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GCF REGIONAL DIALOGUE

with AFRICA

Windhoek, Republic of Namibia
6–10 November 2023

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Accreditation and the partnership modalities to leverage GCF financing

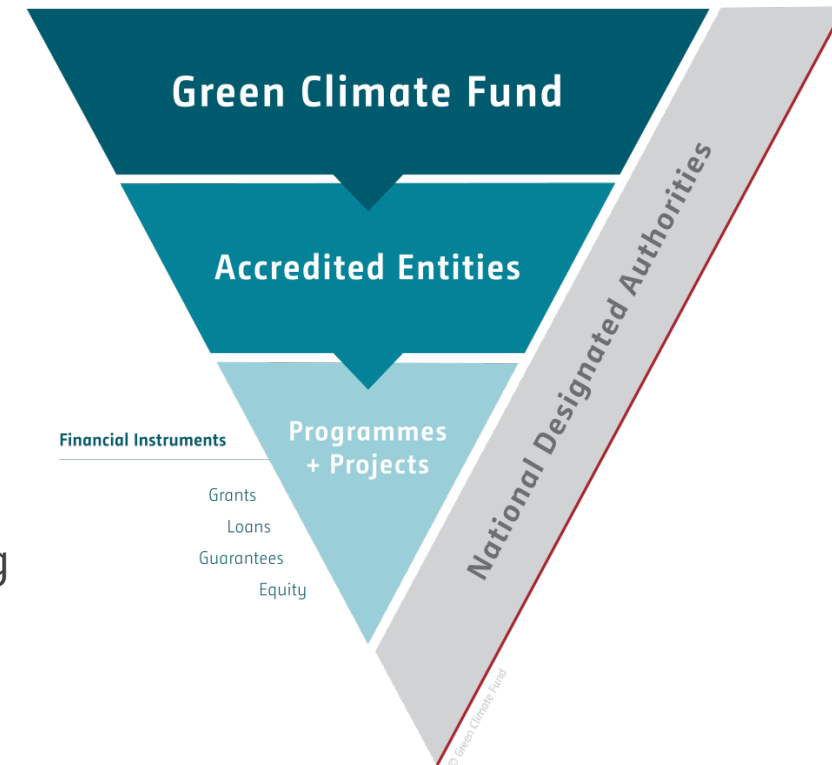
Mallé Fall Sarr, Accreditation Officer,
Division of Country Programming

Windhoek, Republic of Namibia
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GCF is a partnerships institution

- **Accredited Entities (AEs)** develop and submit funding proposals to the GCF, and oversee and monitor the management and implementation of projects and programmes approved and financed by GCF.
- **PSAA entities** partner with the GCF on a specific project and their capacity is assessed only for that project.
- **Executing Entities (EEs)** channel or use GCF proceeds for the purposes of a GCF funded activity, and/or execute or carry out a GCF funded activity or any part thereof.
- **Co-financiers** provide co-financing to GCF projects and programmes by engaging with AEs.
- **Readiness Delivery Partners (RDPs)** may be nominated by the NDAs/FPs to implement technical assistance and capacity development grants under the Readiness Programme.
- **Other key partners** such as CSOs, NDAs, Academia, etc.



Accredited Entity role and responsibilities



At the institutional / corporate level

- **Demonstrate institutional capacities to undertake the overall management, implementation and oversight** of climate change projects/programmes in line with GCF accreditation standards*
- **Provide evidence** of institutional systems, policies, procedures, capacity and track record in relation to GCF accreditation standards
- **Demonstrate institutional capacities to ensure Executing Entities that are managed by the AE apply the same standards, and to monitor, report and verify** that relevant GCF standards, safeguards and policies are being upheld
- **Possess independent legal personality and legal capacity** to enter into legal agreements with GCF, and undertake AE obligations on their own behalf

At the operational level

- **Cover the full project/programme cycle and engage with NDAs and focal points** to align potential projects/programmes with country priorities, strategies, approaches and needs on climate change
- **Develop and periodically update an Entity Work Programme** in order to deliver country-owned, high-impact proposals in a strategic manner
- **Design projects and develop funding proposals** to be considered by GCF for financing
- **Implement, deliver, monitor and report results of GCF-funded activities, including management of Executing Entities**

*GCF accreditation standards include fiduciary, environmental and social, and gender standards.

Country approach/strategy for AE partnerships and nominations for accreditation

Country programme

- Alignment of AE partnerships and accreditation pipeline with country programming priorities

Accredited Entity's role and capacity

- Accredited Entity roles and responsibilities
- GCF fiduciary, environmental and social and gender standards

Complementarity of nominated entities

- Existing Accredited Entities and applicant entities in the accreditation pipeline
- Complementarity in private and public sectors, thematic/results areas/sectors, project size, financial instruments, environmental and social risk levels, etc.

Country approach/strategy for AE partnerships and nominations for accreditation (indicative matrix)



Entity	Match with country programming and priorities	Adaptation/ Mitigation/ Cross-cutting	Sectors/Thematic areas (e.g. energy, agriculture, etc.)	Access Modality (DAE, IAE)	Private / Public	Project Financing Size				Financing Modality and Financial Instruments			E&S Risk Category		
						Micro	Small	Medium	Large	PM	GA	OL/B	C/I-3	B/I-2	A/I-1
<u>AE</u>	Project Ideas 1 and 3	Adaptation		DAE-National	Public										
<u>AE</u>	Project Idea 2	Cross-cutting		IAE	Public										
Applicant 1	Project Idea 4	Cross-cutting		DAE-National	Private										
Applicant 2	Project Idea 5	Mitigation		DAE-Regional	Public										

Abbreviations: A/I-1 = high environmental and social (E&S) risk category A or intermediation 1 level, AE = accredited entity, B/I-2 = medium E&S risk category B or intermediation 2 level, C/I-3 = minimal to no E&S risk category C or intermediation 3 level, DAE = direct access entity, GA = grant award and/or funding allocation mechanisms, IAE = international access entity, PM = project management, OL/B = on-lending and/or blending (for loans, equity and/or guarantees).

NDA/FP Nomination Process

1. NDA to develop country programming priorities
2. NDA to engage with Regional Desk on accreditation strategy and DAE nominations aligned with country programming
3. NDA to submit nomination letter to GCF Country at countries@gcfund.org and accreditation@gcfund.org
4. The Secretariat will follow up with the NDA and nominated entities on next steps

Accreditation framework and fit-for-purpose approach to accreditation

Public, private, non-governmental

Direct Access

Subnational, national and regional entities that are registered in a developing country that will implement projects in developing countries only, including the country where they are registered

International Access

International entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions

Mandate & track record

- Alignment with Fund objectives
- At least 3 year of operations*

Project/ programme size

- Micro (<10mn)
- Small (10-50mn)
- Medium (50-250mn)
- Large (>250mn)

Financing modalities

- Basic
- Specialized
 - Project management
 - Grant award and/or funding allocation mechanisms
 - On-lending and/or blending (loans, equity and/or guarantees)

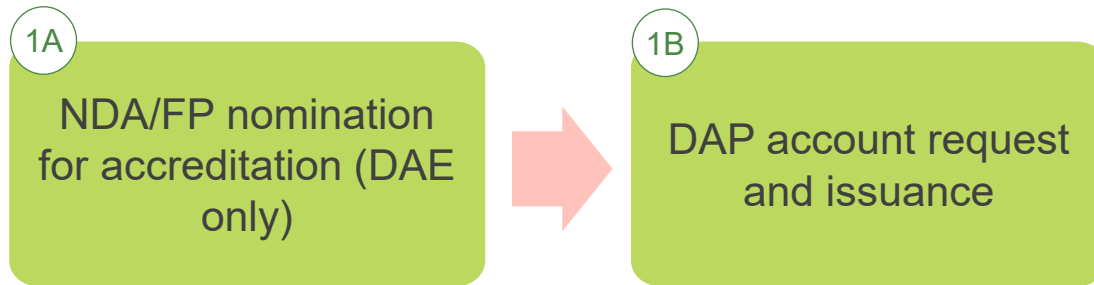
Environmental & social risk category.

- A/I-1 (high)
- B/I-2 (medium)
- C/I-3 (minimal or no)

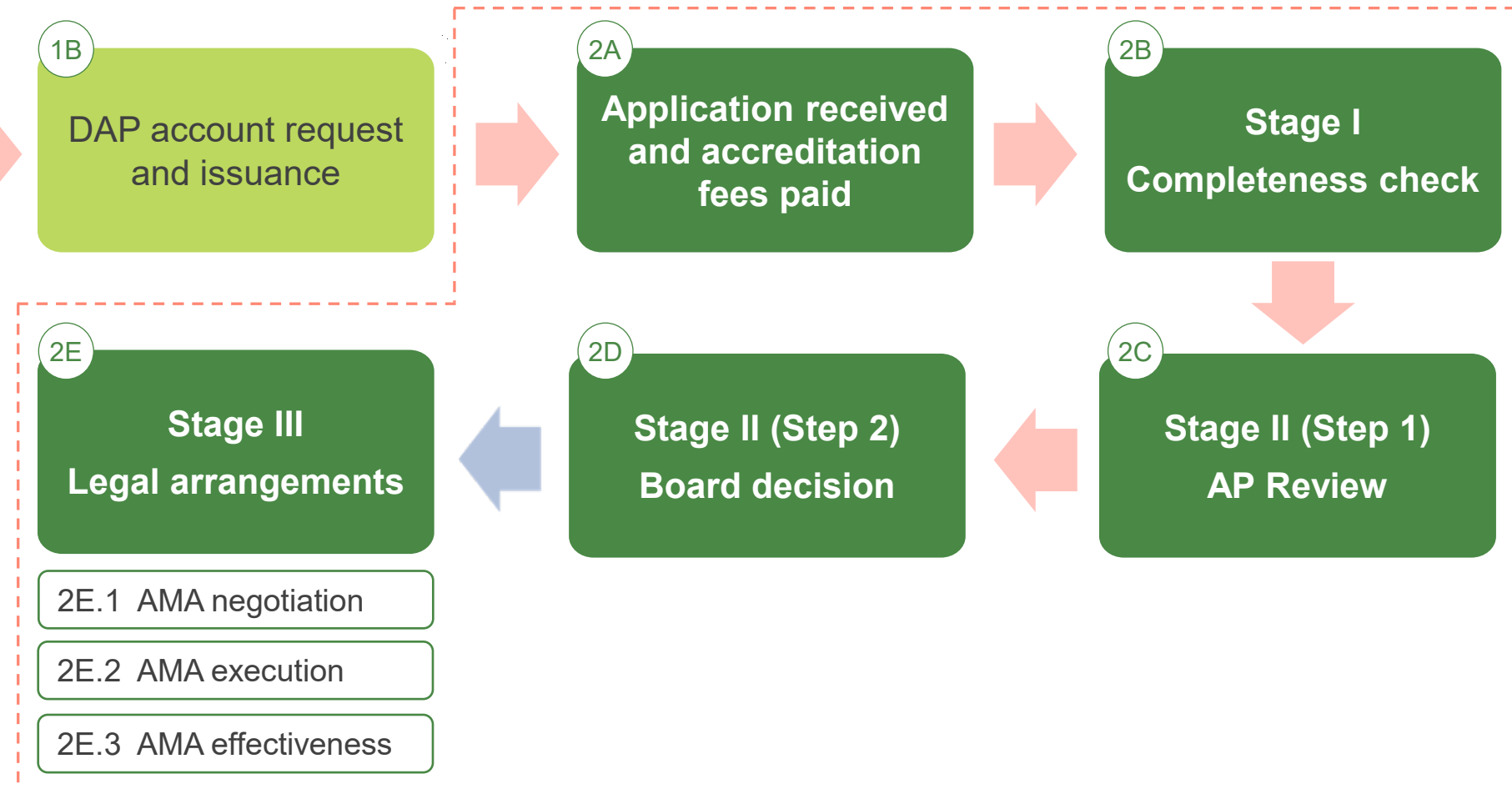
Accreditation process



1. Pre-accreditation



2. Accreditation



Towards a revised accreditation framework



- **Accreditation Strategy (B.34/19):**

- Large pipeline that exceeds the GCF capacity
- Prioritization of re-accreditation to avoid lapses between accreditation terms

- **B.37 decision (October 2023):**

- Extension of accreditation terms
- Pause on re-accreditation
- Focus on accreditation of new entities, **with a programming-driven approach**
- Mandate for a revised accreditation framework in 2024
 - Consultations



Thank you

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GCF Fiduciary, ESS and Gender Criteria



Basic Fiduciary Standards

- Key administrative and financial capacities
- Transparency and accountability

Specialized Fiduciary Standards

- Project management
- Grant award and/or funding allocation mechanisms
- On-lending and/or blending

Gender Policy

- Policies, procedures, and competencies

Environmental and Social Safeguards (ESS)

Institutional ESMS policy-level:

✓ **Performance Standard (PS) 1:**

Assessment and management of relevant PS1-8 environmental and social risks and impacts through an environmental and social management (ESMS)

Project-level:

- ✓ **PS2:** Labor and working conditions
- ✓ **PS3:** Resource efficiency and pollution prevention
- ✓ **PS4:** Community health, safety and security
- ✓ **PS5:** Land acquisition and involuntary resettlement
- ✓ **PS6:** Biodiversity conservation and sustainable management of living natural resources
- ✓ **PS7:** Indigenous peoples
- ✓ **PS8:** Cultural heritage

What readiness support is available for accreditation?

Entities that apply under the **direct access modality** can request for and may be eligible to receive **readiness and preparatory support** to meet the GCF's [accreditation requirements](#).

Readiness support is available for:

- Fast-track accreditation support for eligible entities
- Awareness raising of accreditation processes and standards (e.g. fiduciary, environment and social safeguards, and gender)
- Institutional gap analyses
- Developing personalized capacity building plans to address identified gaps

Accreditation fees*



Financial capacity category	Total projected costs at the time of application, irrespective of the portion that is funded by the GCF, for an individual project or activity	Fee Level for accreditation application for undertaking activities related to Basic Fiduciary Standards, ESS and gender	Fee Level for accreditation application for undertaking activities related to each Specialized Fiduciary Standard ^{a, b}	Other Fees
Micro	Less than or equal to USD 10 million	Subnational and national entities in developing countries including SIDS and LDCs: no fee All other entities: USD 1,000	USD 500 each	Other fees may apply if the application is reviewed by the Secretariat or Accreditation Panel more than twice. The amount of the fee is to be determined on a case-by-case approach by the Secretariat.
Small	Above USD 10 million and up to and including USD 50 million	SIDS and LDCs: no fee Subnational and national entities in developing countries other than SIDS and LDCs: USD 3,000 All other entities: USD 5,000	USD 1,000 each	
Medium	Above USD 50 million and up to and including USD 250 million	USD 10,000	USD 3,000 each	
Large	Above USD 250 million	USD 25,000	USD 7,000 each	

* Refer to the GCF's [Policy on Fees for Accreditation](#).

^a [Specialized Fiduciary Standards](#) refer to: 1) project management; 2) grant award and/or allocation mechanisms; and 3) on-lending and/or blending (for loans, equity and/or guarantees).

^b For example an entity seeking accreditation for large activities; basic fiduciary standards, ESS and gender (USD 25,000); and all 3 specialized fiduciary standards (USD 7,000 each: USD 7,000 x 3 = USD 21,000) will be required to pay a total of USD\$ 46,000 (USD 25,000 + USD 21,000) in accreditation fees to the GCF.

Fast-track accreditation process

Certain entities may be eligible to apply under the fast-track accreditation process, as approved by the Board:

- Global Environment Facility (GEF)
- Adaptation Fund (AF)
- Directorate-General for Development and Cooperation – EuropeAid of the European Commission (DG DEVCO)

Recognizing that certain entities have completed the accreditation process of other funds/institutions against fiduciary and environmental and social standards that may be comparable to the GCF's fiduciary standards and ESS, the fast-track process allows for eligible entities to **focus their application on the GCF's accreditation requirements (gaps) that have not been assessed in other accreditation processes.**