



**GREEN
CLIMATE
FUND**

Meeting of the Board
17 – 20 October 2022
Incheon, Republic of Korea
Agenda item 16

GCF/B.34/27/Add.01

19 October 2022

Accreditation strategy of the Green Climate Fund – Addendum I

Responses to Board consultations

Summary

The updated Strategic Plan for the GCF 2020–2023 adopted in decision B.27/06 contained key actions to improve access to GCF resources. It included adopting a more strategic approach to accreditation, for which GCF would undertake, as soon as possible, an analysis of the current accredited entity (AE) portfolio to identify strengths and gaps in coverage and capabilities, informed by country programming needs. In response to decision B.31/06, the Secretariat presented an analysis of the AE portfolio in document GCF/B.32/08 at the thirty-second meeting of the Board. In response to paragraph (p) of decision B.31/06, the Secretariat, under the guidance of the Co-Chairs, prepared the accreditation strategy in document GCF/B.33/08 for consideration by the Board. Consultations were conducted with the Board, AEs, national designated authorities and observers and circulated to the Board in document GCF/B.33/08/Add.01.

This document contains a compilation of the responses to comments received from the Board during the consultation process.

I. Introduction

1. In response to decision B.31/06, the Secretariat, under the guidance of the Co-Chairs, was also requested to prepare the accreditation strategy for consideration by the Board no later than its thirty-third meeting (B.33). The draft Accreditation Strategy of the Green Climate Fund has been presented in document GCF/B.33/08 for the Board's consideration at B.33.
2. In line with decision B.31/06, the Secretariat conducted consultations with the Board, accredited entities (AEs), national designated authorities (NDAs) and observers on document GCF/B.33/08 titled "Accreditation Strategy of the Green Climate Fund" from 28 June to 8 July 2022, through which written comments were received. The Secretariat also conducted a technical session with the Board on 5 July 2022, during which verbal comments were received. Document GCF/B.33/08/Add.01 contains a compilation of comments received during the process of consultation with the Board, AEs, NDAs and observers on the accreditation strategy presented in document GCF/B.33/08.
3. The Secretariat updated the accreditation strategy considering comments received during the process of consultation with the Board, accredited entities, national designated authorities and observers, which was submitted to the Co-Chairs in September 2022 and shared with the Board. This annex contains responses to comments received during the consultation process, as compiled in document GCF/B.33/08/Add.01 and reflected in the document submitted to the Co-Chairs.

II. Comments received during the consultations

4. Table 1 below provides a list of the submissions received during the consultations.

Table 1. List of submissions received during consultations on the draft accreditation strategy, 28 June to 8 July 2022

Consultation group	Submissions by
Board	
Written submissions*	<ol style="list-style-type: none"> 1. African Board and alternate members; 2. Bhutan on behalf of Least Developed Countries (LDCs); 3. China; 4. France; 5. Germany; 6. Italy; 7. Netherlands, Denmark and Luxembourg; 8. Spain, Ireland and New Zealand; 9. Sweden; 10. Switzerland, Finland, Hungary, Monaco, and Liechtenstein; and 11. United States.
Technical session comments	<ol style="list-style-type: none"> 1. Albania; 2. Adviser to the Board member from Antigua and Barbuda;

Consultation group	Submissions by
	<ol style="list-style-type: none"> 3. Germany; 4. Italy; 5. Sweden; 6. Advisor to the Board member from Switzerland; 7. Advisor to the Board member from South Africa; and 8. United States.
Accredited entities	<p><u>Direct access entities (DAEs):</u></p> <ol style="list-style-type: none"> 1. National Committee for Sub-National Democratic Development (NCDD), Cambodia; <p><u>International access entities (IAEs):</u></p> <ol style="list-style-type: none"> 1. Asian Development Bank (ADB); 2. Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ); 3. Kreditanstalt für Wiederaufbau (KfW); and 4. United Nations Development Programme (UNDP).
National designated authorities or focal points	<ol style="list-style-type: none"> 1. Belize; 2. Brazil; 3. El Salvador; and 4. Zambia.
Accredited observers organizations (Observers)	<ol style="list-style-type: none"> 1. GCF Observer Network of Civil Society Organizations, Indigenous Peoples and local communities (GCF Observer Network) (joint comments)

* Some written submissions were submitted after 8 July 2022 and up to the end of the thirty-third meeting of the Board (20 July 2022).

5. Table 2 below contains the written submissions received from the Board during the consultations on the draft accreditation strategy (AS) contained in document GCF/B.33/08 held from 28 June to 8 July 2022. Secretariat responses to questions, clarifications sought, or proposed changes are provided within the table; comments are noted in other cases.

6. The revised draft accreditation strategy document is contained in document GCF/B.34/27. Key topics and areas have emerged from the comments received during the consultations, with some areas where comments converge, and others where they diverge. A synthesis of the key topics and areas, and the proposed way forward for the accreditation strategy, are contained in paragraphs 8–28 of document GCF/B.34/27.

Table 2. Written submissions from the Board received during consultations on the draft accreditation strategy contained in document GCF/B.33/08 from 28 June to 8 July 2022, and Secretariat responses to questions, clarifications sought, or proposed changes

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
Bhutan on behalf of Least Developed Countries (LDCs)	General	NA	Background sections (policy rationale, analysis of policy proposal) should explain in more detail how the proposal is consistent and how it would be addressing relevant mandates, particularly elements in paragraph (p) of decision B.31/06. We suggest the use of a tabular format for structuring and presenting this analysis.	<p>Document GCF/B.33/08 was prepared in response to decision B.33/06, paragraph (o). The revised draft accreditation strategy (AS) document has been prepared based on document GCF/B.33/08 taking into account feedback received during the consultation process, as contained in document GCF/B.33/08/Add.01.</p> <p>Document GCF/B.33/08 and the revised draft AS document address the elements in decision B.31/06, paragraph (o), as follows:</p> <ol style="list-style-type: none"> 1. <i>“Improving the efficiency of the accreditation process, including the consideration of portfolio targets, performance indicators and milestones”:</i> <p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities).</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p> <p>2. <i>“Seeking to increase the share of direct access entities above the initial resource mobilization level, including by prioritizing accreditation of and capacity support for direct access entities of countries which do not yet have a national or regional direct access accredited entity, including by promoting the participation and</i></p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p><i>accreditation of micro, small and medium-sized enterprises in GCF activities in all developing countries, including least developed countries, small island developing States and African States”:</i></p> <p>The DAE share has increased from 59 per cent during IRM to GCF-1 to 63 per cent with 71 DAEs, including 58 national DAEs and 13 regional DAEs (as at 31 August 2022).</p> <p>The revised draft AS includes actions for prioritizing accreditation of DAEs:</p> <p>(a) Section II of annex II to the revised draft AS document contains measures proposed for strategically using accreditation of partners, particularly DAEs (including those in LDCs, small island developing States (SIDS) and African States, and private sector DAEs). Paragraph 9(b)(i) proposes prioritizing expansion of the AE network to align with programming gaps to enable GCF to implement its strategic priorities and responding to developing countries’ needs;</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>(b) Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap; and</p> <p>(c) Using PSAA strategically to identify new partners, countries and technologies to that have been</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>underserved by GCF to date and contribute to GCF programming goals. In adopting PSAA on a pilot basis, the Board also decided in decision B.31/06, paragraph (h), to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>3. <i>“Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function and further strengthening the Accreditation Panel”:</i></p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy:</p> <p>(a) To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>primary objective is that these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with GCF's programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of annex II to the revised draft AS document).</p> <p>The revised draft AS document also includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment</p>

Board Written Comments				Secretariat Response
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				<p>with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p> <p>(b) Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and the Project Preparation Facility (PPF) to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>(c) Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p> <p>While process improvements are aimed to increase efficiencies of the re-accreditation and accreditation processes, GCF's capacity to process applications remains a limiting factor. GCF, including the Secretariat, Accreditation Panel (AP) and the Board, has a historical processing rate of 15 applications per year. Over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation (see paragraphs 21-22 and 45-53 of the revised draft AS document for details on</p>

Board Written Comments				Secretariat Response
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				<p>the challenges in GCF processing limitations and coping with the growing AE re-accreditation and new applicant pipeline). In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is adjusting its own capacity, including the Secretariat and the AP, to support the accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP's guidance. In paragraph (e) of the same decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement of consultancy firms to support the AP in its work.</p> <p>4. <i>"Improving monitoring and reporting by AEs in terms of performance, results and alignment with the GCF mandate":</i></p> <p>Optimizing the performance of the AE network is a key measure proposed in the revised draft AS document (and included in</p>

Board Written Comments				Secretariat Response
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				<p>document GCF/B.33/08). As detailed in paragraph 59 of the revised draft AS document based on the AE Portfolio Analysis, approximately one-third of AEs accredited by the Board have not signed or do not have an effective AMA (42 out of the 113 accredited, as at 31 August 2022), which means these entities cannot yet programme with GCF.</p> <p>Furthermore, only 45 per cent of AEs actually programme with GCF. Recognizing that the GCF AE network has evolved over the IRM and first replenishment (GCF-1 periods to include a diverse set of partners with capabilities to programme across any of the financing sizes, financial instruments, environmental and social (E&S) risk levels and sectors that GCF offers, it is proposed that GCF will maximize use of the existing AEs to address GCF programming directions, including targeting gaps in the portfolio (see paragraph 9(b)(iii) in annex II to the revised draft AS document).</p>

Board Written Comments				Secretariat Response
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				<p>In addition, it is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). Having identified the performance measures AEs must commit to prior to accreditation is first required in order to improve monitoring and reporting by AEs on such performance. The Board has adopted the GCF monitoring and accountability framework (MAF) which governs GCF's system for monitoring AE and project performance and ensuring accountability. To implement the draft AS if adopted, paragraph 7(b)(v) in annex II to the revised draft AS document proposes a revision to the accreditation framework to align with the AS including establishing clear, transparent and predictable criteria for re-accreditation; detailing the further streamlined processes for re-accreditation and</p>

Board Written Comments				Secretariat Response
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				<p>accreditation; and ensuring monitoring and reporting by AEs at the institutional-level includes an assessment of AE performance, results and alignment with the GCF mandate.</p> <p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document.</p> <p>5. <i>“Informing re-accreditation decisions with (i) an examination of AEs’ performance in contributing to GCF programming results, considering IAEs’ contribution to building capacities of DAEs; and (ii) an assessment of the extent to which AEs’ overall portfolio of activities beyond those funded by GCF has evolved towards low-emission and climate-resilient development pathways”:</i></p> <p>Under pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF:</p>

Board Written Comments				Secretariat Response
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				<p>(a) Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision; and</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>(b) Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹ it is proposed that GCF</p>

¹ See document GCF/B.28/11/Add.02.

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p> <p>6. <i>“Ensuring that the re-accreditation assessments of AE’s portfolios are based on clear, transparent and predictable criteria that are communicated to applicants”:</i></p> <p>As indicated above, paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision</p>

Board Written Comments				Secretariat Response
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				<p>B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,² it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document).</p> <p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in</p>

² See document GCF/B.28/11/Add.02.

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>paragraph 12(a) in annex II to the revised draft AS document.</p> <p>7. <i>“Providing guidance to international access entities (IAEs) to support the building of capacities of DAEs”:</i></p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p> <p>Other comments raised during B.33 suggested that GCF should also develop a system to monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs have supported in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.</p> <p>8. <i>“Improving the accreditation component of the GCF’s request for proposal modality”:</i></p> <p>The Board adopted the updates to the Accreditation Framework in decision B.31/06, paragraph (d), which includes PSAA. In decision B.31/06, paragraph (g), the Board decided to implement PSAA on a pilot basis starting from 1 April 2023. In paragraph (h) of the same decision, the Board decided to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>As detailed in paragraph 40 in annex IV containing the updates to the Accreditation Framework adopted in decision B.31/06, PSAA is a complementary approach to institutional accreditation that allows GCF to target specific projects/programmes. PSAA focuses on assessing whether the entity can undertake the proposed project/programme in line with the standards for GCF accreditation. In doing so, PSAA aims to provide a more fit-for-purpose approach compared with institutional accreditation in relation to the intended projects/programmes. Assessment of the entity's capability to implement the proposed project/programme is undertaken alongside the review of the funding proposal. Additionally, it aims to broaden access to GCF for entities for whom the institution-wide approach to accreditation does not as readily respond to the nature</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>and number of projects they intend to develop with GCF support, and the higher transaction costs associated with the process.</p> <p>9. <i>“Enhancing the provision of pre-accreditation and post-accreditation support, in particular for DAEs, to strengthen capacity-building for candidate entities”:</i></p> <p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>Enhancing the provision of capacity-building support, in particular for DAEs, is underlined across the 3 pillars of the accreditation strategy. As a first step, developing clear guidance on the various types of partnerships that can be built with GCF, and</p>

Board Written Comments				Secretariat Response
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				<p>clarifying the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to are needed in order to align support provided for capacity building with the AE role the entities will undertake.</p> <p>(a) Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p> <p>It proposes that GCF create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>(b) Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and the PPF to strengthen their capabilities to develop and implement</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>(c) Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p>
France	General	NA	We welcome the overall direction proposed in this draft strategy. We particularly welcome that the strategy should have clear directions on how to prioritize accreditation and reaccreditation applications. We also welcome that the extent to which IAEs have worked with DAEs in the development and/or	The comment is noted.

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			implementation of projects or programmes is to be used as an information during the re-accreditation process. In the same spirit, we fully support that the re-accreditation be informed by the assessment of the degree to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. The accredited entities are key players in delivering the GCF mandate and objectives, and the GCF is also instrumental in helping them shift their portfolios towards climate-positive investments.	
Germany	General	NA	<p>We welcome this important document to kick-start the development of an accreditation strategy, given the key role accredited entities (AE) play for developing countries' access to GCF resources and delivery of impact within the unique positioning of the GCF as a partnership institution and in the context of delivering on the overall vision and strategic objectives.</p> <p>[We] would like to highlight the importance of the board being also informed by consultations with NDAs, AEs and Accredited Observers.</p>	<p>The comment is noted.</p> <p>Document GCF/B.33/08/Add.01 contained a compilation of comments received during the process of consultation on document GCF/B.33/08 with the Board, AEs, NDAs and observers.</p>

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Germany	General	NA	We also consider elements, such as streamlining of processes, prioritising re-accreditation (to avoid lapses) and developing various forms of partnerships to be appropriate to achieve the overarching goals. Additionally, considering an option in which PSAA can graduate into institutional partnership would be an option to encourage learning and capacity building for programming development.	<p>The comment is noted.</p> <p>In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed.</p> <p>Paragraph 41 of the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision: “Entities may be encouraged to seek institutional accreditation after undergoing the PSAA should they have the potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to the delivery of the targeted project/programme under the PSAA would be used to inform the institutional accreditation process in the context of whether the entity could be an appropriate partner for channelling GCF resources to developing countries through projects/programmes similar to the PSAA project/programme, noting that the broader institution-wide systems and capacities for a potential portfolio of projects/programmes will be assessed in institutional accreditation.”</p>
Germany	General	NA	Overall, we also support the planned enhanced guidance and capacity building as very important elements of the strategy.	The comment is noted.

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Germany	General	NA	<p>We would like to suggest a few additional issues with the overall document to be addressed for the strategy to fulfil its function:</p> <p><u>Structure:</u> We suggest the strategy should be developed based on an analysis of gaps/needs as identified in the portfolio review provided for B.31 and the IEU report from 2020 on accreditation. This analysis should be grounded in a sound methodology, which can guide the structure of the strategy and should include a more qualitative analysis (e.g., why AEs have not handed in FPs). Reasons can be manifold such as project preparation takes substantial time and resources, country priorities, AMA not signed). Such a methodology should also clearly define terminology (e.g., “truly innovative investment proposals” – a terminology that is used as a criterion for the PSAA, but also the need of “incentivising” NDAs and AEs, which is mentioned across the Strategy, but the meaning is not further explained). The methodology may also draw and benefit from results of existing analysis, such as previous and ongoing IEU activities (e.g., Independent evaluation of the GCF's approach to the private sector (2021), the efficiency and effectiveness assessment of direct access within the GCF (pending).</p>	<p>The revised draft AE document and document GCF/B.33/08 were prepared in response to decision B.31/06, paragraph (o), taking into account the recommendations from the Independent Evaluation Unit (IEU) conducted the 2020 “Independent Synthesis of the Green Climate Fund’s Accreditation Function” (IEU Synthesis) and the AE Portfolio Analysis (document GCF/B.32/08), as requested in decision B.31/06, paragraph (n).</p> <p>The AE Portfolio Analysis contained an analysis of the AE portfolio to identify strengths and gaps in coverage and capabilities no later than the thirty-second meeting of the Board. The analysis reviewed the GCF business model and AEs as programming partners, reviewed the accreditation framework as the basis on which AEs are accredited, and entities progressing through different stages of the accreditation process. The AE Portfolio Analysis also reviewed the coverage and capabilities of the AE network, finding that the GCF AE network has evolved to include a diverse set of partners that, theoretically, could have the capacity to programme across all GCF thematic and geographic areas, financing sizes, financial instruments and environmental and social risk levels. However, AEs with a specific combination of AE attributes to address GCF programming priorities appear to be lacking in</p>

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			<p>The Strategy should then be developed, explicitly drawing on the insights gained from the analysis (the analysis part should for instance examine why private DAE are the least active in programming, and the strategy part could then put forward a way of addressing these underlying reasons).</p>	<p>the AE network, such as private sector DAEs with proven expertise in adaptation.</p> <p>The 2020 IEU Synthesis included a series of recommendations, including those for the Board and those for the Secretariat, on strengthening the governance structure for accreditation, clarifying the strategic role of accreditation in GCF, and critically addressing the mission overload; assessing and incentivizing capacity-building and alignment with the GCF mandate, within the accreditation function; the selection of AEs and composition of the AE portfolio being based on an overall strategy that indicates how these entities will help support GCF’s mandate; the GCF should clarify the aim and limitations of PSAA before piloting; and GCF-1 strategic planning should include targets and plans.</p> <p>The revised draft AS document includes 3 pillars focused on enhancing efficiency of the accreditation process, strategically using accreditation of partners to address gaps in capabilities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF. Paragraphs 6–7 of the revised draft AS document provides further details on the IEU Synthesis recommendations that were taken into account in the development of the draft AS contained in annex II to the document. Paragraph 7 of the</p>

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				revised draft AS document explains “Since the IEU Synthesis, many of the recommendations have been addressed through the Board’s adoption of the USP 2020–2023, Private Sector Strategy (particularly in relation to the accreditation of private sector entities), and updates to the Accreditation Framework adopted in decision B.31/06, among others. While the updates to the Strategic Plan for the Fund for the second replenishment period from 2024 to 2027 and the revision of a strategy for the GCF Readiness and Preparatory Support Programme (Readiness Programme) are in development, the key action of adopting an accreditation strategy, however, remains pending.”
Germany	General	NA	<u>Promoting AEs programming activities at the same time enhancing capacity:</u> In the draft board decision to adopt the accreditation strategy the Secretariat proposes a focus on private sector entities, especially direct access private sector, that are capable and seeking institutional accreditation to GCF to develop and implement projects and programmes (a) of a large or medium size category. Also, in the draft strategy, it proposes that the GCF should aim for each AE to have at least two projects/programmes every 5-years (para 11). Both these suggestions bear the risk of excluding AEs that are currently not ‘capable’	The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document). 7. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.

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			<p>of seeking institutional accreditation and those AEs that lack capacities to submit at least 2 projects every 5 years, essentially countering the aim of strengthening national DAE. à Here, a differentiated approach – ensure activities of bigger international AEs at the same time as enhancing capacities of national DAE – should be developed. The qualitative analysis suggested above, would allow to develop KPIs that reflect the different kind of AEs (e.g., a KPI that requests at least two projects/programmes every 5-year may be more suitable for larger AEs but not smaller AEs).</p>	<p>8. To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p> <p>9. Paragraph 23 to the revised draft AS document provides an explanation of including KPIs for the re-accreditation process: “The accreditation strategy in annex II proposes as an alternative to develop key performance indicators (KPIs) to define AE performance and non-performance, enabling a transparent and expedited re-accreditation decision-making process. For example, KPIs may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and on budget, etc.”</p>

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Germany	General	NA	<p><u>PSAA</u>: The Accreditation Strategy should also clarify the strategic added value of the PSAA. It may need a review of potential “<i>ad hoc and limited basis, shorter-term access</i>” partners that are foreseen for the PSAA. Already, the IEU in the Independent Synthesis of the Green Climate Fund’s Accreditation Functions (June 2020), raised concerns about the strategic added value of PSAA.</p>	<p>The revised draft AS document addresses elements in decision B.31/06, paragraph (o), including on PSAA and taking into account the recommendations from the 2020 IEU Synthesis.</p> <p>Using PSAA strategically to identify new partners, countries and technologies that have been underserved by GCF to date and contribute to GCF programming goals. In adopting PSAA on a pilot basis, the Board decided in decision B.31/06, paragraph (h), to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>As detailed in paragraph 40 in annex IV containing the updates to the Accreditation</p>

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				<p>Framework adopted in decision B.31/06, PSAA is a complementary approach to institutional accreditation that allows GCF to target specific projects/programmes. PSAA focuses on assessing whether the entity can undertake the proposed project/programme in line with the standards for GCF accreditation. In doing so, PSAA aims to provide a more fit-for-purpose approach compared with institutional accreditation in relation to the intended projects/programmes. Assessment of the entity's capability to implement the proposed project/programme is undertaken alongside the review of the funding proposal. Additionally, it aims to broaden access to GCF for entities for whom the institution-wide approach to accreditation does not as readily respond to the nature and number of projects they intend to develop with GCF support, and the higher transaction costs associated with the process.</p> <p>Additional information on the strategic added value of PSAA is contained in paragraph 7(a)(iii) and paragraph 9(b)(ii) of annex II to the revised draft AS document.</p>
Germany	General	NA	We would also like make one specific remark in relation to implementation and enforcement of existing requirements for IEs to support NDA: decision B.10/06, paragraph	It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and

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			<p>(i) (in GCF/B.10/17) states that IE shall indicate in their accreditation proposal how they intend to strengthen capacities of, or support potential subnational, national and regional entities to meet accreditation requirements and requests them to report back to the board annually. The GCF's Monitoring and accountability framework for accredited entities (adopted by decision B.11/10) also recalls decision B.10/06, para i. However, currently AE-Reports (e.g., GCF_B.30_03_Add.02) do not include such information - indicating that this particular reporting requirement is it not followed through or enforced by the GCF. Also, it would be good to further encourage IEs to enter into twinning arrangements with DAEs with the objective to contribute to capacity building and cultivate country ownership (An option that was already recommended by the IEU in its Independent Evaluation of the Green Climate Fund's Country Ownership Approach (2020, GCF/B.25/03) and later again, when addressing particular challenges of DAEs in LDCs in its Independent evaluation of the relevance and effectiveness of the GCF's investments in the LDCs (2022).)</p>	<p>performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). Having identified the performance measures AEs must commit to prior to accreditation is first required in order to improve monitoring and reporting by AEs on such performance. The Board has adopted the MAF which governs GCF's system for monitoring AE and project performance and ensuring accountability. To implement the draft AS if adopted, paragraph 7(b)(v) in annex II to the revised draft AS document proposes a revision to the accreditation framework to align with the AS including establishing clear, transparent and predictable criteria for re-accreditation; detailing the further streamlined processes for re-accreditation and accreditation; and ensuring monitoring and reporting by AEs at the institutional-level includes an assessment of AE performance, results and alignment with the GCF mandate.</p> <p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document.</p> <p>Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging</p>

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				<p>them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p>
Netherlands, Denmark and Luxembourg	General	NA	<p>We would be grateful for the Secretariat's view, that both the Strategy itself but also the Decision Text be elaborated in the following ways:</p> <ol style="list-style-type: none"> 1. An acknowledgement that - in sourcing projects - the GCF has a multi-pronged approach, focused traditionally on accreditation (Institutional Accreditation) but also through projects directly tied to accreditation (PSAA) but also a willingness to consider 	<p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy: To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the primary objective is that these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with</p>

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			<p>standalone project activities (e.g. through RFP).</p> <p>2. An application for accreditation generally will be accepted only when the applicant has already identified a suitable project to at least pre-feasibility stage for GCF financing. In turn, an AE will be accepted for re-accreditation generally only if the entity has already had at least one project approved for GCF financing</p>	<p>GCF's programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of annex II to the revised draft AS document).</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p>
Netherlands, Denmark and Luxembourg	General	NA	We would like the GCF to adopt an accreditation-project target, e.g. in the medium term (5 year) a target of approving on	Paragraph 63 of the revised draft AS document, since the approval of its first project in 2015, the GCF project portfolio has grown to 200 projects totalling USD 10.8 billion in GCF

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			average 2 new projects per AE, i.e. 15 projects per board meeting.	<p>commitments and USD 29.4 billion in direct co-financing, giving an average of USD 53.9 million of GCF financing per project. Assuming an average of 30–50 projects per year, this comes to less than 2 projects per AE every five years (i.e. the duration of an accreditation term).</p> <p>Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraphs 18 and 67 in the revised draft AS document which contains this proposed aim.</p>
Netherlands, Denmark and Luxembourg	General	NA	For purposes of improving the effectiveness and efficiency of accreditation - we would like to see a time defined implementation plan, with dates and responsibilities. The plan should be cleared by the Board, and its implementation should be reported upon annually to the Board by the Secretariat. The plan might be adapted over time.	As indicated in section VI of the revised draft AS document, specifically paragraphs 75 and 76, to operationalize the accreditation strategy, further updates to framework policies on the accreditation and re-accreditation processes, including the accreditation framework (as adopted in decision B.31/06), will be required to reflect the strategy. To ensure a comprehensive rather than fragmented or phased roll-out of the updates to the accreditation framework, it is recommended

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				<p>that the Board consider aligning the launch date of a revised accreditation framework for measures approved in decision B.31/06 related to the institutional accreditation process (expected to be launched by 1 April 2023) with the accreditation strategy contained in annex II (potentially to be revised in 2023). Without alignment of the launch date, there is the potential for three versions of the accreditation framework to apply at different times during 2023 alone, which could cause operational challenges and confusion among AEs, applicants and NDAs. PSAA may still be launched by 1 April 2022, as per decision B.31/06, since it is a new accreditation modality.</p> <p>On an operational level, the Secretariat, in coordination with the AP, as relevant, will update relevant application forms, guidance notes and other documents related to partnership modalities with GCF, the AE role and responsibilities as compared to other partnership types, and the (re)accreditation process.</p> <p>In decision B.31/06, paragraph (m), the Board decided to launch the process to review the accreditation framework in accordance with decision B.27/06, which, inter alia, mandates the Board to present a revised accreditation framework to address matters outlined in</p>

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				<p>paragraph 26 (a)(i)–(v) of annex VI to that decision.</p> <p>Paragraph (g) of the draft decision contained in annex I to the revised draft AS document requests, pursuant to decision B.31/06, paragraph (m), the Board to present a revised accreditation framework to address matters:</p> <ol style="list-style-type: none"> 1. Outlined in paragraph 26 (a)(i)–(v) of annex VI to decision B.27/06; and 2. Arising out of the accreditation strategy adopted through paragraph (b) of the draft decision, no later than the thirty-sixth meeting of the Board. <p>Paragraph (h) of the draft decision contained in annex I to the revised draft AS document requests the Secretariat to report on progress on the accreditation strategy at the first Board meeting of each year from 2024.</p>
Netherlands, Denmark and Luxembourg	General	NA	We also request an assessment of the staff implications of the Strategy and the associated budget costs.	Section VI of the revised draft AS document contains information on the implementation arrangements and operational impact of adopting the accreditation strategy as presented in the document, The measures that can be operationalized with the existing capacity include the development of guidance on the role and expectations of AEs and delivering on programming; prioritizing certain types of applications; and measures to

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				<p>dynamically manage the AE network and its performance. Together, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year.</p> <p>Budget costs to develop a potential standard for determining an AE’s climate change programming development and implementation capacity; and to conduct an assessment of options for developing a metric for mainstreaming climate considerations into the AE’s broader portfolio, are included in paragraph (e) of the draft decision contained in annex I to the revised draft AS document.</p> <p>As noted in paragraph 74 of the revised draft AS document, the capacity and focus of the GCF will depend on the path chosen to clarify the GCF operating model (see paragraph 42 revised draft AS document). The opposite scenarios of focusing on GCF portfolio-level programming goals and at the same time focus on AE capacity building have implications on the scale and focus of GCF’s capacity. If GCF opts for volume and speed, its capacity can remain lean and be focused on programming development and implementation. If instead GCF opts for a capacity-building focus, it would require GCF to dramatically increase its capacity to deliver tailored and scaled-up</p>

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				support to AEs, and to process re-accreditation and accreditation applications and review concept notes and funding proposals. If a hybrid approach is taken where the AE network is right sized to reflect programming requirements and capacity development objectives, GCF could tailor its capacity focus depending on the AEs' capacity and engagement levels. A moderate capacity augmentation of the Secretariat could be accommodated with the increased staff allocation approved by the Board in decision B.30/06. The GCF's capacity would need to be adjusted to reflect whichever path is chosen.
Netherlands, Denmark and Luxembourg	General	NA	Can the Secretariat describe in detail what consultation has currently taken place, and what further consultation is planned?	See section VII of the revised draft AS document. Document GCF/B.33/08/Add.01 contains a compilation of comments received during the process of consultation with the Board, AEs, NDAs and observers on the accreditation strategy presented in document GCF/B.33/08.
Spain, Ireland and New Zealand	General	NA	We welcome the presentation of the draft Accreditation Strategy. The draft provides a good basis to further develop our collective thinking on this important issue and help us confirm what we wish to see in an Accreditation Strategy for the GCF.	The comment is noted.

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Spain, Ireland and New Zealand	General	NA	We welcome many of the elements proposed in the draft Strategy particularly the steps that are proposed to improve the efficiency of the accreditation and reaccreditation process. For example, developing clearer guidance on the types of partnerships that can be built with the GCF to help steer organisations/partners to the most appropriate form of engagement with the GCF or them most appropriate accreditation track (PSAA/institutional).	The comment is noted.
Spain, Ireland and New Zealand	General	NA	It seems many of the proposed initiatives / approaches (while we welcome them) are operational rather than strategic. The Strategy could benefit from a clearer strategic vision of accreditation at the GCF. What would accreditation at the GCF look like in 5-10 years? How can success be measured?	The accreditation strategy is grounded in the overall Strategic Plan of the GCF. As noted in paragraphs 10 and 32 of the revised draft AS document, the GCF's Strategic Plan sets out the Board's long-term strategic vision for the Fund, as well as its objectives, strategic priorities and operational priorities for the current programming period. The USP 2020–2023 guides policy, programming of the Fund's resources and annual work planning for GCF-1. As noted above, GCF is in the process of updating its Strategic Plan for GCF-2. GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34. ³ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the

³ Decision B.32/04.

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				<p>Board’s long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund’s operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.</p> <p>Paragraph 2 of annex II to the revised draft AS document indicates that the objective of the accreditation strategy is to clarify the GCF operating model and guide the evolution of the GCF network of AEs in order to deliver on the GCF’s mandate, objectives and programming directions. It notes that GCF is implicitly following a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives.</p>
Spain, Ireland and New Zealand	General	NA	We agree there is a need to improve the efficiency of the accreditation process given that there are 140 entities in the accreditation pipeline and that there is an expectation that 30 entities per year are likely to seek reaccreditation from 2023 onwards. To this end we welcome the actions described to enhance and streamline the efficiency of the	The comment is noted.

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			accreditation process and improving the capacity of AEs.	
Spain, Ireland and New Zealand	General	NA	<p>We would like to see more discussion about the optimal size of the accreditation portfolio given the tension between continuing to accredit new agencies and the expectation that – at most – an AE could expect to have two FPs approved over a five year period. The more AEs there are the less likely that are to see a successful FP progress through the process over 5 years (and therefore the less attractive it is to become accredited). Does the Secretariat envisage or recommend a cap on numbers – or is it envisaged that the portfolio will reach equilibrium at some point?</p>	<p>Taking note of the range of views expressed on the optimal number size of AEs and of the duality of the objective of accreditation, as well as recognizing the dynamic nature of GCF programming priorities and resources, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. The optimal size of the AE network will need to remain dynamic – rather than static – in order to ensure that the capabilities and coverage remain relevant. This ratio will be set up to provide an incentive to AEs to invest in a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals (see paragraphs 15–18 of the revised draft AS document).</p> <p>Paragraph 11 of annex II to the revised AS document proposes: “The size of the AE network will be dynamic in order to respond to developing country climate change needs and GCF’s programming directions as they evolve. The AE network size will reflect the aimed project-to-AE ratio for each accreditation term, the GCF’s processing capacity for (re)accreditation and programming, and funds available during each replenishment period.”</p>

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				As noted in paragraphs 16–17 of the revised draft AS document, the IEU Synthesis analyzed other institutions and the size and composition of their programming partners. This included the Global Environment Facility with 18 agencies and a decision by the GEF Council to not expand accreditation beyond the 18 agencies; and the Adaptation Fund, which has a total of 56 entities as at 28 February 2022. ⁴ GCF has established a network of 113 AEs, including 63 per cent DAEs (as at 31 August 2022). The IEU Synthesis concluded that there is “no direct comparator among the multilateral climate organizations to the scale and scope of accreditation currently practised in the GCF. The GCF is the only organization with three specific features: direct access as a mandate, no limit on the number of AEs and the use of delivery partners.”
Spain, Ireland and New Zealand	General	NA	On re-accreditation we suggest there could be discussion of the need for the 5 year re-accreditation process. Could this be done on an exceptions basis? That is, for those entities who wish to change the scope of their accreditation, combined with rolling review of entities who have not engaged in FP development processes at all over the 5 years of their accreditation (i.e. readiness, PPF,	Paragraph 23 of the revised draft AS document indicates: The re-accreditation process has been established to assess whether AEs continue to meet GCF accreditation standards and AE performance, as defined in the scope of the review in the process (decision B.24/13 and annex XXVI to the decision), and therefore, manage the AE network. The accreditation strategy in annex II to the revised draft AS

⁴ See <<https://www.adaptation-fund.org/apply-funding/implementing-entities/>>.

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			<p>pipeline of CNs or FPs) and a review of whether AEs have met their accreditation conditions? For others who are meeting their conditions, have engaged in GCF FP development processes and do not wish to change the scope of their accreditation, is re-accreditation strictly necessary?</p>	<p>document proposes as an alternative to develop key performance indicators (KPIs) to define AE performance and non-performance, enabling a transparent and expedited re-accreditation decision-making process. For example, KPIs indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and schedule and on budget, etc.</p> <p>It should be noted that similar institutions such as the GEF do not have a re-accreditation process as such, while others like the Adaptation Fund have a re-accreditation process every five years.</p>
Spain, Ireland and New Zealand	General	NA	<p>We support the intention of the strategy to use accreditation of partners to fill gaps in coverage and capabilities. However, the strategy is not explicit about where the GCF will target its efforts in terms of new entities. What types of entities are needed (and that would therefore could be targeted and prioritised for accreditation) to help the GCF deliver on its mandate and support improved access to finance? What are the underserved regions, results areas, financing instruments that will be targeted through the strategy?</p>	<p>As indicated in the AE Portfolio Analysis (document GCF/B.32/08), the GCF AE network has evolved to include a diverse set of partners that, theoretically, could have the capacity to programme across all GCF thematic and geographic areas, financing sizes, financial instruments and environmental and social risk levels. However, AEs with a specific combination of AE attributes to address GCF programming priorities appear to be lacking in the AE network, such as private sector DAES with proven expertise in adaptation (also se</p>

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				<p>paragraph 20 of the revised draft AS document).</p> <p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the AE Portfolio Analysis as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives</p>

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				and programming directions adopted by the Board”.
Spain, Ireland and New Zealand	General	NA	We strongly believe that the GCF, as a climate fund, should partner with AEs that share GCF mandate. To this end, the GCF should prioritize the accreditation and reaccreditation of AEs that have clear targets and policies in place to promote the paradigm shift towards low emission and climate resilient development pathways. If those targets and policies are not met as committed by the AE, the GCF should assess the pertinence to continue partnering with them.	As noted in paragraph 30 of the revised draft AS document: To advance the goal of the GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, the re-accreditation decision by the Board considers the Secretariat and AP assessment of the extent to which the AE’s overall portfolio of activities beyond those funded by GCF has evolved in this direction during the accreditation period. The AP developed the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs ⁵ in response to the Board’s request. However, there is no metric for such assessment and considerations for the Board in its decision-making on re-accreditation. Annex II of the revised draft AS document proposes the development of a metric for mainstreaming climate considerations into the AE’s broader investment portfolio besides that funded by GCF. The institutionalization of such a metric can be addressed through an update to the accreditation framework, which outlines the standards used in (re)accreditation.

⁵ See document GCF/B.28/11/Add.02.

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				Paragraph (e)(ii) of annex I (draft decision) to the revised draft AS document contains the budget request for the development of options for such a metric.
Sweden	General	NA	<p>In line with previous submissions, we believe that key building blocks in a forthcoming strategy on accreditation are:</p> <ol style="list-style-type: none"> 1. clarify the strategic role of accreditation, 2. provide clear guidance for institutional performance, project pipeline and results and portfolio alignment to be examined during accreditation and re accreditation, 3. incentives for IAEs to contribute to building capacities of DAEs including twinning arrangements between IAEs and DAEs and <p>clarify target portfolio mix and size based on a cost-effective analysis.</p>	<p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and</p>

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				<p>inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p>

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				<p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p>
Sweden	General	NA	We fully support the Secretariat's proposal of a hybrid approach to accreditation – aiming both for capacity building/institutional reforms and targeting high-performing AEs.	The comment is noted.

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Sweden	General	NA	We also support the proposed prioritization of entities as reflected in the proposed decision text.	The comment is noted.
Sweden	General	NA	We support the proposals made regarding prioritization for re accreditation as well as retirement for non-performing entities	The comment is noted.
Sweden	General	NA	However, there are a few issues that still need to be addressed: One is the perceived inconsistency and potential conflicting goals regarding the overarching aims of the strategy which need to be addressed. On the one hand side the strategy aims to streamline the accreditation processes in order to be able to accredit up to 25-30 entities annually (compared to 15 as is currently the case). On the other hand, it is stated that with the current size of the accreditation portfolio there is very little incentive to build up dedicated capacity and thus ability for learning. This challenge will only increase if the current size of the accreditation portfolio continues to increase. It therefore seems key for the strategy to provide guidance on alternative partnerships with the GCF, an area which is currently missing.	Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF (see paragraph 7(a) of annex II to the revised draft AS document). It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation

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				<p>terms. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p> <p>Paragraph 22 in the revised draft AS document explains that the goal of 25–30 applications per year is inclusive of all different types of applications, including those for re-accreditation of AEs, AEs seeking to upgrade their accreditation scope, and applications for new AEs. Given that about 30 AEs per year are expected to seek re-accreditation from 2023 onwards, further efficiencies in the re-accreditation and accreditation processes are needed to at least raise the processing capacity to cope with the re-accreditation pipeline.</p>
Sweden	General	NA	There also is a need for a cost-effective analysis on what is the most efficient way to increase access to financing which should be one of the overarching goals of the strategy. Is it through increasing the portfolio of accredited entities or is it through supporting the current set of accredited entities for them to be able to come forward with high-	The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document). The revised

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			<p>performing funding proposals? What are the possible trade-offs including resource implications when comparing those two alternatives with each other?</p>	<p>draft AS document also proposes to both strategically use accreditation of partners to advance the goals of GCF, including by filling gaps in capabilities and coverage, as well as to optimize incentives for partners to invest in a dedicated capacity to programme for GCF. As indicated in paragraph 74 of the revised draft AS document, a moderate capacity augmentation of the Secretariat could be accommodated with the increased staff allocation approved by the Board in decision B.30/06. The GCF's capacity would need to be adjusted to reflect whichever path is chosen.</p> <p>Taking note of the range of views expressed on the optimal number of AEs and of the duality of the objective of accreditation, as well as recognizing the dynamic nature of GCF programming priorities and resources, the accreditation strategy in annex II proposes to adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. Under Pillar 3 in annex II to the revised draft AS strategy document on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two</p>

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				<p>projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p> <p>As indicated in paragraph 72 of the revised draft AS document, with the capacity development of relevant GCF organs approved for USP 2020–2023 implementation,⁶ GCF can already implement most of the measures in the accreditation strategy and the updates to the accreditation framework adopted in decision B.31/06. The measures that can be operationalized with the existing capacity include the development of guidance on the role and expectations of AEs and delivering on programming; prioritizing certain types of applications; and measures to dynamically manage the AE network and its performance. Together, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year.</p>
Sweden	General	NA	Capacity building for direct access entities - is it possible to identify incentives that could	Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on

⁶ Decision B.30/06.

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			<p>encourage multilateral organizations to enter into twinning arrangements with DAEs? And by doing so to contribute to capacity build-up?</p>	<p>the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for</p>

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				<p>capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p>
Switzerland, Finland,	General	NA	We thank the Secretariat, in particular the Accreditation and Entity Relations division, for	This comment is noted.

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Hungary, Monaco, and Liechtenstein			this solid first draft. We support the Secretariat’s proposal to formalize the hybrid approach, focusing both on GCF ability to deliver on its programming targets by partnering with high-performing AEs, and the capacity building of AEs.	
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	General	NA	We would have liked the strategic vision on what the GCF wants to achieve with the AE network to come with an indication on the optimal size of the AE network, or some consideration on which types of AEs match with the GCF’s programming and project delivery capabilities. A more manageable AE network would be key to maximize the overall efficiency and predictability of access to GCF funding, but we understand that it would not be consensus-ready at this stage.	<p>Taking note of the duality of the objective of accreditation, as well as recognizing the dynamic nature of GCF programming priorities and resources, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals (see paragraphs 15–18 of the revised draft AS document).</p> <p>Paragraph 11 of annex II to the revised AS document proposes: “The size of the AE network will be dynamic in order to respond to developing country climate change needs and GCF’s programming directions as they evolve. The AE network size will reflect the aimed project-to-AE ratio for each accreditation term, the GCF’s processing capacity for (re)accreditation and programming, and funds available during each replenishment period.”</p>

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				As noted in paragraphs 16–17 of the revised draft AS document, the IEU Synthesis analyzed other institutions and the size and composition of their programming partners. This included the Global Environment Facility with 18 agencies and a decision by the GEF Council to not expand accreditation beyond the 18 agencies; and the Adaptation Fund, which has a total of 56 entities as at 28 February 2022. ⁷ GCF has established a network of 113 AEs, including 63 per cent DAEs (as at 31 August 2022). The IEU Synthesis concluded that there is “no direct comparator among the multilateral climate organizations to the scale and scope of accreditation currently practised in the GCF. The GCF is the only organization with three specific features: direct access as a mandate, no limit on the number of AEs and the use of delivery partners.”
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	General	NA	We support authorizing the Secretariat to proactively guide AEs towards the most suitable form of partnership with the GCF. This should happen as early as possible in the accreditation process, including for the 140 applicants already in the pipeline. Given the strategy’s prioritization of re-accreditations and the number of candidates, the Secretariat should do “expectation management” with less	The comment is noted. Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes. In paragraph 7(a)(iii), the two models for

⁷ See <<https://www.adaptation-fund.org/apply-funding/implementing-entities/>>.

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			<p>suitable applicants, and re-orient them to a more appropriate type of partnership. The strategy should clearly spell out alternatives to full accreditation (PSAA entity, co-financer, implementing agency, etc.) and explain what type of entity would be more suitable for which role.</p>	<p>accreditation – PSAA and institutional – are detailed.</p> <p>As indicated in paragraph 48 of the revised draft AS document, with the decision on the suitability of an entity to join the GCF partnership taking place at the end of the process (stage II (step 2)), significant efforts may be invested in advancing through each stage entities that are not suitable for the AE role or are not fully aligned with the GCF strategic objectives and programming directions. In paragraph 7(b)(ii) of annex II to the revised draft AS document, it is proposed that the Secretariat be authorized to actively guide entities both at the pre-accreditation stage and during stage I of the accreditation process towards the appropriate accreditation track (PSAA or institutional accreditation), and to decline those that may not be suitable for these roles based on the criteria against which applicant entities are assessed during stage I “institutional assessment” of the accreditation process, as set out in the GCF accreditation framework.</p>
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	General	NA	<p>The development of a metric for climate change programming and implementation capacity is also an essential improvement, as this is a major lacuna in the current accreditation process. The Secretariat should</p>	<p>The comment is noted.</p> <p>The revised draft AS document includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see</p>

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			<p>prioritize accreditation of entities that have strong implementation capacity, or high potential and demonstrated willingness to develop it through GCF capacity building. To fully use its network for capacity building, the GCF should encourage its network of AEs (in particular IAEs, but also experienced DAEs) to enter into project arrangements with DAEs that have lower implementation capacity/experience.</p>	<p>paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Budget costs to develop a potential standard for determining an AE's climate change programming development and implementation capacity is included in paragraph (e) of annex I (draft decision) to the revised draft AS document.</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the</p>

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				project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document). It states: "This may include IAEs selecting DAEs as executing entities for projects/ programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/ programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards".
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	General	NA	There is a need for establishing clear, transparent, and predictable criteria for re-accreditation. We fully support the proposed prioritization in re-accreditations, in terms of funding proposals, concept notes, and actual results. For us, it is most important to look at quality and impact of projects and contribution to paradigm-shift (based on IRMF indicators) when prioritizing re-accreditations. In addition, the GCF should also prioritize the re-accreditation of AEs that have	It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). Having identified the performance measures AEs must commit to prior to accreditation is first required in order to improve monitoring and reporting by AEs on such performance. The Board has adopted the

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			<p>demonstrated a wider portfolio shift towards Paris alignment. The strategy could develop clearer criteria for this, beyond the language used in the USP1. MDBs are developing Paris alignment methodologies for their entire portfolio, including financial intermediaries. The GCF, as a leading multilateral climate fund, should not lag behind on this topic. This issue could also be addressed in the context of USP2 if it is not consensus-ready at this stage.</p>	<p>MAF which governs GCF’s system for monitoring AE and project performance and ensuring accountability. To implement the draft AS if adopted, paragraph 7(b)(v) in annex II to the revised draft AS document proposes a revision to the accreditation framework to align with the AS including establishing clear, transparent and predictable criteria for re-accreditation; detailing the further streamlined processes for re-accreditation and accreditation; and ensuring monitoring and reporting by AEs at the institutional-level includes an assessment of AE performance, results and alignment with the GCF mandate.</p> <p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document: “Develop key performance indicators to define AE performance and non-performance: key performance indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and on budget; among others”.</p>
Switzerland, Finland, Hungary,	General	NA	To fill programming gaps, the GCF should first make full use of its current 113 AEs and strategically use the PSAA, and expand its	Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF

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Monaco, and Liechtenstein			<p>already vast AE network only in a targeted fashion to fill remaining gaps. The aim to have at least two funding proposals per AE every 5-year term makes sense, as full accreditation should be for entities willing to work with more projects. However, if the network remains at a level of 110+ AEs, there is a risk that this aim leads to a fragmentation of the GCF portfolio. Also, for already accredited entities at least, one larger project/programme rather than two might also be a possibility. Finally, the programming gaps will have to be reassessed for GCF2, based on the outcome of the USP2.</p>	<p>aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraphs 18 and 67 in the revised draft AS document which contains this proposed aim.</p> <p>Taking note of the duality of the objective of accreditation, as well as recognizing the dynamic nature of GCF programming priorities and resources, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals (see paragraphs 15–18 of the revised draft AS document).</p> <p>As indicated in paragraph 10 of the revised draft AS document, GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34.⁸ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board's long-term vision for the</p>

⁸ Decision B.32/04.

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				<p>Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund’s operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.</p> <p>Paragraph (d) of annex I (draft decision) to the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.</p>
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	General	NA	We fully support enhancing the efficiency of processes, including related to the Accreditation Master Agreements (AMA). Efficiency measures will have a positive impact if they are be combined with greater selectivity in (re-)accreditation, as suggested in the draft (and, if possible and consensus-ready, a longer-term target in total number of AEs). We also wonder what would differ from	<p>The aim to increase the processing of 25–30 applications per year over the current 15 per year is to reduce processing times.</p> <p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has</p>

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			<p>the current accreditation and AMA processes. The indicator should not be the number of applications processed per year, but the time it takes for an entity to go through the entire accreditation process. The initial ambition has been around 6 months. This might be a tall order, but 12 months should be possible. Is the Secretariat of the opinion that the Accreditation Strategy will be able to deliver on such a reduced process time – if not, what additional measures are necessary?</p>	<p>historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the</p>

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				<p>accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p>
United States	General	NA	<p>The United States welcomes the opportunity to comment on the document GCF/B.33/08 – Accreditation Strategy of the Green Climate Fund. As noted in the Updated Strategic Plan for GCF-1, taking a more strategic approach to accreditation is central to the success of the GCF, and we are strongly supportive of the steps articulated in this document to act on that ambition.</p>	<p>This comment is noted.</p>

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United States	General	NA	<p>It would be helpful to see more clearly the evidentiary basis on which this Strategy is based. For example, the Independent Evaluation Unit has made a number of recommendations regarding the GCF’s accreditation function. Could the Secretariat clarify how these recommendations have been addressed? Additionally, we have found the programming gap assessment included in the strategy to be very helpful. It may be helpful to have this analysis expanded to include information about the types of AEs which have brought successful funding proposals in each area, such as types of expertise, sector, or other attributes and characteristics.</p>	<p>The revised draft AS document takes into account the 2020 “Independent Synthesis of the Green Climate Fund’s Accreditation Function” conducted by the IEU; the Secretariat’s response to the IEU Synthesis and the AE Portfolio Analysis.</p> <p>The 2020 IEU Synthesis included a series of recommendations, including those for the Board and those for the Secretariat, on strengthening the governance structure for accreditation, clarifying the strategic role of accreditation in GCF, and critically addressing the mission overload; assessing and incentivizing capacity-building and alignment with the GCF mandate, within the accreditation function; the selection of AEs and composition of the AE portfolio being based on an overall strategy that indicates how these entities will help support GCF’s mandate; the GCF should clarify the aim and limitations of PSAA before piloting; and GCF-1 strategic planning should include targets and plans.</p> <p>The revised draft AS document includes 3 pillars focused on enhancing efficiency of the accreditation process, strategically using accreditation of partners to address gaps in capabilities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF. Paragraphs 6–</p>

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				<p>7 of the revised draft AS document provides further details on the IEU Synthesis recommendations that were taken into account in the development of the draft AS contained in annex II to the document. Paragraph 7 of the revised draft AS document explains “Since the IEU Synthesis, many of the recommendations have been addressed through the Board’s adoption of the USP 2020–2023, Private Sector Strategy (particularly in relation to the accreditation of private sector entities), and updates to the Accreditation Framework adopted in decision B.31/06, among others. While the updates to the Strategic Plan for the Fund for the second replenishment period from 2024 to 2027 and the revision of a strategy for the GCF Readiness and Preparatory Support Programme (Readiness Programme) are in development, the key action of adopting an accreditation strategy, however, remains pending.”</p> <p>The AE Portfolio Analysis (document GCF/B.32/08) included a review the capabilities and coverage of the AE network. The capabilities and coverage of the AE network is the culmination of the accreditation scope characteristics of each AE assessed through accreditation. The AE accreditation scope characteristics include:</p>

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				<ol style="list-style-type: none"> 1. Access modality: DAE, IAE; 2. Type of entity: private sector, non-private sector; 3. Indicative geographic coverage; 4. Indicative results areas; 5. Accreditation criteria: <ol style="list-style-type: none"> a. Financial modality (fiduciary standards, which include entities being able to manage projects/programmes directly, award grants on a competitive basis/mechanism, on-lend, blend instruments, undertake equity investments and provide guarantees); b. Maximum environmental and social risk level; and c. Maximum project/programme activity size category. <p>The AE Portfolio Analysis also includes an analysis of the strengths and gaps in coverage of the AE network's capabilities through the lens of the GCF portfolio, enabling the Fund to meet its GCF-1 portfolio targets.</p>
United States	General	NA	We welcome the Strategy's discussion of its objective, noting the importance of increasing	The comment is noted.

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			<p>the speed and scale of the GCF’s work, as well as building the capacity of partners. We would note that there are a number of important objectives which are served by the GCF’s accreditation work, including:</p> <ul style="list-style-type: none"> ☐ Advancing the GCF’s ability to finance transformative funding proposals, including in terms of quantity, quality, speed, leveraging capability, and results area coverage ☐ Building capacity among GCF partners to better engage with the GCF and advance country-driven climate action in their respective contexts ☐ Scaling-up financial support for climate action by engaging partners, including to mainstream climate considerations throughout their working modalities and supporting shifts in their wider investment portfolios 	
United States	General	NA	<p>With regard to the components of the Strategy itself, we welcome the use of a hybrid approach and would urge the GCF to demonstrate how each of the parallel objectives the Strategy pursues is being advanced. In particular, we are supportive of the use of prioritization, in particular to fill key gaps in the GCF’s project portfolio, as well as</p>	The comment is noted.

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			the strong focus on capacity building efforts to support the work of Direct Access Entities.	
United States	General	NA	<p>We are also interested in the concept of “graduation” from accreditation but would welcome further details in this regard. Importantly, this raises the question of the types of partnerships that the GCF engages in, including but not limited to accreditation, and how those can be appropriately supported. For example, entities which apply to the GCF via the PSAA may be encouraged to pursue full accreditation after a successful initial partnership. How can the Accreditation Strategy support this, as appropriate? Further, how can entities which are not project implementers engage with and support the work of the GCF, including institutional investors or other potential co-financiers? Can the GCF help match non-accredited entities to other forms of participation in GCF projects, such as executing entities, vendors, consultants, legal advisors, or other roles, and potentially highlight a graduation path for such entities toward accreditation, if it is of interest?</p>	<p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Paragraph 24 of the revised draft AS document provides additional information on the graduation out of the AE role into other forms of partnership. Graduation out of the AE role does not entail the creation of a new modality for partnership. Instead, it recognizes that entities may still wish to contribute to the GCF mandate and objectives even if they are no longer an AE, and that other existing partnership approaches are available to entities after concluding their AE role. For example, entities may seek to coordinate their activities on climate action in alignment with GCF’s mandate and objectives, informed by country programming priorities and areas where institutional and capacity building and strengthening of NDAs and DAEs may be needed. Entities can also serve as an executing entity working with an AE or a co-financier for</p>

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				<p>a GCF project/programme, or a Delivery Partner for the Readiness Programme to provide technical and capacity building assistance, after concluding their role as AE. This is reflected in paragraph 12(b)(ii) of annex II to the revised draft AS document.</p> <p>In terms of the PSAA and graduation paragraph 41 of the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision describes the potential for PSAA entities to consider applying for institutional accreditation: “Entities may be encouraged to seek institutional accreditation after undergoing the PSAA should they have the potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to the delivery of the targeted project/programme under the PSAA would be used to inform the institutional accreditation process in the context of whether the entity could be an appropriate partner for channelling GCF resources to developing countries through projects/programmes similar to the PSAA project/programme, noting that the broader institution-wide systems and capacities for a potential portfolio of projects/programmes will be assessed in institutional accreditation.”</p>

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United States	General	NA	<p>We also welcome the focus on implementation in the Strategy, including the importance of further updating the Accreditation Framework, continuing to streamline GCF processes, and enhancing access without sacrificing the integrity of other important GCF policies. We also note the critical importance of the Readiness Program in the GCF's capacity building efforts, as well as the Accreditation Panel in reviewing AE applications, and the Risk Management Committee in finalizing Accreditation Master Agreements. However, we also note the significant pipeline increase in annual AE applications, as well as the large proportion of AEs which have not yet signed AMAs. We would welcome future discussion of how these processes could be strengthened to support the implementation of this strategy. This includes in terms of resources needed, as well as operational modalities. For example, it may be helpful to develop processes or procedures for AE's to report information related to portfolio shifting to the Secretariat and Board on a more regular basis and consistent format, supporting the AP's efforts and the Board's review of re-accreditation applications.</p>	<p>The comment is noted.</p> <p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures</p>

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				<p>expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25-30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p>

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African Board and alternate members	Background document: I. Introduction and mandate, para. 2	“prioritizing certain types of applicants in the accreditation process”	It is important the Secretariat also clarifies how it will prioritise applications, in particular from DAEs. Decision B.14/08 para (d) ii requests the Secretariat in consultation with the Accreditation Committee and Plan to consider and refine the criteria for prioritization.	<p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the AE Portfolio Analysis as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.</p>

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African Board and alternate members	Background document: I. Introduction and mandate, para. 5(b)	“(b) Streamlining the accreditation process and developing alternative accreditation modalities, including a PSAA;”	As we have the PSSA for streamlining the accreditation process, it may be essential to clarify the ‘Alternative accreditation modalities’? As handed in the Board Workplace for 2020-2023.	Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes. In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed.
African Board and alternate members	Background document: I. Introduction and mandate, para. 9	“To optimize this model, the accreditation strategy aims to: [...]”	B.27/06 Annex VI para 26 (a) USP recommends a strategic approach to accreditation- including increasing the share of DAEs. It is not clear if this draft response to that.	<p>The DAE share has increased from 59 per cent during IRM to GCF-1 to 63 per cent with 71 DAEs, including 58 national DAEs and 13 regional DAEs (as at 31 August 2022).</p> <p>The revised draft AS includes actions for prioritizing accreditation of DAEs:</p> <ol style="list-style-type: none"> 1. Section II of annex II to the revised draft AS document contains measures proposed for strategically using accreditation of partners, particularly DAEs (including those in LDCs, SIDS and African States, and private sector DAEs). Paragraph 9(b)(i) proposes prioritizing expansion of the AE network to align with programming gaps to enable GCF to implement its strategic priorities and responding to developing countries’ needs; 2. Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of:

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				<p>(1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap; and</p> <p>3. Using PSAA strategically to identify new partners, countries and technologies to that have been underserved by GCF to date and contribute to GCF programming goals. In adopting PSAA on a pilot basis, the Board also decided in decision B.31/06, paragraph (h), to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries, particularly those</p>

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				<p>from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to</p>

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				deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.
Italy	Background document: I. Introduction and mandate, para. 9(a)	"[...] Enhance the efficiency of the GCF accreditation and re-accreditation process;"	Proposed changes: "[...] Enhance the efficiency, <u>effectiveness and inclusiveness</u> of the GCF accreditation and re-accreditation process;"	Annex II to the revised draft AS document includes Pillar 1 as enhancing the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes.
Italy	Background document: I. Introduction and mandate, para. 9(b)	"Strategically use accreditation of partners to fill in gaps in capabilities and coverage;"	There is a need to better highlight the goal of an updated accreditation model, which should better clarify how an AE actively contributes to the goals of the GCF by its capacity to develop, in a country-driven manner, high quality transformational and paradigm shifting funding proposals in the GCF results areas. Proposed changes: "Strategically use accreditation of partners to <u>advance the goals of the GCF, including by filling in gaps in capabilities and coverage, as well as to develop quality funding proposals;</u> "	Annex II to the revised draft AS document includes Pillar 2 to strategically use accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of direct access entities.
Italy	Background document: I. Introduction and	"Optimize incentives for partners to invest in a dedicated capacity to programme for GCF;"	Please clarify what is meant for "dedicated capacity".	The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets

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	mandate, para. 9(c)			<p>and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>10. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p>
Italy	Background document: II. Policy rationale, para. 11	"As highlighted in document GCF/B.32/08, the GCF AE network has grown to a diverse set of 113 partners that, theoretically, have the capacity to programme across all GCF thematic	It would be good to make reference to some of the findings of the IEU independent evaluation, i.e. the synthesis of the accreditation function in the policy rationale chapeau.	The revised draft AE document and document GCF/B.33/08 were prepared in response to decision B.31/06, paragraph (o), taking into account the recommendations from the 2020 IEU Synthesis and the AE Portfolio Analysis (document GCF/B.32/08), as requested in decision B.31/06, paragraph (n).

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		and geographic areas, financing sizes, financial instruments and environmental and social risk levels. However, a review of the GCF AE portfolio reveals an uneven project quality at pipeline entry and programming gaps against GCF-1 priorities. An increasingly low project to AE ratio limits incentives for AEs to invest in a dedicated capacity to programme for GCF.”		<p>The AE Portfolio Analysis contained an analysis of the AE portfolio to identify strengths and gaps in coverage and capabilities no later than the thirty-second meeting of the Board. The analysis reviewed the GCF business model and AEs as programming partners, reviewed the accreditation framework as the basis on which AEs are accredited, and entities progressing through different stages of the accreditation process. The AE Portfolio Analysis also reviewed the coverage and capabilities of the AE network, finding that the GCF AE network has evolved to include a diverse set of partners that, theoretically, could have the capacity to programme across all GCF thematic and geographic areas, financing sizes, financial instruments and environmental and social risk levels. However, AEs with a specific combination of AE attributes to address GCF programming priorities appear to be lacking in the AE network, such as private sector DAEs with proven expertise in adaptation.</p> <p>The 2020 IEU Synthesis included a series of recommendations, including those for the Board and those for the Secretariat, on strengthening the governance structure for accreditation, clarifying the strategic role of accreditation in GCF, and critically addressing the mission overload; assessing and incentivizing capacity-building and alignment</p>

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				<p>with the GCF mandate, within the accreditation function; the selection of AEs and composition of the AE portfolio being based on an overall strategy that indicates how these entities will help support GCF’s mandate; the GCF should clarify the aim and limitations of PSAA before piloting; and GCF-1 strategic planning should include targets and plans.</p> <p>The revised draft AS document includes 3 pillars focused on enhancing efficiency of the accreditation process, strategically using accreditation of partners to address gaps in capabilities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF. Paragraphs 6–7 of the revised draft AS document provides further details on the IEU Synthesis recommendations that were taken into account in the development of the draft AS contained in annex II to the document. Paragraph 7 of the revised draft AS document explains “Since the IEU Synthesis, many of the recommendations have been addressed through the Board’s adoption of the USP 2020–2023, Private Sector Strategy (particularly in relation to the accreditation of private sector entities), and updates to the Accreditation Framework adopted in decision B.31/06, among others. While the updates to the Strategic Plan for the Fund for the second replenishment period from</p>

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				2024 to 2027 and the revision of a strategy for the GCF Readiness and Preparatory Support Programme (Readiness Programme) are in development, the key action of adopting an accreditation strategy, however, remains pending.”
African Board and alternate members	Background document: II. Policy rationale, para. 13	“The GCF could act as a high-volume, high-speed climate finance provider, working with a targeted set of high-performing AEs that meet the GCF standards. If GCF opts for volume and speed through a smaller AE network, its key feature of direct access and ability to recognize diversity of needs may become secondary.”	The African BM do not support this option- as indicated, it is contrary to GI and all the Board decisions that stressed the importance of country to ownership and needs - and prioritisation of DAEs to respond to countries needs.	The comment is noted. The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).
African Board and alternate members	Background document: II. Policy rationale, para. 13	“[...] it could also play a capacity builder role, whereby priority would be given to strengthening the capabilities of AEs to design and implement climate finance projects, even if programming targets may take longer to	This is a critical role of the GCF- enabling AEs to design and implement climate finance projects, particularly by supporting DAEs and regional DAEs. We share the important of enhancing efficiency to address delays.	The comment is noted. Enhancing the provision of capacity-building support, in particular for DAEs, is underlined across the 3 pillars of the accreditation strategy. As a first step, developing clear guidance on the various types of partnerships that can be built with GCF, and clarifying the obligations and responsibilities of AEs through

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		<p>be achieved. This would require GCF to increase its capacity to deliver tailored and scaled-up support to AEs, as well as increasing its capacity to process re-accreditation and accreditation applications and review concept notes and funding proposals.”</p>		<p>guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to are needed in order to align support provided for capacity building with the AE role the entities will undertake.</p> <p>1. Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF’s accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme</p>

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				<p>and to foster greater engagement with NDAs.</p> <p>It proposes that GCF create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>2. Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating</p>

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				<p>incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>3. Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p>
African Board and	Background document: II.	"[...] strengthening the capabilities of AEs [...]"	The IEU recommendation also supports- the GCF role of strengthening capacity of AEs- including supporting countries and NDAs to	<p>The comment is noted.</p> <p>The revised draft AE document and document GCF/B.33/08 were prepared in response to</p>

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alternate members	Policy rationale, para. 13		nominate direct access entities, and support DAEs in post accreditation.	<p>decision B.31/06, paragraph (o), taking into account the recommendations from the 2020 IEU Synthesis and the AE Portfolio Analysis (document GCF/B.32/08), as requested in decision B.31/06, paragraph (n).</p> <p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of Aes and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes.</p> <p>Paragraph 7(a)(iv) of annex II to the revised draft AS document proposes updating re-accreditation and accreditation guidance to NDAs and entities, based on GCF strategic priorities and programming directions, and the accreditation strategy. GCF will proactively engage with and incentivize NDAs to ensure quality AE nominations are made by NDAs, and will support their capacity to undertake this role.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document).</p> <p>Regarding support to DAEs, please see the response to the comment from African Board</p>

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				and alternate members on “Background document: II. Policy rationale, para. 13” above.
African Board and alternate members	Background document: II. Policy rationale, para. 13	“[...] GCF to increase its capacity to deliver [...]”	Increasing the capacity of the GCF and strengthening the governance for accreditation is among IEU recommendations. This recommendation must be taken up in this option.	<p>Regarding the reflection of IEU recommendations from the 2020 IEU Synthesis in the revised draft AS strategy document, please see the response to the comment from African Board and alternate members on “Background document: II. Policy rationale, para. 13” above.</p> <p>While process improvements are aimed to increase efficiency of the re-accreditation and accreditation processes, GCF’s capacity to process applications remains a limiting factor. GCF, including the Secretariat, AP and the Board, has a historical processing rate of 15 applications per year. Over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation (see paragraphs 21–22 and 45–53 of the revised draft AS document for details on the challenges in GCF processing limitations and coping with the growing AE re-accreditation and new applicant pipeline). In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is adjusting its own capacity, including the Secretariat and the AP, to support the</p>

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				<p>accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP’s guidance. In paragraph (e) of the same decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement of consultancy firms to support the AP in its work.</p>
Italy	Background document: II. Policy rationale, para. 13	<p>“The GCF could act as a high-volume, high-speed climate finance provider, working with a targeted set of high-performing AEs that meet the GCF standards. If GCF opts for volume and speed through a smaller AE network, its key feature of direct access and ability to recognize diversity of needs may become secondary. Alternatively, it could also play a capacity builder role, whereby priority would be given to</p>	<p>As correctly highlighted, these two models are not alternative to each other, and a combination of the two should forge the GCF accreditation strategy. While it is understandable to provide two options, they should not be presented as strategic directions. The overall goal of an accreditation strategy should be to create a network of AEs able to support the goals of the GCF in developing bankable, transformational projects/programs for mitigation and adaptation. The strategic directions are management tools, but not the goals themselves of the strategy. Both the high-performance of AEs and the direct access</p>	<p>The comment is noted.</p>

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		strengthening the capabilities of AEs to design and implement climate finance projects, even if programming targets may take longer to be achieved. This would require GCF to increase its capacity to deliver tailored and scaled-up support to AEs, as well as increasing its capacity to process re-accreditation and accreditation applications and review concept notes and funding proposals.”	capacity building functions should be kept in the accreditation strategy.	
African Board and alternate members	Background document: II. Policy rationale, para. 14; and Annex II, para. 2	–“In between these two options lies a combination that aims to optimize both allocation of climate funding volumes and capacity-building.”	We believe that the priority should be strengthening the GCF Sec capacity to support AEs & DAEs, and improving the efficiency of the accreditation process- from reducing the timeline (506 days)to the finalisation of the legal documents (AMA takes up to 638 days). The draft strategy should be informed by the recommendation on IEU on these challenges and propose solutions to address them.	Regarding the reflection of IEU recommendations from the 2020 IEU Synthesis in the revised draft AS strategy document, please see the response to the comment from African Board and alternate members on “Background document: II. Policy rationale, para. 13” above. The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative

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				<p>programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can</p>

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				<p>be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p>

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Italy	Background document: III. Analysis of policy proposal, para. 18	“These risks could be mitigated by increasing the efficiency of the GCF accreditation and re-accreditation process; strategically using accreditation of partners to fill in gaps in capacities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF.”	See comment above in para 9c. “[...] a dedicated capacity”: See comment above in para 9b. Proposed changes: “These risks could be mitigated by increasing the efficiency, <u>effectiveness and inclusiveness</u> of the GCF accreditation and re-accreditation process; strategically using accreditation of partners to <u>advance the goals of the GCF, including by filling in gaps in capabilities capacities</u> and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF.”	Annex II to the revised draft AS document includes Pillar 1 as enhancing the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes. Annex II to the revised draft AS document includes Pillar 2 to strategically use accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of direct access entities.
African Board and alternate members	Background document: III. Analysis of policy proposal, section 3.1	Section 3.1 “Enhance the efficiency of the GCF accreditation and re-accreditation process”	This section does not provide/ answer the questions on how enhance efficiency of the GCF accreditation and re- accreditation process – including: 1. How to enhance the efficiency of the GCF to review more than 15 applications per year? As mentioned above it takes more than 500 days, and the finalisation of the legal agreement - more than 600days. 2. How to strengthen the role of the AC? 3. Also, how to strengthen the AP to review more than 15 application per year?	Regarding the reflection of IEU recommendations from the 2020 IEU Synthesis in the revised draft AS strategy document, please see the response to the comment from African Board and alternate members on “Background document: II. Policy rationale, para. 13” above. One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15

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			<p>The IEU also recommended the need of strengthening the role of the AC to guide the AP.</p>	<p>AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in</p>

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				<p>decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p> <p>In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is adjusting its own capacity, including the Secretariat and the AP, to support the accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP’s guidance. In paragraph (e) of the same</p>

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				<p>decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement of consultancy firms to support the AP in its work.</p> <p>Regarding the Accreditation Committee, it is noted that in relation to the "Final report of the review of the effectiveness of committees and groups established by the Board" (limited distribution document GCF/B.33/Inf.12) and the "Co-Chairs' note on the review of committees, panels and groups" (document GCF/B.33/Inf.13), no decision was taken under agenda item 9(a) titled "Co-Chairs' proposal on the existing review of committees and panels" at the thirty-third meeting of the Board.</p>
Italy	Background document: III. Analysis of policy proposal, section 3.1	Section 3.1 "Enhance the efficiency of the GCF accreditation and re-accreditation process"	Proposed changes: Section 3.1 "Enhance the efficiency, <u>effectiveness and inclusiveness</u> of the GCF accreditation and re-accreditation process"	Annex II to the revised draft AS document includes Pillar 1 as enhancing the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes.
Italy	Background document: III. Analysis of policy proposal, section 3.2	Section 3.2 "Strategically use accreditation of partners to fill in gaps in capabilities and coverage"	Proposed changes: Section 3.2 "Strategically use accreditation <u>to advance the goals of the GCF, including by of partners to filling in-gaps in capabilities and coverage as well as to develop quality funding proposals</u> "	Annex II to the revised draft AS document includes Pillar 2 to strategically use accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting

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				programming while increasing the share of direct access entities.
African Board and alternate members	Background document: III. Analysis of policy proposal, para. 27	“It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track.”	What will be the criteria for the Sec recommendation?	<p>Paragraph 7(b)(ii) of annex II to the revised draft AS document indicates that the criteria are those criteria against which applicant entities are assessed during stage I “institutional assessment” of the accreditation process, as set out in the GCF accreditation framework.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed.</p>
African Board and alternate members	Background document: III. Analysis of policy proposal, para. 27	“[...] re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms.”	We note the importance of ensuring the continuity of the implementation of projects by AEs. However, the re-accreditation criteria must be met, including accessing IAEs for their contribution towards supporting DAEs. As per the IEU recommendation- the African BM call for clear criteria to be communicated to assess IAEs.	It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document).

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				<p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document.</p> <p>Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional</p>

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				<p>capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their</p>

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				<p>mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p> <p>Other comments raised during B.33 suggested that GCF should also develop a system to monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs have supported</p>

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				in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.
African Board and alternate members	Background document: III. Analysis of policy proposal, para. 27	"[...] metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation."	Is there a timeline for development of a metric?	<p>Paragraph (f) of annex I (draft decision) to the revised draft AS document requests the Secretariat to present the assessment of options for developing a standard on climate change programming development and implementation competency and capacity against which applicants for accreditation, upgrades and re-accreditation can be assessed, together with the recommendation in relation to such options for the Board's consideration at the earliest available opportunity.</p> <p>The revised draft AS document includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation</p>

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				<p>standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Budget costs to develop a potential standard for determining an AE's climate change programming development and implementation capacity; and to conduct an assessment of options for developing a metric for mainstreaming climate considerations into the AE's broader portfolio, are included in paragraph (e) of the draft decision contained in annex I to the revised draft AS document.</p>
African Board and alternate members	Background document: III. Analysis of policy proposal, para. 27	"[...] the capacity development of relevant GCF organs [...]"	What are the capacity development plans? And will it be for all GCF organs?	<p>In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is adjusting its own capacity, including the Secretariat and the AP, to support the accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP's guidance. In paragraph (e) of the same decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement</p>

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				of consultancy firms to support the AP in its work.
African Board and alternate members	Background document: III. Analysis of policy proposal, para. 27	"[...] measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year [...]"	Is it possible to get the list of measures mentioned here? It could be important to assess the possibility of increasing the processing capacity.	<p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role,</p>

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				<p>responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p>

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African Board and alternate members	Background document: III. Analysis of policy proposal, para. 29	“However, a more structural solution is required.”	We agree that there is a need for structural solution- including enhancing efficiency of the GCF concept note and FP review and supporting DAEs to develop high quality FP.	The comment is noted.
Italy	Background document: III. Analysis of policy proposal, para. 30	“[...] it does not assess the entity’s capacity to prepare and implement climate projects.”	The capacity of an AE to contribute to advance the goals of the GCF by developing bankable projects and programmes should be the key element of the updated accreditation strategy. For this reason, we propose to modify the headline here, to clearly highlight this focus. Development of criteria to measure the track record of an AE in developing projects and/or how IAEs partnered and supported DAEs to this end could be a key added value for the accreditation strategy.	<p>Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p>

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Italy	Background document: III. Analysis of policy proposal, para. 32	“GCF could also unleash the potential of some AEs by providing tailor-made support to improve project quality at pipeline entry.”	The role of IAEs' contribution to support capacity of DAEs here is critical. More incentives need to be given to IAEs to improve DAEs' capacity to develop quality funding proposals and respond to country-driven programming.	Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request

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				<p>for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited</p>

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				<p>(see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p> <p>Other comments raised during B.33 suggested that GCF should also develop a system to monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs have supported in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.</p>
African Board and alternate members	Background document: VI. Consultations, para. 49	“[To be added: summary of consultation process and feedback received, to be contained in annex III.]”	The consultation must be inclusive and transparent - we need a clear timeline for the consultations by the Board, NDAs and observers.	Document GCF/B.33/08/Add.01 contained a compilation of comments received during the process of consultation on document GCF/B.33/08 with the Board, AEs, NDAs and observers.
African Board and alternate members	Background document: VII. Monitoring and review, para. 50	“The Secretariat will be responsible for proposing to the Board, in collaboration with the	This does not comply with Board decision B.31/06 para (m), which mandated a revised AF. We do not support keeping this review under the AC alone, and the CCs/Sec need to	In decision B.31/06, paragraph (m), the Board decided to launch the process to review the accreditation framework in accordance with decision B.27/06, which, inter alia, mandates

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		Accreditation Committee and AP, an updated accreditation framework guided by the USP 2020–2023 and the accreditation strategy laid out in annex II to this document.”	<p>present a revised timeline for the revision of the AF, as mandated.</p> <p>In addition, the provisions in B.31/06 para (o) are not fully responded to. It will be useful for the sec to indicate in a tabular format the various elements of para (o) and how they have been addressed.</p>	<p>the Board to present a revised accreditation framework to address matters outlined in paragraph 26 (a)(i)–(v) of annex VI to that decision.</p> <p>Paragraph (g) of the draft decision contained in annex I to the revised draft AS document requests, pursuant to decision B.31/06, paragraph (m), the Board to present a revised accreditation framework to address matters:</p> <ol style="list-style-type: none"> 1. Outlined in paragraph 26 (a)(i)–(v) of annex VI to decision B.27/06; and 2. Arising out of the accreditation strategy adopted through paragraph (b) of the draft decision, no later than the thirty-sixth meeting of the Board. <p>Document GCF/B.33/08 was prepared in response to decision B.33/06, paragraph (o). The revised draft accreditation strategy (AS) document has been prepared based on document GCF/B.33/08 taking into account feedback received during the consultation process, as contained in document GCF/B.33/08/Add.01.</p> <p>Document GCF/B.33/08 and the revised draft AS document address the elements in decision B.31/06, paragraph (o), as follows:</p> <ol style="list-style-type: none"> 1. <i>“Improving the efficiency of the accreditation process, including the</i>

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				<p><i>consideration of portfolio targets, performance indicators and milestones”:</i></p> <p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency,</p>

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				<p>effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including</p>

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				<p>re-accreditation, upgrade and new accreditation applications.</p> <p>2. <i>“Seeking to increase the share of direct access entities above the initial resource mobilization level, including by prioritizing accreditation of and capacity support for direct access entities of countries which do not yet have a national or regional direct access accredited entity, including by promoting the participation and accreditation of micro, small and medium-sized enterprises in GCF activities in all developing countries, including least developed countries, small island developing States and African States”:</i></p> <p>The DAE share has increased from 59 per cent during IRM to GCF-1 to 63 per cent with 71 DAEs, including 58 national DAEs and 13 regional DAEs (as at 31 August 2022).</p> <p>The revised draft AS includes actions for prioritizing accreditation of DAEs:</p> <p>(a) Section II of annex II to the revised draft AS document contains measures</p>

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				<p>proposed for strategically using accreditation of partners, particularly DAEs (including those in LDCs, SIDS and African States, and private sector DAEs). Paragraph 9(b)(i) proposes prioritizing expansion of the AE network to align with programming gaps to enable GCF to implement its strategic priorities and responding to developing countries' needs;</p> <p>(b) Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained</p>

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				<p>in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap; and</p> <p>(c) Using PSAA strategically to identify new partners, countries and technologies to that have been underserved by GCF to date and contribute to GCF programming goals. In adopting PSAA on a pilot basis, the Board also decided in decision B.31/06, paragraph (h), to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address</p>

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				<p>adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>3. <i>“Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function and further strengthening the Accreditation Panel”:</i></p> <p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy:</p>

Board Written Comments				Secretariat Response
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				<p>(a) To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the primary objective is that these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with GCF's programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of</p>

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				<p>annex II to the revised draft AS document).</p> <p>The revised draft AS document also includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include</p>

Board Written Comments				Secretariat Response
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				<p>developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p> <p>(b) Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting</p>

Board Written Comments				Secretariat Response
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				<p>programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>(c) Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p> <p>While process improvements are aimed to increase efficiencies of the re-accreditation and accreditation processes, GCF's capacity to process applications remains a limiting factor. GCF, including the Secretariat, Accreditation Panel (AP) and the Board,</p>

Board Written Comments				Secretariat Response
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				<p>has a historical processing rate of 15 applications per year. Over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation (see paragraphs 21–22 and 45–53 of the revised draft AS document for details on the challenges in GCF processing limitations and coping with the growing AE re-accreditation and new applicant pipeline). In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is adjusting its own capacity, including the Secretariat and the AP, to support the accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP’s guidance. In paragraph (e) of the same decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement</p>

Board Written Comments				Secretariat Response
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				<p>of consultancy firms to support the AP in its work.</p> <p>4. <i>“Improving monitoring and reporting by AEs in terms of performance, results and alignment with the GCF mandate”:</i></p> <p>Optimizing the performance of the AE network is a key measure proposed in the revised draft AS document (and included in document GCF/B.33/08). As detailed in paragraph 59 of the revised draft AS document based on the AE Portfolio Analysis, approximately one-third of AEs accredited by the Board have not signed or do not have an effective AMA (42 out of the 113 accredited, as at 31 August 2022), which means these entities cannot yet programme with GCF.</p> <p>Furthermore, only 45 per cent of AEs actually programme with GCF. Recognizing that the GCF AE network has evolved over the IRM and first replenishment (GCF-1 periods to include a diverse set of partners with capabilities to programme across any of the financing sizes, financial</p>

Board Written Comments				Secretariat Response
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				<p>instruments, environmental and social (E&S) risk levels and sectors that GCF offers, it is proposed that GCF will maximize use of the existing AEs to address GCF programming directions, including targeting gaps in the portfolio (see paragraph 9(b)(iii) in annex II to the revised draft AS document).</p> <p>In addition, it is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). Having identified the performance measures AEs must commit to prior to accreditation is first required in order to improve monitoring and reporting by AEs on such performance. The Board has adopted the GCF monitoring and accountability framework (MAF) which governs GCF's system for monitoring AE and project performance and ensuring accountability. To implement the</p>

Board Written Comments				Secretariat Response
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				<p>draft AS if adopted, paragraph 7(b)(v) in annex II to the revised draft AS document proposes a revision to the accreditation framework to align with the AS including establishing clear, transparent and predictable criteria for re-accreditation; detailing the further streamlined processes for re-accreditation and accreditation; and ensuring monitoring and reporting by AEs at the institutional-level includes an assessment of AE performance, results and alignment with the GCF mandate.</p> <p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document.</p> <p>5. <i>“Informing re-accreditation decisions with (i) an examination of AEs’ performance in contributing to GCF programming results, considering IAEs’ contribution to building capacities of DAEs; and (ii) an assessment of the extent to which AEs’ overall portfolio of</i></p>

Board Written Comments				Secretariat Response
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				<p><i>activities beyond those funded by GCF has evolved towards low-emission and climate-resilient development pathways”:</i></p> <p>Under pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF:</p> <p>(a) Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted</p>

Board Written Comments				Secretariat Response
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				<p>in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision; and</p> <p>(b) Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p>

Board Written Comments				Secretariat Response
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				<p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,⁹ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p> <p>6. <i>"Ensuring that the re-accreditation assessments of AE's portfolios are based on clear, transparent and predictable criteria that are communicated to applicants":</i></p> <p>As indicated above, paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development</p>

⁹ See document GCF/B.28/11/Add.02.

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹⁰ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see</p>

¹⁰ See document GCF/B.28/11/Add.02.

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>paragraph 7(a)(ii) in annex II to the revised draft AS document).</p> <p>Further, the development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document.</p> <p>7. <i>“Providing guidance to international access entities (IAEs) to support the building of capacities of DAEs”:</i></p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness</p>

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				<p>Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by</p>

Board Written Comments				Secretariat Response
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				<p>engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p> <p>Other comments raised during B.33 suggested that GCF should also develop a system to monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs</p>

Board Written Comments				Secretariat Response
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				<p>have supported in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.</p> <p>8. <i>“Improving the accreditation component of the GCF’s request for proposal modality”:</i></p> <p>The Board adopted the updates to the Accreditation Framework in decision B.31/06, paragraph (d), which includes PSAA. In decision B.31/06, paragraph (g), the Board decided to implement PSAA on a pilot basis starting from 1 April 2023. In paragraph (h) of the same decision, the Board decided to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries,</p>

Board Written Comments				Secretariat Response
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				<p>particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>As detailed in paragraph 40 in annex IV containing the updates to the Accreditation Framework adopted in decision B.31/06, PSAA is a complementary approach to institutional accreditation that allows GCF to target specific projects/programmes. PSAA focuses on assessing whether the entity can undertake the proposed project/programme in line with the standards for GCF accreditation. In doing so, PSAA aims to provide a more fit-for-purpose approach compared with institutional accreditation in relation to the intended projects/programmes. Assessment of the entity's capability to</p>

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				<p>implement the proposed project/programme is undertaken alongside the review of the funding proposal. Additionally, it aims to broaden access to GCF for entities for whom the institution-wide approach to accreditation does not as readily respond to the nature and number of projects they intend to develop with GCF support, and the higher transaction costs associated with the process.</p> <p>9. <i>“Enhancing the provision of pre-accreditation and post-accreditation support, in particular for DAEs, to strengthen capacity-building for candidate entities”:</i></p> <p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p>

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				<p>Enhancing the provision of capacity-building support, in particular for DAEs, is underlined across the 3 pillars of the accreditation strategy. As a first step, developing clear guidance on the various types of partnerships that can be built with GCF, and clarifying the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to are needed in order to align support provided for capacity building with the AE role the entities will undertake.</p> <p>(a) Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated</p>

Board Written Comments				Secretariat Response
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				<p>direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p> <p>It proposes that GCF create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>(b) Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development</p>

Board Written Comments				Secretariat Response
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				<p>support for climate programming, in particular for DAEs, through the Readiness Programme and the PPF to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p>

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African Board and alternate members	Background document: VII. Monitoring and review, para. 51	“With a view to improving the overall accreditation process, a Secretariat-led review of the strategy will be undertaken after the first year of implementation. This will inform work to further assess opportunities for the GCF accreditation framework in the second replenishment period, taking account the needs identified by NDAs and an evidence-based understanding of the performance of the AE network.”	This one-year review makes little sense. This will need to re-considered in light of the policy cycle of the 4 year work programme. We do not support adopting a strategy now and then re-doing this under the USP.	Paragraph 14 of annex II to the revised draft AS document indicates that “The accreditation strategy will be reviewed five years after its approval by the Board.”
African Board and alternate members	Background document: VIII. Recommended Action by the Board, para. 53(b)	“(b) Adopt the decision included in annex I.”	We are not ready to adopt a decision at this point, but have highlighted concerns in the draft.	The comment is noted.
Bhutan on behalf of LDCs	Annex I, Draft decision of the Board, para. (a)	“(a) Adopts the accreditation strategy contained in annex II to this document;”	We consider the document as a first iteration, not ready for adoption. Several issues need to be consulted, clarified and further developed if needed.	The comment is noted.

Board Written Comments				Secretariat Response
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African Board and alternate members	Annex I, Draft decision of the Board, para. (b)	<p>“(b) Decides, pursuant to paragraph (a) above, to prioritize up to the end of 2023 the following for institutional accreditation:</p> <p>[...]</p> <p>(ii) National direct access entities, including private sector entities and non-governmental organizations, nominated for accreditation by national designated authorities or focal points of countries that do not have an accredited national direct access entity;”</p>	<p>It makes no sense to have a time bound prioritization, rather the Board needs to prioritise and review the status of the accreditation/re-accreditation of such entities.</p> <p>Proposed changes:</p> <p>“(ii) <u>Increase share of DAEs, and</u> National direct access entities, including private sector entities and non-governmental organizations, nominated for accreditation by national designated authorities or focal points of countries that do not have an accredited national direct access entity;”</p>	<p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives</p>

Board Written Comments				Secretariat Response
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				<p>and programming directions adopted by the Board”.</p> <p>In annex II to the revised draft AS document. Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p>
Bhutan on behalf of LDCs	Annex I, Draft decision of the Board, para. (b)	<p>“(b) Decides, pursuant to paragraph (a) above, to prioritize up to the end of 2023 the following for institutional accreditation:</p> <p>(i) Private sector entities, particularly direct access private sector entities, that are capable and seeking institutional accreditation to GCF to develop and implement projects and programmes</p>	<ol style="list-style-type: none"> 1. Having clarity of the accreditation pipeline would help to assess these options and their implications. How will the Board be informed before taking a decision? 2. In general, for LDCs increasing the share of DAE in the portfolio is relevant, as well as increasing the share of funding channeled through these entities. 3. Medium and large private sector entities looking for accreditation are scarce in our countries. Small entities can have meaningful impact, and should not be excluded. How is this taken into account in this prioritization option? 	<ol style="list-style-type: none"> 1. Given that GCF’s operating model relies on AEs as programming partners to channel climate financing, stronger alignment between the capabilities and coverage of the AE network and GCF’s objectives and programming goals will facilitate achieving said objectives and programming goals. The capabilities and coverage of the AE network is the culmination of the accreditation scope characteristics of each AE assessed through accreditation. The AE accreditation scope characteristics include: <ol style="list-style-type: none"> a. Access modality: DAE, IAE; b. Type of entity: private sector, non-private sector;

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		<p>(i) of a large or medium size category, (ii) have a focus on the GCF adaptation results areas, and (iii) utilize equity and guarantee instruments under the specialized fiduciary standard for on-lending and/or blending; and</p> <p>(ii) National direct access entities, including private sector entities and non-governmental organizations, nominated</p>	<p>4. The Board may want to discuss these options pursuing to deliver on GCF-1 portfolio targets. Is it an option to consider it independently of the discussion on the Accreditation Strategy?</p>	<p>c. Indicative geographic coverage;</p> <p>d. Indicative results areas;</p> <p>e. Accreditation criteria:</p> <p>i. Financial modality (fiduciary standards, which include entities being able to manage projects/programmes directly, award grants on a competitive basis/mechanism, on-lend, blend instruments, undertake equity investments and provide guarantees);</p> <p>ii. Maximum environmental and social risk level; and</p> <p>iii. Maximum project/programme activity size category.</p> <p>The AE network and its accreditation scope characteristics listed above, as well as the status of the AEs in the completing the (re) accreditation process by signing and making effective their accreditation master agreement (AMA) with GCF, was presented</p>

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		for accreditation by national designated authorities or focal points of countries that do not have an accredited national direct access entity;"		<p>in the AE Portfolio Analysis in document GCF/B.32/08.</p> <p>Similarly, an analysis of the accreditation pipeline using the accreditation scope characteristics listed above can be provide to the Board to inform whether applicants in the pipeline have the necessary characteristics to be able to address specific GCF objectives and programming goals, as well as COP guidance. It should be noted that the accreditation scope of applicants is indicative only since accreditation applications are at various stages of activity (and inactivity where responses are pending with applicants), completeness, review by GCF (including whether and what, if any, gaps in meeting GCF accreditation standards).</p> <p>Such analyses have been previously provided to the Accreditation Committee and to the Board to inform the Accreditation Committee's recommendation on a prioritization for certain types of accreditation applicants. The Board previously prioritized specific types of applicants for accreditation in decisions B.14/08, paragraph (d)(i); B.18/04, paragraph (c); B.19/13, paragraph (c); B.21/16, paragraph (e); B.23/11, paragraph (b); and B.24/11,</p>

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				<p>paragraph (e), which have expired since 12 March 2020. The review of accreditation applications, in the absence of prioritization, has defaulted to a first come, first complete basis.</p> <p>The names of applicant entities can be provided to the Board. However, solely providing the name of applicants would not provide information on the accreditation scope characteristics necessary to assess an applicant's potential to address GCF's objectives and programming goals. Noting that, as mentioned above, applications are at various stages in the accreditation process with the final recommendation by the Accreditation Panel taking place at the end of Stage II (Step 1), clarity on how such information on the names of the applicants will factor into the scope of reviews for the Secretariat, the Accreditation Panel and the Board in its decision-making during Stage II (Step 2) may be considered when further updating the accreditation framework.</p> <p>Currently, as per the GCF Information Disclosure Policy, the name and country of any entity applying for accreditation is made public on submission of an accreditation recommendation of such an entity to the Board during Stage II (Step 1)</p>

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				<p>of the 3 stages of the accreditation and re-accreditation process, unless the entity has a reason to keep such information confidential. In this case, such information shall be made available once such recommendation has been approved by the Board.</p> <p>Information on the re-accreditation and accreditation pipeline is contained in the “Consideration of accreditation proposals” presented at each Board meeting, the latest of which is contained in document GCF/B.34/09 for information up to 31 August 2022. The information provided includes statistics on the entities in the re-accreditation and accreditation pipelines, particularly the types of entities (including national and regional DAEs and IAEs, including private sector entities) at each stage of the processes. Statistics on DAEs nominated by NDAs or focal points that have become AEs, those in various stages of the accreditation pipeline, and those that have been nominated but have not sought accreditation are also provided for each Board meeting.</p> <p>2. Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				<p>to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to strengthen their capabilities to develop and implement projects and programmes aligned with GCF</p>

Board Written Comments				Secretariat Response
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				<p>programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>3. Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the</p>

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				<p>proposed prioritization to address this gap.</p> <p>The accreditation scope for size category is the maximum size for a project or programme activity. For example, an entity seeking accreditation for a maximum size category of Large means that the entity could submit a funding proposal that falls within the Micro, Small, Medium or Large size categories. An entity seeking accreditation for a maximum size category of Medium means that the entity could submit a funding proposal that falls within the Micro, Small and Medium size categories, but it could not submit a funding proposal that falls within the Large size category since the entity is not accredited for this scope. Therefore, the prioritization proposed in paragraph (c) of annex I (draft decision) to the revised draft AS document does not exclude Micro or Small size projects/programme activities, but instead it is included where the entity has a wider size range to develop funding proposals under.</p> <p>4. Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review,</p>

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				in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.
African Board and alternate members	Annex I, Draft decision of the Board, para. (c)	“(c) Agrees to review the accreditation strategy adopted in paragraph (a) above, as needed, in line with updates to the Strategic Plan for the GCF for the second replenishment period of the GCF;”	As noted we do not agree to this linkage	Paragraph 14 of annex II to the revised draft AS document indicates that “The accreditation strategy will be reviewed five years after its approval by the Board.”
African Board and alternate members	Annex I, Draft decision of the Board, para. (d)	“(d) Requests, pursuant to decision B.31/06, paragraph (m), the Board to present a revised accreditation framework to address matters: (i) Outlined in paragraph 26 (a)(i)–(v) of annex VI to decision B.27/06; and	It would be more appropriate to outline the review process here than. The point of the review is to assess the relevance of the AF itself, we do not agree to limit the review to the elements outlined in the USP.	In decision B.31/06, paragraph (m), the Board decided to launch the process to review the accreditation framework in accordance with decision B.27/06, which, inter alia, mandates the Board to present a revised accreditation framework to address matters outlined in paragraph 26 (a)(i)–(v) of annex VI to that decision. Paragraph (g) of the draft decision contained in annex I to the revised draft AS document requests, pursuant to decision B.31/06,

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		(ii) Arising out of the accreditation strategy adopted through paragraph (a) above, no later than the thirty-fifth meeting of the Board;"		<p>paragraph (m), the Board to present a revised accreditation framework to address matters:</p> <ol style="list-style-type: none"> 1. Outlined in paragraph 26 (a)(i)-(v) of annex VI to decision B.27/06; and 2. Arising out of the accreditation strategy adopted through paragraph (b) of the draft decision, no later than the thirty-sixth meeting of the Board.
Italy	Annex I, Draft decision of the Board, new para. (b)(iii)	New text	<p>Proposed change:</p> <p><u>"(iii) Entities that are seeking institutional accreditation to the GCF with a proven track record and proposing programmes and projects that consider partnership with and capacity building support to national direct access entities."</u></p>	<p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there</p>

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				<p>was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities</p>

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				<p>for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph</p>

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				9(a)(iv) in annex II to the revised draft AS document).
United States	Annex I, Draft decision of the Board, para. (c)	“Agrees to review the accreditation strategy adopted in paragraph (a) above, as needed, in line with updates to the Strategic Plan for the GCF for the second replenishment period of the GCF”	We do not support the inclusion of paragraph (c) in the decision text. We recognize the importance of reviewing this strategy, as appropriate, at a later date, potentially by the Str, but we question the timing as suggested by paragraph (c) of the draft decision text, which calls for this to take place following the adoption of USP-2. In our view, the Accreditation Strategy pertains to operational aspects that extend beyond the lifetime of any particular replenishment period. In contrast, USP-2 is a cross-cutting strategy which articulates particular objectives, targets, and priorities for a specific replenishment period. While operationalization of the Accreditation Strategy will naturally be informed by the strategic programming objectives and targets from USP-2, it would be premature to suggest updating this Strategy right after adoption of USP-2 because there would not have been adequate time in its implementation for a proper assessment. An update to the Accreditation Strategy may be appropriate after at least five years, for example, to properly assess implementation through at least one cycle of accreditation. At that point, we would support undertaking a review of the Strategy to help determine if any updates	Paragraph 14 of annex II to the revised draft AS document indicates that “The accreditation strategy will be reviewed five years after its approval by the Board.”

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			would be needed to further improve the GCF's approach to accreditation.	
African Board and alternate members	Annex II, para. 2	"GCF follows a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives"	<p>As stated above, we are of the view- GCF can play an enabling role to support AEs deliver ambitious and transformative programmes.</p> <p>The objective of the strategy should promote the strategic role of accreditation in the GCF. We believe that the priority should be strengthening the GCF Sec capacity to support AEs and DAEs, and improving the efficiency of the accreditation process- from reducing the timeline. The draft strategy should be informed by the recommendations on IEU on these challenges and propose solutions to address them.</p>	The comment provided by African Board and alternate members on "Background document: II. Policy rationale, para. 14; and Annex II, para. 2" above is noted. Please see the response to the comment on "Background document: II. Policy rationale, para. 14; and Annex II, para. 2" above.
African Board and alternate members	Annex II, para. 2	"Second, GCF seeks to strengthen the institutional capacities of AEs for developing and implementing high-quality climate change projects and programmes to contribute towards achieving the goals of the Paris Agreement."	This seems to be mixing too many issues, albeit that they are inter-related. The accreditation strategy is about the range of institutions we can work with. Building capacity for programming/projects is a separate task that is better addressed elsewhere.	<p>In the context of the GCF operating model, the purpose of accreditation is to identify potential programming partners – accredited entities (AEs) – that will channel financing for and deliver impacts from climate change projects and programmes responding to the needs of developing countries and in alignment with the mandate of the GCF as well as its objectives and programming goals, in a manner that meets the standards of the GCF (paragraph 1 of annex II to the revised draft AS document).</p> <p>Paragraph 2 of annex II to the revised draft AS document indicates that the objective of the</p>

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				accreditation strategy is to clarify the GCF operating model and guide the evolution of the GCF network of AEs in order to deliver on the GCF's mandate, objectives and programming directions. It notes that GCF is implicitly following a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives.
Bhutan on behalf of LDCs	Annex II, para. 2	“To that end, the objective of this accreditation strategy is to clarify the GCF operating model and guide the evolution of the GCF network of AEs. GCF follows a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives. First, GCF focuses on the value-addition of AEs to deliver country-driven climate change programming and to advance the GCF strategic objectives, while continuing to prioritize strengthening the role of direct access entities (DAEs) in programming.	The hybrid approach explained in paragraph 2 seems suitable. Strengthening the role of DAEs in programming, and strengthening the institutional capacities of AEs are key elements of the accreditation approach.	The comment is noted.

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		Second, GCF seeks to strengthen the institutional capacities of AEs for developing and implementing high-quality climate change projects and programmes to contribute towards achieving the goals of the Paris Agreement.”		
Germany	Annex II, para. 2	“To that end, the objective of this accreditation strategy is to clarify the GCF operating model and guide the evolution of the GCF network of AEs. GCF follows a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives. First, GCF focuses on the value-addition of AEs to deliver country-driven climate change programming and to advance the GCF strategic objectives, while	We support the hybrid operating model outlined in the draft strategy (para 2) addressing transformative programming targets as well as AE capacity development objectives, noting that this hybrid model is consistent with the overall strategy of the GCF. We would not see this as a trade-off but rather as a combination in line with the strategic objectives of the GCF. It would be useful to explicitly develop the link between this model and the complementarity of the two elements of the hybrid model within the broader set of strategic objectives and vision of promoting the paradigm shift and supporting the implementation of the Paris Agreement and UNFCCC, and in the context of the comparative advantages of the GCF being country-driven and working through a partnership-based	The comment is noted. As indicated in paragraph 10 of the revised draft AS document, GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34. ¹¹ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board’s long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund’s operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be

¹¹ Decision B.32/04.

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		continuing to prioritize strengthening the role of direct access entities (DAEs) in programming. Second, GCF seeks to strengthen the institutional capacities of AEs for developing and implementing high-quality climate change projects and programmes to contribute towards achieving the goals of the Paris Agreement.”	business model to eventually serve as an accelerator and amplifier for climate action as outlined in the Updated Strategic Plan (USP) for the GCF for 2020-2023.	<p>achieved through AEs as programming partners.</p> <p>Paragraph 3 of annex II to the revised draft AS document indicates that: “The GCF accreditation strategy is grounded in meeting priorities set out in the Governing Instrument for the GCF, the GCF Strategic Plan, and Board-approved strategies and policies, as follows: ensuring thematic and geographic balance; in the context of allocating resources for adaptation, prioritizing developing countries that are Parties to the United Nations Framework Convention on Climate Change that are particularly vulnerable to the adverse effects of climate change, including least developed countries (LDCs), SIDS and African States; paying specific attention to adaptation activities; significantly increasing funding channelled through DAEs relative to the initial resource mobilization period; and promoting the participation of local private sector actors in developing countries, including small and medium-sized enterprises and local financial intermediaries.”</p>
Italy	Annex II, para. 3	“[...] promoting the participation of local private sector actors in developing countries, including small and	<p>The promotion of private sector participation should be strengthened at all levels, including international private sector.</p> <p>Proposed change:</p>	Paragraph 3 of annex II to the revised draft AS document includes the text “promoting the participation of local private sector actors in developing countries, including small and medium-sized enterprises and local financial

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		medium-sized enterprises and local financial intermediaries.”	“[...] promoting the participation of local private sector actors in developing countries, including local and small and medium-sized enterprises and local financial intermediaries.”	intermediaries” from paragraph 5 of the GCF Private Sector Strategy adopted in decision B.32/06, paragraph (d).
Germany	Annex II, para. 4	<p>“To optimize the GCF operating model, the accreditation strategy aims to:</p> <p>(a) Enhance the efficiency of the GCF accreditation and re-accreditation process;</p> <p>(b) Strategically use accreditation of partners to fill in gaps in capabilities and coverage; and</p> <p>(c) Optimize incentives for partners to</p>	<p>We support the three aims outlined in the draft strategy (para 4) of enhancing the efficiency of the GCF accreditation and re-accreditation process; strategically using accreditation of partners to fill in gaps in capabilities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF.</p> <p>However, we suggest reviewing and broadening or enhancing these aims to address all of the aims (i) to (v) outlined in the USP for a more strategic approach to accreditation. In particular the element of quality or effectiveness to address aim (iv) in para 26 of the USP (“accredit institutions which are ready to meet GCF standards and to advance the goal of the GCF to promote the paradigm shift (...)” and (v) (“inform re-accreditation decisions with an examination of AE performance in contributing to GCF programming results” including the “assessment of the extent to which AEs overall portfolio of activities beyond those funded by</p>	<p>As indicated in paragraph 10 of the revised draft AS document, GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34.¹² Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board’s long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund’s operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to</p>

¹² Decision B.32/04.

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		invest in a dedicated capacity to programme for GCF.”	the GCF has evolved towards low-emission and climate resilient development pathways” seem to not be sufficiently covered by the aims formulated in para 4 of the draft strategy.	<p>(see paragraph 7(a)(ii) in annex II to the revised draft AS document). Meeting GCF standards for accreditation are a part of such obligations and responsibilities.</p> <p>Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹³ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE’s broader investment portfolio besides that funded by GCF.</p>

¹³ See document GCF/B.28/11/Add.02.

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Italy	Annex II, para. 4(a) and (b)	“(a) Enhance the efficiency of the GCF accreditation and re-accreditation process; (b) Strategically use accreditation of partners to fill in gaps in capabilities and coverage;”	Proposed changes: “(a) Enhance the efficiency, <u>effectiveness and inclusiveness</u> of the GCF accreditation and re-accreditation process; (b) Strategically use accreditation of partners to <u>advance the goals of the GCF, including by filling in gaps in capabilities and coverage, as well as to develop quality funding proposals;</u> ”	Annex II to the revised draft AS document includes Pillar 1 as enhancing the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes. Annex II to the revised draft AS document includes Pillar 2 to strategically use accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of direct access entities.
Bhutan on behalf of LDCs	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process	Section I. “Enhance the efficiency of the GCF accreditation and re-accreditation process” General	Increasing the efficiency of the accreditation process is a relevant element of the strategy, however the approach should be balanced: Efforts should also target reducing the time of the overall process and reduce the burden for applicant entities. Options for discarding applications ex-ante require further discussions and careful consideration. Applications are endorsed by NDAs. Efforts should be strengthen for providing guidance and building capacities to have the right AEs at entry point.	The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document). One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-

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				<p>accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based</p>

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				on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms.
Italy	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process	Section I. "Enhance the efficiency of the GCF accreditation and re-accreditation process"	Proposed changes: Section I. "Enhance the efficiency, <u>effectiveness</u> and <u>inclusiveness</u> of the GCF accreditation and re-accreditation process"	Annex II to the revised draft AS document includes Pillar 1 as enhancing the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes.
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 6	"GCF will seek to accredit institutions that have potential to submit for consideration and then implement projects and programmes."	The accreditation process has clear policies and standards. Is this paragraph proposing new criteria? 'What does GCF will seek to accredit institutions that have the potential to submit projects mean?	Paragraph 6 of annex II to the revised draft AS document is a reflection of the role and responsibilities of AEs and the requirements of the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision. In the context of the GCF operating model, the purpose of accreditation is to identify potential programming partners – AEs – that will channel financing for and deliver impacts from climate change projects and programmes responding to the needs of developing countries and in

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				<p>alignment with the mandate of the GCF as well as its objectives and programming goals, in a manner that meets the standards of the GCF (paragraph 1 of annex II to the revised draft AS document).</p> <p>Paragraph 50 of annex IV to the updates to the Accreditation Framework adopted in decision B.31/06 indicates that the Stage I “institutional assessment” includes an assessment of various factors, including:</p> <ol style="list-style-type: none"> 1. “(a) Alignment of the applicant to the mandate and objectives of GCF. Specifically, this includes the selection of applicants that are best suited to support the objectives of the GCF and match the programming and project delivery capacities needed to implement countries’ programming priorities and build capacity for improving wider investments in line with countries’ climate plans and strategies and national circumstances, in alignment with GCF strategic objectives and policies, ensuring all countries have coverage and a choice of AEs to support them”; and 2. “(f) Viability of the pipeline of projects/programmes: the applicant is able to demonstrate that the projects/programmes it intends to submit to GCF under the role of an AE will:

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				<ul style="list-style-type: none"> a. Drive a paradigm shift and show how such a shift compares to current business practices and activities; b. Address country programming, strategies and priorities regarding climate change of the country(ies) that the applicant intends to operate in using GCF resources; and c. Result in impacts in the various GCF results areas.“
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 6	“Entities that are not suitable or willing to undertake the full role and responsibilities of the AE will be encouraged, where appropriate, to partner with AEs in GCF projects and programmes (e.g. as an executing entity, co-financier role or contractor), noting that such organizations do not need to undergo accreditation.”	Is this before the accreditation application? If that is the case, What is the criteria for that?	<p>Entities may find that they are not suitable or willing to undertake the full role and responsibilities of the AE at any stage of the process, including at an early stage when considering whether to become accredited, during the accreditation process, or after having been an AE. GCF may also find entity unable to meet GCF’s requirements and standards as guided by the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision throughout the various stages before, during and after the accreditation process.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to</p>

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				(see paragraph 7(a)(ii) in annex II to the revised draft AS document).
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7	“GCF will continue to enhance the efficiency of the accreditation and re-accreditation processes in order to support the identification of the most suitable partners [...]”	As highlighted above- African BM supports enhancing the efficiency of the accreditation and re-accreditation process- in particular - proposals for increasing the GCF Sec review process of accreditation proposals, reducing accreditation timelines (506 days) and legal negotiations.	The comment is noted. Please see the response to the comment from African Board and alternate members on “Background document: II. Policy rationale, para. 14; and Annex II, para. 2” above.
Italy	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7	“GCF will continue to enhance the efficiency of the GCF accreditation and re-accreditation process [...]”	Proposed changes: “GCF will continue to enhance the efficiency, <u>effectiveness and inclusiveness</u> of the GCF accreditation and re-accreditation process [...]”	Annex II to the revised draft AS document includes Pillar 1 as enhancing the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes.
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(a)(iii)(1)	“Project-specific assessment approach”	We welcome the strategic use of the PSAA for entities that are seeking one-time engagement with the GCF for a specific project, in distinction to full accreditation, which should only be for long-term programming partners with several projects. The PSAA pilot should be used to support highly innovative technologies and approaches, for example in the insurance sector, in complement to what is already offered by the GCF’s network of AEs. If the partnership is successful and the PSAA entity has other promising project ideas, it can	The comment is noted. An analysis of the steps, approach and due diligence for review in the institutional accreditation process that are not applicable and thus not included in the PSAA have been presented to the Board in background documents during the development of the updates to the Accreditation Framework and PSAA between the nineteenth and the thirty-first meetings of the Board.

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			apply to become a full AE. In this case, it could be useful to later analyse if there are steps in the accreditation process that are redundant for the PSAA entities without relaxing on due diligence. In addition, the strategy could explore ways to further simplify the PSAA. The strategy should also clarify (in Annex 2) that the PSAA is implemented on a pilot basis, not (yet) as a permanent modality.	
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(a)(iii)(2)	“Institutional accreditation”	It is unclear how the capacity of accrediting entities will be built- specifically, DAEs.	<p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy:</p> <p>To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the primary objective is that</p>

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				<p>these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with GCF’s programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of annex II to the revised draft AS document).</p> <p>The revised draft AS document also includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include developing tailored guidance on and</p>

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				<p>providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p> <p>Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for</p>

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				<p>adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and the Project Preparation Facility (PPF) to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p>
Italy	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(a)(iii)(2)	“Institutional accreditation [...] The primary objective is that these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with GCF’s programming targets. The secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional	Italy supports it.	The comment is noted.

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		accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF”		
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(a)(iv)	“Updating re-accreditation and accreditation guidance to NDAs and entities [...]”	It should be provided that IAE’s reaccreditation must assess the IAES contribution towards building the capacity of DAEs.	<p>Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE</p>

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				<p>capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p>

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				<p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p>

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				Other comments raised during B.33 suggested that GCF should also develop a system to monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs have supported in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.
Italy	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(a)(iv)	“Updating re-accreditation and accreditation guidance to NDAs and entities, based on GCF strategic priorities and programming directions, and the accreditation strategy.”	Proposed change: “Updating re-accreditation and accreditation guidance to NDAs and entities, based on GCF strategic priorities and programming directions <u>and track record of high-quality funding proposals that contribute strategically to the goals of the GCF and the Paris Agreement, [...]”</u> ”	A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating

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				incentives to encourage IAEs to partner with DAEs.
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para 7(b)(i)	“Exploring the development of a metric on climate change programming development and implementation capacity.”	Is it possible to get more information on a possible metric?	<p>The revised draft AS document includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Budget costs to develop a potential standard for determining an AE’s climate change programming development and implementation capacity is included in paragraph (e) of annex I (draft decision) to the revised draft AS document.</p> <p>Paragraph (f) of annex I (draft decision) to the revised draft AS document requests the Secretariat to present the assessment of options for developing a standard on climate change programming development and implementation competency and capacity against which applicants for accreditation, upgrades and re-accreditation can be assessed, together with the recommendation in relation</p>

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				to such options for the Board's consideration at the earliest available opportunity.
Bhutan on behalf of LDCs	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para 7(b)(i)	"Exploring the development of a metric on climate change programming development and implementation capacity. [...];"	Is this metric intended to become a criterion/standard for accreditation?	<p>The revised draft AS document includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Budget costs to develop a potential standard for determining an AE's climate change programming development and implementation capacity is included in paragraph (e) of annex I (draft decision) to the revised draft AS document.</p> <p>Paragraph (f) of annex I (draft decision) to the revised draft AS document requests the Secretariat to present the assessment of options for developing a standard on climate change programming development and implementation competency and capacity against which applicants for accreditation, upgrades and re-accreditation can be assessed, together with the recommendation in relation</p>

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				to such options for the Board’s consideration at the earliest available opportunity.
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(b)(i)	“Exploring the development of a metric on climate change programming development and implementation capacity. [...] If developed, the metric will be part of the accreditation and re-accreditation processes”	<p>Could the Secretariat provide more details, initial thoughts and suggestions on how this metric could look like?</p> <p>So the metric would be applied up-front and to both new applicants and AE that apply for re-accreditation?</p>	<p>The revised draft AS document includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Budget costs to develop a potential standard for determining an AE’s climate change programming development and implementation capacity is included in paragraph (e) of annex I (draft decision) to the revised draft AS document.</p> <p>Paragraph (f) of annex I (draft decision) to the revised draft AS document requests the Secretariat to present the assessment of options for developing a standard on climate change programming development and implementation competency and capacity against which applicants for accreditation, upgrades and re-accreditation can be assessed, together with the recommendation in relation</p>

Board Written Comments				Secretariat Response
Submitted by	Section	Text	Comment	
				to such options for the Board’s consideration at the earliest available opportunity.
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para 7(b)(ii)	“Authorizing the Secretariat to actively guide entities both at the pre-accreditation stage and during stage I of the accreditation process towards the appropriate accreditation track [...]”	Will the Sec develop a document for guiding the entities? What are the criteria, and will it be different from the accreditation policies and standards?	<p>Guidance on accreditation will be in line with the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision.</p> <p>To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the primary objective is that these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with GCF’s programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of annex II to the revised draft AS document).</p>

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				<p>In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed.</p> <p>Paragraph 41 of the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision: “Entities may be encouraged to seek institutional accreditation after undergoing the PSAA should they have the potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to the delivery of the targeted project/programme under the PSAA would be used to inform the institutional accreditation process in the context of whether the entity could be an appropriate partner for channelling GCF resources to developing countries through projects/programmes similar to the PSAA project/programme, noting that the broader institution-wide systems and capacities for a potential portfolio of projects/programmes will be assessed in institutional accreditation.”</p>
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-	“Prioritizing the re-accreditation of AEs to minimize lapses in accreditation terms;”	African BMs support this para, but it should be in line with the re-accreditation policy- in particular, assessment of capacity support to DAEs	<p>The comment is noted.</p> <p>The re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision continues to apply,</p>

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	accreditation process, para. 7(b)(iii)			
Italy	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(b)(iii)	“Prioritizing the re-accreditation of AEs to minimize lapses in accreditation terms;”	Please elaborate on how such a prioritization would work and how criteria will be defined for such purpose.	<p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Paragraph 7(b)(iii) of annex II to the revised draft AS document proposes for the prioritization of re-accreditation of AEs to minimize lapses in accreditation terms. This prioritization is out of the 3 application types</p>

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				including applications for re-accreditation, upgrades and new entities.
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(b)(iv)	“[...] the Board authorizes the Executive Director of the Secretariat, in consultation with the relevant Secretariat divisions, offices and units, to determine on a case-by-case basis whether or not a change to the AMA template proposed by an AE is considered substantive, and would therefore require Board approval during stage III of the AMA process;”	<p>Will the Sec propose ways to enhance the review process of accreditation proposals? - to increase the number of AP reviewed per year?</p> <p>What are the possible ‘substantive changes?’</p> <p>How will this proposal enhance efficiency- it is possible to get scenarios as for the case by case and targets for reducing the number of days as a result of this proposal? Will the 600 days be significantly reduced?</p>	<p>One of the 3 key pillars of the accreditation strategy is to “enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation process”. As indicated in section 4.1 of the background to the revised draft AS document, GCF has historically been able to accredit around 15 AEs annually (including applications for re-accreditation, upgrades and new entities). However, over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation. It is essential to enhance process efficiency and effectiveness for accreditation and re-accreditation to cope with this growing workload and to avoid accreditation lapses and delays in project development and approval. Challenges in the existing process are also detailed in this section.</p> <p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role,</p>

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				<p>responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF. It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. The development of a metric for climate change programming development and implementation capacity will be explored at accreditation and re-accreditation. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per year, including re-accreditation, upgrade and new accreditation applications.</p> <p>In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is</p>

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				adjusting its own capacity, including the Secretariat and the AP, to support the accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP's guidance. In paragraph (e) of the same decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement of consultancy firms to support the AP in its work.
African Board and alternate members	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(b)(vi)	"Updating the accreditation framework to align with the accreditation strategy [...]"	Proposed changes: " Updating <u>Reviewing</u> the accreditation framework to align with the accreditation strategy [...]"	To implement the draft AS if adopted, paragraph 7(b)(v) in annex II to the revised draft AS document proposes a revision to the accreditation framework to align with the AS including establishing clear, transparent and predictable criteria for re-accreditation; detailing the further streamlined processes for re-accreditation and accreditation; and ensuring monitoring and reporting by AEs at the institutional-level includes an assessment of AE performance, results and alignment with the GCF mandate.

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Sweden	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 7(b)(vi)	"[...] including establishing clear, transparent and predictable criteria for re-accreditation [...]"	Referring back to (ii) there is a need for establishing clear, transparent and predictable criteria for re accreditation.	The comment is noted.
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(b)(vi)	"[...] including establishing clear, transparent and predictable criteria for re-accreditation; detailing the further streamlined processes for re-accreditation and accreditation [...]"	This is very welcomed, however, ideally there would also be clear, transparent and predictable criteria for accreditation!	The comment is noted.
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(c)(i)	"Developing tailored guidance on [...]"	For whom would this guidance be developed?	Paragraph 7(c)(i) of annex II to the revised draft AS document proposes the development of tailored guidance on and providing institutional capacity support measures for AEs and entities by adapting the support according to the level of capacity of AEs to enable them to programme with the GCF. Such guidance can be used by AEs, NDAs and Delivery Partners of the Readiness Programme.
African Board and	Annex II, Section I. Enhance the	"Investing in AE capacity pre- and post-	Proposed changes:	Paragraph 7(c)(ii) of annex II to the revised draft AS document proposes one measure for

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alternate members	efficiency of the GCF accreditation and re-accreditation process, para. 7(c)(ii)	accreditation through the GCF Readiness and Preparatory Support Programme and in alignment with GCF strategic priorities;"	"Investing in AE capacity, <u>in particular for DAEs</u> pre- and post-accreditation through the GCF Readiness and Preparatory Support Programme and in alignment with GCF strategic priorities;"	having engagement and building institutional capacity is investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities. This may include the creation of a dedicated DAE window within the Readiness Programme where accredited DAEs could directly request such support.
Bhutan on behalf of LDCs	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(c)(ii)	"Investing in AE capacity pre- and post-accreditation [...];"	This should be in particular to DAEs.	Paragraph 7(c)(ii) of annex II to the revised draft AS document proposes one measure for having engagement and building institutional capacity is investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities. This may include the creation of a dedicated DAE window within the Readiness Programme where accredited DAEs could directly request such support.
Switzerland, Finland, Hungary, Monaco, and Liechtenstein	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation	"Continuing to allow for conditions of accreditation [...] Accreditation Panel [...]"	What conditions exactly are referred to here? The Strategy could / should clarify the (strategic) role and tasks of the Accreditation Panel going forward.	Paragraph 7(c)(iii) proposes that as a measure to enhance engagement and build institutional capacity, it is proposed that GCF continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF. Meanwhile, encouraging the AP to recommend

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	process, para. 7(c)(iii)			entities that, where possible, are ready to fully meet the GCF accreditation standards for the Board’s consideration.
African Board and alternate members	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage	“Strategically use accreditation of partners to fill in gaps in capabilities and coverage”	We are open to a conversation of the role of accreditation/ indirect and direct, and the broader partnership for the GCF to work outside of the accreditation framework with a clear focus on the public sector in developing countries. However, this conversation needs to be based on proposed initiatives/results areas, otherwise it will just be a theoretical exercise	<p>The comment is noted.</p> <p>The AE Portfolio Analysis contained an analysis of the AE portfolio to identify strengths and gaps in coverage and capabilities no later than the thirty-second meeting of the Board. The analysis reviewed the GCF business model and AEs as programming partners, reviewed the accreditation framework as the basis on which AEs are accredited, and entities progressing through different stages of the accreditation process. The AE Portfolio Analysis also reviewed the coverage and capabilities of the AE network, finding that the GCF AE network has evolved to include a diverse set of partners that, theoretically, could have the capacity to programme across all GCF thematic and geographic areas, financing sizes, financial instruments and environmental and social risk levels. However, AEs with a specific combination of AE attributes to address GCF programming priorities appear to be lacking in the AE network, such as private sector DAES with proven expertise in adaptation.</p> <p>Annex II to the revised draft AS document includes Pillar 2 to strategically use accreditation of partners to advance the goals</p>

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				of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of direct access entities.
Bhutan on behalf of LDCs	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage	“Strategically use accreditation of partners to fill in gaps in capabilities and coverage”	<ol style="list-style-type: none"> 1. There are several mentions in the document to the low ratio of projects per AE. The text should make clear that this is not necessarily caused by lack of capacities of entities, or non-fitting entities, but to reluctance to undertake burdensome GCF processes. 2. Responding only to indicators based on programming or portfolio level targets can negatively affect applications of DAE from vulnerable countries and regions, where their accreditation, if approved, can have a valuable impact. 3. To implement the provisions of this section will require the Board to have a clear understanding of the pipeline of applications. 4. While is part of the draft decision text, prioritization of 	<ol style="list-style-type: none"> 1. The comment is noted. Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals. 2. The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1

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			<p>accreditation of DAEs of countries which do not have yet a national or regional DAE- is missing from this strategy document.</p>	<p>and 2 of annex II to the revised draft AS document).</p> <p>3. Given that GCF's operating model relies on AEs as programming partners to channel climate financing, stronger alignment between the capabilities and coverage of the AE network and GCF's objectives and programming goals will facilitate achieving said objectives and programming goals. The capabilities and coverage of the AE network is the culmination of the accreditation scope characteristics of each AE assessed through accreditation. The AE accreditation scope characteristics include:</p> <ul style="list-style-type: none"> a. Access modality: DAE, IAE; b. Type of entity: private sector, non-private sector; c. Indicative geographic coverage; d. Indicative results areas; e. Accreditation criteria: <ul style="list-style-type: none"> i. Financial modality (fiduciary standards,

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				<p>which include entities being able to manage projects/programmes directly, award grants on a competitive basis/mechanism, on-lend, blend instruments, undertake equity investments and provide guarantees);</p> <ul style="list-style-type: none"> ii. Maximum environmental and social risk level; and iii. Maximum project/programme activity size category. <p>The AE network and its accreditation scope characteristics listed above, as well as the status of the AEs in the completing the (re) accreditation process by signing and making effective their accreditation master agreement (AMA) with GCF, was presented in the AE Portfolio Analysis in document GCF/B.32/08.</p> <p>Similarly, an analysis of the accreditation pipeline using the accreditation scope characteristics listed above can be provide to the Board to inform whether applicants in the pipeline have the necessary characteristics to be able to address</p>

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				<p>specific GCF objectives and programming goals, as well as COP guidance. It should be noted that the accreditation scope of applicants is indicative only since accreditation applications are at various stages of activity (and inactivity where responses are pending with applicants), completeness, review by GCF (including whether and what, if any, gaps in meeting GCF accreditation standards).</p> <p>Such analyses have been previously provided to the Accreditation Committee and to the Board to inform the Accreditation Committee's recommendation on a prioritization for certain types of accreditation applicants. The Board previously prioritized specific types of applicants for accreditation in decisions B.14/08, paragraph (d)(i); B.18/04, paragraph (c); B.19/13, paragraph (c); B.21/16, paragraph (e); B.23/11, paragraph (b); and B.24/11, paragraph (e), which have expired since 12 March 2020. The review of accreditation applications, in the absence of prioritization, has defaulted to a first come, first complete basis.</p> <p>4. Section II of annex II to the revised draft AS document contains measures proposed for strategically using accreditation of</p>

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				<p>partners, particularly DAEs. Paragraph 9(b)(i) proposes prioritizing expansion of the AE network to align with programming gaps to enable GCF to implement its strategic priorities and responding to developing countries' needs. This is further elaborate in paragraph (c) of the draft decision.</p> <p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE.</p>
Italy	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage	"Strategically use accreditation of partners to fill in gaps in capabilities and coverage"	<p>Proposed changes:</p> <p>"Strategically use accreditation of partners to <u>advance the goals of the GCF, including by filling in gaps in capabilities and coverage, as well as to develop quality funding proposals</u>"</p>	Annex II to the revised draft AS document includes Pillar 2 to strategically use accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of direct access entities.
African Board and alternate members	Annex II, Section II Strategically use accreditation of partners to fill in	"Consolidate programming engagement with capacity-ready AEs [...]"	Proposed changes:	Paragraph 9(a)(i) of annex II to the revised draft AS document includes the proposed measure to consolidate programming engagement with capacity-ready AEs,

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	gaps in capabilities and coverage, para. 9(a)(i)		“Consolidate programming engagement with capacity-ready AEs, <u>and in particular DAEs</u> [...]”	particularly DAEs, for them to generate project/programme ideas, in line with country programming priorities, and steer AEs towards specific strategic goals or funding modalities.
African Board and alternate members	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage, para. 9(a)(ii)	“Incentivize and engage AEs to programme in underserved areas of programming.”	What are the incentives?	Paragraph 9(a)(ii) of annex II to the revised draft AS document proposes to Incentivize and engage AEs to programme in underserved areas of programming. This may include setting priorities for types of funding proposals to be submitted for Board consideration, such as considering geographic areas (underserved countries/regions), public or private sector, GCF results areas and financing instruments (e.g. equity and guarantees).
Italy	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage, para. 9(b)(i)	“The prioritization of applicants by the Secretariat will be based on priorities set by the Board.”	Proposed change: “The prioritization of applicants by the Secretariat will be based on <u>the objectives set in the Accreditation Strategy</u> priorities set by the Board. ”	Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.
Switzerland, Finland, Hungary,	Annex II, Section II Strategically use accreditation of partners to fill in gaps in	“The prioritization of applicants by the Secretariat will be based	OK, but the Governing instrument and the USP should also be mentioned and provide guidance on the priorities.	Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the

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Monaco, and Liechtenstein	capabilities and coverage, para. 9(b)(i)	on priorities set by the Board.” “The prioritization of applicants will be revisited annually to align with programming gaps or opportunities that may arise.”	The frequency should be re-considered and possibly reduced to biannually or with the USP.	<p>NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the AE Portfolio Analysis as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.</p>
Bhutan on behalf of LDCs	Annex II, Section III. Optimize incentives for partners to invest in a dedicated	General	1. Overall this section requires more detail to understand the content and scope of the provisions. For example, clearly identify what are	1. Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at

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	capacity to programme for GCF		<p>the targeted incentives and how they will be optimized.</p> <p>2. Clarify the expression “dedicated capacity to programming for GCF” and what would the implementation of this capacity mean for AEs.</p>	<p>least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals.</p> <p>The development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document.</p> <p>2. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in</p>

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				<p>dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p> <p>Dedicated capacity means capacity that is available within an AE to programme with GCF. This could be a specific unit within an organization, specific personnel with technical expertise in climate change areas or others depending on the type of organization. Where possible, the capacity would focus on developing and implementing programming with GCF specifically, applying the experience and knowledge of programming with GCF to a pipeline.</p> <p>Having been accredited to GCF, this same dedicated capacity within AEs for programming with GCF can also support AEs in accessing other sources of climate finance, including for some</p>

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				<p>domestic and international capital markets.</p> <p>As noted in paragraph 60 of the revised draft AS document: “In addition to strategically using accreditation of partners to fill in gaps in capabilities and coverage, it will be important to optimize incentives for partners to invest in establishing a dedicated capacity to programme for GCF. The learning curve to develop such a transformative initiative for a new institution can be steep. A dedicated team can draw lessons from each project submission and substantially reduce project development and disbursement time frames, but in the absence of a dedicated capacity, an institution cannot benefit from this learning curve and instead starts anew for each project.”</p>
Italy	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to	“GCF will increasingly operate as a convener, building new coalitions of AEs and consolidating different sources of finance, as well as a	Italy supports it.	The comment is noted.

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	programme for GCF, para. 10	knowledge sharer to optimize this range of benefits and incentivize AEs to build or strengthen a dedicated capacity to programme for GCF.”		
African Board and alternate members	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 11	“To that end, GCF will aim for each AE to have at least two projects/programmes every 5-year accreditation term.”	We have raised a question on this para during the technical session - in particular to the feasible of the GCF capacity to review and approve FP.	<p>Paragraph 63 of the revised draft AS document indicates that “Since the approval of its first project in 2015, the GCF project portfolio has grown to 200 projects totalling USD 10.8 billion in GCF commitments and USD 29.4 billion in direct co-financing, giving an average of USD 53.9 million of GCF financing per project. Assuming an average of 30–50 projects per year, this comes to less than 2 projects per AE every five years (i.e. the duration of an accreditation term).”</p> <p>GCF’s processing capacity for (re)accreditation and programming are factors, alongside factors for the funds available during each replenishment period and the aim for each AE to have at least two projects/programmes every five-year accreditation term, will allow for the AE network size to be dynamic in order to respond to developing country climate change needs and GCF’s programming directions as they evolve (see paragraph 11 of annex II to the revised draft AS document).</p>

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				As indicated in paragraph 10 of the revised draft AS document, GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34. ¹⁴ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board's long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund's operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.
Bhutan on behalf of LDCs	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 11	"To that end, GCF will aim for each AE to have at least two projects/programmes every 5-year accreditation term."	It is important to note that a target 2 projects every 5 years may not be achieved by all AEs especially DAEs from small developing countries. Sometimes it takes more than 2 years for a project to get approved by the GCF.	<p>11. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>12. To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals, it is proposed that GCF</p>

¹⁴ Decision B.32/04.

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				<p>adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p> <p>The aim of at least two projects/programmes every five-year accreditation term, as an incentive for AEs to build internalized climate programming capacity, is not a minimum requirement.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). The development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document. Key performance indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and on</p>

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				budget; among others. In this context, GCF may wish to consider whether specific targets on the preparation and submission of high-quality, transformative funding proposals, and on project/programme implementation will form the KPIs. Such consideration may also take into account the capacities of AEs.
France	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 11	“To that end, GCF will aim for each AE to have at least two projects/programmes every 5-year accreditation term.”	Please clarify how the minimum requirement of 2 projects per AE and per accreditation term would impact the overall number of accredited entities within the GCF partnership.	<p>Paragraph 11 of annex II to the revised AS document proposes: “The size of the AE network will be dynamic in order to respond to developing country climate change needs and GCF’s programming directions as they evolve. The AE network size will reflect the aimed project-to-AE ratio for each accreditation term, the GCF’s processing capacity for (re)accreditation and programming, and funds available during each replenishment period.”</p> <p>The aim of at least two projects/programmes every five-year accreditation term, as an incentive for AEs to build internalized climate programming capacity, is not a minimum requirement.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). The development</p>

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				of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document. Key performance indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and on budget; among others. In this context, GCF may wish to consider whether specific targets on the preparation and submission of high-quality, transformative funding proposals, and on project/programme implementation will form the KPIs. Such consideration may also take into account the capacities of AEs.
Germany	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12	“In order to further optimize performance of the AE network, GCF will dynamically manage the AE network through the following key actions: [...]”	We would also like to suggest to further develop the key actions in para 12 of the draft strategy, also in the light of addressing aims (iv) and (v) of the for a more strategic approach to accreditation: Action (f) in para 12 of the draft strategy just states that the GCF will “inform re-accreditation decisions through an assessment of the extent to which an AE overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways”. We would expect this to be further developed and specified, given this just repeats the wording from the USP,	Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision

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			<p>instead of enhancing and specifying to achieve a more strategic approach. This should be translated into an action of clear prioritisation of re-accreditation of AE that have clearly demonstrated an alignment of their overall portfolio with the Paris Agreement objectives. Similarly, it should translate into a retirement of non-performing AEs that are not fulfilling this requirement.</p>	<p>B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹⁵ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p>

¹⁵ See document GCF/B.28/11/Add.02.

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Sweden	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12	“In order to further optimize performance of the AE network, GCF will dynamically manage the AE network through the following key actions: [...]”	While in support of para 12 (b), (c) and (d) we believe that (e) and (f) need to be rephrased.	<p>Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the</p>

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				<p>Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹⁶ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p>
France	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(a)(ii)	"Graduate out of the AE role and onto other forms of partnering with GCF, which may include supporting and partnering with DAEs and co-financing GCF projects and programmes, in order to advance the objectives of the GCF"	The role of executing entity could be further highlighted and valorized within the GCF partnership, as these are key partners for the realization of the GCF objectives, but do not currently receive much attention compared to the accredited entity.	<p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a</p>

¹⁶ See document GCF/B.28/11/Add.02.

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				DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document). It states: "This may include IAEs selecting DAEs as executing entities for projects/ programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/ programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards".
African Board and alternate members	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(b)	"Prioritize the re-accreditation of AEs with funding proposals submitted during their accreditation term that address the GCF programming targets set out in the updated Strategic Plan 2020–2023"	Programming targets and country needs	Paragraph 12(c) of annex II to the revised draft AS document proposes to "prioritize the re-accreditation of AEs with funding proposals submitted during their accreditation term that address the GCF programming targets set out in the updated Strategic Plan 2020–2023". GCF's programming targets account for the need to respond to developing country climate change programming needs.

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African Board and alternate members	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(d)	“Retire non-performing AEs at the end of their accreditation term that (1) do not have either a funding proposal submitted nor an approved GCF funded project or programme, or (2) have received post-accreditation support to build capacity for programming, but have not submitted a concept note during their accreditation term”	<p>Will this consider if there were projects in the pipeline?</p> <p>We also noted that 40% of all registered concept notes for adaptation projects are withdrawn during the review process.</p> <p>We also note the challenges of adaptation FP, including the adaptation project approval process, which takes over two years and much longer than mitigation projects, and the challenge faced by DAEs that it takes on average 475 days for national DAEs to conclude legal negotiations for adaptation projects.</p>	<p>Paragraph 12(g) in annex II to the revised draft AS document proposes to “retire non-performing AEs at the end of their accreditation term that (1) did not have, at the date the accreditation term ends, an approved GCF funding proposal, or (2) have received post-accreditation support to build capacity for programming, but have not submitted a concept note during their accreditation term.” Sub-paragraph (2) in particular is intended to include AEs (including DAEs) that have received post-accreditation support to build capacity for programming (e.g. PPF or project preparation technical assistance, and capacity building to further strengthening the AE in meeting GCF accreditation standards to be applied in programming). Where such support has been provided, the AE should have at a minimum submitted a concept note during the accreditation term.</p>
China	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(d)	“Retire non-performing AEs at the end of their accreditation term that (1) do not have either a funding proposal submitted nor an approved GCF funded project or programme, or (2) have received post-	<p>The AE network is the great asset of GCF, that GCF can work with AEs through not only funding support, but also knowledge exchange, capacity building and outreach events. We would like to see a growing AE network, instead of a shrinking one, to enhance GCF global influence, strengthen its partnership with AEs, and help developing countries to address climate change.</p>	<p>Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF</p>

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		accreditation support to build capacity for programming, but have not submitted a concept note during their accreditation term”		<p>aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals.</p> <p>Pillar 3 also includes paragraph 12(g) in annex II to the revised draft AS document proposes to “retire non-performing AEs at the end of their accreditation term that (1) did not have, at the date the accreditation term ends, an approved GCF funding proposal, or (2) have received post-accreditation support to build capacity for programming, but have not submitted a concept note during their accreditation term.”</p> <p>In the context of the GCF operating model, the purpose of accreditation is to identify potential programming partners – accredited entities (AEs) – that will channel financing for and deliver impacts from climate change projects and programmes responding to the needs of developing countries and in alignment with the mandate of the GCF as well as its objectives and programming goals, in a manner that meets the standards of the GCF (paragraph 1 of annex II to the revised draft AS document). Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an</p>

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				<p>action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Beyond the network of AEs as programming partners, entities may also seek to contribute to GCF's mandate and objectives in other forms of engagement mentioned above.</p>
Bhutan on behalf of LDCs	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(e) and (f)	<p>“(e) “Inform re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including DAEs, in the development and/or implementation of climate change projects/programmes;</p> <p>(f) Inform re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved</p>	Clarify paragraphs 12 (e) and 12 (f) on “informing re-accreditation decisions”. How would this action be implemented and against which references will be assessed?	<p>Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of</p>

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		towards low-emission and climate-resilient development pathways.”		<p>informing re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹⁷ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE’s broader investment portfolio besides that funded by GCF.</p>
Sweden	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to	“Inform re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional	While in support of para 12 (b), (c) and (d) we believe that (e) and (f) need to be rephrased with (e) reading “ <u>Prioritize the Inform re-accreditation of decisions through an assessment of the extent to which an international access-AEs that have worked with or commits to work with</u> national or	Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those

¹⁷ See document GCF/B.28/11/Add.02.

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	programme for GCF, para. 12(e)	entities, including DAEs, in the development and/or implementation of climate change projects/programmes;"	regional entities, including DAEs, in the development and/or implementation of climate change projects/programmes".	<p>nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Specifically, paragraph 12(f) in annex II to the revised draft AS document states: "Inform re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. In this context, within the pipeline of IAEs seeking re-accreditation, prioritize the re-accreditation of those IAEs that have partnered with subnational, national or regional entities (including accredited DAEs) based in developing countries in the development and/or implementation of GCF climate change projects/programmes."</p>

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Sweden	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(f)	“Inform re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways.”	While in support of para 12 (b), (c) and (d) we believe that (e) and (f) need to be rephrased with [...] (f) reading “ <u>Prioritize the inform re-accreditation of decisions through an assessment of the extent to which an AE’s that have demonstrated a shift towards Paris alignment within their overall investment portfolio and retire entities that do not have clear targets and policies in place to advance the mandate of the GCF of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways.</u> ”	<p>Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,¹⁸ it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE’s broader investment portfolio besides that funded by GCF.</p> <p>Specifically, paragraph 12(g) in annex II to the revised draft AS document states: “Inform re-accreditation decisions through an assessment of the extent to which an AE’s overall portfolio of activities beyond those funded by the GCF</p>

¹⁸ See document GCF/B.28/11/Add.02.

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				has evolved towards low-emission and climate-resilient development pathways. In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs, ¹⁹ GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF."
Bhutan on behalf of LDCs	Annex III: Consultation feedback	"[Feedback from consultations with the Board, NDAs, AEs and Accredited Observers to be added following consultations.]"	We would like to have more information regarding the consultation process and its next steps. Also, feedback provided verbally (for example, in technical sessions) should be registered and considered as part of the consultation process.	Document GCF/B.33/08/Add.01 contained a compilation of comments received during the process of consultation on document GCF/B.33/08 with the Board, AEs, NDAs and observers. Verbal comments on document GCF/B.33/08 received during the technical session for the Board held on 5 July 2022 are contained in document GCF/B.33/08/Add.01.

2. Table 3 below contains a summary of verbal comments on the draft accreditation strategy (AS) contained in document GCF/B.33/08 received during the technical session for the Board held on 5 July 2022. The summary provided does not constitute a transcript of the consultation. In cases where a written submission was submitted in addition to the verbal comments, the comments below reflect those that were not included directly in the written submission. Secretariat responses to questions, clarifications sought, or proposed changes are provided within the table; comments are noted in other cases.

¹⁹ See document GCF/B.28/11/Add.02.

Table 3. Summary of verbal comments from the Board received during the technical session on the draft accreditation strategy contained in document GCF/B.33/08, held on 5 July 2022 during consultations on the draft accreditation strategy, and Secretariat responses to questions, clarifications sought, or proposed changes

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
Albania	General	NA	<p>Do we have feedback on why IAEs are able to program a greater percentage over their 5-years of accreditation? We would like to understand better the situation of the DAEs and how we can improve their percentage.</p> <p>Can we have a roadmap or action plan on how we can improve the situation?</p>	<p>The Secretariat prepared a DAE Action Plan which was presented to the Board at B.29 (see annex I to document GCF/B.29/Inf.07). It recognizes that “direct access is a unique aspect of the GCF business model. Given the important role that DAEs play in supporting countries’ access to climate finance, as well as in realizing the principle of country ownership, this document aims to set-out an action plan that can be applied by the GCF Secretariat to foster greater access to GCF resources by the Fund’s DAEs.²⁰” The document also provided information on some of the challenges, barriers, and gaps in direct access to the GCF and proposes actions to increase DAE programming in GCF1. The proposed actions form part of the Secretariat’s 2022 work programme.</p> <p>In decision B.31/06, paragraph (o), the Board decided to develop a strategy on accreditation, and included nine areas that the strategy should focus on. Of these, (ii) and (iii) in particular focus on increasing the share of DAEs above the IRM level and incentivizing capacity building and alignment with the GCF mandate within the accreditation function.</p>

²⁰ IRM baseline: 14 per cent of funding in nominal terms; 27 of 124 approved projects (21%).

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>1. <i>“(ii) Seeking to increase the share of direct access entities above the initial resource mobilization level, including by prioritizing accreditation of and capacity support for direct access entities of countries which do not yet have a national or regional direct access accredited entity, including by promoting the participation and accreditation of micro, small and medium-sized enterprises in GCF activities in all developing countries, including least developed countries, small island developing States and African States”:</i></p> <p>The DAE share has increased from 59 per cent during IRM to GCF-1 to 63 per cent with 71 DAEs, including 58 national DAEs and 13 regional DAEs (as at 31 August 2022).</p> <p>The revised draft AS includes actions for prioritizing accreditation of DAEs:</p> <p>(a) Section II of annex II to the revised draft AS document contains measures proposed for strategically using accreditation of partners, particularly DAEs (including those in LDCs, SIDS and African States, and private sector DAEs).</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>Paragraph 9(b)(i) proposes prioritizing expansion of the AE network to align with programming gaps to enable GCF to implement its strategic priorities and responding to developing countries' needs;</p> <p>(b) Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the analysis of the AE portfolio contained in document GCF/B.32/08 (AE Portfolio Analysis) as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap; and</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>(c) Using PSAA strategically to identify new partners, countries and technologies to that have been underserved by GCF to date and contribute to GCF programming goals. In adopting PSAA on a pilot basis, the Board also decided in decision B.31/06, paragraph (h), to prioritize during the first year of the PSAA pilot (a) subnational, national and regional entities based in developing countries, particularly those from developing countries that have yet to have an approved GCF-funded activity at the time of launching PSAA by 1 April 2023; and (b) entities responding to GCF requests for proposals, such as the RFP for the pilot phase for enhancing direct access; the pilot programme to support micro, small and medium-sized enterprises, and the pilot programme to mobilize funds at scale in order to address adaptation and mitigation, all of which can be accessed by DAEs, including private sector DAEs. Both prioritized types include DAEs in LDCs, SIDS and African States.</p> <p>2. <i>“Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function and further strengthening the Accreditation Panel”:</i></p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy:</p> <p>(a) To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the primary objective is that these partners will deliver regularly on high-quality climate change project</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>and programme portfolios aligned with GCF's programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of annex II to the revised draft AS document).</p> <p>The revised draft AS document also includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the Readiness Programme DAEs through their NDAs could</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed actions include developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF's accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>(b) Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>(c) Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
Albania	General	NA	Process for consultation and feedback	Document GCF/B.33/08/Add.01 contained a compilation of comments received during the process of consultation on document GCF/B.33/08 with the Board, AEs, NDAs and observers.
Albania	General	NA	If an AE that performs well and doesn't have any conditions, why do they need to go through re-accreditation every 5-years?	<p>Paragraph 23 of the revised draft AS document indicates: The re-accreditation process has been established to assess whether AEs continue to meet GCF accreditation standards and AE performance, as defined in the scope of the review in the process (decision B.24/13 and annex XXVI to the decision), and therefore, manage the AE network. The accreditation strategy in annex II to the revised draft AS document proposes as an alternative to develop key performance indicators (KPIs) to define AE performance and non-performance, enabling a transparent and expedited re-accreditation decision-making process. For example, KPIs indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and schedule and on budget, etc.</p> <p>It should be noted that similar institutions such as the GEF do not have a re-accreditation process as such, while others like the Adaptation</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				Fund have a re-accreditation process every five years.
Adviser to the Board member from Antigua and Barbuda	Annex I, Draft decision of the Board, para. (b)(i)	“Private sector entities, particularly direct access private sector entities, that are capable and seeking institutional accreditation to GCF to develop and implement projects and programmes (i) of a large or medium size category, (ii) have a focus on the GCF adaptation results areas, and (iii) utilize equity and guarantee instruments under the specialized fiduciary standard for on-lending and/or blending;”	<p>In the strategy need to have some type of operationalization and build out of para. 43 of the Governing Instrument: “The facility will promote the participation of private sector actors in developing countries, in particular local actors, including small- and medium-sized enterprises and local financial intermediaries. The facility will also support activities to enable private sector involvement in SIDS and LDCs.”</p> <p>This should fit into the decision text somewhere.</p>	<p>As indicated in the AE Portfolio Analysis (document GCF/B.32/08), the GCF AE network has evolved to include a diverse set of partners that, theoretically, could have the capacity to programme across all GCF thematic and geographic areas, financing sizes, financial instruments and environmental and social risk levels. However, AEs with a specific combination of AE attributes to address GCF programming priorities appear to be lacking in the AE network, such as private sector DAEs with proven expertise in adaptation (also see paragraph 20 of the revised draft AS document).</p> <p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the AE Portfolio</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>Analysis as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.</p>
Adviser to the Board member from Antigua and Barbuda	Annex I, Draft decision of the Board, para. (b)(i)	“[...] of a large or medium size category [...]”	Note the attractiveness of (i) under para b (i), says “large and medium”. How do we ensure small scale activities, for example for SIDS especially given our small size, that these are not lost, when it comes to those entities that can programme these types of projects? Especially, noting the transaction costs on micro- and small-sized projects from previous discussions and how we ensure an uptake of such projects given that IAEs have said these types of projects are not attractive (as quoted in SIDS evaluation). How will we incentivize those types of projects? That should be built up in the next iteration of the strategy.	The accreditation scope for size category is the maximum size for a project or programme activity. For example, an entity seeking accreditation for a maximum size category of Large means that the entity could submit a funding proposal that falls within the Micro, Small, Medium or Large size categories. An entity seeking accreditation for a maximum size category of Medium means that the entity could submit a funding proposal that falls within the Micro, Small and Medium size categories, but it could not submit a funding proposal that falls within the Large size category since the entity is not accredited for this scope. Therefore, the prioritization proposed in paragraph (c) of annex I (draft decision) to the revised draft AS document does not exclude Micro or Small size projects/programme activities, but instead it is

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>included where the entity has a wider size range to develop funding proposals under.</p> <p>As indicated in the AE Portfolio Analysis (document GCF/B.32/08), the GCF AE network has evolved to include a diverse set of partners that, theoretically, could have the capacity to programme across all GCF thematic and geographic areas, financing sizes, financial instruments and environmental and social risk levels. This includes DAEs in SIDS that are accredited for a maximum size category of Micro, Small or Medium. However, AEs with a specific combination of AE attributes to address GCF programming priorities appear to be lacking in the AE network, such as private sector DAEs with proven expertise in adaptation (also see paragraph 20 of the revised draft AS document).</p> <p>As indicated in paragraph 10 of the revised draft AS document, GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34.²¹ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board's long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund's operating model and modalities to deliver those objectives.</p>

²¹ Decision B.32/04.

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.
Adviser to the Board member from Antigua and Barbuda	Annex I, Draft decision of the Board, para. (d)	“Requests, pursuant to decision B.31/06, paragraph (m), the Board to present a revised accreditation framework [...]”	The Secretariat should reach out to the SIDS – to discuss scale of the activities outlined in the Accreditation Framework, need a discussion because of the potential impacts on the programmatic approach.	<p>The comment is noted. Should further consultations or discussions take place on the AS with NDAs or other stakeholders, as guided by the Co-Chairs, the Secretariat can do so.</p> <p>The Board agreed in decision B.31/06, paragraph (c), to revise the definitions of the size categories for the “scale of intended activities” and that these definitions would apply to projects and programmes approved at or after the first Board meeting in 2024. In decision B.31/06, paragraph (d), the Board adopted the updates to the accreditation framework as contained in annex IV to the decision; the updates to the accreditation framework also contain the revised definition of the size categories. The updates to the accreditation framework were consulted with the Board, AEs (in line with AMA requirements), NDAs and Observers during its development by the Secretariat (for B.19 and B.20 in response to decision B.18/04, paragraph (b)) and the Accreditation Committee (for B.21 and onward).</p>
Adviser to the Board	Annex II, para. 4	“To optimize the GCF operating model, the	Highlight (b) – potentially re-order as this is one of the main priorities, if not the main priority	The comment is noted.

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
member from Antigua and Barbuda		<p>accreditation strategy aims to:</p> <p>(a) Enhance the efficiency of the GCF accreditation and re-accreditation process;</p> <p>(b) Strategically use accreditation of partners to fill in gaps in capabilities and coverage; and</p> <p>(c) Optimize incentives for partners to invest in a dedicated capacity to programme for GCF.”</p>		<p>Noting the need to enhance efficiency of the GCF accreditation and re-accreditation processes as it affects both the AE network and new entities, as well as the topic being indicated in decision B.31/06, paragraph (o)(i) and highlighted as a recommendation of the 2020 IEU Synthesis, the 3 pillars of the revised draft AS document have been retained in the order as presented.</p>
Adviser to the Board member from	Annex II, Section I. Enhance the	“Entities that are not suitable or willing to undertake the full role	“Not suitable” – a bit striking and language might create barriers. If an entity is not suitable currently, they can build capacity to be suitable.	It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
Antigua and Barbuda	efficiency of the GCF accreditation and re-accreditation process, para. 6	and responsibilities of the AE will be encouraged, where appropriate, to partner with AEs in GCF projects and programmes (e.g. as an executing entity, co-financier role or contractor), noting that such organizations do not need to undergo accreditation.”	Language can be maintained for “not willing” but “suitable” can implicitly keep entities out of the AE role. Encouraging them to take another role can bar them out of roll. Introduce some encouraging language.	<p>the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document).</p> <p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed. It is proposed that GCF encourage entities to choose the right approach to accreditation depending on the project/programme pipeline size and intended duration of the partnership with GCF.</p>
Adviser to the Board member from Antigua and Barbuda	Annex II, Section I. Enhance the efficiency of the GCF accreditation and re-accreditation process, para. 7(c)(ii)	“Investing in AE capacity pre- and post-accreditation through the GCF Readiness and Preparatory Support Programme and in alignment with GCF strategic priorities;”	SIDS have been advocating for a separate SIDS readiness window to ensure we are not sharing the same pot as the NDA – which does water down readiness. Creates a lot of issues because a USD 1 million amount gets stretched. If we are relying on readiness for capacity building it is currently under resourced.	In paragraph 7(c)(ii) in annex II to the revised draft AS document, it is proposed to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support.

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
Adviser to the Board member from Antigua and Barbuda	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage, para. 9(a)(ii)	“Incentivize and engage AEs to programme in underserved areas of programming. This may include geographic areas (underserved countries/regions), public or private sector, GCF results areas and financing instruments (e.g. equity and guarantees);”	Would be good to unpack how this will be done, especially in smaller SIDS areas, and addressing transaction cost issue which was identified by the IEU.	Paragraph 9(a)(ii) of annex II to the revised draft AS document proposes to incentivize and engage AEs to programme in underserved areas of programming. This may include setting priorities for types of funding proposals to be submitted for Board consideration, such as considering geographic areas (underserved countries/regions), public or private sector, GCF results areas and financing instruments (e.g. equity and guarantees).
Adviser to the Board member from Antigua and Barbuda	Annex II, Section II Strategically use accreditation of partners to fill in gaps in capabilities and coverage, para. 9(c)	“Provide capacity development support for climate programming, in particular for DAEs, through the GCF Readiness and Preparatory Support Programme and the Project Preparation Facility to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries’ needs.”	Here would be a good place to address what the IAEs obligations and will the Secretariat regulate that more? How will the Secretariat be tracking that because we don’t necessarily think the IAEs are doing their part with useful capacity building for DAEs.	<p>Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p> <p>Other comments raised during B.33 suggested that GCF should also develop a system to</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs have supported in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.
Adviser to the Board member from Antigua and Barbuda	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF	“Optimize incentives for partners to invest in a dedicated capacity to programme for GCF”	Do not see incentives per se, see an obligation that AEs should bring 2 projects, every 5-years would be good to understand the roles and responsibilities of the Secretariat and what is the AE role in this. As we discussed the complex procedures for getting a project approved can limit this. Also, are we creating a conditionality for accreditation or not? If not, this needs to be laid out.	<p>13. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>14. To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals. See paragraph 18 of the revised draft AS document</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
				<p>and paragraph 11 in annex II to the revised draft AS document.</p> <p>The aim of at least two projects/programmes every five-year accreditation term, as an incentive for AEs to build internalized climate programming capacity, is not a minimum requirement.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). The development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document. Key performance indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and on budget; among others. In this context, GCF may wish to consider whether specific targets on the preparation and submission of high-quality, transformative funding proposals, and on project/programme implementation will form the KPIs. Such consideration may also take into account the capacities of AEs.</p>

Board Verbal Comments				Secretariat Response
Submitted by	Section	Text	Summary of Verbal Comment	
Adviser to the Board member from Antigua and Barbuda	Annex II, Section III. Optimize incentives for partners to invest in a dedicated capacity to programme for GCF, para. 12(a)(ii)	“Graduate out of the AE role and onto other forms of partnering with GCF, which may include supporting and partnering with DAEs and co-financing GCF projects and programmes, in order to advance the objectives of the GCF;”	Nice language but what does this look like, is there any incentive to graduate out of this role? Are we creating another tier of partnership? Needs some unpacking.	<p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Paragraph 24 of the revised draft AS document provides additional information on the graduation out of the AE role into other forms of partnership. Graduation out of the AE role does not entail the creation of a new modality for partnership. Instead, it recognizes that entities may still wish to contribute to the GCF mandate and objectives even if they are no longer an AE, and that other existing partnership approaches are available to entities after concluding their AE role. For example, entities may seek to coordinate their activities on climate action in alignment with GCF’s mandate and objectives, informed by country programming priorities and areas where institutional and capacity building and strengthening of NDAs and DAEs may be needed. Entities can also serve as an executing entity working with an AE or a co-financier for a GCF project/programme, or a Delivery Partner for the Readiness Programme to provide technical and capacity building assistance, after concluding their role as AE. This</p>

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				<p>is reflected in paragraph 12(b)(ii) of annex II to the revised draft AS document.</p> <p>In terms of the PSAA and graduation paragraph 41 of the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision describes the potential for PSAA entities to consider applying for institutional accreditation: “Entities may be encouraged to seek institutional accreditation after undergoing the PSAA should they have the potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to the delivery of the targeted project/programme under the PSAA would be used to inform the institutional accreditation process in the context of whether the entity could be an appropriate partner for channelling GCF resources to developing countries through projects/programmes similar to the PSAA project/programme, noting that the broader institution-wide systems and capacities for a potential portfolio of projects/programmes will be assessed in institutional accreditation.”</p>
Adviser to the Board member from Antigua and Barbuda	Annex II, Section III. Optimize incentives for partners to	“(e) Inform re-accreditation decisions through an assessment of the extent to which an international access AE	Good to get an understanding of what this means for re-accreditation. What do those two areas mean for re-accreditation?	Paragraph 12(f) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an international access AE has worked with or

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	invest in a dedicated capacity to programme for GCF, para. 12(e) and (f)	<p>has worked with or commits to work with national or regional entities, including DAEs, in the development and/or implementation of climate change projects/programmes; and</p> <p>(f) Inform re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those funded by the GCF has evolved towards low-emission and climate-resilient development pathways."</p>		<p>commits to work with national or regional entities, including accredited DAEs and those nominated by their respective national designated authorities for accreditation, in the development and/or implementation of climate change projects/programmes. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>Paragraphs 25–27 of the revised draft AS document provides a summary of comments received during the consultation process in relation to DAE capacity development, and the role of GCF and IAEs in supporting these efforts: comments converge around the need to support DAE institutional capacity-building, particularly for programming. However, there were also comments and questions on who provides what type of support and at what stage for DAEs. Annex II to the revised draft AS document recalls that the Readiness Programme allows for DAEs – through their NDAs and focal points – to request for capacity-building support to meet the GCF accreditation standards (including for first</p>

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				<p>accreditation, upgrades and re-accreditation), support the development of programming for GCF (as well as access to the PPF, and strengthen capacities for project/programme implementation (e.g. monitoring, reporting and evaluation). It proposes to create a dedicated DAE window within the Readiness Programme so that accredited DAEs could directly request for capacity strengthening support (see paragraph 7(c)(ii) in annex II to the revised draft AS document).</p> <p>Some comments raised during B.33 point to having IAEs use their own resources to support DAE capacity-building. Some IAEs do not have a capacity development arm as their mandate is centred around projects/programmes and investments. However, annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of</p>

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				<p>the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p> <p>Other comments raised during B.33 suggested that GCF should also develop a system to monitor and verify information provided by IAEs on subnational, national and regional entities based in developing countries and accredited DAEs that the IAEs have supported in capacity-building. The MAF establishes the main monitoring approach and tools related to AEs, including on an institutional AE and project levels. In this context, GCF may wish to review and revise the MAF to develop a system and the resources required for the Secretariat to verify such information provided by IAEs, including checking with the subnational, national and regional entities based in developing countries and accredited DAEs indicated in such reporting.</p> <p>Paragraph 12(g) in annex II to the revised draft AS document includes the proposed action of informing re-accreditation decisions through an assessment of the extent to which an AE's overall portfolio of activities beyond those</p>

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				<p>funded by the GCF has evolved towards low-emission and climate-resilient development pathways. This aspect is already included in scope of the re-accreditation review contained in the re-accreditation process adopted in decision B.24/13 and annex XXVI to the decision, and in the updates to the Accreditation Framework adopted in decision B.31/06 and annex IV to the decision.</p> <p>In addition to applying the methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of AEs,²² it is proposed that GCF will explore the development of a metric for mainstreaming climate considerations into the AE's broader investment portfolio besides that funded by GCF.</p>
Germany	General	NA	<p>Feedback and consultations will be very important.</p> <p>Outlined hybrid model clearly is positive however, wondering if narrative around it really captures the whole picture and the role of the GCF clearly. We've seen it in other documents there are tensions, maybe something is missing, whether it is worth considering looking into – there may be not only be trade-offs but synergies between the areas – accreditation strategy could have a positive approach to support and enhance access and in particular for</p>	<p>Document GCF/B.33/08/Add.01 contained a compilation of comments received during the process of consultation on document GCF/B.33/08 with the Board, AEs, NDAs and observers.</p> <p>Paragraphs 12–13 of the revised draft AS document further explain the “GCF's operating model and duality of the objective of accreditation”.</p>

²² See document GCF/B.28/11/Add.02.

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			DAEs but this is not necessarily a trade-off to enhancing impact and achieving the paradigm shift – was wondering if the synergies created weren't missing in the narrative?	
Germany	General	NA	Improving efficiency and prioritization are all valuable input to look at in terms of improving the situation. Have you however looked into a potential risk when looking at prioritizing AEs and country ownership, achieving impact?	<p>The “Summary report: an IEU deliverable contribution to the Second Performance Review of the Green Climate Fund” (document GCF/B.34/Inf.08) identifies “strategic tensions in the current USP” and provides emerging areas of recommends on this and other areas for the next USP.</p> <p>As noted in paragraphs 10 and 32 of the revised draft AS document, the GCF’s Strategic Plan sets out the Board’s long-term strategic vision for the Fund, as well as its objectives, strategic priorities and operational priorities for the current programming period. The USP 2020–2023 guides policy, programming of the Fund’s resources and annual work planning for GCF-1. As noted above, GCF is in the process of updating its Strategic Plan for GCF-2. GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34.²³ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board’s long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g.</p>

²³ Decision B.32/04.

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				<p>through to 2030), and identify at a high level the priority actions needed to adapt the Fund’s operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.</p> <p>Paragraph 2 of annex II to the revised draft AS document indicates that the objective of the accreditation strategy is to clarify the GCF operating model and guide the evolution of the GCF network of AEs in order to deliver on the GCF’s mandate, objectives and programming directions. It notes that GCF is implicitly following a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives.</p>
Germany	General	NA	<p>Question of whether AEs that have not handed in project proposals has that been looked at and taken into account, for example they may have reasons for not handing in a proposal?</p>	<p>The AE Portfolio Analysis (document GCF/B.32/08) included a review the capabilities and coverage of the AE network. In this context, it also included a review of the AE network and progress against the GCF-1 portfolio and targets, noting the role of the AE as a programming partner.</p> <p>The Secretariat prepared a DAE Action Plan which was presented to the Board at B.29 (see annex I to document GCF/B.29/Inf.07). It recognizes that “direct access is a unique aspect of the GCF business model. Given the important</p>

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				role that DAEs play in supporting countries' access to climate finance, as well as in realizing the principle of country ownership, this document aims to set-out an action plan that can be applied by the GCF Secretariat to foster greater access to GCF resources by the Fund's DAEs. ²⁴ The document also provided information on some of the challenges, barriers, and gaps in direct access to the GCF and proposes actions to increase DAE programming in GCF1.
Germany	General	NA	Looking into dedicated capacities – that is a point that is explained very well and very important. What can be expected of larger entities versus smaller entities and how to not disadvantage smaller entities?	<p>Dedicated capacity will vary from AE to AE, however, some dedicated capacity is needed to ensure the AE has the capacity to programme high quality climate change projects and programmes. The strategy does not dictate what the dedicated capacity should be for each AE, but instead indicates that GCF aims for each AE to have at least two projects/programmes every five-year accreditation term, as an incentive for AEs to build internalized climate programming capacity.</p> <p>15. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>16. To incentivize AEs to build or strengthen a dedicated capacity to programme</p>

²⁴ IRM baseline: 14 per cent of funding in nominal terms; 27 of 124 approved projects (21%).

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				high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.
Germany	General	NA	In terms of underutilization have you looked into the underlying reasons for AEs not being used?	The AE Portfolio Analysis (document GCF/B.33/08) lays out several potential reasons for AEs not utilizing their full scope of accreditation. As indicated in paragraph 78 of the AE Portfolio Analysis, "With an average of 1 project of approximately USD 50 million per AE every five-year accreditation term based on the current programming and accreditation rates, there are limited incentives for AEs to invest in dedicated capacity to meet GCF's requirements at both the institutional and project levels. This, along with the absence of strengthened programming guidance, could lead to uneven quality of funding proposals and lack of alignment with GCF's objectives at pipeline entry and/or programming gaps. Providing programming directions and guidance could clarify which AE skill sets and capacities out of

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				<p>the existing diverse AE network are needed to deliver on such programming.”</p> <p>As noted above, GCF is in the process of updating its Strategic Plan for GCF-2. GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34.²⁵ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board’s long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund’s operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.</p> <p>Paragraph 9(a)(i) of annex II to the revised draft AS document includes the proposed measure to consolidate programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas, in line with country programming priorities, and steer AEs towards specific strategic goals or funding modalities.</p>

²⁵ Decision B.32/04.

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				<p>Paragraph 9(a)(ii) of annex II to the revised draft AS document proposes to Incentivize and engage AEs to programme in underserved areas of programming. This may include setting priorities for types of funding proposals to be submitted for Board consideration, such as considering geographic areas (underserved countries/regions), public or private sector, GCF results areas and financing instruments (e.g. equity and guarantees.</p> <p>Paragraph 9(a)(iii) of annex II to the revised draft AS document proposes to support an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector.</p>
Germany	General	NA	In reference to the PSAA – as one form of improving efficiency and would caution here whether you have looked into whether this will really increase efficiency overall?	In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed. Through the PSAA, GCF will seek to broaden access to GCF resources and expand the Fund’s potential to fulfil strategic objectives by working with countries, entities, sectors and technologies that have been underserved by GCF to date and that cannot or will not be delivered by the existing AE network. It is envisioned the three-year pilot will demonstrate the long-term value of PSAA to GCF through efficient implementation and coordination with the institutional accreditation process as needed to ensure proper alignment of incentives across

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				both modalities. PSAA entities are those seeking non-recurring programming engagement with GCF, or entities that may not be ready to manage a portfolio of GCF programming. PSAA will provide the GCF with a targeted approach to match the programming and project delivery capabilities needed to implement developing countries' programming priorities in line with the strategic priorities of the GCF. The PSAA will complement the institutional accreditation approach.
Italy	General	NA	Elaborate on what is meant for “dedicated capacity” to programme for GCF – it is not 100% clear what this means?	<p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p>

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				<p>Dedicated capacity means capacity that is available within an AE to programme with GCF. This could be a specific unit within an organization, specific personnel with technical expertise in climate change areas or others depending on the type of organization. Where possible, the capacity would focus on developing and implementing programming with GCF specifically, applying the experience and knowledge of programming with GCF to a pipeline.</p> <p>Having been accredited to GCF, this same dedicated capacity within AEs for programming with GCF can also support AEs in accessing other sources of climate finance, including for some domestic and international capital markets.</p> <p>As noted in paragraph 60 of the revised draft AS document: "In addition to strategically using accreditation of partners to fill in gaps in capabilities and coverage, it will be important to optimize incentives for partners to invest in establishing a dedicated capacity to programme for GCF. The learning curve to develop such a transformative initiative for a new institution can be steep. A dedicated team can draw lessons from each project submission and substantially reduce project development and disbursement time frames, but in the absence of a dedicated capacity, an institution cannot benefit from this</p>

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				learning curve and instead starts anew for each project.”
Italy	General	NA	Policy rationale provides the two models with a combination of the two as an alternative – these other two should not be presented as strategic direction.	The comment is noted.
Italy	General	NA	The overall goal should be to create a network of AEs able to support the goals of the GCF in developing bankable and transformational projects for mitigation and adaption. The strategic directions are management tools and not a goal in and of themselves. Both the performance of the IAEs and the DAEs functions should be kept in the strategy.	The comment is noted.
Advisor to the Board member from South Africa	General	NA	An ongoing plague for the Board is that Board still doesn't know who is in the pipeline, we have no idea that for example that if we decided to act on the COP guidance from Glasgow to support parametric insurance that we know if we have any institutions beyond the than the MDB that can do this. This continued insistence by legal consul that applicants to the GCF remain confidential from Board. I don't think it is a wise approach anymore. There is a sound approach to not let the Board cherry pick or politicly influence decision, but I think it is important that the Board actually knows who applied to be accredited to the GCF because it will give us some sense of the appetite to work with us. The	Given that GCF's operating model relies on AEs as programming partners to channel climate financing, stronger alignment between the capabilities and coverage of the AE network and GCF's objectives and programming goals will facilitate achieving said objectives and programming goals. The capabilities and coverage of the AE network is the culmination of the accreditation scope characteristics of each AE assessed through accreditation. The AE accreditation scope characteristics include: <ul style="list-style-type: none"> 1. Access modality: DAE, IAE;

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			<p>whole system needs to become more transparent both from the Board's perspective, but I suspect for the AEs as well.</p>	<ol style="list-style-type: none"> 2. Type of entity: private sector, non-private sector; 3. Indicative geographic coverage; 4. Indicative results areas; 5. Accreditation criteria: <ol style="list-style-type: none"> a. Financial modality (fiduciary standards, which include entities being able to manage projects/programmes directly, award grants on a competitive basis/mechanism, on-lend, blend instruments, undertake equity investments and provide guarantees); b. Maximum environmental and social risk level; and c. Maximum project/programme activity size category. <p>The AE network and its accreditation scope characteristics listed above, as well as the status of the AEs in the completing the (re) accreditation process by signing and making effective their accreditation master agreement (AMA) with GCF, was presented in the AE Portfolio Analysis in document GCF/B.32/08.</p> <p>Similarly, an analysis of the accreditation pipeline using the accreditation scope characteristics listed above can be provide to the</p>

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				<p>Board to inform whether applicants in the pipeline have the necessary characteristics to be able to address specific GCF objectives and programming goals, as well as COP guidance. It should be noted that the accreditation scope of applicants is indicative only since accreditation applications are at various stages of activity (and inactivity where responses are pending with applicants), completeness, review by GCF (including whether and what, if any, gaps in meeting GCF accreditation standards).</p> <p>Such analyses have been previously provided to the Accreditation Committee and to the Board to inform the Accreditation Committee's recommendation on a prioritization for certain types of accreditation applicants. The Board previously prioritized specific types of applicants for accreditation in decisions B.14/08, paragraph (d)(i); B.18/04, paragraph (c); B.19/13, paragraph (c); B.21/16, paragraph (e); B.23/11, paragraph (b); and B.24/11, paragraph (e), which have expired since 12 March 2020. The review of accreditation applications, in the absence of prioritization, has defaulted to a first come, first complete basis.</p> <p>The names of applicant entities can be provided to the Board. However, solely providing the name of applicants would not provide information on the accreditation scope characteristics necessary to assess an applicant's potential to address GCF's objectives and</p>

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				<p>programming goals. Noting that, as mentioned above, applications are at various stages in the accreditation process with the final recommendation by the Accreditation Panel taking place at the end of Stage II (Step 1), clarity on how such information on the names of the applicants will factor into the scope of reviews for the Secretariat, the Accreditation Panel and the Board in its decision-making during Stage II (Step 2) may be considered when further updating the accreditation framework.</p> <p>Currently, as per the GCF Information Disclosure Policy, the name and country of any entity applying for accreditation is made public on submission of an accreditation recommendation of such an entity to the Board during Stage II (Step 1) of the 3 stages of the accreditation and re-accreditation process, unless the entity has a reason to keep such information confidential. In this case, such information shall be made available once such recommendation has been approved by the Board.</p> <p>Information on the re-accreditation and accreditation pipeline is contained in the “Consideration of accreditation proposals” presented at each Board meeting, the latest of which is contained in document GCF/B.34/09 for information up to 31 August 2022. The information provided includes statistics on the entities in the re-accreditation and accreditation pipelines, particularly the types of entities</p>

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				(including national and regional DAEs and IAEs, including private sector entities) at each stage of the processes. Statistics on DAEs nominated by NDAs or focal points that have become AEs, those in various stages of the accreditation pipeline, and those that have been nominated but have not sought accreditation are also provided for each Board meeting.
Advisor to the Board member from South Africa	General	NA	On AMAs, there will be ones that can never sign because we accredited the wrong legal component of an entity, it doesn't really make sense to be spending a lot of legal time. More information around this needs to be provided.	<p>Following the Board's decision to accredit an entity, stage III of the process entails the entity and GCF entering into an AMA to formalize and govern the partnership. The date the AMA becomes effective is the start of the five-year accreditation term during which AEs can programme with GCF (paragraph 46 of the revised draft AS document).</p> <p>Paragraph 7(b)(iv) proposes to encourage the rapid signing of AMAs. AEs approved by the Board during stage II (step 2) of the accreditation process will be expected to complete stage III by signing and making effective their AMA with GCF within eighteen (18) months from the date of the Board decision to accredit the entity, and their amended and restated AMA for re-accreditation within twelve (12) months from the date of the Board decision to re-accredit the entity.</p>
Advisor to the Board	General	NA	Don't see many of the IEU decisions being taken up so we think this could be better articulated.	The revised draft AE document and document GCF/B.33/08 were prepared in response to

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member from South Africa			Also do not see any strategy for how to address the Governing Instrument as well as decision B.04/08 that would allow entities to not accredited to access funding so direct access versus accreditation which is indirect access.	<p>decision B.31/06, paragraph (o), taking into account the recommendations from the 2020 IEU Synthesis and the AE Portfolio Analysis (document GCF/B.32/08), as requested in decision B.31/06, paragraph (n).</p> <p>The 2020 IEU Synthesis included a series of recommendations, including those for the Board and those for the Secretariat, on strengthening the governance structure for accreditation, clarifying the strategic role of accreditation in GCF, and critically addressing the mission overload; assessing and incentivizing capacity-building and alignment with the GCF mandate, within the accreditation function; the selection of AEs and composition of the AE portfolio being based on an overall strategy that indicates how these entities will help support GCF's mandate; the GCF should clarify the aim and limitations of PSAA before piloting; and GCF-1 strategic planning should include targets and plans.</p> <p>The revised draft AS document includes 3 pillars focused on enhancing efficiency of the accreditation process, strategically using accreditation of partners to address gaps in capabilities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF. Paragraphs 6–7 of the revised draft AS document provides further details on the IEU Synthesis recommendations that were taken into account in the development of the draft AS contained in</p>

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				annex II to the document. Paragraph 7 of the revised draft AS document explains “Since the IEU Synthesis, many of the recommendations have been addressed through the Board’s adoption of the USP 2020–2023, Private Sector Strategy (particularly in relation to the accreditation of private sector entities), and updates to the Accreditation Framework adopted in decision B.31/06, among others. While the updates to the Strategic Plan for the Fund for the second replenishment period from 2024 to 2027 and the revision of a strategy for the GCF Readiness and Preparatory Support Programme (Readiness Programme) are in development, the key action of adopting an accreditation strategy, however, remains pending.”
Advisor to the Board member from South Africa	General	NA	On the 2 project goal, agree that there is a potential for this to add conditionality to accreditation which could kill DAEs. Not quite sure if we would scale up capacity to meet this goal or whether it is presented as a conditionality/obstacle for entities.	<p>17. Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy.</p> <p>18. To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and</p>

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				<p>programmes at pipeline entry aligned with GCF's objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p> <p>The aim of at least two projects/programmes every five-year accreditation term, as an incentive for AEs to build internalized climate programming capacity, is not a minimum requirement.</p> <p>It is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document). The development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document. Key performance indicators may be related to the closing of (re)accreditation conditions; preparation and submission of high-quality, transformative funding proposals; implementation of an approved project on time, on scope and on budget; among others. In this context, GCF may wish to consider whether specific targets on the preparation and submission of high-quality, transformative funding proposals, and on project/programme implementation will form the KPIs. Such</p>

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				consideration may also take into account the capacities of AEs.
Sweden	General	NA	<p>There is some contradiction in the strategy, on the one hand we want to be able to move from 15 AEs to 25 to 30 on the other hand. We are saying that even with the current set-up less than 2 funding proposals are approved per AE. If we move ahead we will find ourselves in the same problem with even less than 1 per AE with more AEs. At the same time we don't speak about cost-efficiency implications. We also need to look at cost-effectiveness for future AEs going through the process, which we know is cumbersome and to do so for 1 project per accreditation timeframe. This kind of analysis seems missing from paper</p> <p>From my end access to finance does not necessarily mean more AEs but we do have to support those AEs currently accredited to access finance.</p>	<p>Section I of annex II to the revised draft AS document contains the measures proposed to improve accreditation and re-accreditation process efficiency, effectiveness and inclusiveness. In particular, improvements can be achieved by clarifying the role, responsibilities and performance measures expected of AEs, and the different types of partnerships with GCF (see paragraph 7(a) of annex II to the revised draft AS document). It also includes authorizing the Secretariat to actively guide entities towards the most suitable form of partnership with GCF, including at pre-accreditation and stage I of the process on the appropriate accreditation track, based on the scope of the Stage I review contained in the accreditation framework adopted in decision B.31/06 and annex IV to the decision and GCF strategic programming directions set out in its Strategic Plan. In addition, the re-accreditation of AEs will be prioritized to minimize lapses in accreditation terms. Coupled with the updates to the accreditation framework adopted in decision B.31/06 and the capacity development of relevant GCF organs, these measures are expected to increase the processing capacity of the GCF from the historical rate of 15 applications per year to 25–30 applications per</p>

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				<p>year, including re-accreditation, upgrade and new accreditation applications.</p> <p>Paragraph 22 in the revised draft AS document explains that the goal of 25–30 applications per year is inclusive of all different types of applications, including those for re-accreditation of AEs, AEs seeking to upgrade their accreditation scope, and applications for new AEs. Given that about 30 AEs per year are expected to seek re-accreditation from 2023 onwards, further efficiencies in the re-accreditation and accreditation processes are needed to at least raise the processing capacity to cope with the re-accreditation pipeline.</p> <p>Recognizing that the GCF AE network has evolved over the IRM and first replenishment (GCF-1 periods to include a diverse set of partners with capabilities to programme across any of the financing sizes, financial instruments, environmental and social (E&S) risk levels and sectors that GCF offers, it is proposed that GCF will maximize use of the existing AEs to address GCF programming directions, including targeting gaps in the portfolio (see paragraph 9(b)(iii) in annex II to the revised draft AS document).</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and PPF to strengthen their capabilities to develop and implement projects</p>

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				and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document)
Sweden	General	NA	A key element missing is what other partnerships are available. The document does refer to partnerships, but would like to see this further developed and spelled out not within a different document but within this document.	Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).
Sweden	General	NA	In full support to receive information on what is in the accreditation pipeline. This would be similar to what we receive for project proposals.	Given that GCF's operating model relies on AEs as programming partners to channel climate financing, stronger alignment between the capabilities and coverage of the AE network and GCF's objectives and programming goals will facilitate achieving said objectives and programming goals. The capabilities and coverage of the AE network is the culmination of the accreditation scope characteristics of each AE assessed through accreditation. The AE accreditation scope characteristics include: <ol style="list-style-type: none"> 1. Access modality: DAE, IAE; 2. Type of entity: private sector, non-private sector; 3. Indicative geographic coverage;

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				<p>4. Indicative results areas;</p> <p>5. Accreditation criteria:</p> <ul style="list-style-type: none"> a. Financial modality (fiduciary standards, which include entities being able to manage projects/programmes directly, award grants on a competitive basis/mechanism, on-lend, blend instruments, undertake equity investments and provide guarantees); b. Maximum environmental and social risk level; and c. Maximum project/programme activity size category. <p>The AE network and its accreditation scope characteristics listed above, as well as the status of the AEs in the completing the (re) accreditation process by signing and making effective their accreditation master agreement (AMA) with GCF, was presented in the AE Portfolio Analysis in document GCF/B.32/08.</p> <p>Similarly, an analysis of the accreditation pipeline using the accreditation scope characteristics listed above can be provide to the Board to inform whether applicants in the pipeline have the necessary characteristics to be able to address specific GCF objectives and programming goals, as well as COP guidance. It</p>

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				<p>should be noted that the accreditation scope of applicants is indicative only since accreditation applications are at various stages of activity (and inactivity where responses are pending with applicants), completeness, review by GCF (including whether and what, if any, gaps in meeting GCF accreditation standards).</p> <p>Such analyses have been previously provided to the Accreditation Committee and to the Board to inform the Accreditation Committee's recommendation on a prioritization for certain types of accreditation applicants. The Board previously prioritized specific types of applicants for accreditation in decisions B.14/08, paragraph (d)(i); B.18/04, paragraph (c); B.19/13, paragraph (c); B.21/16, paragraph (e); B.23/11, paragraph (b); and B.24/11, paragraph (e), which have expired since 12 March 2020. The review of accreditation applications, in the absence of prioritization, has defaulted to a first come, first complete basis.</p> <p>The names of applicant entities can be provided to the Board. However, solely providing the name of applicants would not provide information on the accreditation scope characteristics necessary to assess an applicant's potential to address GCF's objectives and programming goals. Noting that, as mentioned above, applications are at various stages in the accreditation process with the final recommendation by the Accreditation Panel</p>

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				<p>taking place at the end of Stage II (Step 1), clarity on how such information on the names of the applicants will factor into the scope of reviews for the Secretariat, the Accreditation Panel and the Board in its decision-making during Stage II (Step 2) may be considered when further updating the accreditation framework.</p> <p>Currently, as per the GCF Information Disclosure Policy, the name and country of any entity applying for accreditation is made public on submission of an accreditation recommendation of such an entity to the Board during Stage II (Step 1) of the 3 stages of the accreditation and re-accreditation process, unless the entity has a reason to keep such information confidential. In this case, such information shall be made available once such recommendation has been approved by the Board.</p> <p>Information on the re-accreditation and accreditation pipeline is contained in the “Consideration of accreditation proposals” presented at each Board meeting, the latest of which is contained in document GCF/B.34/09 for information up to 31 August 2022. The information provided includes statistics on the entities in the re-accreditation and accreditation pipelines, particularly the types of entities (including national and regional DAEs and IAEs, including private sector entities) at each stage of the processes. Statistics on DAEs nominated by NDAs or focal points that have become AEs,</p>

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				those in various stages of the accreditation pipeline, and those that have been nominated but have not sought accreditation are also provided for each Board meeting.
Sweden	General	NA	As mentioned, insurances is an important tool to look into; would like to add those types of entities to the priority list. Insurance mechanism is something we would like to see more of in the future.	<p>As noted above, GCF is in the process of updating its Strategic Plan for GCF-2. GCF is still early in the process of updating its Strategic Plan for GCF-2, with a zero draft to be considered by the Board at B.34.²⁶ Under the approach proposed in the zero draft, the updated Strategic Plan would maintain the Board's long-term vision for the Fund, set strategic objectives encompassing mid-term programming goals and directions (e.g. through to 2030), and identify at a high level the priority actions needed to adapt the Fund's operating model and modalities to deliver those objectives. The accreditation strategy (and other thematic strategies) would dovetail into this by further detailing how programming directions and priorities may be achieved through AEs as programming partners.</p> <p>Paragraph (c) of the draft decision contained in annex I to the revised draft AS document proposes the prioritization of: (1) national DAEs, including private sector and non-governmental organizations, nominated by the NDA or focal point of countries that do not yet have a national DAE (this includes those in LDCs, SIDS and</p>

²⁶ Decision B.32/04.

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				<p>African States); and (2) private sector entities, particularly private sector DAEs (this also includes those in LDCs, SIDS and African States). With respect to the latter group, the specific combination of private sector DAEs that can operate at scale (e.g. a maximum size category of medium or large) and utilize equity and guarantees was identified in the AE Portfolio Analysis as a type of AE where there was a gap in the AE network coverage and capabilities, and has therefore been included in the proposed prioritization to address this gap.</p> <p>Paragraph (d) of annex I (draft decision) of the revised draft AS document proposes that the Board agree: “pursuant to paragraph (b) [of the draft decision], to review, in the first year of each replenishment cycle, the types of entities prioritized for institutional accreditation in accordance with the GCF strategic objectives and programming directions adopted by the Board”.</p> <p>It should be noted that it is proposed that GCF clarify the obligations and responsibilities of AEs through guidance to provide organizations with a clear indication of the specific role, responsibility and performance measures AEs must commit to (see paragraph 7(a)(ii) in annex II to the revised draft AS document), and that the updates to the accreditation framework adopted in decision B.31/06 and annex IV to the decision</p>

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				lay out the fiduciary standards (i.e. the financing modalities) against which AEs are assessed.
Sweden	General	NA	In terms of capacity building – are we able to come up with any incentives for twinning arrangements where an IAE would partners with a DAE to support capacity building?	<p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Annex II suggests that IAEs could play a role in supporting DAEs by engaging them in their GCF projects/programmes. GCF may incentivize IAEs to partner with DAEs. This may include IAEs selecting DAEs as executing entities for projects/programmes; IAEs and DAEs submitting their respective funding proposals under an overarching programme; and IAEs taking the role of the executing entity where a DAE is in the AE role for the project/programme. This would enable DAEs to gain a track record (including project track record) in applying institutional-level systems, policies and procedures that meet GCF accreditation standards in order to become accredited or re-accredited (see paragraph 9(a)(iv) in annex II to the revised draft AS document).</p>
Advisor to the Board	General	NA	Overall solid first draft. Briefly, we support the hybrid approach, the proposed metric for	The comment is noted.

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member from Switzerland			project implementation, capacity building of DAEs and clarifying to AEs the different types of partnerships also the prioritization of accreditation (just to name a few elements). It is also useful to clarify that the Fund is open to entities that seek a one-time engagement with the fund through the PSAA and also for longer-term partners for us it is useful to move beyond the one size fits all approach and have more flexible access to the Fund.	
Advisor to the Board member from Switzerland	General	NA	A couple of questions or remarks on the draft: (1) The AP will play a central role, how do we ensure that the Panel will have enough capacity? (2) Detail on metric for implementation capacity and how it will work together with the stronger focus on capacity building of DAEs? (3) On the 2 proposals per AEs, we support the concept but wonder how it will work with the PSAA entities that would potentially have only 1 partnership with the AEs?	<ol style="list-style-type: none"> 1. While process improvements are aimed to increase efficiencies of the re-accreditation and accreditation processes, GCF's capacity to process applications remains a limiting factor. GCF, including the Secretariat, Accreditation Panel (AP) and the Board, has a historical processing rate of 15 applications per year. Over 140 applicants are currently seeking to become accredited to GCF. AEs must renew their partnership with GCF every five years. From 2023 and onward, about 30 AEs per year are expected to seek re-accreditation (see paragraphs 21–22 and 45–53 of the revised draft AS document for details on the challenges in GCF processing limitations and coping with the growing AE re-

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				<p>accreditation and new applicant pipeline). In paragraph 7(c)(v) in annex II to the revised draft AS document, the proposed measure is adjusting its own capacity, including the Secretariat and the AP, to support the accreditation and re-accreditation processes. In addition, the Board, in adopting the updates to the Accreditation Framework in decision B.31/06, paragraph (d), agreed to the AP utilizing consultancy firms to conduct the reviews of applications in Stage II (Step 1) of the (re)accreditation process under the AP's guidance. In paragraph (e) of the same decision, the Board approved an additional budget of USD 700,000 to be executed during the years 2022 and 2023 for the procurement of consultancy firms to support the AP in its work.</p> <p>2. The revised draft AS document includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would</p>

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				<p>become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Budget costs to develop a potential standard for determining an AE's climate change programming development and implementation capacity; and to conduct an assessment of options for developing a metric for mainstreaming climate considerations into the AE's broader portfolio, are included in paragraph (e) of the draft decision contained in annex I to the revised draft AS document.</p> <p>3. This applies to institutional accreditation AEs only, and not to PSAA entities.</p> <p>To incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and</p>

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				<p>programming goals, it is proposed that GCF adopt an AE-to-project ratio to right-size the AE network. This ratio will be set up to provide an incentive to AEs to invest in dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF’s objectives and programming goals. See paragraph 18 of the revised draft AS document and paragraph 11 in annex II to the revised draft AS document.</p>
United States	General	NA	<p>Good start to the discussion, but is a first stage in the consultation process. Interesting for us to see a stronger evidentiary basis for the work alternatives here, for example as mentioned there are relevant IEU recommendations that can be integrated. Also additional information on AEs, for example, how many AEs there are, how they are articulated over the different sectors, etc. bringing in more of that context would be helpful potentially include in the policy rationale section to set-up the context where we are coming from/starting from.</p>	<p>The revised draft AS document takes into account the 2020 “Independent Synthesis of the Green Climate Fund’s Accreditation Function” conducted by the IEU; the Secretariat’s response to the IEU Synthesis and the AE Portfolio Analysis.</p> <p>The 2020 IEU Synthesis included a series of recommendations, including those for the Board and those for the Secretariat, on strengthening the governance structure for accreditation, clarifying the strategic role of accreditation in GCF, and critically addressing the mission overload; assessing and incentivizing capacity-building and alignment with the GCF mandate, within the accreditation function; the selection of AEs and composition of the AE portfolio being based on an overall strategy that indicates how</p>

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				<p>these entities will help support GCF’s mandate; the GCF should clarify the aim and limitations of PSAA before piloting; and GCF-1 strategic planning should include targets and plans.</p> <p>The revised draft AS document includes 3 pillars focused on enhancing efficiency of the accreditation process, strategically using accreditation of partners to address gaps in capabilities and coverage; and optimizing incentives for partners to invest in a dedicated capacity to programme for GCF. Paragraphs 6–7 of the revised draft AS document provides further details on the IEU Synthesis recommendations that were taken into account in the development of the draft AS contained in annex II to the document. Paragraph 7 of the revised draft AS document explains “Since the IEU Synthesis, many of the recommendations have been addressed through the Board’s adoption of the USP 2020–2023, Private Sector Strategy (particularly in relation to the accreditation of private sector entities), and updates to the Accreditation Framework adopted in decision B.31/06, among others. While the updates to the Strategic Plan for the Fund for the second replenishment period from 2024 to 2027 and the revision of a strategy for the GCF Readiness and Preparatory Support Programme (Readiness Programme) are in development, the key action of adopting an</p>

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				<p>accreditation strategy, however, remains pending.”</p> <p>The AE Portfolio Analysis (document GCF/B.32/08) included a review the capabilities and coverage of the AE network. The capabilities and coverage of the AE network is the culmination of the accreditation scope characteristics of each AE assessed through accreditation. The AE accreditation scope characteristics include:</p> <ol style="list-style-type: none"> 1. Access modality: DAE, IAE; 2. Type of entity: private sector, non-private sector; 3. Indicative geographic coverage; 4. Indicative results areas; 5. Accreditation criteria: <ol style="list-style-type: none"> a. Financial modality (fiduciary standards, which include entities being able to manage projects/programmes directly, award grants on a competitive basis/mechanism, on-lend, blend instruments, undertake equity investments and provide guarantees); b. Maximum environmental and social risk level; and

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				<p>c. Maximum project/programme activity size category.</p> <p>The AE Portfolio Analysis also includes an analysis of the strengths and gaps in coverage of the AE network’s capabilities through the lens of the GCF portfolio, enabling the Fund to meet its GCF-1 portfolio targets.</p>
United States	General	NA	<p>Seeing as this is a strategy, it needs to set out what are we trying to achieve, what is the purpose and in particular what is the purpose of having a strong network of AEs. We’ve heard a number of different related but distinct but visions here of what the document should be. Some have said that the real reason is so developing countries can access climate finance and programme as many projects as possible and that this is really about the project pipeline first and foremost. And I think this is true, but not necessarily mutually exclusive. Are we talking about here having a higher quantity of projects that come through our accredited AE network, are we talking about having “better” projects, are we trying to fill key gaps in the portfolio? I think all of these are related to what advancing our pipeline could be.</p> <p>We have also heard talk about the important role of capacity building – I concur with the sentiment as well as providing an indicative number of projects for DAEs, but I certainly see the point that if we determine that entities are</p>	<p>In the context of the GCF operating model, the purpose of accreditation is to identify potential programming partners – AEs – that will channel financing for and deliver impacts from climate change projects and programmes responding to the needs of developing countries and in alignment with the mandate of the GCF as well as its objectives and programming goals, in a manner that meets the standards of the GCF (paragraph 1 of annex II to the revised draft AS document).</p> <p>Paragraph 2 of annex II to the revised draft AS document indicates that the objective of the accreditation strategy is to clarify the GCF operating model and guide the evolution of the GCF network of AEs in order to deliver on the GCF’s mandate, objectives and programming directions. It notes that GCF is implicitly following a hybrid operating model with both ambitious transformative programming targets and AE capacity development objectives.</p> <p>Regarding capacity building:</p>

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			<p>not currently capable of programming with the GCF, it could have a chilling effect to prevent partnerships in the future. I think if there is a capacity building element of the strategy it could also be more strongly articulated.</p>	<p>The revised draft AS document (and the earlier document GCF/B.33/08) identified that the GCF operates on a hybrid approach to the GCF operating model with dual objectives of ambitious transformative programming targets and AE capacity development objectives (in particular, see paragraphs 1 and 2 of annex II to the revised draft AS document).</p> <p>Incentivizing capacity-building and alignment with the GCF mandate within the accreditation function is underlined across the 3 pillars of the accreditation strategy:</p> <ol style="list-style-type: none"> 1. To improve efficiency of the accreditation process, measures proposed include clarifying the roles and responsibilities of AEs and options for pursuing PSAA or institutional accreditation depending on the envisaged partnership approach and capabilities of entities for programming. For institutional accreditation: the primary objective is that these partners will deliver regularly on high-quality climate change project and programme portfolios aligned with GCF's programming goals; the secondary objective is to build institutions that are capable of developing and implementing climate change

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				<p>programming. The institutional capacity built through institutional accreditation will enable GCF to continue incentivizing capacity-building and alignment of programming with the mandate and the strategic priorities of the GCF (see paragraph 7(a)(iii) of annex II to the revised draft AS document).</p> <p>The revised draft AS document also includes exploring the development of a standard on climate change programming development and implementation competency and capacity (see paragraph 7(b)(i) of annex II to the revised draft AS document). Such a standard would become part of the suite of GCF accreditation standards, and through the GCF Readiness and Preparatory Support Programme (Readiness Programme) DAEs through their NDAs could request for capacity building support to meet such standards to apply in GCF programming.</p> <p>Paragraph 7(c) of annex II to the revised draft AS document contains a series of proposed actions to enhance engagement and building institutional capacity. The proposed</p>

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				<p>actions include developing tailored guidance on and providing institutional capacity support measures for AEs and entities; Investing in the capacities of nominated direct access entities and accredited DAEs to programme while meeting GCF’s accreditation standards through the Readiness Programme and in alignment with GCF strategic priorities; continuing to allow for conditions of accreditation as a means for entities to continue meeting GCF standards throughout their partnership with GCF; and delivering tailored support to AEs under the Readiness Programme and to foster greater engagement with NDAs.</p> <p>2. Pillar 2 is on strategically using accreditation of partners to advance the goals of GCF by filling gaps in capabilities and coverage to deliver on high quality, transformational and paradigm-shifting programming while increasing the share of DAEs.</p> <p>A series of measures are proposed to provide programming directions and guidance to support AEs to deliver on such programming (see</p>

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				<p>paragraph 9(a) of annex II to the revised draft AS document). These include consolidating programming engagement with capacity-ready AEs, particularly DAEs, for them to generate project/programme ideas; supporting an increase in programming by DAEs that have demonstrated an ability to deliver on programming targets, especially for adaptation and the private sector; creating incentives to encourage IAEs to partner with DAEs.</p> <p>Another proposed action is to provide capacity development support for climate programming, in particular for DAEs, through the Readiness Programme and the Project Preparation Facility (PPF) to strengthen their capabilities to develop and implement projects and programmes aligned with GCF programming directions and developing countries' needs (see paragraph 9(c) of annex II to the revised draft AS document).</p> <p>3. Under Pillar 3 on optimizing incentives for partners to invest in a dedicated capacity to programme for GCF, it is proposed that GCF aim</p>

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				for each AE to have at least two projects/programmes every five-year accreditation term to incentivize AEs to build or strengthen dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.
United States	General	NA	What we could hear more of is the role of accreditation in helping to scale-up financial support. One of the key roles the AEs play is to bring to bear their institutional and financial resources on the GCF portfolio to leverage more advanced and larger activities. This really needs to do 2 things (1) articulate a vision that may be multifaceted – what we expect the accreditation to deliver and (2) how to improve of our processes to deliver?	In paragraph 10 of annex II to the revised draft AS document: Building on the measures to enhance the efficiency, effectiveness and inclusiveness of the GCF accreditation and re-accreditation processes and strategically using the accreditation of partners to fill in gaps in capabilities and coverage, GCF will also optimize incentives for partners to invest in a dedicated capacity for GCF. Accreditation to GCF can provide several benefits to partner entities. While accessing GCF financing is the primary motivation, accreditation also enables entities to join, collaborate, co-invest and share knowledge with the largest climate network in the world. Furthermore, the institutional and skill investment required to be accredited to GCF and to develop GCF projects prepares entities for accessing other sources of climate finance, including for some domestic and international capital markets. GCF will increasingly operate as an investment platform convener, building new coalitions of AEs and consolidating different

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				<p>sources of finance, as well as a knowledge sharer to optimize this range of benefits and incentivize AEs to build or strengthen a dedicated capacity to programme high quality projects and programmes at pipeline entry aligned with GCF's objectives and programming goals.</p> <p>As indicated in the response above, paragraphs 1 and 2 of annex II to the revised draft AS document provide the purpose of accreditation and the objective of the accreditation strategy.</p>
United States	General	NA	<p>Types of roles – would like to see more to this effect. The term “graduation” seems apt and useful. Could do more to articulate the types of roles/partnerships that can be undertaken with the GCF. Not apartment if they all need to be articulated fully in the strategy but drawn out and could potentially be elaborated elsewhere.</p>	<p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes, which includes the different roles for accreditation as well as other roles (e.g. executing entity, co-financier, etc.).</p> <p>Paragraph 24 of the revised draft AS document provides additional information on the graduation out of the AE role into other forms of partnership. Graduation out of the AE role does not entail the creation of a new modality for partnership. Instead, it recognizes that entities may still wish to contribute to the GCF mandate and objectives even if they are no longer an AE, and that other existing partnership approaches are available to entities after concluding their AE role. For example, entities may seek to coordinate their activities on climate action in</p>

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				<p>alignment with GCF’s mandate and objectives, informed by country programming priorities and areas where institutional and capacity building and strengthening of NDAs and DAEs may be needed. Entities can also serve as an executing entity working with an AE or a co-financier for a GCF project/programme, or a Delivery Partner for the Readiness Programme to provide technical and capacity building assistance, after concluding their role as AE. This is reflected in paragraph 12(b)(ii) of annex II to the revised draft AS document.</p> <p>In terms of the PSAA and graduation paragraph 41 of the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision describes the potential for PSAA entities to consider applying for institutional accreditation: “Entities may be encouraged to seek institutional accreditation after undergoing the PSAA should they have the potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to the delivery of the targeted project/programme under the PSAA would be used to inform the institutional accreditation process in the context of whether the entity could be an appropriate partner for channelling GCF resources to developing countries through projects/programmes similar to the PSAA</p>

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				project/programme, noting that the broader institution-wide systems and capacities for a potential portfolio of projects/programmes will be assessed in institutional accreditation.”
United States	General	NA	<p>PSAA in particular – supportive of this – one thing I have not seen if primarily what we are focused on is getting strategic projects funded through GCF it sort of makes sense but if what we want to do is build a long-term network of partners we need to consider under what circumstances PSAA entities could transition to AEs.</p>	<p>The role of the PSAA has been further articulated in the revised strategy para 7 (a) (iii) (1) and 9 (b) (ii) in Annex II to the revised draft AS document.</p> <p>In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed.</p> <p>Paragraph 41 of the updates to the accreditation framework adopted in decision B.31/06, paragraph (b), and annex IV to the decision: “Entities may be encouraged to seek institutional accreditation after undergoing the PSAA should they have the potential to be a long-term partner and show interest in aligning their institutional systems to the standards of GCF accreditation. The institutional capacity checks related to the delivery of the targeted project/programme under the PSAA would be used to inform the institutional accreditation process in the context of whether the entity could be an appropriate partner for channelling GCF resources to developing countries through projects/programmes similar to the PSAA project/programme, noting that the broader institution-wide systems and capacities for a</p>

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				potential portfolio of projects/programmes will be assessed in institutional accreditation.”
United States	General	NA	Re-accreditation and importance of that process particularly as our AE network starts to age. Having more clarified process for that would be helpful. This also does relate to vision of what we are trying to achieve. There is space to flesh out a little bit more for how to further improve those.	<p>Paragraph 7(a) of annex II to the revised draft AS document proposes improving guidance on the role of AEs and the accreditation process as an action to enhance efficiency of the accreditation and re-accreditation processes. In paragraph 7(a)(iii), the two models for accreditation – PSAA and institutional – are detailed.</p> <p>The development of key performance indicators to define AE performance and non-performance is proposed in paragraph 12(a) in annex II to the revised draft AS document. Such indicators may be considered in re-accreditation.</p> <p>Paragraph 12(b) provides options for AEs to consider in terms of the partnership with GCF with respect to re-accreditation and potential to continue the partnership.</p>