Accreditation Process for Direct Access

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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

<table>
<thead>
<tr>
<th>Examples of fiduciary functions</th>
<th>Accreditation required against</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic fiduciary criteria</td>
</tr>
<tr>
<td>Strengthening institutional and regulatory systems</td>
<td>✓</td>
</tr>
<tr>
<td>Implementing projects using Fund’s resources, where the entity itself executes the project</td>
<td>✓</td>
</tr>
<tr>
<td>Implementing projects using Fund’s resources, where the project is executed by another entity</td>
<td>✓</td>
</tr>
<tr>
<td>Awarding grants</td>
<td>✓</td>
</tr>
<tr>
<td>Managing lines of credit using the Fund’s resources</td>
<td>✓</td>
</tr>
<tr>
<td>On-lending</td>
<td>✓</td>
</tr>
<tr>
<td>Blending Fund’s resources with other sources of funding</td>
<td>✓</td>
</tr>
<tr>
<td>Using Fund’s resources for guarantees</td>
<td>✓</td>
</tr>
<tr>
<td>Using Fund’s resources for equity investments</td>
<td>✓</td>
</tr>
</tbody>
</table>

* 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*

**XS**
- Micro
- USD 0 - 10 million

**S**
- Small
- USD 10 - 50 million

**M**
- Medium
- USD 50 - 250 million

**L**
- Large
- USD > 250 million

* 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

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Funding proposals</th>
<th>Intermediation*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High</strong></td>
<td><strong>Category A</strong></td>
<td><strong>Intermediation 1 (I1)</strong>&lt;br&gt;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.</td>
</tr>
<tr>
<td></td>
<td>Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.</td>
<td></td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td><strong>Category B</strong></td>
<td><strong>Intermediation 2 (I2)</strong>&lt;br&gt;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.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td><strong>Low/No</strong></td>
<td><strong>Category C</strong></td>
<td><strong>Intermediation 3 (I3)</strong>&lt;br&gt;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.</td>
</tr>
<tr>
<td></td>
<td>Activities with minimal or no adverse environmental and/or social risks and/or impacts.</td>
<td></td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>Eligible if:</th>
<th>Global Environment Facility (GEF)-accredited entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation date</td>
<td>Up to 9 July 2015</td>
</tr>
<tr>
<td>In full compliance with</td>
<td>GEF’s Minimum Fiduciary Standards and Minimum Standards on ESS</td>
</tr>
</tbody>
</table>

### Gaps to be addressed by entity:

<table>
<thead>
<tr>
<th>Fiduciary gap(s)</th>
<th>1. Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESS gap(s)</td>
<td>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</td>
</tr>
</tbody>
</table>

### Fast-track accreditation against:

<table>
<thead>
<tr>
<th>Basic fiduciary criteria and ESS</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized fiduciary criteria for project management</td>
<td>Yes</td>
</tr>
<tr>
<td>Specialized fiduciary criteria for grant award and/or funding allocation mechanisms</td>
<td>No</td>
</tr>
<tr>
<td>Specialized fiduciary criteria for on-lending and/or blending</td>
<td>No</td>
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Fast-track accreditation process:  
Adaptation Fund entities

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<tr>
<th>Eligible if:</th>
<th>Adaptation Fund (AF)-accredited entities</th>
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<tbody>
<tr>
<td>Accreditation date</td>
<td>Up to 9 July 2015</td>
</tr>
<tr>
<td>In full compliance with</td>
<td>AF’s fiduciary standards</td>
</tr>
<tr>
<td><strong>Gaps to be addressed by entity:</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Fiduciary gap(s)                  | 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)  
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)  
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) |
| 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 | Yes |
| Specialized fiduciary criteria for grant award and/or funding allocation mechanisms | No |
| Specialized fiduciary criteria for on-lending and/or blending | No |
# Fast-track accreditation process: EU DEVCO entities

<table>
<thead>
<tr>
<th>Eligible if:</th>
<th>Directorate-General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO) entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation date</td>
<td>Up to 9 July 2015</td>
</tr>
<tr>
<td>In full compliance with</td>
<td>EU DEVCO’s fiduciary standards under the 6-pillar assessment</td>
</tr>
<tr>
<td>Gaps to be addressed by entity:</td>
<td>1. Anti-money laundering and anti-terrorism financing (basic fiduciary criteria for the purpose of transparency and accountability)</td>
</tr>
<tr>
<td>ESS gap(s)</td>
<td>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</td>
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<td>No</td>
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<td></td>
<td>Specialized fiduciary criteria for grant award and/or funding allocation mechanisms</td>
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<td></td>
<td>Specialized fiduciary criteria for on-lending and/or blending</td>
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## Accreditation fees*

<table>
<thead>
<tr>
<th>Financial capacity category</th>
<th>Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, for an individual project or activity</th>
<th>Fee Level for accreditation application for undertaking activities related to Basic Fiduciary Standards, ESS and gender</th>
<th>Fee Level for accreditation application for undertaking activities related to each Specialized Fiduciary Standard(^a), (^b)</th>
<th>Other Fees</th>
</tr>
</thead>
</table>
| 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](#).

\(^a\) [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 (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
Accreditation Stage I

Accreditation Process

1. OAS account request
   - Direct access
     + Applicant receives OAS account
   - International access

2. Application submission via OAS
   + NDA/FP nomination of accreditation application
   + Application submission via OAS

3. Payment of accreditation fees
   + Applicant sent confirmation of receipt of submission and then invoiced for accreditation fees

4. STEP 1: Confirm receipt of NDA/FP nomination
   + Communication with NDA/FP

5. STEP 2: Institutional assessment and completeness check by the Secretariat*
   + Applicant sent confirmation that the application is considered complete (Stage I closed) and forwarded to Stage II
   + Response from applicant*
   + Questions to applicant*
   -
   -

*The number of rounds of questions may vary depending on the completeness of the application.
Accreditation Stage II

**STEP 1(a):** Accreditation review by the Accreditation Panel*

- Questions to applicant**
- Response from applicant**

**STEP 1(b):** Recommendation to the Board

- Applicant sent confirmation Stage II (Step 1) closed and recommendation submitted to the Board

**STEP 2:** Decision by the Board

- Communication of the Board’s decision to the applicant

**STEP 1(b):** Recommendation to the Board

- Applicant sent confirmation of the Board’s decision and, if accredited, forwarded to Stage III

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* 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.
Step 1: Validation of payment instructions

Step 2: Finalization and signature of the AMA between the Fund and the accredited entity

**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.
Accredited Entities, as of July 2015

Regional

- ACUMEN
- Caribbean Community Climate Change Centre
- CAF Development Bank of Latin America
- SPREP Secretariat of the Pacific Regional Environment Programme

National

- CSE
- Environmental Investment Fund of Namibia | ensuring sustainability
- Ministry of Natural Resources of Rwanda
- NABARD
- PROFONANPE

International

- AFC
- Agence Française de Développement
- ADB
- Conservation International
- Deutsche Bank
- European Bank for Reconstruction and Development
- IDB
- Inter-American Development Bank
- The World Bank
- KfW
- UNDP
- UNEP
• 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.
Get accredited

Apply for accreditation online

Visit us at
http://www.gcfund.org/operations/accreditation

Contact us at accreditation@gcfund.org