

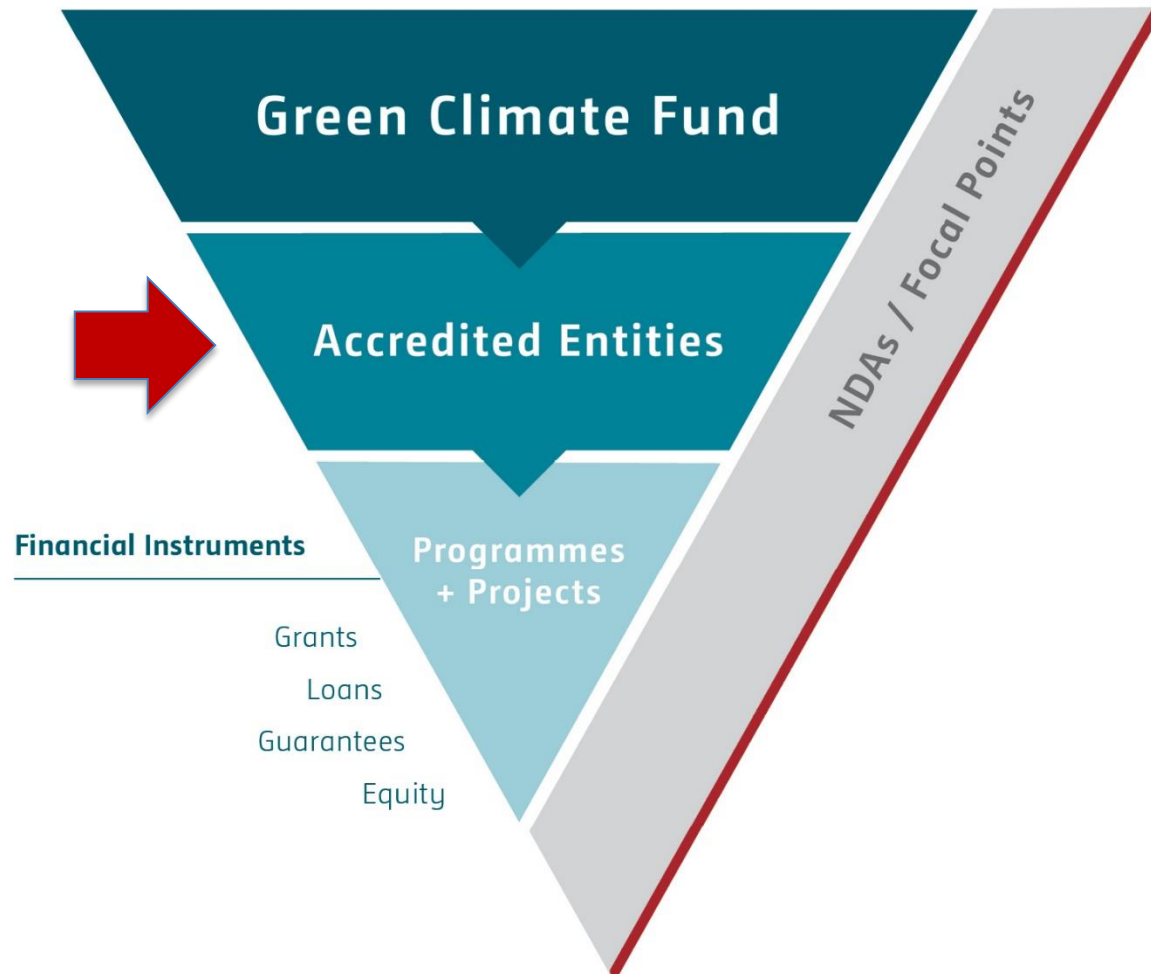
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# Accreditation Process for Direct Access

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Regional Adviser (Africa)

Regional Climate Finance Workshop  
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# Recap on the GCF Architecture





# Who can apply for accreditation?

**All entities**, including international, regional, national and subnational and public and private entities, can apply for accreditation through one of two modes of access:

**Direct access modality**: for regional, national and sub-national entities.

- Entities will need to accompany their application for accreditation with evidence of their **nomination from the NDA or focal point designated** from their country with their application for accreditation
- Entities may be eligible to receive **readiness and preparatory support** in terms of capacity-building in order to meet the Fund's accreditation requirements

**International access modality**: for international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions

Entities seeking accreditation to the Fund will be assessed against the Fund's **fiduciary principles and standards, environmental and social safeguards (ESS), gender policy**



# Fit-for-Purpose Accreditation

## Mandate & track record

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

## Project size

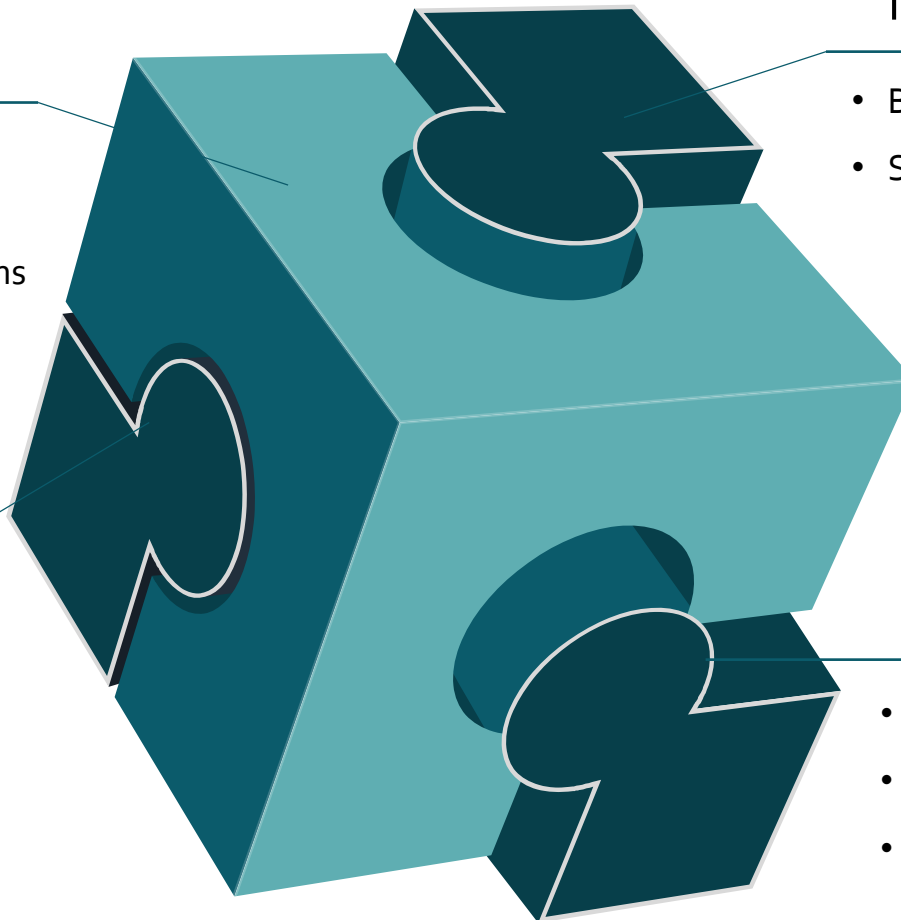
- Micro (>10mn)
- Small (10-50mn)
- Medium (50-250mn)
- Large (>250mn)

## Fiduciary functions

- Basic
- Specialized

## Environment & Social risk category

- A (high)
- B (medium)
- C (low)





# Fiduciary functions

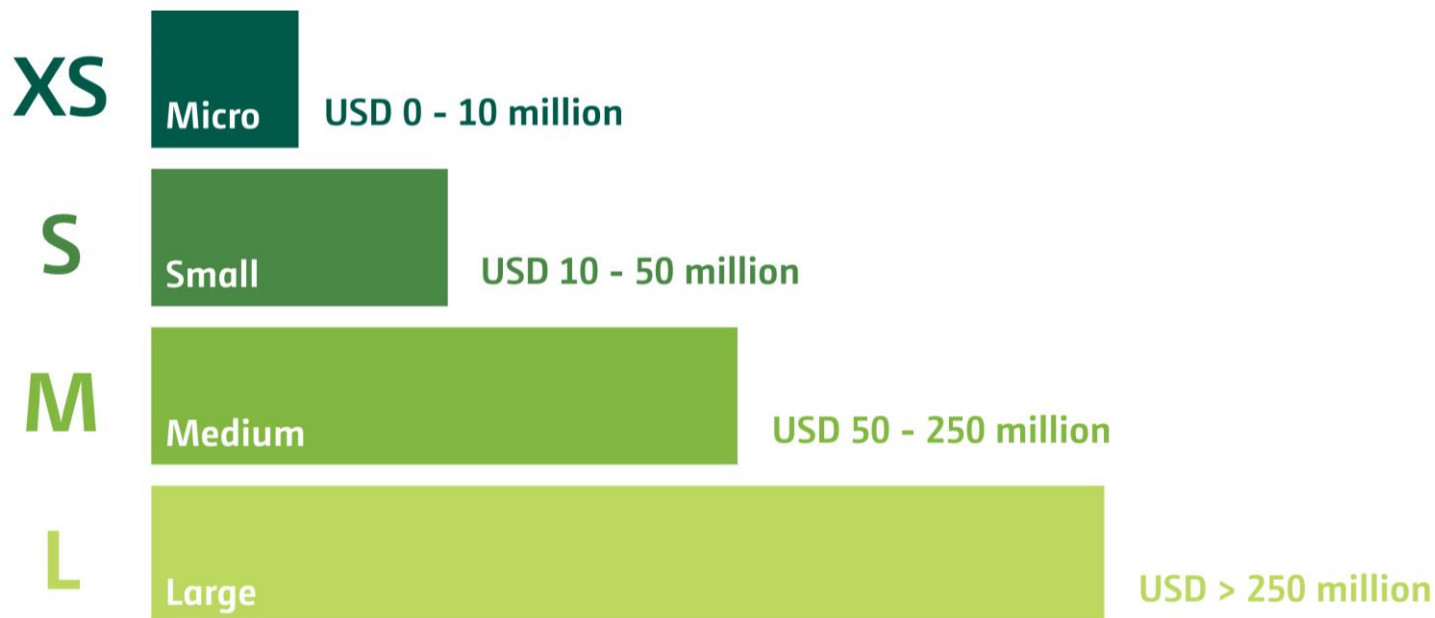
Examples of fiduciary functions	Accreditation required against			
	Basic fiduciary criteria	Specialized fiduciary criteria for project management*	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	Specialized fiduciary criteria for on-lending and/or blending
Strengthening institutional and regulatory systems	✓			
Implementing projects using Fund's resources, where the entity itself executes the project	✓	✓		
Implementing projects using Fund's resources, where the project is executed by another entity	✓	✓		
Awarding grants	✓	✓	✓	
Managing lines of credit using the Fund's resources	✓			✓
On-lending	✓	✓		✓
Blending Fund's resources with other sources of funding	✓	✓		✓
Using Fund's resources for guarantees	✓			✓
Using Fund's resources for equity investments	✓			✓

\* Assessment of the entity against this standard will take into account whether the entity is overseeing or implementing projects/programmes.



# Size of project/activity within a programme

Total Projected Costs\*



\* At the time of application, irrespective of the portion that is funded by the Fund and, if applicable, other sources, for an individual project or activity within a programme.



# Environmental and social risk categories

Risk level	Funding proposals	Intermediation*
<b>High</b>	<b>Category A</b> Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented	<b>Intermediation 1 (I1)</b> When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented
<b>Medium</b>	<b>Category B</b> Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures	<b>Intermediation 2 (I2)</b> When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.
<b>Low/No</b>	<b>Category C</b> Activities with minimal or no adverse environmental and/or social risks and/or impacts	<b>Intermediation 3 (I3)</b> When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts.

\* Activities involving investments through financial intermediation functions or through delivery mechanisms involving financial intermediation.



# 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 (EU 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 Fund's fiduciary standards and ESS, the fast-track process allows for **eligible entities** to **focus their application on the Fund's accreditation requirements (gaps)**, that have not been assessed in other accreditation processes.

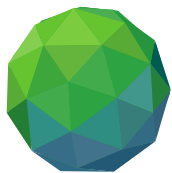
The fast-track process also allows for the **accreditation review** to **focus on how the entity addresses the gaps**.





# Fast-track accreditation process: Global Environment Facility entities

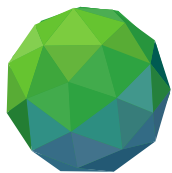
		Global Environment Facility (GEF)-accredited entities
Eligible if:	Accreditation date	Up to 9 July 2015
	In full compliance with	GEF's Minimum Fiduciary Standards and Minimum Standards on ESS
<a href="#">Gaps to be addressed by entity:</a>	Fiduciary gap(s)	1. Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability)
	ESS gap(s)	1. Have the capacity to assess and manage relevant elements of Performance Standards 1-4 and 6 environmental and social risks and impacts in line with the Fund's ESS through an ESMS
Fast-track accreditation against:	Basic fiduciary criteria and ESS	Yes
	Specialized fiduciary criteria for project management	Yes
	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	No
	Specialized fiduciary criteria for on-lending and/or blending	No



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# Fast-track accreditation process: Adaptation Fund entities

		Adaptation Fund (AF)-accredited entities
Eligible if:	Accreditation date	Up to 9 July 2015
	In full compliance with	AF's fiduciary standards
<a href="#">Gaps to be addressed by entity:</a>	Fiduciary gap(s)	<ol style="list-style-type: none"> <li>1. Have publicly available terms of reference that outline the purpose, authority and accountability for the investigation function (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation)</li> <li>2. Ensure functional independence by having the investigations function headed by an officer who reports to a level of the organization that allows the investigation function to fulfil its responsibilities objectively (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation)</li> <li>3. Publish guidelines for processing cases, including standardized procedures for handling complaints received by the function and managing cases before, during and after the investigation process (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation)</li> </ol>
	ESS gap(s)	<ol style="list-style-type: none"> <li>1. Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS</li> </ol>
Fast-track accreditation against:	Basic fiduciary criteria and ESS	Yes
	Specialized fiduciary criteria for project management	Yes
	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	No
	Specialized fiduciary criteria for on-lending and/or blending	No



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# Fast-track accreditation process: EU DEVCO entities

		Directorate-General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO) entities
Eligible if:	Accreditation date	Up to 9 July 2015
	In full compliance with	EU DEVCO's fiduciary standards under the 6-pillar assessment
<u>Gaps to be addressed by entity:</u>	Fiduciary gap(s)	1. Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability)
	ESS gap(s)	1. Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS
Fast-track accreditation against:	Basic fiduciary criteria and ESS	Yes
	Specialized fiduciary criteria for project management	No
	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	Yes
	Specialized fiduciary criteria for on-lending and/or blending	No



# Accreditation fees\*

Financial capacity category	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, 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 <sup>a, b</sup>	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: US\$ 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: US\$ 3,000 All other entities: US\$ 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	

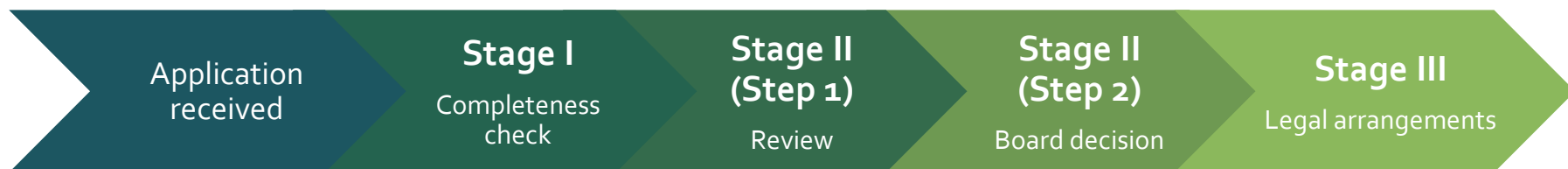
\* Refer to the Fund's Policy on fees for accreditation of the Fund decided at the Board's eighth meeting located [here](#).

<sup>a</sup> [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).

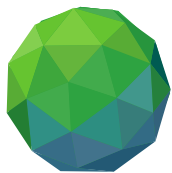
<sup>b</sup> For example an entity seeking accreditation for large activities; basic fiduciary standards, ESS and gender (US\$ 25,000); and all 3 specialized fiduciary standards (US\$ 7,000 each: US\$ 7,000 x 3 = US\$ 21,000) will be required to pay a total of US\$ 46,000 (US 25,000 + US\$ 21,000) in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



# Robust and rigorous accreditation process fit for an entity's purpose



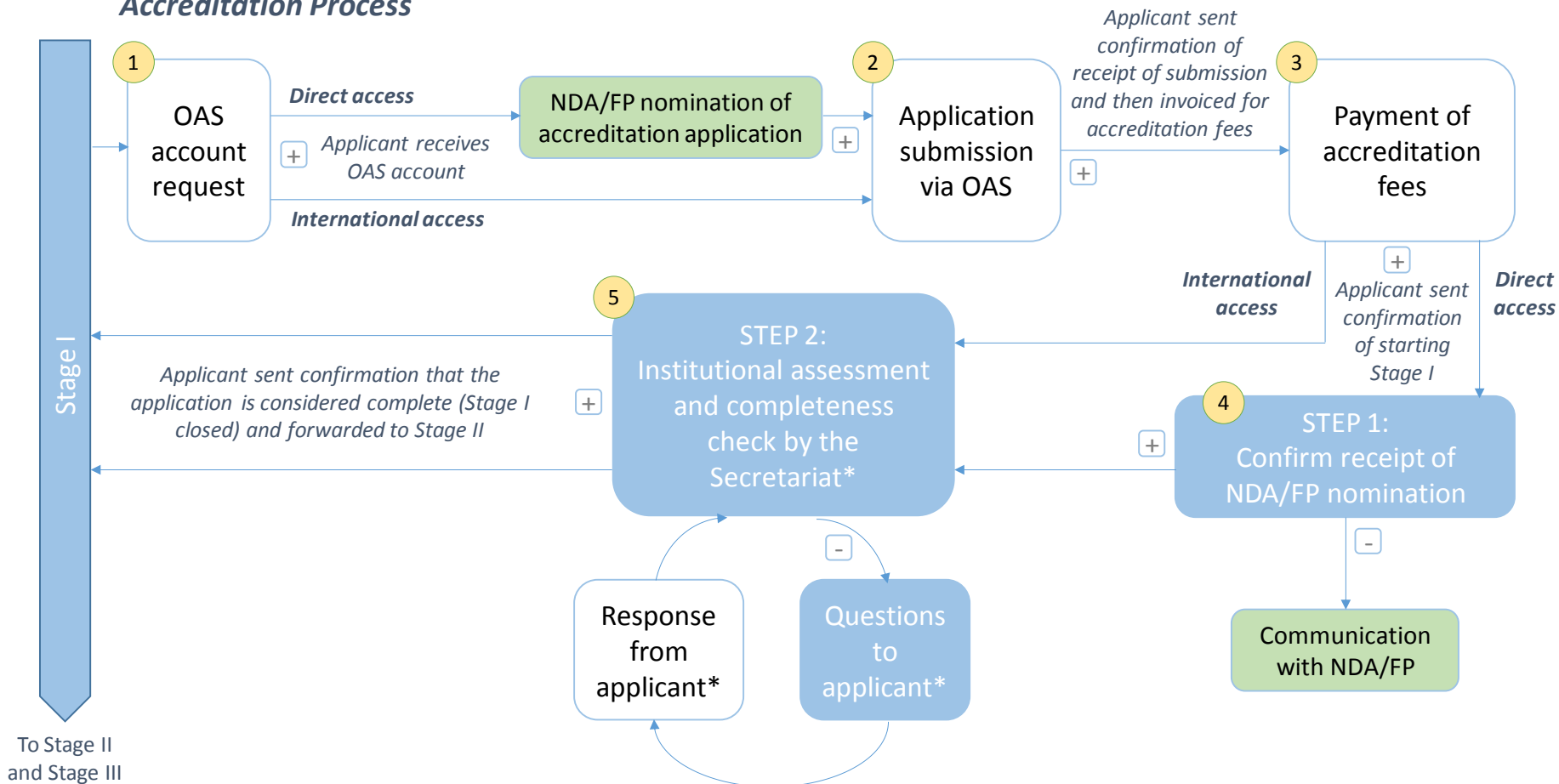
- Assuming all documentation is provided in a timely and complete manner, the applicant does not opt for readiness support while the application is being processed, and the applicant is found to meet all of the standards for which it originally applied for, the accreditation review and decision-making process (Stages I and II) may be completed within 6 months.
- For entities eligible for the fast-track accreditation process, under the assumptions above, the accreditation review and decision-making process may be completed within 3 months.
- Applications that are incomplete or for which the standards that are applied for change will generally require additional time during the process. Applicants may refer to **examples of supporting documents**
- Questions and requests for clarification may be sent to applicants at Stage I and Stage II (Step 1) of the accreditation process
- The Secretariat and Accreditation Panel use checklists during the **Stage I check** and **Stage II review**



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# Accreditation Stage I

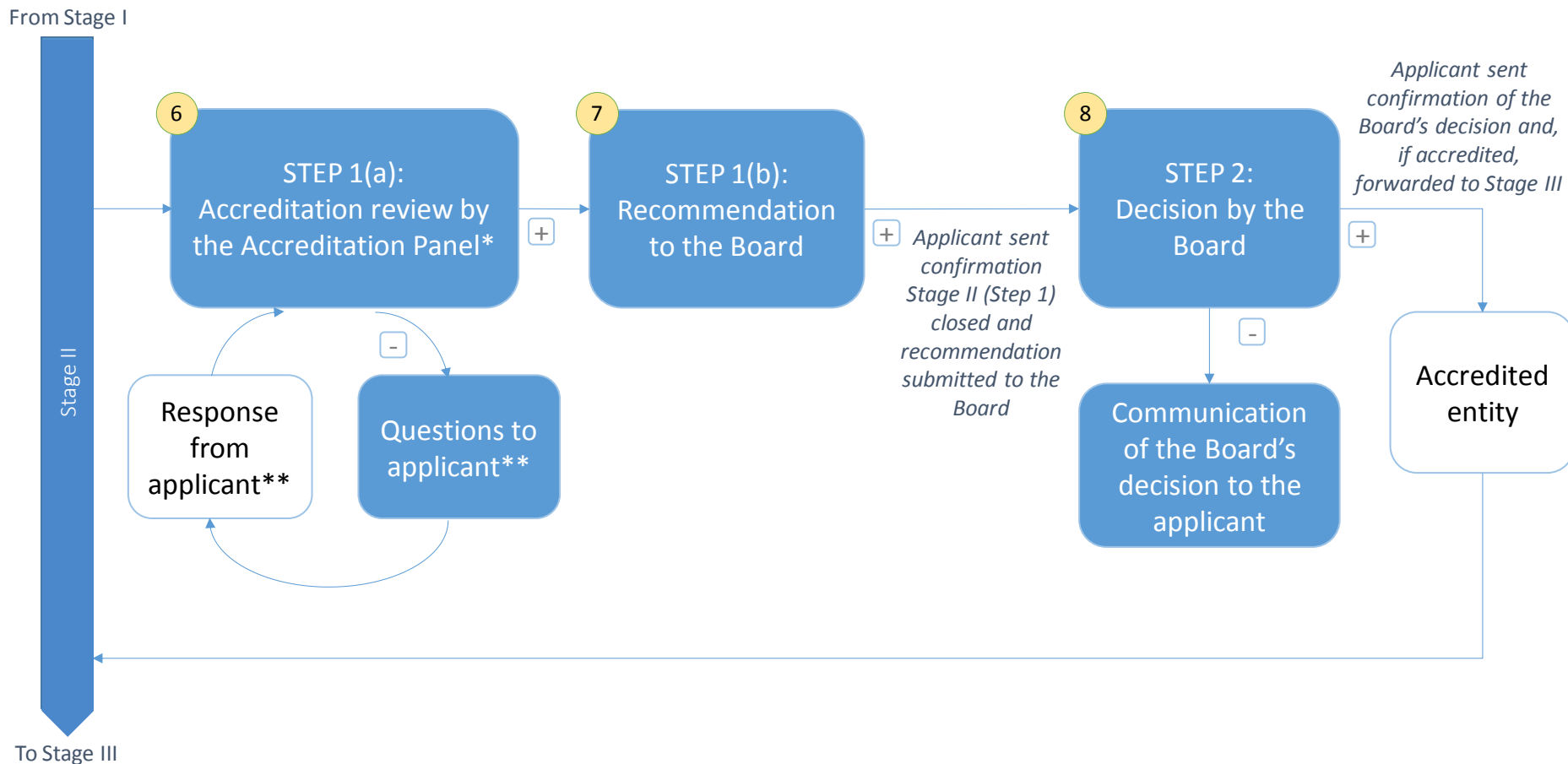
## Accreditation Process



\*The number of rounds of questions may vary depending on the completeness of the application.



# Accreditation Stage II



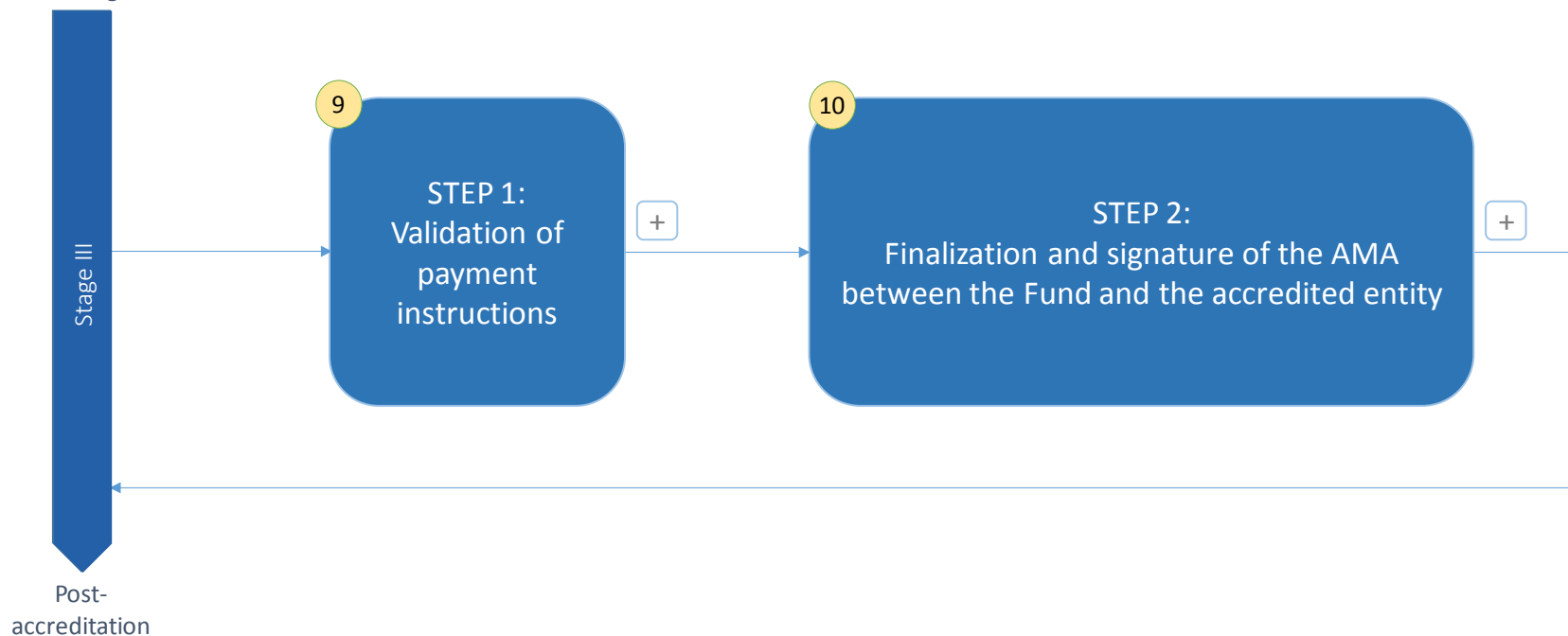
\* With support from external technical experts on an as-needed basis

\*\* The number of rounds of questions may vary. Interview and a site visit may be required.



# Accreditation Stage III

From Stage II



## *Post-accreditation Process*

Project and programme funding proposal preparation, assessment and approval process as per the Fund's investment framework and results management framework





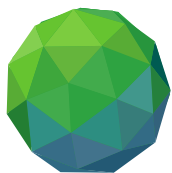
## Results of the accreditation process

Entities can **apply** on a rolling-basis (e.g., **there is no deadline for submitting applications**) and applications are reviewed on a rolling basis. The decision on accreditation will be taken by the Board at its meetings.

Based on the application and the entity's track record, the Accreditation Panel will make a recommendation to the Board on the potential of the entity for accreditation with the following indications:

- Maximum size of project/activity within a programme
- Maximum environmental and social risk category
- Sector (in some cases where there may be a limited track record)

Accreditation broadly defines the way in which an entity can access the Fund's resources, but the Board will take decisions on individual projects and programmes consistent with the Fund's investment framework.



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# Accredited Entities, as of July 2015

## Regional



Caribbean Community  
Climate Change Centre



**SPREP**

Secretariat of the Pacific Regional  
Environment Programme

## National



Environmental Investment Fund  
of Namibia | ensuring sustainability



Ministry of Natural Resources of Rwanda



**NABARD**



PROFONANPE

## International



**AFC**

AFRICA FINANCE CORPORATION



AGENCE FRANÇAISE  
DE DÉVELOPPEMENT



Asian Development Bank



CONSERVATION  
INTERNATIONAL



Deutsche Bank



European Bank  
for Reconstruction and Development



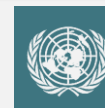
**IDB**  
Inter-American  
Development Bank



**THE WORLD BANK**  
IBRD • IDA



**kfw**



**UN  
DP**



**UNEP**



## Summing up

- Access to the fund is through accredited entities
- Through the **3-stage accreditation process** and the **fit-for-purpose approach**, entities will be **accredited** for certain **fiduciary functions**, **size of project/activity within a programme**, and **environmental and social risk category**. Some entities are eligible for fast tracking if already accredited to GEF, Adaptation Fund, EU DEVCO.
- Entities can apply on a **rolling basis** and applications are reviewed on a rolling basis. Decisions on accreditation will be made by the Board at its meetings.
- Already some accredited entities in the region. No limit on the number of accredited entities that can be supported by a country.



# Eligibility – can my entity apply for accreditation?



## **Legal personality:**

Is your entity a legally established entity with its own legal personality?

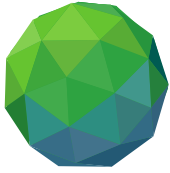
## **Institutional system:**

What are your policies, procedures, guidelines, etc. at the organizational level?

## **Track record:**

Can you demonstrate that these policies, procedures, guidelines, etc. are implemented?

Eligible to apply.



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Contact us at [accreditation@gcfund.org](mailto:accreditation@gcfund.org)



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