADA Austria = Austrian Development Agency, ADA Morocco = Agency for Agricultural Development of Morocco, ADB = Asian Development Bank, AE = accredited entity, AEPC = Alternative Energy Promotion Center, AFC = Africa Finance Corporation, AFD = Agence Française de Développement, AfDB = African Development Bank, AMA = accreditation master agreement, 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), BTFEC = Bhutan Trust Fund for Environmental Conservation, CABEL = Central American Bank for Economic Integration, CAF = Corporación Andina de Fomento, Camco = Camco Management Limited, CCCCC = Caribbean Community Climate Change Centre, CDB = Caribbean Development Bank, CDG Capital = CDG Capital S.A., CDP = Cassa Depositi e Prestiti – Società per Azioni, 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, CRDB = CRDB Bank Public Limited Company, CSE = Centre de Suivi Ecologique, DBP = Development Bank of the Philippines, DBSA = Development Bank of Southern Africa, DBZ = Development Bank of Zambia, Deutsche Bank AG = Deutsche Bank Aktiengesellschaft, DIPROSE (formerly UCAR) = General Directorate of Sectoral and Special Programmes and Projects of the Ministry of Agriculture, Livestock and Fisheries (formerly Unidad para el Cambio Rural (Unit for Rural Change) of Argentina), 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 = 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, FDB = Fiji Development Bank, FECO = Foreign Environmental Cooperation Center of the Ministry of Ecology and Environment of China (formerly Foreign Economic Cooperation Office of the Ministry of Environmental Protection of China), 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, FYNSA = Finanzas Y Negocios Servicios Financieros Limitada, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, HSBC = HSBC Holdings plc and its subsidiaries, IDB = Inter-American Development Bank, IDB Invest = Inter-American Investment Corporation, IDCOL = Infrastructure Development Company Limited, IDBZ = Infrastructure Development Bank of Zimbabwe, IDFC Bank = IDFC Bank Limited, IEISL = IL&FS Environmental Infrastructure and Services Limited, IFAD = International Fund for Agricultural Development, IFC = International Finance Corporation, IICA = Inter-American Institute for Cooperation on Agriculture, IUCN = International Union for Conservation of Nature, JICA = Japan International Cooperation Agency, JS Bank = JS Bank Limited, JSIF = Jamaica Social Investment Fund, KCB = KCB Bank Kenya Limited, KDB = Korea Development Bank, KEMITRAAN = Kemitraan bagi Pembaruan Tata Pemerintahan, KfW = Kreditanstalt für Wiederaufbau, KOICA = Korea International Cooperation Agency, Landbank = Land Bank of the Philippines, LBA (formerly CNCAS) = La Banque Agricole (formerly Caisse Nationale de Credit Agricole du Senegal), LuxDev = Luxembourg Development Cooperation Agency, MAAML = Macquarie Alternative Assets Management Limited, MASEN = Moroccan Agency for Sustainable Energy S. A., 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), MoFEC = Ministry of Finance and Economic Cooperation of Ethiopia, MWE, Uganda = Ministry of Water and Environment of Uganda, MUFG Bank (formerly BTMU) = MUFG Bank, Ltd. (formerly Bank of Tokyo-Mitsubishi UFJ, Ltd.), NABARD = National Bank for Agriculture and Rural Development, NAFIN = Nacional Financiera S.N.C. Banca de Desarrollo, NCDD = National Committee for Sub-National Democratic Development, NEFCO = Nordic Environment Finance Corporation, NEMA = National Environment Management Authority of Kenya, NRSP = National Rural Support Programme, NTNC = National Trust for Nature Conservation, OSS = Sahara and Sahel Observatory, PACT = Protected Areas Conservation Trust, PCA = Pegasus Capital Advisors, L.P., 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, SCA = Save the Children Australia, SIDBI = Small Industries Development Bank of India, SPC = The Pacific Community, SPREP = Secretariat of the Pacific Regional Environment Programme, TBC = Joint Stock Company TBC Bank, TDB Mongolia = Trade and Development Bank of Mongolia, UNDP = United Nations Development Programme, UNEP = United Nations Environment Programme, UNIDO = United Nations Industrial Development Organization, VDB = Vietnam Development Bank, WFP = World Food Programme, World Bank = International Bank for Reconstruction and Development and International Development Association, WWF = World Wildlife Fund, Inc., XacBank = XacBank LLC, Yes Bank = Yes Bank Limited.

## Annex III: Accreditation assessment of upgrade application from the World Food Programme

### I. Introduction

1. The World Food Programme (WFP) is the world's largest humanitarian organization, saving lives in emergencies and using food assistance to build a pathway to peace, stability and prosperity for people recovering from conflict, disasters and the impact of climate change and is an international access accredited entity (AE) based in Italy. As one of the world's largest humanitarian agencies fighting hunger worldwide, the applicant pursues a vision of the world in which every man, woman and child has access at all times to the food needed for an active and healthy life. Based on the 2030 Agenda and the Sustainable Development Goals (SDGs), the applicant aims to: (1) end hunger by protecting access to food; (2) improve nutrition; (3) achieve food security through improved productivity and incomes, and sustainable food systems; (4) partner to support implementation of the SDGs; and (5) partner for SDG results. The applicant seeks accreditation to upgrade its accreditation scope in order to further advance the objectives of GCF.

2. WFP was accredited as an international access entity by the Board on 10 March 2016 in decision B.12/30, paragraph (b), for the following parameters, as recommended by the Accreditation Panel (AP), under the fit-for-purpose approach of GCF.

- (a) **Access modality:** international access;
- (b) **Track:** fast track under the Adaptation Fund (AF);
- (c) **Maximum size of an individual project or activity within a programme:** micro;<sup>1</sup>
- (d) **Fiduciary functions:**<sup>2</sup>
  - (i) Basic fiduciary standards; and
  - (ii) Specialized fiduciary standard for project management;
- (e) **Maximum environmental and social (E&S) risk category:** minimal to no risk (category C/intermediation 3 (I-3))<sup>3</sup>; and
- (f) **Indicative results areas for intended projects/programmes with GCF:**
  - (i) Energy generation and access;
  - (ii) Land use and forests;
  - (iii) Enhancing livelihoods;
  - (iv) Health and wellbeing and food and water security;
  - (v) Climate information/early warning systems;
  - (vi) Awareness strengthening and climate risk reduction; and
  - (vii) Public and cross-cutting types of projects/programmes.

<sup>1</sup> 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 GCF, of up to and including US\$ 10 million for an individual project or an activity within a programme."

<sup>2</sup> Decision B.07/02.

<sup>3</sup> 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."

3. The applicant signed its accreditation master agreement (AMA) with GCF on 23 November 2018, which became effective on 6 December 2019.
4. The AE submitted its application to GCF for an accreditation upgrade via the Online Accreditation System on 20 March 2017. Accreditation fees were received from the applicant in relation to the upgrade application on 26 April 2018, thereby launching the stage I institutional assessment and completeness check. Stage I was completed on 17 December 2021 and the applicant was progressed to the stage II (step 1) accreditation review by the AP, which has been concluded with the publication of this assessment. The applicant has applied to be upgraded for the following parameters under the fit-for-purpose approach of GCF, and in addition has updated the indicative result areas for the projects/programmes it intends to submit to GCF to the following:
  - (a) **Access modality:** international access;
  - (b) **Track:** fast track under the Adaptation Fund (AF);
  - (c) **Maximum size of an individual project or activity within a programme:** medium;<sup>4</sup>
  - (d) **Fiduciary functions:**<sup>5</sup>
    - (i) Specialized fiduciary standard for grant award and/or funding allocation mechanisms;
  - (e) **Maximum E&S risk category:** medium risk (category B/intermediation 2 (I-2));<sup>6</sup>and
  - (f) **Indicative results areas for intended projects/programmes with GCF:**
    - (i) Energy generation and access;
    - (ii) Health, well-being, food and water security; and
    - (iii) Ecosystems and ecosystem services.
  - (g) **All other criteria for which the applicant was accredited:**<sup>7</sup> no change.

## II. Stage I institutional assessment and completeness check

5. The applicant is eligible for, and applied under, the fast track accreditation process as an AF entity. Its application has been assessed by the Secretariat during stage I in accordance with the requirements and gaps identified in decision B.08/03 and in accordance with the following GCF policies and standards to the extent applicable to accreditation:

- (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);

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<sup>4</sup> 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 GCF, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme.”

<sup>5</sup> Decision B.07/02.

<sup>6</sup> 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.”

<sup>7</sup> For example, the fiduciary functions.

- (b) “Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach” (decision B.08/02);
- (c) “Policy on Prohibited Practices” (decision B.22/19);
- (d) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (AML/CFT Policy) (decision B.18/10);
- (e) “Policy on the Protection of Whistleblowers and Witnesses” (decision B.BM-2018/21);
- (f) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (g) “Revised Environmental and Social Policy” (decision B.BM-2021/18);
- (h) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of E&S information;
- (i) “Gender Policy and Action Plan” (decision B.09/11); and
- (j) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12).

## 2.1 Legal status, registration, permits and licences

6. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. WFP is a joint subsidiary autonomous programme of FAO and the UN which was created by concurrent resolutions of the FAO Conference (Resolution 1/61) and the UN General Assembly (Resolution 1714(XVI)), adopted respectively on 24 November and 19 December 1961.

## 2.2 Institutional presence and relevant networks

7. The applicant is headquartered in Rome, Italy and reaches over 115 million people with food assistance in more than 80 countries each year. The applicant supports national, local and regional food security and nutrition plans and partners with third parties, including, but not limited to, Government entities, other United Nations agencies, international organizations, non-governmental organizations, civil society and the private sector to enable people, communities and countries to meet their own food needs.

8. In line with its strategic plan, the applicant aims to build partnerships for SDGs to help developing countries access a range of financial resources for development investment. In addition, the applicant intends to foster knowledge-sharing, expertise and technology to strengthen global partnership support to country efforts to achieve the SDGs. With a focus on bringing a variety of initiatives to reinforce its work on losses and damage from climate extremes, the applicant has already included activities designed to reduce disaster risk, build resilience and help people adapt to climate change into approximately 40 per cent of its operations. The applicant is playing a crucial role in helping both governments and communities prepare and respond to extreme events, reduce vulnerability and build lasting climate resilience.

9. WFP intends contribute to furthering the objectives of GCF as an AE through:

- (a) Bringing extensive experience on food security and nutrition;
- (b) Extensively working on improving the understanding of the impact of climate risks on food security as well as programmatic options for building resilience and supporting climate change adaptation;

- (c) Sharing its experience in innovation initiatives as a leading innovator in the area of climate risk management solutions for food insecure people;
  - (d) Supporting nationally owned social protection and safety-net programmes which are critical tools that can protect lives and livelihoods, while at the same time building resilience to climate shocks;
  - (e) Bringing extensive experience from its Adaptation Fund projects: as an implementing entity of the Adaptation Fund, the applicant has 11 approved projects in Colombia, Congo, Ecuador, Egypt, Gambia, Lesotho, Malawi, Mauritania, Nepal and Sri Lanka;
  - (f) Result-based management of programmes that address the full sequence of activities from planning, through designing and implementing activities that deliver the desired results; and
  - (g) Gender-sensitive programming.
10. An upgrade in the maximum size category, maximum level of the environmental and social safeguards (ESS) risk, and addition of the specialized fiduciary standard for grant award and/or funding allocation mechanisms would allow WFP to enhance its partnership with GCF through more innovative project/programme structures at scale, support GCF in achieving its portfolio-level goals, and contribute to the adaptation/mitigation balance of the GCF portfolio.

## 2.3 Track record

11. The applicant has a strong track record of climate change projects and has mobilized USD 142.7 million from climate finance multilateral funds since 2012. Specifically, USD 96.8 million is from the Adaptation Fund and USD 45.9 million from GCF. Additionally, the applicant has mobilized:
- (a) USD 87.7 million (grants) for the R4 Rural Resilience Initiative, an integrated climate risk management strategy giving food insecure households access to climate risk microinsurance by enhancing their natural, productive and financial asset base;
  - (b) 26 million (grants) for the African Risk Capacity Replica programme to utilize microinsurance to improve government's capacities to be protected against climate shocks and allow partners to finance early humanitarian response in case of extreme events;
  - (c) 32 million (grants) for Climate Services and Anticipatory Action programmes to provide climate and weather information to farmers and connect early warning systems to pre-arranged financing and actions that prevent predictable extreme weather events from becoming humanitarian disasters;
  - (d) USD 10 million (grants) for Climate and Food Security analyses and Capacity Building to help Governments better understand the impacts of climate change on food security, and plan and act accordingly; and
  - (e) USD 6 million (grants) for Energy Programmes to provide energy access to households, schools and institutions in humanitarian settings in sub-Saharan Africa.
12. Five WFP funding proposals have been approved by GCF, and are under implementation:
- (a) USD 9.98 million in grants for the "Building the climate resilience of food insecure smallholder farmers through integrated management of climate risk (R4)" project in Senegal (FP049);

- (b) USD 9.97 million total (of which the GCF financing portion is USD 9.27 million in grants) for the “Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan” project (FP067);
  - (c) USD 9.64 million total (of which the GCF financing portion is USD 8.58 million in grants) for the “Climate services and diversification of climate sensitive livelihoods to empower food insecure and vulnerable communities in the Kyrgyz Republic” project (SAP002);
  - (d) USD 9.96 million total (of which the GCF financing portion is USD 8.86 million in grants) for the “Integrated climate risk management for food security and livelihoods in Zimbabwe focusing on Masvingo and Rushinga Districts” project (SAP007); and
  - (e) USD 10.0 million total (of which the GCF financing portion is USD 9.25 million in grants) for the “Climate-resilient food security for women and men smallholders in Mozambique through integrated risk management” project (SAP011).
13. Five additional concept notes have been submitted:
- (a) USD 10 million total for the “Promoting climate resilient livelihoods of food insecure people in southern Iraq” project;
  - (b) USD 10 million for the “Integrated climate risk management for strengthened resilience to climate change in Newly Merged Districts (NMD) of Pakistan” project (SAP concept note);
  - (c) USD 10 million for the “Women-Adapt: Enhancing women smallholder farmers’ adaptive capacity and scaling up climate-resilient food production systems in Côte d’Ivoire” project (SAP concept note);
  - (d) USD 10 million for the “Scaling up Climate Resilient Agriculture (CRA) to enhance the resilience and food security of climate vulnerable smallholder farmers in the State of Palestine” project (SAP concept note); and
  - (e) USD 10 million for the “Building capacity in Lao PDR to understand, anticipate and adapt to climate change impacts” project (SAP concept note).

## 2.4 Potential support for direct access entities

14. The applicant works closely with all national and subnational partners to ensure they have the capacity to effectively implement programmes and intends to continue to support national and subnational entities to gain the experience, systems and other capacities needed to directly implement urgent climate change action. The applicant’s work on climate change is embedded in strong partnerships with governments, United Nations agencies, non-governmental organizations, the private sector and communities, among other third parties. The applicant intends to support and advise countries while they develop the fiduciary and environmental, social and gender standards required for accreditation to GCF. The applicant will also cooperate with national institutions to advance their administrative, financial, procurement, project preparation and management (including monitoring and evaluation) capacities. The applicant has so far supported entities through a series of initiatives which include:

- (a) Ensuring that the national designated authorities (NDA), executing entities (EE) and other governmental stakeholders are always engaged in project design and proposal;
- (b) Engaging governmental stakeholders as GCF projects’ EEs who, in turn, could become accredited entities to GCF. This builds their capacity in project implementation and allows them to become familiar with GCF rules and requirements in terms of funds management and reporting;

- (c) Sponsoring participation of NDA or other relevant government representatives at the Conference of the Parties and/or other regional climate conferences allowing future potential AEs to attend such important events, network and meet other NDAs and AEs, engage in policy discussions, participate in panels and be more exposed to global climate policy processes; and
- (d) Providing advice to potential direct access entities (DAE) by sharing lessons and experiences on the accreditation process and requirements.

### III. Stage II accreditation review assessment

15. The applicant is eligible for, and applied under, the fast track accreditation process as an AF entity. Its application has been assessed by the AP during stage II (step 1) against the GCF accreditation standards and gaps identified in decision B.08/03 and the accreditation requirements to the extent applicable to accreditation identified in paragraph 5 above, and:

- (a) "Evaluation Policy" (decision B.BM-2021/07).

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

#### 3.1 Fiduciary standards

##### 3.1.1. Basic fiduciary standards: key administrative and financial capacities

17. WFP did not have any conditions with regards to the basic fiduciary standards on key administrative and financial capacities recommended by the AP for the original accreditation application.

18. The applicant has applied for an upgrade in accreditation scope to a maximum size category of medium. The applicant has provided examples of recent programmes that are within the medium size category. Noting that the applicant has applied under the fast-track accreditation process, the AP concludes that the relevant systems, policies, procedures and capacities meet the GCF basic fiduciary standards on key administrative and financial capacities in relation to a maximum size category of medium.

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

##### 3.1.2. Basic fiduciary standards: transparency and accountability

20. WFP did not have any conditions with regards to the basic fiduciary standards on transparency and accountability recommended by the AP for the original accreditation application.

21. As per paragraph 15 above, the basic fiduciary standards concerning transparency and accountability have been met by way of fast-track accreditation, with the exception of policies on prohibited practices and the protection of whistle-blowers, investigation function, and anti-money laundering and countering the financing of terrorism policies.

22. Regarding the prohibited practices and the protection of whistle-blowers, the legal and procedural framework for protecting against prohibited practices is provided by the WFP Anti-Fraud and Anti-Corruption (AFAC) Policy as well as a comprehensive Whistle-blower Policy which ensures that individuals making complaints in good faith will be protected from retaliation. These policies are available to staff on the WFP intranet and on the website of the

Executive Board of WFP, together with other relevant documents such as the WFP Code of Conduct, contractual obligations of staff and the human resources manual.

23. Regarding anti-money laundering and countering the financing of terrorism policies, the structure and mandate of the WFP investigation function is outlined in the Charter of the Office of the Inspector General (OIG Charter) and investigations are carried out by the Office of Inspections and Investigations (OIGI). Revisions to the OIG Charter were made in November 2019 to strengthen its independence through approval of its Charter by the Executive Board and escalation of important matters to the Independent Oversight Advisory Committee and the Executive Board. The OIG is structurally independent from any interference from other activities of WFP.

24. The scope of investigations encompasses a legally based and analytical process designed to gather information in order to determine whether misconduct or wrongdoing has occurred and, if so, the persons or entities responsible. All investigations are conducted in accordance with the Uniform Guidelines for Investigations as well as by the OIGI Investigations Guidelines, which provide investigation guidance and which are available to all staff through the WFP intranet. The Office of the Inspector General operates multiple complaint portals in various languages for WFP employees, its contractors, counterparts, implementing partners, United Nations agencies and others, to confidentially report incidents of fraud, waste, abuse or mismanagement.

25. WFP prepares publicly available annual reports that provide detailed information on cases that have been reported and investigated with regard to violations of the rules and regulations, policies, procedures and other administrative requirements, such as fraud, corruption, theft, harassment, sexual harassment, sexual exploitation and abuse, and abuse of authority.

26. Regarding AML and CFT policies, WFP updated its Anti-Fraud and Anti-Corruption Policy in 2021 to include AML and CFT, and sanctions measures. WFP is strongly committed to preventing the misuse of its resources, including financial contributions originating from Member States and intergovernmental bodies. To this end, WFP maintains robust and adequate measures, including beneficiary targeting, selection and monitoring. This approach is aimed at deterring misuse of WFP assistance including diverting resources for money laundering or financing of terrorism. In the case of cash projects, the amounts of money involved are small with a value which allows beneficiaries to do little more than address their immediate needs. As an additional control, post distribution monitoring is regularly conducted on selected beneficiaries to ensure that the intended impact of the project is achieved and there is no misuse of funds as defined in WFP policies.

27. The selection process for Financial Service Providers (FSPs), contracted by WFP for projects involving cash transfers, has a well-established and effective FSP identification, selection, analysis, evaluation and assessment process, which includes a thorough review of the FSP's key processes, internal controls and systems. In order to be eligible for selection by WFP, an FSP must be properly registered and licensed to provide the required services in the relevant jurisdiction. WFP global banking partners are contractually required to comply with WFP requirements and all laws and regulations – including those establishing know your customer (KYC) and AML/CFT legal requirements and standards.

28. With the WFP Anti-Fraud and Anti-Corruption (AFAC) Policy having been recently updated to explicitly address AML/CFT, WFP is well placed to qualify for upgrade from micro to medium-sized projects where there could be a greater risk of fraud or misuse of WFP funds. In addition, consistent with numerous United Nations Security Council resolutions, WFP has chosen to screen the names of entities and individuals that enter into contractual commitments with WFP against the Consolidated United Nations Security Council Sanctions List. The AP concludes that the checks and controls in place, including those relating to KYC, are adequate

for the scope and nature of WFP operations and the inclusion of specific AML/CFT procedures and sanctions in its AFAC Policy can ensure that the organization is well placed for medium-sized projects and further expansion of its operations.

29. The applicant has applied for an upgrade in accreditation scope to a maximum size category of medium. The applicant has provided examples of recent programmes that are within the medium size category. Noting that the applicant has applied under the fast-track accreditation process, the AP concludes that the relevant systems, policies, procedures and capacities meet the GCF basic fiduciary standards on transparency and accountability in relation to a maximum size category of medium.

30. As per paragraph 15 above, the basic fiduciary standards on transparency and accountability are considered to have been met by way of fast-track accreditation. The AP also finds that the applicant's policies, procedures and capacity, supported by evidence of track record, fully meet the Policy on the Protection of Whistle-blowers and Witnesses, the Policy on Prohibited Practices and the AML/CFT Policy.

#### 3.1.3. **Specialized fiduciary standard for project management**

31. WFP did not have any conditions with regards to the specialized fiduciary standard on project management recommended by the AP for the original accreditation application.

32. The applicant has applied for an upgrade in accreditation scope to a maximum size category medium. The applicant has provided examples of recent programmes that are within the medium size category. Noting that the applicant has applied under the fast-track accreditation process, the AP concludes that the relevant systems, policies, procedures and capacities meet the GCF specialized fiduciary standard for project management in relation to a maximum size category of medium.

33. As per paragraph 15 above, the specialized fiduciary standard for project management is considered to have been met by way of fast track accreditation.

#### 3.1.4. **Specialized fiduciary standard for grant award and funding allocation mechanisms**

34. WFP is seeking an upgrade to its accreditation status to include the specialized fiduciary standard for grant award and funding allocation mechanisms for its programme of partnerships with non-governmental organizations (NGOs). The majority of WFP activities are implemented through these NGO partners. Strong performance-based partnerships are essential to WFP programmes that provide critical access to food while building resilience. The WFP NGO Partnership Guidance emphasizes a risk management and comprehensive due diligence and capacity assessment in partner selection and agreement finalization. It provides WFP country managers with tools for registering risks and for adopting mitigation measures. WFP issues a call for proposals when contracting NGOs to ensure quality, transparency and competitiveness of the selection process which gives confidence in the partnerships selected. In line with the value for money concept, WFP does not necessarily require the least expensive option, but seeks the potential for impact and complementarity, and for high quality programming at acceptable cost.

35. The Field Level Agreement (FLA) is the contract that NGO partners sign to engage in project implementation with WFP. The FLA promotes global consistency in the partnership cycle and gives both WFP and the NGO partner confidence that their interests are protected. The process for partner selection involves country office staff from all involved functional areas such as finance, programme and logistics. A Cooperating Partner Committee (CPC) reviews final recommendations on proposals and preparation of FLAs, verifying that all documentation, including budgets, are properly agreed. After negotiation, the FLA is reviewed by a compliance

and finance officer and, together with the recommendation from the CPC, it is given to the Country Director for signature. The Country Director is the legal representative in the country office and has final authority on all FLAs. The NGO Partnership Guidance has been provided together with an FLA template and a diagram of the WFP Business Process on FLA Management.

36. A recent internal audit report on management of donor funding is available on the WFP website. The specific areas reviewed were coordination of donor relations management, management of obligations and risks, financial management, reporting and communication. Also published is an internal audit of WFP management of NGO partnerships and all agreed actions have been implemented. Furthermore, the processes of selecting and managing NGO partners is reviewed as part of WFP country office audits. Findings, if any, are reported and published in the country office audit reports.

37. WFP uses a country office tool called COMET for managing its programme operations. It is an online tool to design, implement, and monitor programmes and improve performance. It provides for oversight and management of NGO partnerships and is essential to the risk management of WFP partnerships. NGOs not selected for partnership are informed in a clear, concise, and correct manner, with an explanation of the reasons for the decision and an indication of possible future opportunities. In collaboration with UNHCR and UNICEF, WFP has introduced the United Nations Partner Portal (UNPP), an online platform designed to simplify and harmonize United Nations work processes for partnering with civil society organizations. In the Portal, all NGO partners must complete both the required mandatory partnership declaration that is harmonized across multiple United Nations agencies, and the comprehensive registration and partner profiles. All the United Nations agencies then conduct due diligence verification of prospective partners and share the results with other United Nations agencies. Potential partners are automatically screened against the United Nations Security Council sanctions lists, and United Nations agencies share information on partnership risks via a flagging system. Before partners can apply for calls for proposals, all verifications must take place. After proposal submission, further internal and offline controls will be in place before final selection.

38. Monitoring is addressed in the WFP NGO Partnership Guidance document to ensure project implementation follows the Plan of Operations and FLA obligations and to determine whether accurate measurements of activity outputs and outcomes will be available for final evaluation. Monitoring of individual FLAs is done at country office level and consolidated in Annual Country Reports (ACR) which are prepared and published for every WFP country office. Through COMET, country offices can manage, through one corporate system, all partnership agreements and collaborations, including NGO partnerships, tracking project results against the commitments agreed with partners. COMET reports are also used to inform ACRs as well as for monitoring, evaluation, reporting and learning purposes. ACRs provide examples of projects that demonstrate the WFP track record.

39. In 2020, the WFP evaluation function underwent peer review under the aegis of the United Nations Evaluation Group and the Development Assistance Committee of the Organisation for Economic Co-operation and Development. The peer review was positive, concluding that the independent evaluation function of WFP produces high-quality evaluations and that since the previous peer review in 2014 real progress had been made towards the vision of a WFP culture of accountability and learning supported by evaluative thinking, behaviour and systems. The peer review acknowledged the scope for further progress towards this vision and made recommendations accordingly. The updated WFP evaluation policy finalized in 2022, responds to those recommendations, and to changes in circumstances since the last evaluation policy was approved, to ensure that WFP profits from a well-balanced, utility-focused evaluation function that supports a culture of accountability and learning. The updated evaluation policy is introduced at a time when the WFP strategic plan for 2022–2025

has made clear the organization's commitment to becoming evidence-driven in delivering its results. The updated WFP evaluation policy is rooted in the most recent international norms and standards for evaluation. It builds on the previous policy to ensure that the evaluation function continues to mature, particularly at the decentralized level, that the use of evaluations and evaluation evidence is enhanced within WFP, and that the evaluation function can further its partnerships with others to support global decision-making and achievement of the SDGs.

40. Regarding public access to information on beneficiaries and results, NGO partners have access to WFP partnership opportunities through the UNPP and every effort is made by WFP field offices to reach out to potential partners through appropriate channels, depending on the operational context, including public advertisement, announcement via the humanitarian networks, and calls for expression of interest. The UNPP offers the partnership opportunity directly to the partner but does not publish a list of those who were rejected publicly. The partnering decisions involve programmatic and strategic decision-making processes beyond purely quantifiable criteria such as for instance cost, delivery period or financial standing. Clear segregation of duties and standardized partnership management mechanisms collectively ensure the objectivity, transparency and fairness of partnering decisions. Partnership activities and the names of strategic partners are reported in various publicly available channels.

41. Based on the AP's review of WFP's donor-funded activities under its NGO partnership programme, the AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the specialized fiduciary standard for grant award and/or funding allocation mechanisms for a maximum size category of medium.

3.1.5. **Specialized fiduciary standard for on-lending and/or blending (for loans, equity and/or guarantees)**

42. The applicant did not apply for accreditation for this standard at this time.

## 3.2 Environmental and social safeguards

43. WFP did not have any conditions with regards to the GCF interim environmental and social safeguards (ESS) standards recommended by the AP for the original accreditation application with a maximum accreditation scope of a maximum E&S risk category C/intermediation 3.

3.2.1. **Environmental and social policy**

44. The applicant provided its Environmental Policy approved in February 2017 by its Executive Board which supersedes its 1998 E&S Policy. The Environmental Policy provides a framework for its efforts to protect the environments of the people it serves while working towards a world free from hunger. The Environmental Policy enhances the focus on accountability, aiming to fill gaps in existing management systems to ensure that the applicant's activities are designed in an environmentally sound manner that avoids harming the environment and maximizes environmental benefits wherever possible. The applicant recognizes that care for the environment is essential to achieving food security and sustainable development as outlined in the SDGs.

45. Guided by a set of overarching principles, the Environmental Policy will support the applicant in: (i) progressively enhancing the environmental sustainability of activities and operations; (ii) protecting the environment; (iii) increasing resource efficiency and minimizing its carbon footprint; (iv) aligning its actions with good international practice and global standards for environmental sustainability; and (v) strengthening the capacity of partners to plan and implement environmentally sound activities for food security and nutrition.

46. The Environmental Policy has adopted the following eight E&S standards: Standard No. 1, Sustainable Natural Resources Management; Standard No. 2, Biodiversity and Ecosystems; Standard No. 3, Resource Efficiency, Waste and Pollution Management; Standard No. 4, Climate Change; Standard No. 5, Protection and Human Rights; Standard No. 6, Gender Equality; Standard No. 7, Community Health, Safety and Security; and Standard No. 8, Accountability to Affected Populations. These standards are aligned with international best practices and reflect the principles guiding the GCF Performance Standards 1–8.

47. The applicant takes into account national requirements and regulations, including on environmental and social risk management, wherever this is not in conflict with any of the applicant’s policies, standards, or regulations, nor with any of the humanitarian principles (humanity, impartiality, neutrality and independence), nor any international agreement that is applicable to the applicant, or any donor requirement. Whenever standards are not aligned, the higher standard will be respected.

48. The applicant’s Indigenous Peoples Policy framework is provided in the E&S Standards No. 5 (Protection and Human Rights) and E&S Standard No. 8 (Accountability to Affected Populations). E&S Standard No. 5 requires that Environmental and Social Impact Assessments (ESIA) must include an Indigenous Peoples Engagement Plan, including a report on how the free, prior and informed consent was obtained from the indigenous peoples and how it will be maintained, where relevant. The applicant has a global advisor on indigenous peoples and a network of employees at the country level equipped to implement procedures related to indigenous people. The ESS advisors at both the Headquarters (HQ) and Regional Bureau levels are also capacitated to manage issues related to indigenous peoples.

49. The applicant’s updated gender policy is both complementary to and in alignment with its protection and accountability policy and the Executive Director’s circular on special measures for protection from sexual exploitation and abuse.

50. The applicant provided its Executive Director’s circular dated March 2018 on “Protection from Harassment, Sexual Harassment, Abuse of Authority, and Discrimination” including evidence on the applicant’s capacity which are aligned with the provisions on sexual exploitation, sexual abuse, or sexual harassment in the GCF Revised E&S Policy. The E&S Standard No. 6 requires that the applicant’s projects and interventions must not create, exacerbate or contribute to gender inequalities or discrimination, and must mitigate risks of gender-based violence, while further details are provided in the applicant’s Gender Policy.

51. Since 2017, the applicant has established a corporate Climate Change Policy that defines how it will contribute to efforts to prevent climate change and climate-related shocks from exacerbating existing vulnerabilities and risks and undermining progress towards ending hunger and malnutrition. The policy provides the applicant’s staff with guiding principles and programmatic options for integrating activities to address climate change into their work, with a focus on supporting adaptation and reducing loss and damage from climate extremes. The applicant has built strong experience in conducting climate and food security analyses which are an important first step to assess climate change risks and impacts and identify the most appropriate actions that WFP, governments and partners can consider when designing a climate change adaptation intervention.

52. The applicant first measured and reported its global greenhouse gas (GHG) emissions in 2008, and was one of the first field-based agencies to submit a full inventory. In line with the United Nations Climate Neutral Commitment, the applicant’s GHG inventory follows the common United Nations boundary and GHG accounting principles prescribed by the GHG Protocol. The applicant reports GHG emissions from all its premises, vehicles, commercial air travel and public transport. It also reports emissions from its aviation, aircraft and airfreight, as well as United Nations Humanitarian Air Service due to their significant carbon footprint compared to other sources.

53. The applicant does not plan in the future to have investments in fossil fuels and has none currently, nor had in the past.

54. The applicant provided its Evaluation Policy approved by its Executive Board in 2022 which is in line with the requirements of the GCF policy on evaluation with regard to the evaluation of environmental and social sustainability as well as gender dimensions.

55. The Environmental Policy has been communicated within the organization through the applicant's internal communication channels, and dedicated web pages have been created. A relevant factsheet and a brochure have also been developed for further dissemination.

56. The AP finds that the applicant's environmental and social management system, comprising its Environmental Policy and Environmental and Social Sustainability Framework (ESSF), supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

### 3.2.2. Identification of environmental and social risks and impacts

57. The applicant's ESSF was officially endorsed by WFP senior management and approved by its Executive Director in September 2021. The ESSF has a set of principles, standards and tools to manage the environmental and social risks. The ESSF integrates the core values, principles and standards and applies to all activities, operations and assets managed or funded by the applicant. By extension, the ESSF also governs the work of partners or contractors that receive funds from the applicant, or that implement programmes, operations or interventions on its behalf. The ESSF is composed of four modules: ESSF Overview (Module 1); Environmental and Social Standards (Module 2); Environmental and Social Safeguards for Programme Activities – Screening Tool (Module 3); and Environmental Management System Manual (Module 4).

58. The ESSF describes the applicant's means of identifying E&S risks and impacts including screening and categorization based on the risk categories (A, B and C) in line with Performance Standards 1–8. Any programme activity that entails some risks (medium or high) is categorized as B or A would require the applicant to establish risk management measures that aim to avoid or reduce the risks, or mitigate or offset the expected adverse impacts. These risk management measures are described in an Environmental and Social Management Plan (ESMP). If a programme activity entails high environmental and/or social risks, an independent Environmental and Social Impact Assessment (ESIA) is required.

59. The use of the screening tool and the subsequent categorization of the activities falls under the responsibility of the entity designing the activities, these being either the applicant's programme managers or partners. The applicant's country office is then responsible for reviewing the screening forms and ensuring compliance with the ESSF's requirements. The applicant provided a list of projects with the relevant categorization.

60. The applicant provided evidence on use of the screening tool by providing E&S screening and categorization for two projects funded by the Adaptation Fund in E&S risk category B/I-2 and micro size category and two projects funded by KfW E&S risk category B/I-2 in medium size category. The applicant also provided an E&S screening and residual risk management plan prepared for the GCF Mozambique proposal (SAP011) categorized as risk level C.

61. 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 Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for

maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

### 3.2.3. Environmental and social management programme

62. The ESSF Module 3 describes the applicant’s institutional process for managing E&S risk and impact mitigation measures and actions stemming from the E&S risk identification process. If a project is categorized as medium risk (category B), an ESMP must be prepared. If the identified risk is high (category A), an ESIA with an associated ESMP must be produced. An ESMP may be developed for a low-risk activity (category C) if deemed appropriate. The ESMP will be part of the contractual arrangements stipulated between the applicant and its partner(s) through a Field Level Agreement, a Memorandum of Understanding or a Construction Contract.

63. The ESMP is developed by the person/team/entity designing the activity. This may be the applicant’s Activity Manager, the implementing partner, or a government entity. In the case of a high risk activity (category A), the ESMP is developed by an expert or expert company carrying out the ESIA, in collaboration with the person or entity designing the activity. The ESMP includes: an overview of the environmental and social risks identified through the screening; an elaboration of the potential impacts related to these risks; the measures proposed to manage the risks and/or impacts; the cost of these measures; when the measures will be implemented and by whom; how the risks and implementation of the risk management measures will be monitored.

64. The risks stemming from category A and category B activities are recorded and tracked in the risk registry of the applicant’s country office. The corresponding ESMPs are stored in the country office’s risk management platform. The applicant’s Office of the Inspector General (OIG), which carries out independent audits, has developed an audit approach and work programme specific for environmental matters. This is an integral part of OIG audit methodology.

65. The applicant provided sample ESIA and ESMPs for the projects indicated in the section 3.2.2 as evidence of its track record on E&S management.

66. The applicant’s Office of Evaluation and Office of Internal Audit are responsible, among other mandates, for providing independent and objective assurance and advice on the adequacy and effectiveness of the applicant’s ESSF. All audits performed by the Office of Internal Audit and all evaluations performed by or mandated by the Office of Evaluation are presented to the applicant’s Executive Board and come with a management response letter from the relevant country office/HQ office management. All such audits and evaluations are also publicly available on the applicant’s website.

67. The applicant provided a sample of two project-level audit reports that were among the first to include environmental aspects. The approach is expected to become systematic in future country office audits and use of the tool/checklist currently under development will ensure further integration of environmental aspects.

68. The AP finds that the applicant’s management programme, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

### 3.2.4. Monitoring and review

69. The applicant provided the document on its monitoring and evaluation standard operating procedures (ME SOP) which contains a description of standard operating procedures for its monitoring and evaluation programme. The E&S mitigation measures proposed in the

ESMP will be an integral part of the activity implementation. Monitoring of the risks and risk management measures will be an integral part of activity monitoring. The implementing partner (cooperating partner or government entity) will periodically report to WFP on the risks and implementation of the risk management measures. With reference to corporate cross-cutting indicators, the applicant monitors the application of the E&S risk screening tool through the corporate indicator “proportion of activities for which environmental and social risks have been screened”.

70. For category B projects, especially those funded by the Adaptation Fund or GCF, partners (executing entities or cooperating partners) are requested to provide the applicant with quarterly or semi-annual project progress reports, that include E&S risks and other narrative and financial information. The information contained in these reports is checked and used to prepare the annual reports that are submitted to donors. In addition, the applicant has field monitors who regularly visit project sites and monitor activity implementation. Finally, the applicant includes the obligations and requirements regarding E&S risk management and monitoring in its contracts with partners (subsidiary agreements with executing entities, FLAs with cooperating partners, or construction contracts with construction firms).

71. The applicant has an active monitoring capacity in all its projects. Field monitors regularly visit project sites and work with partners to identify and solve any issues identified. For projects with potentially adverse environmental or social effects, implementation of ESMP measures is monitored and reported upon.

72. Two Project Performance Reports prepared by the applicant for two separate Adaptation Fund projects were provided which show how E&S matters are reported at project level to the donor. The applicant provided a sample of E&S monitoring annual reports for category B projects financed by the Adaptation Fund.

73. The AP finds that the applicant’s system of monitoring and review, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/1-2 projects/programmes with respect to performance standards 1–8.

### 3.2.5. **External communications, consultations, information disclosure and grievance redress mechanism at the institutional level**

74. All communication with the public via the applicant’s website is accessed from the form on the “Contact Us” page: <https://www.wfp.org/contact>. The applicant’s publications manager in the Communications Division screens enquiries and directs them to the relevant contact point in the organization, keeping track of when the various inquiries are answered. The same process applies to enquiries directed from social media forums, via the applicant’s social media editor. General mail (e.g. register queries and checks) is processed by the applicant’s correspondence administrator in the Office of the Executive Director, whereby correspondence is registered, dealt with and followed up. Individual country offices are responsible for communications with beneficiaries and have relevant systems in place to deal with this. A country-level beneficiary feedback desk is located at the respective country offices and is accessed by phone, email and fax. Specific examples of the beneficiary feedback mechanisms and registers of inquiries were provided, including dashboards and reports to show how data about complaints is recorded.

75. The applicant’s Directive on Information of Disclosure, as well as the ESSF Module 1, defines the information related to its programmes and operations available to the public, except for limited information that is deemed “confidential”. The disclosure of E&S screenings/ESMPs/ESIAs is therefore regulated by this Directive. The E&S Standards in United Nations Programming include basic principles governing the duration required for public disclosure: ESMPs for medium-risk projects to be disclosed at least 30 days in advance;

ESIAs/ESMPs for high-risk projects to be disclosed at least 120 days in advance. ESIAs/ESMPs or screenings are recommended to be disclosed as soon as a full draft is finalized.

76. If required by the donor or national law, the applicant will disclose, both on its website and directly to stakeholders, the risk screening and ESMP of a category B activity during the period required by the donor or national law, and in any case within 30 days. The information will be provided in the primary languages of all stakeholders.

77. The applicant provided evidence of its policy/practice as well as track record on project-level disclosure and consultation on ESS assessment documents by executing entities that it oversees with the public in general and specifically with the project-affected persons.

78. The applicant's Complaints and Feedback Mechanism (CFM) handles complaints and feedback of any nature, including E&S matters. The policy/normative framework for the CFM is provided in the applicant's, "Protection and Accountability Policy 2020", available at [https://executiveboard.wfp.org/document\\_download/WFP-0000119393](https://executiveboard.wfp.org/document_download/WFP-0000119393).

79. The applicant operates decentralized Complaints and Feedback Mechanisms (CFM) in every country where it operates; each has its own contact details. The CFMs serve to receive and respond to grievances associated with the applicant's operations. Feedback mechanisms amplify the voices of affected populations, facilitating the two-way flow of information that can help to improve the relevance and timeliness of programming. Raising awareness of the CFM is central to improving engagement with affected populations. The CFM Standard Operating Procedure, Minimum Requirements Checklist and the CFM Guidance Manual to support the establishment of a CFM at country level were provided. In addition, the applicant relies on its deep field presence through its extensive network of sub-offices and field monitors to regularly solicit and receive communications from the public. However, the applicant's website does not have a section for submitting E&S related complaints and the applicant has not established and published its institutional-level procedure on its CFM for receiving, assessing and responding (including the timeline) to E&S complaints received from the public at large and project-affected persons.

80. In the majority of cases, the applicant is a co-executing entity. However, it works extensively with partners and is in the process of updating its FLAs to require cooperating partners to have functioning protection and a strategy on Accountability to Affected Populations (AAP) processes and mechanisms, including CFMs in line with its guidance. CFMs must be able to receive and refer all cases. Evidence of the applicant's policy/practice on project-level grievance mechanisms of executing entities that it oversees has been provided. The CFM applies to activities under the responsibility of executing entities, as well as the applicant, its partners or its vendors.

81. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its track record, partially meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, the GCF Information Disclosure Policy regarding E&S information disclosure, and GCF interim ESS standards requirements for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1-8. The applicant has not established and disclosed on its website the institutional level procedure related to its CFM to receive, assess and respond to E&S related complaints from public at large including project-affected persons.

### 3.2.6. **Organizational capacity and competency**

82. The applicant has a network of HQ and regional E&S Safeguards advisers who support country offices and Regional Bureaux to implement the Environmental and Social Safeguards and set up Environmental Management Systems. They also provide trainings to country office

field colleagues and cooperating partners on the use of the E&S screening tool, E&S risk management procedures and the associated monitoring. HQ and regional advisors perform random checks on the quality of the E&S risk screenings and ESMPs. These checks are systematized for project proposals to some specific donors such as the Adaptation Fund, GCF, KfW, World Bank, etc. Where elaborated, all required ESIA are reviewed by the E&S Safeguards team at HQ level and by the relevant E&S regional Safeguards Adviser.

83. The departments responsible for the implementation of the ESSF are the Programme and Policy Department and the Resources Management Department. The Environment and Social Safeguards Team (in the Programme and Policy Department) is responsible for mainstreaming the environmental and social sustainability framework requirements within the applicant's programmatic work. This ensures that programme operations are compliant with the E&S Standards and screening requirements.

84. The Environmental Unit (in the Resources Management Department) is composed of environmental specialists who help Country Offices and HQ to mainstream environmental management. Current focus areas include reducing the applicant's energy use and GHG emissions, minimizing and properly managing WFP waste, reducing WFP water consumption, promoting sustainable procurement decisions and increasing staff awareness on environmental management.

85. An organizational chart describing roles and responsibilities was provided. This focuses on both the Programme and Policy Department team and Resource Management Department (Environmental Unit). Terms of Reference of the E&S Safeguards team were also provided as a reference.

86. To date, approximately 400 participants from WFP Regional Offices, country offices and partners (including government officials) have received either in-person or online training on WFP E&S Safeguards requirements as well as on those of specific donors. The training includes a theoretical and a practical session on the use of the screening tool and cover compliance with WFP's Environmental and Social Safeguards requirements and any other environmental and social safeguards requirements agreed with donors and governments. .

87. The AP finds that the applicant's organizational capacity and competency, supported by evidence of its track record, fully meet the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1-8.

## IV. Conclusions and recommendation

### 4.1 Conclusions

88. Following assessment of the upgrade application, the AE is found to have the potential with its upgraded accreditation scope to support GCF in implementing its Updated Strategic Plan for 2020-2023 with respect to:

- (a) Alignment of the pipeline of project concept notes that the AE has submitted to GCF with the respective country programming priorities;
- (b) Mobilizing climate finance at scale since the applicant is being recommended for an upgrade to the size category Medium; and
- (c) Addressing interests of particularly vulnerable groups.

89. The AP also concludes, following its assessment of the application against GCF standards in accordance with the accreditation requirements identified in paragraph 15 above, and noting that the applicant has applied under the fast track accreditation process:
- (a) The AE meets the requirements of the GCF basic fiduciary standards, and, to the extent applicable to accreditation, the Policy on the Protection of Whistle-blowers and Witnesses, the Policy on Prohibited Practices, the AML/CFT Policy; and the specialized fiduciary standard for grant award/funding allocation mechanism; noting the AE provided track record of implementing recent programmes in excess of USD 50 million;
  - (b) The AE partially meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, GCF 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/I-2) projects/programmes; and. The applicant's website does not provide for submitting E&S related complaints, and the applicant has not published an institutional-level procedure to receive, assess and respond to E&S related complaints from the public at large including project affected persons. The above gap is reflected in paragraph 73 above and addressed in the corresponding conditions of accreditation in section 4.2; and
  - (c) The AE has demonstrated capacities and competencies in order to implement the GCF Evaluation Policy for its GCF-funded activities as demonstrated via assessment of meeting GCF basic and specialized fiduciary standards and interim ESS standards.

## 4.2 Recommendation on accreditation

90. The AP recommends, for consideration by the Board, WFP for an upgrade in its accreditation type, as originally accredited in decision B.12/30, paragraph (b), and annex XXII to document GCF/B.12/32, as follows:

- (a) **Accreditation type:**
  - (i) **Maximum size of an individual project or activity within a programme:** medium<sup>8</sup> (including micro and small);
  - (ii) **Fiduciary functions:**
    - (1) 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<sup>9</sup>) (including lower risk (category C/I-3<sup>10</sup>)).

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<sup>8</sup> 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 GCF, of above US\$ 50 million and up to and including US\$ 250 million for an individual project or an activity within a programme."

<sup>9</sup> As per the Revised Environmental and Social Policy adopted in decision B.BM-2021/18, 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."

<sup>10</sup> As per the Revised Environmental and Social Policy adopted in decision B.BM-2021/18, 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."

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- (iv) **All other criteria for which the applicant was accredited:**<sup>11</sup> no change.
- (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 by the AE prior to the submission of the first funding proposal with an E&S risk level category B/intermediation 2 to GCF:
- (1) Provision by the AE of:
    - a. a procedure for receiving, assessing and responding to E&S related complaints from the public at large, including project-affected persons, for projects/programmes financed by the AE; and
    - b. evidence of publication of the procedure on the AE's website; and
  - (2) Provision of evidence by the AE of the establishment on the AE's website of a page, form or other process for members of the public, including project-affected persons, to submit E&S related complaints to the AE.
91. The applicant has been informed of the recommendation for the accreditation upgrade, including the upgrade accreditation type and conditions, as identified in paragraph 84 above, and agrees to the recommendation.
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<sup>11</sup> Decision B.12/30, paragraph (b), and annex XXII to document GCF/B.12/32.