



Federal Ministry  
for Economic Cooperation  
and Development



# Enabling Access to the Funds

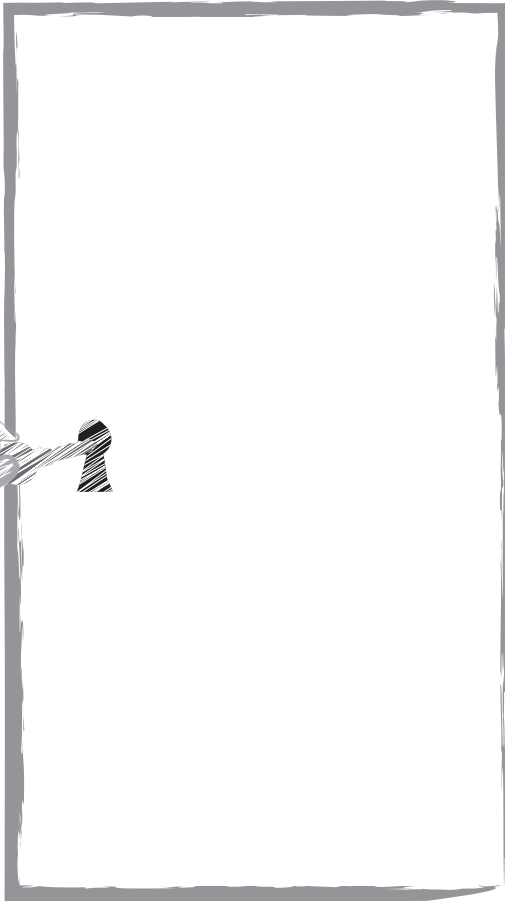
Profonanpe's Adaptation Fund &  
Green Climate Fund Accreditation Experience

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## CONTENTS

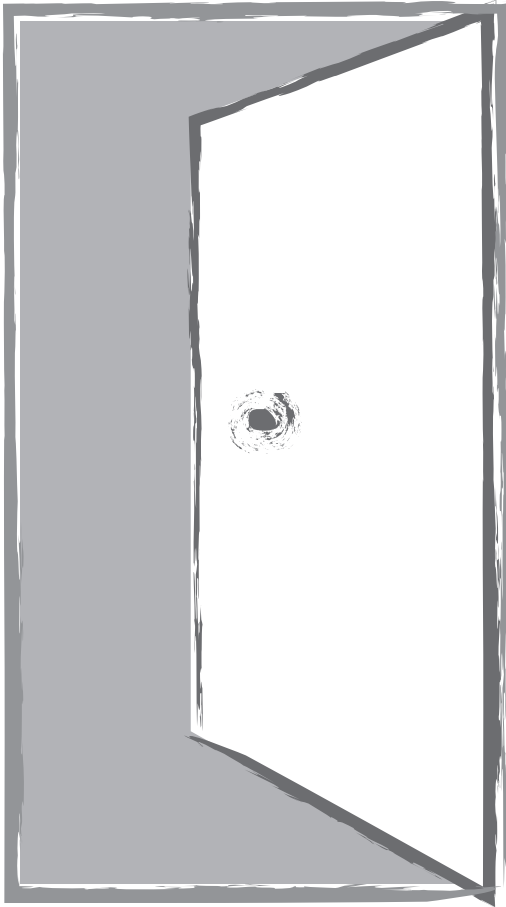
<b>ABBREVIATIONS</b> .....	<b>5</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>6</b>
Key Findings .....	7
<b>INTRODUCTION</b> .....	<b>8</b>
<b>METHODOLOGY OF STUDY</b> .....	<b>8</b>
<b>FUND BACKGROUND</b> .....	<b>9</b>
Adaptation Fund .....	9
Green Climate Fund .....	11
<b>ACCREDITATION PROCESS</b> .....	<b>13</b>
How to Become an Accredited Entity .....	13
AF Accreditation .....	14
AF Steps of Accreditation .....	14
GCF Accreditation .....	14
<b>PROFONANPE</b> .....	<b>19</b>
Background .....	19
<b>PROFONANPE'S NIE ACCREDITATION TO THE AF</b> .....	<b>20</b>
Timeline of Accreditation Process .....	20
Actors and their roles .....	21
Preparation process for the AF Accreditation .....	21
Results of the Analysis .....	21
AF Accreditation Lessons Learned .....	22
<b>PROFONANPE'S ACCREDITATION TO THE GCF</b> .....	<b>23</b>
Actors and their roles .....	24
Preparation process for the GCF Accreditation .....	24
Results of the Analysis .....	25
GCF Accreditation Lessons Learned .....	26
AF and GCF Accreditation Challenges .....	26
<b>GENERAL RECOMMENDATIONS</b> .....	<b>27</b>
Accreditation Preparation .....	27
Application Process .....	28
<b>SPECIFIC TRANSLATION AND SUBMISSION RECOMMENDATIONS</b> .....	<b>29</b>
Translation Recommendations .....	29
GCF submission recommendations .....	29
<b>BIBLIOGRAPHIC REFERENCES</b> .....	<b>30</b>
<b>ANNEXES</b> .....	<b>31</b>

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## Figures

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Figure 1: Potential Intermediaries and Implementing Entities: Geographic Scope of Operations .....	13
Figure 2: Fit for Purpose Accreditation Approach .....	15
Figure 3: Stage I GCF Accreditation Process .....	16
Figure 4: Stage II GCF Accreditation Process .....	17
Figure 5: Stage III GCF Accreditation Process .....	18





## ABBREVIATIONS

Acumen	Acumen Fund, Inc.
ADB	Asian Development Bank
AE	Accredited Entity
AF	Adaptation Fund
AFB	Adaptation Fund Board
AMA	Accreditation Master Agreement
BMZ	German Federal Ministry for Economic Cooperation and Development
CER	Certified Emission Reductions
CSE	Centre de Suivi Ecologique
CDM	Clean Development Mechanism
CF Ready Programme	German Climate Finance Readiness Programme
COFIDE	Peruvian Development Bank
DA	Designated Authority
ESS	Environmental and Social Safeguards
EU Devco	European Union Development Cooperation
GCF	Green Climate Fund
GEF	Global Environment Facility
GIZ	Gesellschaft für Internationale Zusammenarbeit GmbH
IFC	International Finance Corporation
KfW	German Development Bank for Reconstruction
MDB	Multilateral Development Bank
MIE	Multilateral Implementing Entity
NDA	National Designated Authority
NIE	National Implementing Entity
OAS	Online Accreditation System
PROFONANPE	Peruvian Trust Fund for National Parks and Protected Areas
RIE	Regional Implementing Entity
SPREP	Secretariat of the Pacific Regional Environment Programme
TNC	The Nature Conservancy
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change



## EXECUTIVE SUMMARY

Developing countries have substantive financial requirements necessary to address and adapt to the changing climate while supporting low-carbon development strategies. Global international finance is available to help support climate change mitigation and adaptation measures to developing countries through a variety of channels and from a number of public and private sector sources. Two climate funds, the Adaptation Fund (AF) and the Green Climate Fund (GCF), are providing institutions from developing countries an alternative to traditional access to finance through a process that is known as direct access. Direct access is available to regional, national or subnational entities that become accredited to receive finance directly from a Fund without going through an international intermediary (for example, a UN agency or Multilateral Development Bank (MDB)). The goal of direct access is, among other things, to reduce transaction costs, increase country ownership, project oversight, national involvement in project, and foster a channel that could more rapidly roll out climate finance resources.

This study – commissioned by GIZ's Climate Finance Readiness Programme on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) – intends to orient and assist regional, national or subnational entities who plan to seek direct access to finance through accreditation to the AF, the GCF or other environmental funds, or who are actively in the accreditation process. While also providing an overview of the AF and GCF as operating Funds, the study will lay out the relevant details and intricacies of the accreditation process including rules, requirements and general procedures.

The AF was established under the UN Framework Convention on Climate Change's (UNFCCC) Kyoto Protocol to finance concrete adaptation projects and programmes targeting countries most vulnerable to climate change. The Fund has been operational since 2009, with a total capitalization of approximately US\$642 million. It has committed over US\$318 million to increase climate resilience in 44 countries. AF projects have been funded in sectors such as agriculture, coastal zone management, disaster risk reduction, food security, rural development and water management.

In December of 2010, the GCF was adopted as a financial mechanism of the UNFCCC. The Fund has the objective to respond to climate change, on a global level, by investing in low-emission and climate-resilient development. The GCF

was established by 194 governments to limit or reduce greenhouse gas (GHG) emissions in developing countries, and to help vulnerable societies adapt to the unavoidable impacts of climate change.

With US\$10.2 billion in pledges to the GCF in 2016, it aims to be the main fund for global climate change finance. The GCF is mandated to make a significant contribution to the united global response to mobilize US\$100 billion per year by 2020 to support projects, programmes, policies and other activities in all developing country parties to the UNFCCC.

In November 2015, the GCF Board approved its first eight project and programmes totalling US\$168 million, worth US\$ 624 million. The Fund's initial projects are in mitigation and adaptation, focused on wetlands, early warning systems, rural development, climate resilient infrastructure, energy efficiency and water management. Three of the projects/programmes are located in Africa, three in Asia-Pacific, and two in Latin America. The partnering entities for the projects include national, regional, and international bodies accredited to the Fund, from both the public and private sectors.

In order to have direct access to funds from either the AF or GCF, institutions have to go through a process of accreditation designed to ensure that they are capable of strong financial management and of preventing unforeseen environmental or social harm. More specifically, the application process is a means to verify the applicant's ability to meet the Fund's required fiduciary principles and standards and environmental and social safeguards. It also provides an opportunity to ensure the applicant entities are fully aligned with the Fund's objectives and guiding principles.

This study evaluates this process in a methodical way from the perspective of the Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe), a pioneering institution that successfully achieved accreditation to both Funds.

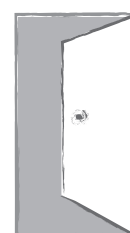
Profonanpe is accredited to the AF and GCF as a national entity, which provides a real-world and recent case study that illustrates important elements related to accreditation guidance. The analysis of the application experience will take into consideration the strategies and actions utilized to overcome challenges encountered during Profonanpe's accreditation applications. The presentation of best practices and lessons learned through the various stages of the application process are intended to again, illustrate and ease the rigorous, important and complex process of accreditation for future applicants.

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## Key Findings

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- ▶ Obtaining senior management and Board prioritization for the accreditation process conveys institutional endorsement of the decision to seek accreditation, facilitates the mobilization of key divisions as well as provides the opportunity to authorize access to the required, and often confidential, documents.
- ▶ Undergoing an external pre-screen assessment or an extensive institutional self-assessment prior to beginning accreditation, increases understanding of the application process and its requirements; provides guidance to determine strength of candidacy; as well as helps applicants determine the specific of the type of accreditation being pursued – specifically the anticipated ‘project funding size’, the ‘environmental and social risk category’ of the funded project and which of the GCF’s ‘Specialized Fiduciary Criteria’ (Project Management, Grant Award and/or On-lending and/or Blending).
- ▶ Documentation of best practices, policies, procedures and guidelines that direct and reflect how the organization addresses and manages fiduciary, environmental and social risk is critical to a successful application.
- ▶ Applicants benefit from institutional flexibility that provides a willingness and ability to adjust procedures and incorporate new policies as well as responds with the necessary support from senior management to implement such changes. Equally important, are the adequate resources to communicate such changes internally and externally and to train all relevant staff and suppliers.
- ▶ Applicants must anticipate the time requirement for implementation of policies and procedures and a testing period for new/revised procedures in order to provide evidence of successful implementation and operationalization.
- ▶ The English translation requirements present a major cost and time factor. In addition it became evident that accreditation translation entailed specialized translators who were familiar with the technical language in the documents. Assigning one person to organize all the supporting documents, verify relevance or responsiveness of documents to the questions posed and coordination of the translation effort greatly facilitates the process.





## INTRODUCTION

This study is intended to assist regional, national or sub-national entities who plan to seek direct access to finance through accreditation to the Adaptation Fund (AF), the Green Climate Fund (GCF) or other environmental funds or who are actively in the accreditation process.

The main objective of this report is to orient potential or current accreditation applicants by first providing an overview or synopsis of the AF and GCF followed by a summary of their accreditation processes – outlining rules, requirements and general procedure as well as highlighting innovative or unique approaches to accessing climate finance funding. After which, by using the successful case of the Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe), the aim is to provide accreditation guidance by identifying lessons learned through the various stages of their accreditation process to the AF and GCF, while taking into consideration the strategies and actions utilized to overcome the challenges encountered. Finally, the study will layout best practices for undertaking the rigorous and complex process of accreditation.



## METHODOLOGY OF STUDY

As a first step, a thorough review and summary of the AF and GCF procedures was undertaken. This was followed by an evaluation of Profonanpe's AF and GCF accreditation applications and supporting documents that were submitted to the Funds to demonstrate institutional capabilities and project track record. The following list is a sample of documents and project examples reviewed:

- ▶ Portfolio of projects/programmes undertaken in the past 3 years
- ▶ Financial instrument utilized for projects/programmes
- ▶ Project agreements submitted to demonstrate track record with financial instruments
- ▶ Organizational charts outlining reporting lines of divisions and committees
- ▶ Financial statements
- ▶ External audit policy
- ▶ Financial management and control policy and procedures
- ▶ Financial disclosure policy
- ▶ Internal and external audit reports
- ▶ Procurement policy and procedures
- ▶ Examples of procurement oversight measures utilized
- ▶ Code of ethics
- ▶ Description of system for oversight of the 'ethics function'
- ▶ Conflict of interest policy and resolution procedures
- ▶ Outline of the avenues used to report fraud and financial mismanagement
- ▶ Website assessment to determine fraud/misconduct/complaint reporting avenues are in place
- ▶ Whistle blower protection policies and procedures
- ▶ Terms of reference for investigation function of fraud/misconduct/complaints
- ▶ Documentation of procedures for investigating fraud and corruption
- ▶ Anti-money laundering (AML) and anti-terrorist (AT) financing policy
- ▶ "Know your customer (KYC)" due diligence procedures
- ▶ Project preparation and appraisal policy, procedure and guidelines
- ▶ Risk assessment procedures/framework for project risks and corresponding mitigation strategies
- ▶ Operational manual
- ▶ Monitoring and evaluation policy
- ▶ Sample reports for monitoring and evaluation
- ▶ Procedures for project-at-risk system
- ▶ Environmental and social safeguard (ESS) policy
- ▶ Gender policy

After the initial supporting document review, to focus beyond the formal accreditation process and gain deeper institutional perspective, an on-site visit was conducted. During which, interviews were held with the Executive Director, Director of



Development and Supervision, Director of Administration and Finance, Head of Operations, Specialist for Development and Supervision, Specialist of Projects and Programs, External Technical Assistance Consultant and the Permanent External Consultant for Gender and Social Safeguards. Additionally, a phone interview was held with the lead AF Accreditation Panel expert in charge of assessing Profonanpe.

This was followed by an analysis of the assessment and feedback given by the AF and GCF Secretariat and Accreditation Panel of Profonanpe's application and the respective follow-up questions presented to Profonanpe.



## FUND BACKGROUND

### Adaptation Fund

The AF was established under the UN Framework Convention on Climate Change's (UNFCCC) Kyoto Protocol to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol. Their aim is to target financing to those countries that are particularly vulnerable to climate change.

Financing of the Fund originally came from 2 per cent of the proceeds from certified emission reductions (CER) issued for Clean Development Mechanism (CDM) project activities. However, following the post-2012 collapse in CER prices, a far greater proportion of AF resources are raised through voluntary pledges than was initially anticipated.

Over the past three years, the AF has committed over US\$318 million to increase climate resilience in 44 countries around the world. Its total capitalization (which includes developed countries' commitments) is approximately US\$642 million.

Developing countries can access the AF via accredited national, regional or multilateral implementing entities. Accreditation is granted through a demanding application process overseen by the AF Board.

In an effort to support the ability of national implementing entities (NIEs) to access climate funds without direct competition from multilateral implementing entities (MIE), the AF reserves up to 50 per cent of its financial resources for direct access by MIEs with the remaining amount reserved for NIEs and regional implementing entities (RIEs). Currently, there is a maximum overall funding allocation of US\$10 million per country.

### The AF at a glance

<b>Date Created</b>	<b>Date fund was proposed:</b> 2001 <b>Operational:</b> 2009
<b>Objectives</b>	The AF aims to support concrete adaptation activities that reduce the adverse effects of climate change facing communities, countries, and sectors.
<b>Activities Supported</b>	Activities supported include: Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems; Improving the monitoring of diseases and vectors affected by climate change, and related forecasting and early-warning systems, and in this context improving disease control and prevention; Supporting capacity building, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change; Strengthening existing and, where needed, establishing national and regional centres and information networks for rapid response to extreme weather events, utilising information technology as much as possible.

<p><b>Accredited Implementing Entities (as of October 2016)</b></p>	<p><b>12 Multilateral IEs</b></p> <ul style="list-style-type: none"> <li>▶ African Development Bank (AfDB)</li> <li>▶ Asian Development Bank (ADB)</li> <li>▶ European Bank for Reconstruction and Development (EBRD)</li> <li>▶ Inter-American Development Bank (IADB)</li> <li>▶ International Fund for Agricultural Development (IFAD)</li> <li>▶ UN-Habitat</li> <li>▶ United Nations Development Programme (UNDP)</li> <li>▶ United Nations Educational, Scientific, and Cultural Organization (UNESCO)</li> <li>▶ United Nations Environment Programme (UNEP)</li> <li>▶ United Nations World Food Programme (WFP)</li> <li>▶ International Bank for Reconstruction and Development (World Bank)</li> <li>▶ World Meteorological Organization (WMO)</li> </ul> <p><b>6 Regional IEs</b></p> <ul style="list-style-type: none"> <li>▶ Caribbean Development Bank (CDB)</li> <li>▶ Central American Bank for Economic Integration (CABEI)</li> <li>▶ Corporación Andina de Fomento (CAF)</li> <li>▶ Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (OSS)</li> <li>▶ Secretariat of the Pacific Regional Environment Programme (SPREP)</li> <li>▶ West African Development Bank (BOAD)</li> </ul> <p><b>24 National IEs</b></p> <ul style="list-style-type: none"> <li>▶ Agence pour le Développement Agricole (ADA)</li> <li>▶ Agencia de Cooperación Internacional de Chile (AGCI)</li> <li>▶ Agencia Nacional de Investigación e Innovación (ANII)</li> <li>▶ Centre de Suivi Ecologique (CSE)</li> <li>▶ Desert Research Foundation of Namibia (DRFN)</li> <li>▶ Dominican Institute of Integral Development (IDDI)</li> <li>▶ Environment Division (Antigua and Barbuda)</li> <li>▶ Fundación Natura</li> <li>▶ Fundecooperacion Para el Desarrollo Sostenible</li> <li>▶ Mexican Institute of Water Technology (IMTA)</li> <li>▶ Micronesia Conservation Trust (MCT)</li> <li>▶ Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)</li> <li>▶ Ministry of Finance and Economic Management (MFEM)</li> <li>▶ Ministry of Natural Resources (MINIRENA)</li> <li>▶ Ministry of Planning and International Cooperation (MOPIC)</li> <li>▶ National Bank for Agriculture and Rural Development (NABARD)</li> <li>▶ National Environment Fund (Benin)</li> <li>▶ National Environment Management Authority of Kenya (NEMA)</li> <li>▶ Partnership for Governance Reform in Indonesia (Kemitraan)</li> <li>▶ Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe)</li> <li>▶ Planning Institute of Jamaica (PioJ)</li> <li>▶ Protected Areas Conservation Trust (PACT)</li> <li>▶ South African National Biodiversity Institute (SANBI)</li> <li>▶ Unidad para el Cambio Rural (Unit for Rural Change – UCAR)</li> </ul> <p>* For additional details about Accredited Entities see Annex I.</p>
<p><b>Financial Instrument</b></p>	<p>Grants</p>

## Green Climate Fund

The Green Climate Fund (GCF) was established at the COP in Cancun end of 2010. Its objective is to promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.

The Fund's resources plan to be allocated equally between mitigation and adaptation projects. Additionally, it aims to provide 50 per cent of the adaptation allocation for particu-

larly vulnerable countries (least developed countries, small island developing states and African states).

The GCF, which is governed by the GCF Board, is intended to be the main fund for global climate change finance. The Fund is mandated to make a significant contribution to the united global response to mobilize US\$100 billion per year by 2020 to support projects, programmes, policies and other activities in all developing country parties to the UNFCCC.

The AF and GCF do not implement project/programme activities themselves (unlike the UN agencies or multilateral development banks (MDBs)) but work through accredited sub-national, national, regional and multilateral/international entities.

### GCF at a glance

<b>Fund size</b>	US\$10.3 billion pledged as of April 2016; US\$9.9 billion of which has signed contributions as of October 2016.
<b>Date created</b>	<p><b>Date fund proposed:</b> December 2009.</p> <p><b>Date fund proposal accepted:</b> December 2010</p> <p><b>Date fund opened accreditation process:</b> November 17, 2014</p> <p><b>Date fund received signed contributions equalling 50 per cent of its total pledges</b> (rendering the Fund operational to begin resource allocation for project implementation.): May 21, 2015</p> <p><b>Date of first project approvals:</b> November 6, 2015</p>
<b>Objectives</b>	<p>The GCF has the objective to respond to climate change, on a global level, by investing in low-emission and climate-resilient development. The Fund aims to limit or reduce greenhouse gas (GHG) emissions in developing countries, and to help vulnerable societies adapt to the unavoidable impacts of climate change.</p> <p>The Fund will strive to maximize the impact of its funding for adaptation and mitigation, and seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.</p> <p>The GCF aims to adopt a country-driven approach that encourages the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects.</p>
<b>Activities Supported</b>	<p>The GCF will finance activities to both enable and support adaptation, mitigation (including REDD+), technology development and transfer, capacity building and the preparation of national reports.</p> <p>The GCF has identified 5 investment priorities which will deliver major mitigation and adaptation benefits:</p> <ul style="list-style-type: none"> <li>▶ Transforming energy generation and access;</li> <li>▶ Creating climate-compatible cities;</li> <li>▶ Encouraging low-emission and climate-resilient agriculture;</li> <li>▶ Scaling up finance for forests and climate change;</li> <li>▶ Enhancing resilience in Small Island Developing States (SIDS).<sup>1</sup></li> </ul> <p>Projects and programmes will be assessed taking into consideration the alignment with national development and climate change strategies and plans (such as low-emission development strategies, Nationally Appropriate Mitigation Actions, National Adaptation Plans of Action, National Adaptation Plans and others).</p>

<sup>1</sup> [www.greenclimate.fund/ventures/funding#bold-ideas](http://www.greenclimate.fund/ventures/funding#bold-ideas)

<p><b>Accredited Implementing Entities (as of October 2016)</b></p>	<p><b>23 Multilateral/International IEs</b></p> <ul style="list-style-type: none"> <li>▶ Africa Finance Corporation (AFC)</li> <li>▶ African Development Bank (AfDB)</li> <li>▶ Agence Française de Développement (AFD)</li> <li>▶ Asian Development Bank (ADB)</li> <li>▶ Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB)</li> <li>▶ Conservation International Foundation (CI)</li> <li>▶ Deutsche Bank AktienGesellschaft (Deutsche Bank)</li> <li>▶ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</li> <li>▶ Netherlands Development Finance Company (FMO)</li> <li>▶ European Bank for Reconstruction and Development (EBRD)</li> <li>▶ European Investment Bank (EIB)</li> <li>▶ Food and Agriculture Organization (FAO)</li> <li>▶ HSBC Holdings plc and its subsidiaries (HSBC)</li> <li>▶ Inter-American Development Bank (IDB)</li> <li>▶ International Bank for Reconstruction and Development and International Development Association (World Bank)</li> <li>▶ International Finance Corporation (IFC)</li> <li>▶ International Fund for Agricultural Development (IFAD)</li> <li>▶ International Union for Conservation of Nature (IUCN)</li> <li>▶ Kreditanstalt für Wiederaufbau (KfW)</li> <li>▶ United Nations Development Programme (UNDP)</li> <li>▶ United Nations Environment Programme (UNEP)</li> <li>▶ World Food Programme (WFP)</li> <li>▶ World Meteorological Organization (WMO)</li> </ul> <p><b>7 Regional IEs</b></p> <ul style="list-style-type: none"> <li>▶ Acumen Fund, Inc. (Acumen)</li> <li>▶ Caribbean Community Climate Change Center (CCCCC)</li> <li>▶ Caribbean Development Bank (CDB)</li> <li>▶ Corporación Andina de Fomento (CAF)</li> <li>▶ Development Bank of Southern Africa (DBSA)</li> <li>▶ Secretariat of the Pacific Regional Environment Programme (SPREP)</li> <li>▶ West African Development Bank (BOAD)</li> </ul> <p><b>11 National IEs</b></p> <ul style="list-style-type: none"> <li>▶ Agence pour le Développement Agricole (ADA)</li> <li>▶ Centre de Suivi Ecologique (CSE)</li> <li>▶ Environmental Investment Fund (EIF)</li> <li>▶ Ministry of Finance and Economic Corporation of the Federal Democratic Republic of Ethiopia (MOFEC)</li> <li>▶ Ministry of Natural Resources, Rwanda (MINIRENA)</li> <li>▶ National Bank for Agriculture and Rural Development (NABARD)</li> <li>▶ National Environment Management Authority of Kenya (NEMA)</li> <li>▶ Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe)</li> <li>▶ South African National Biodiversity Institute (SANBI)</li> <li>▶ Unidad para el Cambio Rural (Unit for Rural Change - UCAR)</li> <li>▶ XacBank LLC (XacBank)</li> </ul> <p>*For additional details about type of accreditation obtained per entity see Annex II.</p>
<p><b>Financial Instrument</b></p>	<p>Grants; Concessional loans (senior); Concessional loans (subordinated); Equity; Guarantees.</p>



## ACCREDITATION PROCESS

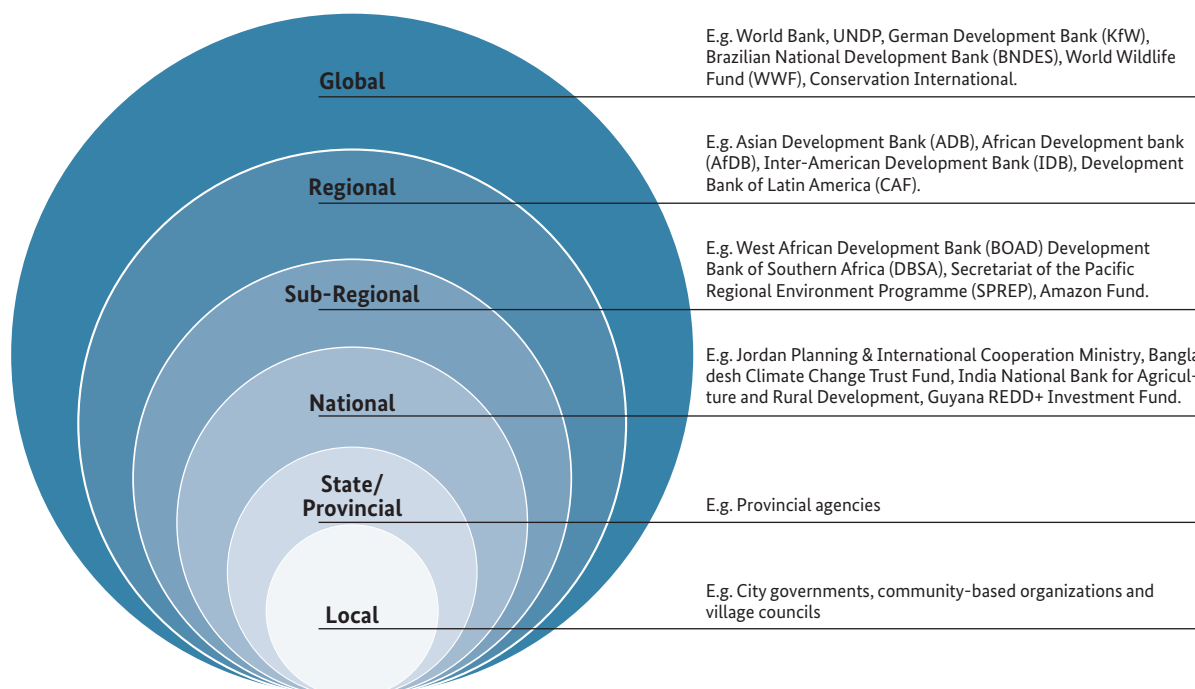
### How to Become an Accredited Entity

In order to become accredited to the AF or GCF, institutions have to go through a process of accreditation designed to ensure that they are capable of strong financial management and of preventing unforeseen environmental or social harm. More specifically, it is a means to verify applicant’s ability to meet all the Fund’s required fiduciary principles and standards and environmental and social safeguards. It also ensures

applicant entities are fully aligned with the Fund’s objectives and guiding principles.

Accreditation is accessible to subnational, national or regional entities or through multilateral/international institutions, including UN agencies, multilateral development banks and international financial institutions. Figure 1. illustrates the type of entity that can potentially become an IE and its geographic scope of operations. Once accredited, the entity is a channel for the AF/GCF financial resources and is responsible for the management and oversight of the project implementation on behalf of the Fund.

**Figure 1: Potential Intermediaries and Implementing Entities: Geographic Scope of Operations**



Adapted from Larsen and Ballesteros, 2014, *Green Climate Fund Board Looks to Accreditation Process: Can it Strike the Right Balance?*

This responsibility entails project origination, preparation and appraisal including project/programme proposals to the Fund; project management throughout the various stages of the implementation process including project conclusion as well as reporting obligations. The ultimate decision maker regarding the selection and approval of the specific project/programme for funding remains at the Fund level.

First introduced in 2007, and considered an innovation of the AF, ‘direct access’ is a means for a country to directly access financing without being required to have the funds flow

through a third party – traditionally through a multilateral or bilateral organization selected by the Fund. This allows NIEs and RIEs to directly access funding with the objective that projects/programmes are more nationally relevant and connected to the development plans and climate change strategy of that specific nation. It also aims to enhance the efficiency and effectiveness of implementation, while limiting costs. Direct access however does not require accessing through NIEs or RIEs but allows for the choice to select the most appropriate and best qualified implementing entity whether a NIE, RIE or MIE/International Entity.

Direct access, by the nature of its function, therefore intends to decrease transaction costs, increase country ownership, project oversight, and national involvement in project activities –enhancing accountability to the project and ultimately to the Fund. Familiarity with the country context and being 'on-site' also has the potential to increase the speed of project/programme execution.

## AF Accreditation

The AF accreditation requires IEs to be able to demonstrate the staffing, experience, expertise, internal controls and track record necessary to properly manage project implementation and grant amounts of up to US\$10 million.

## AF Steps of Accreditation

**AF accreditation applications are independently reviewed by a team of experts for assessing an applicant's capabilities**

- ▶ **Step 0:** The government appoints a Designated Authority. The DA must endorse the accreditation application of Implementing Entity and all IE project/programme proposals.
- ▶ **Step 1:** Submit application:
  - a. Description of how the organization meets the specific required capabilities
  - b. Attachment of supporting documentation
- ▶ **Step 2:** Accreditation Panel Reviews Application.
- ▶ **Step 3:** Panel can request additional information/clarification from organization.
  - a. Might suggest to Board that an on-site visit is required
  - b. Might suggest that technical support needs to be provided to an applicant to improve its capacity in order to attain accreditation
- ▶ **Step 4:** Panel makes recommendation to AF Board.
- ▶ **Step 5:** AF Board makes final decision on accreditation of entity

Before an applicant can submit an accreditation application to the AF, it needs to request endorsement from the AF's Designated Authority (DA)<sup>2</sup>. A DA is an officer within that government's administration that represents the government in its dealings with the AF Board (AFB). Most commonly, DAs are part of the environment ministries, or occasionally ministries of finance or foreign affairs.

An applicant can either obtain DA endorsement by being identified and selected as the best potential IE applicant, or alternatively it can approach the DA directly to request en-

<sup>2</sup> Designated Authorities are the equivalent for National Designated Authorities in the GCF context

dorsement. The DA will then communicate the selection to the AF through an endorsement letter that is submitted with the accreditation application. The most up to date list of DAs can be found on the AF website ([www.adaptation-fund.org](http://www.adaptation-fund.org)).

See Annex III. for the AF's DA Nomination Letter for Accreditation template.

The AF has limited the number of NIEs to one per country.

Once nominated by the DA, the applicant begins to complete an on-line accreditation application and gather supporting documentation for submission to the AFB Secretariat. The application is analysed and reviewed by an Accreditation Panel, which then provides its review and recommendations to the AFB. The AFB makes the final decision either to approve the accreditation, or request further information. Once granted, accreditation is valid for a period of five years with the possibility of renewal.

The AF accreditation process, focuses on the following fiduciary standards:

- ▶ Financial Integrity and Management
- ▶ Institutional Capacity
- ▶ Transparency and Self-Investigative Powers

The application is an opportunity for an entity to demonstrate their ability to, for example: accurately record transactions and balances using internationally recognized standards; manage and disburse funds efficiently; produce forward looking financial plans and budgets and utilize transparent and fair procurement policies. It also is a means to explain, as well as demonstrate, its procedures to identify, formulate and appraise projects. This includes evidence of its environmental and social risk and mitigation measures capturing how projects are designed and implemented taking into consideration the protection of natural habitats, biological diversity, public health, respect for labour rights, indigenous peoples' rights and gender equity.<sup>3</sup> Additionally, the Fund assesses the applicant's policies and procedures to address financial mismanagement or complaint of environmental and social misconduct.

Some of the AF's key requirements are the periodic and independent auditing of transactions and balances, the presence of transparent procurement procedures and the capacity to undertake monitoring and evaluation.

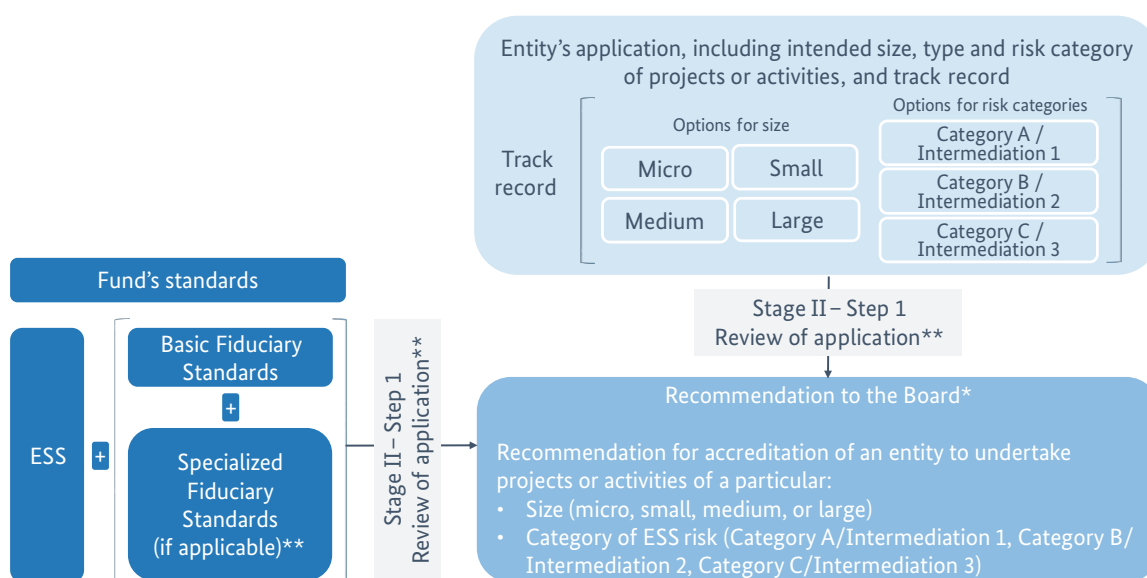
<sup>3</sup> Charlie Parker, Paul Keenlyside and Darragh Conway, 2014, "Early Experiences in Adaptation Finance: Lessons from the Four Multilateral Climate Change Adaptation Funds", Climate Focus and World Wildlife Fund.

## GCF Accreditation

The accreditation process of the GCF was designed to integrate the lessons learned from other multilateral funds, especially that of the GEF, the AF and EU Devco. Drawing on such lessons, the Fund adopted a “fit-for-purpose” approach to accreditation— tailoring the specific capacity requirements (fiduciary standards and environmental and social safeguards) of an applying entity to reflect the intended project’s level of environmental and social risk, desired financing mechanism and size of their intended projects. This approach enables entities to access and disburse funding in accordance to their respective strengths and capacities.

The GCF’s innovative fit-for-purpose accreditation approach was designed to be inclusive of a wider range of potential institutions by, for example, providing the opportunity for accreditation to small local NGOs as well as to the world’s largest national and multilateral development banks. By offering this tailored approach, an applicant can also strategically choose to become accredited for an obtainable level based on their current capacity and track record with the objective to upgrade their accreditations as it institutionally evolves and their competencies grow.

**Figure 2: Fit for Purpose Accreditation Approach**



\* Specialized fiduciary standards may refer to one, some or all of the specialized fiduciary standards .  
 \*\* Conducted by the Accreditation Panel with support from external technical experts on a need-basis.

Adapted from: GCF/B.08/45; Decisions of the Board – Eighth Meeting of the Board, 14-17 October 2014; Annex 1: Guidelines for the Operationalization of the Fit for Purpose Accreditation Approach

The GCF provides two options for accreditation – Direct Access and International Access. Direct Access is for subnational, national and regional entities while International Access is for international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions.

The main distinction of the Direct Access track is that it requires a letter of nomination from the National Designated Authority (NDA) or focal point – demonstrating national approval of their pursuit for accreditation. Additionally, if a Direct Access applicant lacks capacity to meet accreditation criteria, readiness and preparatory funding may be available to support capacity building.

A NDA or focal point, like the DA for the AF, is the key interface between a country and the GCF. Its main objective is to act on behalf of the fund to ensure that funding activities are in alignment with the GCF’s strategic objectives and priorities, and that the activities remain in line with national needs reflected in its development plan and climate change strategies. In conjunction with any submission of a funding proposal to the Funds a no-objection letter has to be provided by the respective NDA to the Secretariat.

Accredited Entities may submit funding proposals with a no-objection letter directly to the Fund. Operating within the scope of their accreditation type, the Fund’s resources will be channelled through its Accredited Entities to developing countries.

The Fund provides a “fast-track” accreditation process for institutions that have received accreditation from the GEF, AF and EU Devco by October 17, 2014. To qualify, these applicants must demonstrate full compliance with the relevant accreditation requirements of the fund/s where they have accreditation. The GCF’s website has a complete list of eligible “fast-track” applicants. “Fast-track” applicants complete a shorter or reduced accreditation application that is comprised of the GCF requirements that have not been assessed under the accreditation processes of the other funds listed above.

**GCF Application**

The GCF accreditation application is comprised of the following seven sections.

1. Background and contact information of the applicant entity;
2. Information on the ways in which the institution and its intended projects/programmes will contribute to furthering the objectives of the GCF;
3. Information on the scope of intended projects/programmes and estimated contribution requested for an individual project or activity within a programme;
4. Basic fiduciary criteria;
5. Applicable specialized fiduciary criteria;
6. Environmental and social safeguards (ESS);
7. Gender.

**Stages of GCF Accreditation**

The GCF divides the application process into three stages:

**Stage I: No objection/endorsement and readiness;**

**Stage II: Accreditation review and decision; and**

**Stage III: Final arrangements (largely concluding the legal aspects of accreditation).**

Unlike other accreditation applications such as the GEF that has separate applications for the first two stages of accreditation, the GCF requires only one application during the three stages along with the requisite supporting evidence. The accreditation process is described below.

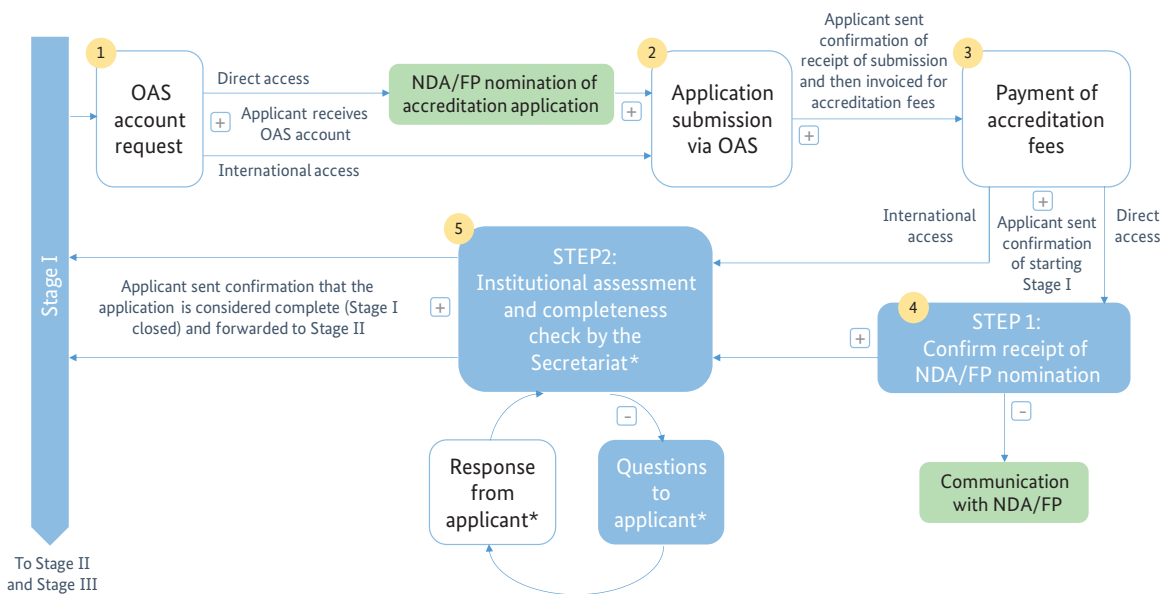
For Direct Access applicants, there is a Stage I prerequisite, to obtain the NDA’s nomination to apply for accreditation.

Please see Annex IV. for the GCF NDA Nomination Letter for Accreditation template.

**Stage I** begins with the application for an Online Accreditation System (OAS) account. This on-line system allows the applicant to remain informed about the status of their application as well as to upload additional requested information and respond to questions.

When the entity deems their application complete, it is submitted through the OAS along with the NDA letter of nomination. The application provides an opportunity to capture the applicant’s value added to the GCF, reflecting how it intends to contribute to the Fund’s objective especially regarding its contribution toward the GCF’s goal for a paradigm shift.

**Figure 3: Stage I GCF Accreditation Process**



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



The application must include the intended scope of projects and an estimated contribution for individual projects, as well as the ways in which the institution and intended projects will contribute to furthering the objectives of the Fund. The entity must also demonstrate track record, including climate change-related projects/programmes and its ability to meet fiduciary criteria, environmental and social safeguards, and gender criteria.

All statements made in the application must be backed by evidence, such as a demonstration of policies and procedures that reflect its ability to work under the GCF standards. The GCF requires not only the presence of such policies and procedures but that the applicant can demonstrate that they are operational. Evidence can be demonstrated for example, by reports generated as part of the procedure; minutes from meetings where reporting took place; or through correspondence or demonstrated reporting lines that reflect the flow of the procedure and/or follow-up of actions taken.

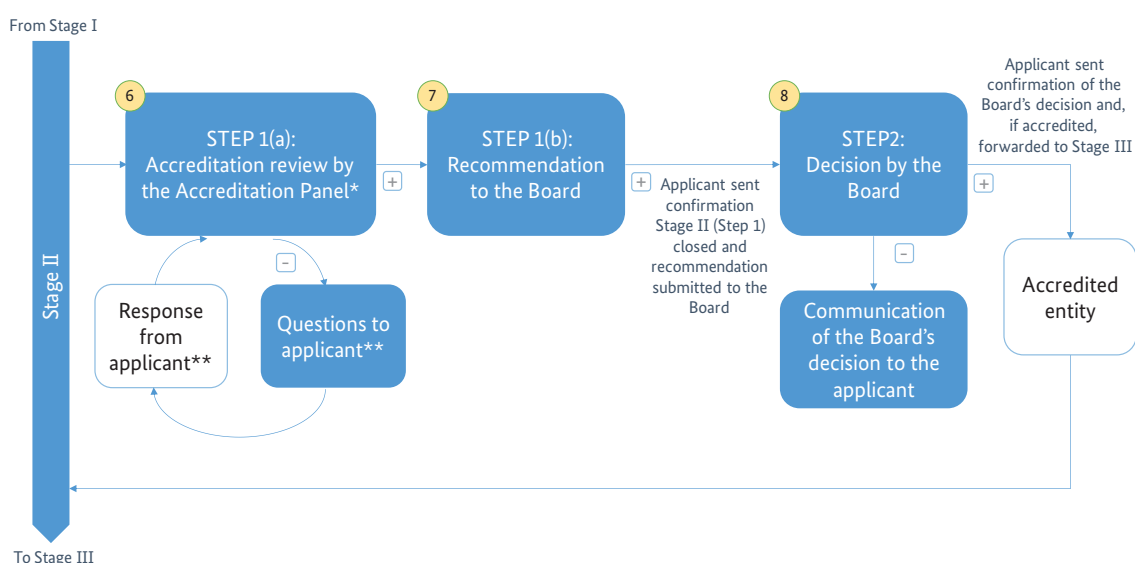
Application fees are determined based on the applicant’s intended project size, which is defined by the GCF as its financial capacity category (micro, small, medium or large pro-

ject size), and on the selected specialized fiduciary standard(s). The fee is also adjusted for subnational and national entities as well as for applicants from LDC or SIDS. Payment must be made at the time of the application submission.

For further information on GCF accreditation fees please see Annex V.

**Institutional assessment and completeness check:** Once the application is submitted, the Secretariat will assess the application for completeness and compliance with the Fund’s criteria (Stage I, Step 5). This process verifies compliance with GCF’s criteria for: legal status and mandate; registration permits and licenses; institutional track record; institutional presence and relevant networks; alignment with the Fund’s objectives and guiding principles; fiduciary standards and ESS. If the Secretariat finds the application to be incomplete, they will send questions and requests and the applicant will be provided the opportunity to update and supplement their application through the OAS. Depending on the completeness of the application, there may be various rounds of questions to fill the gaps.

Figure 4: Stage II GCF Accreditation Process



\* 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.

Adapted from: GCF/B.09/04

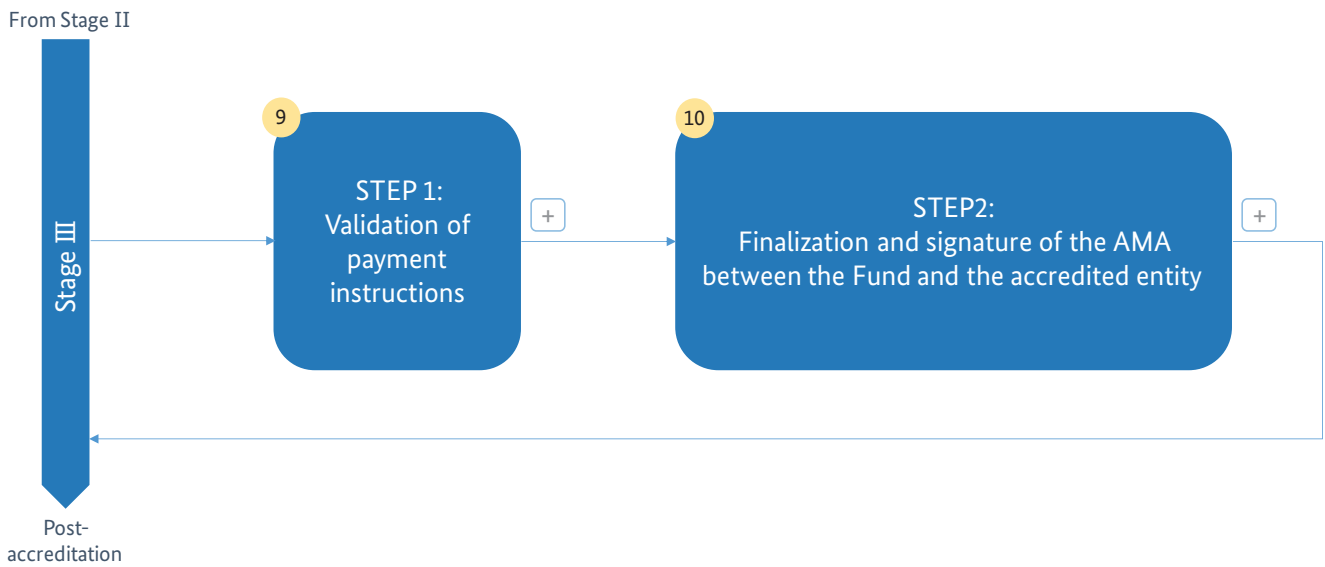
**Stage II. Accreditation Review:** Once the Secretariat confirms the application is complete, the Accreditation Panel begins the application review to evaluate if the entity meets the Fund’s standards. The assessment will correspond to the fit-for-purpose selection applied for, ensuring that the entity’s fiduciary standards and ESS meet the specifications of the desired accreditation. Therefore, the assessment varies depending on the entity’s intended project size, risk level, and fiduciary functions.

This Stage, like Stage I, entails an open dialogue and exchange of information as the Accreditation Panel identifies areas where additional information or clarifications are required. Once the Accreditation Panel has received adequate responses to their questions, as well as all supporting evidence and/or project examples, they will consider this stage complete and make their accreditation recommendation to the Board.

**Decision.** The Board will consider the recommendations of the Panel and make a final decision on the accreditation of the applicant.

**Stage III: Final arrangements.** Upon the successful completion of Stage II, Stage III will conclude the accreditation process through the validation and finalization of formal arrangements between the applicant entity and the Fund and the signing of the Accreditation Master Agreement (AMA). This will include validation and registration of the accredited entity’s payment instructions and the conclusion of legal arrangements between the accredited entity and the Fund. After receiving accreditation, entities can submit project and programme proposals for funding.

**Figure 5: Stage III GCF Accreditation Process**



Adapted from: GCF/B.09/04



## PROFONANPE

Having successfully obtained accreditation to the AF and the GCF, this study will use the example of the Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe) to share how the institution prepared for its accreditation, the participants involved and the lessons learned throughout the stages of accreditation. It identifies the common pitfalls of both the AF and GCF accreditation process, as well as highlights the strategies and actions utilized to overcome such difficulties. Finally, the study will layout best practices that other applicants may benefit from implementing.

### Background

Profonanpe is a national environmental trust fund located in Lima, Peru. It is a private non-profit organization created in 1992, which currently has a staff of 42. Profonanpe has worked in national protected areas and reserves to strengthen natural resource management and support civil society's and the private sector's contributions to saving biodiversity. It has recently expanded its mission to incorporate climate change mitigation and adaptation projects.

The average size of Profonanpe's projects is between US\$5 and US\$10 million with a life span of five years. Its largest programme to date was US\$23.5 million. Their main project or programme clients are their donors: GEF, World Bank, BID, KfW, IFAD, and Pluspetrol among others.

For almost 25 years, Profonanpe has catalysed non-reimbursable financing for biodiversity conservation and sustainable development. Initially its mission was to work strictly within protected areas but later, with the revision of its institutional strategy, its work expanded to a more comprehensive approach. In particular, in the last decade Profonanpe has directed its efforts to promote projects and programmes aimed at strengthening protected areas' contribution to climate change mitigation and adaptation, enhancing local communities by promoting sustainable economic activities, and creating a range of sub-national and local level mechanisms for the conservation of marine and land-based ecosystems.

During the process of revising its strategic plan, Profonanpe identified the objective to expand and complement its work with biodiversity conservation to include climate change projects and programmes. Profonanpe identified that the Adaptation Fund, and later the GCF, provided an opportunity to do so.

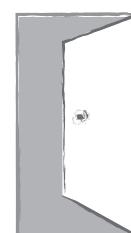
Through its latest 2014-2024 Strategic Plan, Profonanpe expects to support national efforts to counter risk scenarios related to climate change. It expects to do so by making available to Peru three of its main institutional assets, namely i) the

fund's status as a private entity with institutional independence, free of political interference and conflicts of interest; ii) its institutional expertise in efficient and transparent raising, management and channelling of financial resources; and iii) the fund's reliability and strong accountability which it has demonstrated to its domestic and international donors over the last two decades.

Profonanpe aims to use GCF resources for programmes/projects oriented to: i) fresh water issues, ii) strengthening of protected area management in order to reduce risks from frequent extreme climate events, iii) fostering biodiversity conservation mechanisms to facilitate both climate change mitigation and adaptation, iv) mitigation of land degradation and desertification through initiatives of afforestation and reforestation, v) promotion of agro-biodiversity as a means to support initiatives oriented to climate change adaptation, vi) sustainable use of natural resources with indigenous peoples, and vii) REDD+ activities.

Peru, known for its environmental significance in the region, has been identified as one of 17 countries in the world, which are considered mega-diverse. Mega-diverse countries are defined as places which house the majority of the Earth's species and therefore are considered extremely biodiverse. It also ranks second in South America and ninth in the world in terms of its natural forests.

Peru's number of protected areas increased from 33 to 77 over the last 20 years, its corresponding surface area increased from 6.2 million to 19.5 million hectares. Up to 2015 Profonanpe raised over US\$ 159.2 million from both bilateral and multilateral cooperation sources, including international foundations and the private sector. As part of that effort, in the same period Profonanpe built an endowment worth approximately US\$ 44 million through debt for nature swaps and other co-financing mechanisms. They annually channel an average of US\$ 7.6 million to various projects and programmes.





## PROFONANPE'S NIE ACCREDITATION TO THE AF

Profonanpe's pursuit of AF accreditation, as mentioned, was a proactive and pragmatic step toward implementing its ten-year institutional strategy. This plan included expanding their scope of work from exclusively protected areas and biodiversity to the inclusion of climate change projects within or outside of these areas – creating a synergy between biodiversity/conservation and climate change.

### Timeline of Accreditation Process

Though the AF and the GCF accreditation process both proved to be very rigorous, the AF accreditation took substantially longer (over a year and a half) resulting from various factors encompassed in the demanding accreditation learning curve that was undergone.

<b>Early July 2012</b>	Profonanpe, along with three other entities, underwent an accreditation pre-screen assessment. This evaluation was undertaken by UNDP with the objective to assist the Peruvian Ministry's DA to identify the most suitable NIE candidate for AF endorsement. Profonanpe was nominated.
<b>Late July 2012</b>	Profonanpe submitted its initial AF accreditation application along with the translated supporting documents and project examples.
<b>Early August 2012</b>	The AF provided substantial comments regarding the completeness of Profonanpe's application and requested substantive additions to its application including: <ul style="list-style-type: none"> <li>▶ Explicit documented evidence of its standards.</li> <li>▶ Demonstration of capabilities through specific project examples.</li> <li>▶ Details on how Profonanpe anticipated addressing gaps in meeting AF standards.</li> </ul>
<b>Mid-August 2012</b>	Profonanpe re-submitted its application providing the requested information and additional translations.
<b>Mid-October 2012</b> <b>Mid-October 2012</b>	The AF sent its first questions from the application review process. Over the next five weeks, Profonanpe worked to address various aspects of the application – making required institutional adjustments and revising policies/procedures.
<b>End of November 2012</b>	Two AF Accreditation Panel experts visited Profonanpe, which provided an opportunity for extensive meetings with Profonanpe's Board, donors and beneficiaries.  The opportunity to meet with its Board gave the AF a greater understanding of the Board's institutional role as well as allowed the Board to express its opinion on Profonanpe's operational function.  In a strategic effort to provide the AF with a deeper understanding of Profonanpe as an applicant, the World Bank, the Finnish Embassy and KfW were asked to give feedback on Profonanpe as an entity.  The visit was highly beneficial to both Profonanpe and the Accreditation Panel experts as it provided a face-to-face opportunity to clarify processes and procedures and gain insight on the necessary changes required to meet AF standards.
<b>End of November 2012</b>	Profonanpe submitted an updated application.
<b>End of January 2013</b>	The AF sent additional analysis and review of Profonanpe's application identifying pending accreditation issues.
<b>February- December 2013</b>	Profonanpe worked to address the pending points raised by the AF accreditation panel.
<b>February 2014</b>	Profonanpe received their final accreditation application review, which contained two final items requiring Profonanpe to: <ol style="list-style-type: none"> <li>1. Further develop the AF's required investigation procedures (in the case of fraud or misconduct the Fund requires an investigation system to be in place).</li> <li>2. Establish a prominent link on the opening page of the website to provide an avenue for staff, suppliers, executing entities, other stakeholders and the public at large to have a means to report violations of code of conduct and other forms of malpractices by anyone associated with Profonanpe or the project executors.</li> </ol>
<b>March 2014</b>	During the 24th AF Board meeting, one year and eight months from the first accreditation application submission, Profonanpe became an accredited NIE to the AF for Peru.

The time-required for Profonanpe to reach AF accreditation largely resulted from:

- ▶ a prolonged process to gain a true understanding of the application questions and accreditation process;
- ▶ difficulty identifying which supporting documents would be accepted by the Fund for evidence of institutional capacities and required standards;
- ▶ time requirement needed to gain approval and operationalization of new policies;
- ▶ time requirement needed for the translation of documents;
- ▶ and the means by which such institutional changes could be documented to sufficiently provide evidence of its implementation.

One of the most noteworthy delays resulted from a slow down in the application momentum while Profonanpe waited for an unknown time period for the Accreditation Panel's feedback. This response process could often take more than a month, during which time Profonanpe's attention would shift back to its primary work and accreditation momentum would be lost.

Profonanpe's AF accreditation, though long and arduous at times, enabled them to navigate a profound 'learning curve' that the institution believes ultimately resulted in significant capacity building.

The institutional impact resulting from such an extensive self-assessment and benchmarking against international norms and standards (further highlighted by Profonanpe's clarity on the potential national impact such financing implies for Peru) later led to a relatively rapid GCF accreditation.

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## Actors and their roles

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The following is a list of Profonanpe executives who comprised the accreditation team:

- ▶ **Executive Director** – project coordinator and liaison with Board; co-authored application.
- ▶ **Director of Development and Supervision** – co-authored application and lead accreditation counterpart.
- ▶ **Director of Administration and Finance** – co-authored application.
- ▶ **Chief of Operations** – assisted Director of Administration and Finance on financial management and integrity sections of application.
- ▶ **Procurement Specialist** – assisted with procurement section of application.
- ▶ **Accountant** – lead for accounting and internal and external audit sections of application.

The AF accreditation application was revised in November 2013 to include ESS. Profonanpe, like all Accredited Entities, was required to meet these standards before first project disbursement.

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## Preparation process for the AF Accreditation

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In preparation for the AF accreditation process, Profonanpe divided the application into sections assigning two senior and middle management teams that were led by the Directors of 'Development and Supervision Division' and 'Administration and Finance Division'.

Having first familiarized themselves with the Fund and its accreditation requirements, the Division Directors provided guidance and explanation to their accreditation teams for the documentation collection; identification of project examples; and coordination of strategies to bridge gaps identified through the process. The Division Directors received the compiled information and after thorough assessment verified document relevance, provided trouble shooting when lack of documentation was available, assessed institutional readiness and addressed gaps identified, wrote the application responses as well as provided the overall strategy and coherence to the application.

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## Results of the Analysis

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*Examples of the AF Accreditation Panel's feedback/requirements made during Profonanpe's application assessment.*

### Internal Audit

Profonanpe was required to establish an independent internal audit unit, demonstrate it was operational and provide evidence of its effectiveness. This required the following information:

Structure and reporting relationships of the internal audit unit

- i. Preparation of annual audit plans
- ii. Implementation of the audit plan
- iii. Sample internal audit reports
- iv. Management response to the internal audit reports

### Audit Committee

Profonanpe was required to create an Audit Committee and provide evidence that the Committee was operational. It was required to do so by the submission of:

- i. Audit committee member's CVs

- ii. Agenda and minutes of, at least, the first Audit Committee meeting

### Project Risk Assessment

Profonanpe was required to formalize and document its project risk framework by taking the following actions:

- i. Identify and define types of project risks
- ii. Assess severity of risks and prioritization thereof
- iii. Establish a procedure for developing a mitigation action plan for identified risks

The AF requires the project-at-risk system to include an escalation mechanism, which provides guidelines on how problems that may interfere with the achievement of the project objectives (including timelines and budgets) are identified, resolved and/or escalated to higher levels within the institution for resolution and ultimately closed.

### Structured Avenue for Reporting Violations of Code of Conduct/malpractice/violations

Although Profonanpe's 'Ethical Principles' were available on its website under its 'Institutional Profile', the Fund required it to establish a prominent link on the opening page of the website to provide an avenue for staff, suppliers, executing entities, other stakeholders and the public at large to report violations of code and other forms of malpractices by anyone associated with Profonanpe or the projects being undertaken by Profonanpe.

## AF Accreditation Lessons Learned

The following represents key lessons learned through the AF accreditation process.

- ▶ An **external pre-screen assessment** or an extensive **institutional self-assessment** prior to beginning the accreditation process provides valuable institutional insight. The identification of capacity gaps, or potential gaps, at the beginning of application process ensures additional time is allotted for their resolution.
- ▶ In order to facilitate on-going progress and avoid delays in the application process, the applicant must be **responsive, efficient and timely** with submission of Fund requests/requirements - regardless of the time the Fund takes to respond.
- ▶ **Collaboration and communication** with the Accreditation Panel is key. Dialogue provides clarification, guidance and direction on application requirements, facilitates the preparation of the application and increases institutional capacity building.
- ▶ Applicants must anticipate the need for a **testing period** for new/revised procedures in order to obtain documented evidence of its successful implementation and operationalization.
- ▶ Every statement on the application must be backed by **evidence** of its existence through provision of documented policies/manuals or project examples.



## PROFONANPE'S ACCREDITATION TO THE GCF

Profonanpe initiated its GCF accreditation process not only in response to its decision to build on the momentum of its AF accreditation, enhance its breadth and reach of project funding, and further its ten-year institutional strategy but also in response to being selected as the strongest Peruvian GCF accreditation candidate.

### Timeline of Accreditation Process

Profonanpe's accreditation experience is outlined below – highlighting best practices and lessons learned through its GCF accreditation process.

<p><b>Early 2014</b></p>	<p>Profonanpe was selected as the best candidate for accreditation to the GCF based on a pre-screen study assessing the top three Peruvian candidate's capacity to reach accreditation and therefore suitability and likelihood to receive NDA endorsement.</p> <p>This study included both an individual and comparative qualitative and quantitative analysis of the entities regarding:</p> <ul style="list-style-type: none"> <li>▶ aptitude</li> <li>▶ institutional viability</li> <li>▶ capacity</li> <li>▶ scope of mandate</li> <li>▶ cost to pursue accreditation</li> </ul> <p>The study results highlighted Profonanpe's institutional strength as an applicant and advantage to become accredited under the fast-track process resulting in the NDA's endorsement of their pursuit of accreditation.</p>
<p><b>Mid-November 2014</b></p>	<p>Two days after the GCF launched its accreditation application process, Profonanpe was invited to apply for fast track accreditation.</p> <p>NDA endorsement of Profonanpe's candidacy for accreditation.</p>
<p><b>Early December 2014</b></p>	<p>Profonanpe requested an OAS account.</p>
<p><b>Early January 2015</b></p>	<p>Profonanpe actively engaged with the GCF seeking clarification on specific aspects of the application and documentation requirements.</p>
<p><b>Mid-January 2015</b></p>	<p>Five weeks after opening their OAS and in a sprint to the deadline, Profonanpe submitted its application.</p>
<p><b>Late January 2015</b></p>	<p>Within 10 days of their submission, the GCF provided a list of pending information, requests for additional documentation, and further translation requirements needed to complete the Stage I Institutional Assessment and Completeness Check.</p>
<p><b>Early February 2015</b></p>	<p>Profonanpe completed all requirements and passed to the Stage II Accreditation Review.</p>
<p><b>Mid-February 2015</b></p>	<p>Profonanpe rapidly completed all requirements.</p> <p>Having greatly benefitted from the institutional growth resulting from the steep learning curve of the AF accreditation, Profonanpe approached the GCF fast track with enhanced capacity and completed the application requirements with greater efficiency.</p> <p>Its application effort greatly benefitted from support of Profonanpe's top management and Board as well as the active participation and involvement of the institution as a whole, which allowed for expert input from all the relevant divisions.</p>
<p><b>Late March 2015</b></p>	<p>Profonanpe became one of the first of seven entities to successfully become accredited to the GCF.</p> <p>To date, Profonanpe is one of the only two national institutions of Latin America to reach accreditation.</p>

Taking advantage of the momentum and institutional strength gained by its AF accreditation process, Profonanpe approached its GCF accreditation having benefitted from the following:

- ▶ Strong accreditation team with extensive understanding of accreditation process and support from top management
- ▶ Early identification of gaps
- ▶ Fast track acceleration of application
- ▶ Clear institutional climate strategy for mitigation and adaptation projects
- ▶ Availability of many previously translation required documents
- ▶ Increased expertise on how to demonstrate processes and policies used to reduce fiduciary, environmental and social risk

### Actors and their roles

The GCF accreditation team was comprised of the same members as the AF accreditation team with the addition of some targeted experts.

- ▶ **Executive Director** – project coordinator; co-author of value added section of GCF application.
- ▶ **Director of Development and Supervision** – co-author accreditation application; lead GCF counterpart.
- ▶ **Director of Administration and Finance** – co-author accreditation application.
- ▶ **Chief of Operations** – assisted Director of Administration and Finance on the fiduciary aspects of the accreditation.
- ▶ **Procurement Specialist** – assisted with the procurement section of the application.
- ▶ **Accountant** – lead for accounting and internal and external audit sections of application.
- ▶ **Development and Supervision Specialist** – ESS and gender safeguard policy development. Lead to ensure application quality control. Verification of relevance of supporting documents and quality check of translations.
- ▶ **Specialist in Social Safeguard and Gender (permanent external consultant)** – developed gender and social safeguard policy.
- ▶ **Programmes and Projects Specialist and Junior Technical Assistance External Consultant** – coordination and control of application supporting documents; pdf, zipping and upload of accreditation application onto OAS and the facilitation of translation of supporting documents. The translation effort required the applicant to identify the required document sections and pages for translation; control framework for oversight and follow-up of translations; and trouble shooting translation bottlenecks.

### Preparation process for the GCF Accreditation

Having benefitted from the learning curve provided by Profonanpe's AF accreditation, the GCF accreditation process followed a parallel approach. With support from the Board and top management in place, Profonanpe kicked off the GCF application by an exhaustive review of the Fund and its application requirements, followed by the appointment of the Director's of 'Development and Supervision' and the 'Administration and Finance' to lead specific accreditation application sections. The Directors assigned teams to collect the necessary documentation, provide project examples to demonstrate capacities and track record and contribute feedback on institutional readiness and initial gaps identified.

The same senior management actors were kept in place to lead the GCF accreditation process accelerating the efficiency and further drawing on institutional growth from its prior endeavour. For this accreditation, Profonanpe expanded its team to include four additional actors. The 'Development and Supervision Specialist' was in charge of ESS and Gender; the 'Specialist in Social Safeguard and Gender' focused on gender and social safeguards; and the 'Programmes and Projects Specialist' and 'Junior Technical Assistant' were in charge of the much needed document collection oversight, operation of the OAS and translation requirements.

In preparation for the GCF accreditation, Profonanpe determined gaps in its institutional capacity in both ESS and Gender. The necessary expertise was added to its accreditation team through the inclusion of the 'Development and Supervision Specialist' and the 'Specialist in Social Safeguard and Gender'.

Profonanpe, having previously outsourced the assessment and design of project's ESS to external consultants, identified the need to develop its own ESS procedure. Meeting this accreditation requirement resulted in beneficial institutional capacity building.

Through a joint effort of the 'Development and Supervision Specialist' and 'Specialist in Social Safeguard and Gender' Profonanpe's ESS system was designed. The development of its ESS draws on experience gained from working with external consultant's design of projects' ESS, the inclusion of aspects of the World Bank ESS system, and incorporates the national system of environmental impact assessment.

Though the GCF gender requirements are not yet fully defined, they clearly state that the entity must demonstrate competencies to implement the GCF gender policy and the preference that the applicant has experience with gender and climate change and a track record of lending to both men and women. Profonanpe hired a 'Specialist in Social Safeguard and Gender' as a permanent external consultant to develop its Gender Policy as well as outline a plan for its implementation into the project design and application throughout the project cycle.



## Results of the Analysis

*Examples of GCF Accreditation Panel's feedback/requirements made during the application assessment.*

### STAGE I Application Assessment and Completeness Check

During Stage I, the GCF requested additional project/programme documentation to provide evidence for the following:

- ▶ Confirmation that procedures referenced within the institutional policies was effective and institutionally operational.
- ▶ Verification of project sector track record through provision of project contracts. (GCF sectors include, for example, energy, agriculture, transportation, etc.)
- ▶ Documented evidence of experience with the environmental and social risk level of project/programmes undertaken including performance indicators. Clear evidence outlining how projects/programmes were within the Category C risk level.

For the "Grant Award" specialized fiduciary criteria, Profonanpe was asked to provide proof of the following:

- ▶ published results of grants awarded
- ▶ documentation outlining the procedure used to review how multilateral funds were spent – including detailed accounting of fund use and results achieved
- ▶ assessment of how results met environmentally sustainable development objectives
- ▶ evaluation of the performance and efficiency of the institutional mechanisms governing expenditure and reporting

In the ESS portion of the application, the GCF required additional details about Profonanpe's newly designed ESS policy and procedures and clarification on whom within the organization was accountable for its implementation. Additionally, the GCF wanted further information about Profonanpe's system to identify ESS risk as well as illustrative project examples to give evidence of its operationalization. In response, Profonanpe provided further information to demonstrate its risk categorization system as well as how the categorization framework was utilized in past projects.

During the application process, GCF identified the need for Profonanpe to include a system to manage unanticipated impact that may arise after project design. In response, Profonanpe incorporated an action plan into the Institutional Operational Guidelines on Environmental and Social Safeguards and Gender, which includes a monitoring system to provide mitigation templates and a protocol to monitor mitigation measures.

As part of the operationalization and validation of the ESS system, Profonanpe has been working with a consultant to evaluate the system's effectiveness and ability to assess project risk.

The GCF requested clarification about the capacity and function of Profonanpe's 'risk management' system. More specifically, the Fund required additional information explicitly outlining the roles and responsibility for risk management system. The Fund also wanted documentation to further review project/programme track record related to the operationalization and efficiency of the risk management processes.

In addition to the required design, implementation and supervision of an institutional Gender Policy, the Fund asked Profonanpe to submit a plan outlining how the Gender Policy would be operationalized and what the system of oversight would be to ensure its inclusion during the project/programme implementation cycle. Project/programme examples demonstrating gender inclusion in project/programmes were also expected.

Profonanpe found drafting a gender policy was the first step of a more extensive operationalization process required for the implementation of the gender policy in various types of projects. Currently, it is working on incorporating the gender policy into project design, project documents, project monitoring as well as how to utilize its inclusion for impact indicators or benchmarks.

Following the extensive adjustments to and creation of policies and procedures to meet the Fund's standards, Profonanpe found that a comprehensive review of Profonanpe's institutional procedures as a whole was necessary to consolidate and eliminate duplication in operations. Through an external consultant, Profonanpe is undergoing this consolidation process. Ultimately, Profonanpe aims to include specific chapters within its Operations Manual dedicated to project executors – allowing all rules, regulations, procedures and necessary documents to be available through Profonanpe's website – promoting a more streamlined and thorough approach.

### STAGE II Accreditation Review

During the Stage II review, the GCF required Profonanpe to further develop its investigation function, including a documented procedure to report cases with defined reporting lines and means to escalate the investigation through the institution as needed. The GCF requests data on all cases of fraud/violation of code of ethics reported in the last three years.

In response to the questions and feedback received from GCF during Stage I and II of its accreditation application Profonanpe opted to apply for 'Grant Award' specialized fiduciary criteria at a later date once Profonanpe has established insti-

tution specific Grant Award procedures and sufficient track record of their use can be demonstrated.

Up to that point, Profonanpe had been utilizing Grant Award procedures of third party funders and had not established its own institutional "Grant Award" systems. Entities seeking accreditation should be aware that the GCF seeks applicants that have their own institutional procedures in place and are not applying various systems based on each donor fund.

Acknowledging its capacity gap in gender, Profonanpe proactively approached this requirement by hiring a permanent external consultant to design, implement and supervise its gender policy and procedures. This acknowledged its starting point and demonstrated its commitment to incorporate gender into all future GCF projects.

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## GCF Accreditation Lessons Learned

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In addition to those lessons learned during the AF accreditation, the following lessons were identified:

- ▶ Applicants benefit from maintaining **institutional flexibility**. An entity's willingness and ability to adjust procedures and incorporate new institutionally appropriate policies will allow the entity to meet GCF standards.
- ▶ A **strong accreditation team** representing expertise in all application areas coupled with support from top management will ensure forward momentum of the application process.
- ▶ The accreditation application provides an opportunity for the entity to **differentiate itself** and highlight how it specifically contributes to the GCF objective for a paradigm shift.
- ▶ Application **answers should be specific and clear** – each statement or project example must be backed with evidence demonstrating experience and capabilities.
- ▶ Obtaining a deep and specific **knowledge of safeguards** will facilitate the accreditation process as well as benefit the likelihood of successfully designing GCF project proposals.
- ▶ Develop a Gender Policy that is **institutionally and nationally appropriate** and that can be applied to the various types of projects undertaken by the entity.

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## AF and GCF Accreditation Challenges

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The following are challenges Profonanpe faced during both the AF and GCF accreditation processes.

### Operationalization of New Policies/Procedures

Profonanpe found, though it had the institutional flexibility to incorporate new procedures into its Operations Manual, it was time consuming to sufficiently implement such procedures

and provide documented evidence that reflected its operationalization. For example, although Profonanpe had previously established a procedure for reporting cases of misconduct, evidence of its operation was ultimately needed through provision of Board minutes demonstrating regular reporting of misconduct. Regular reporting on the status of misconduct needed to be a Board meeting agenda item regardless of incidence of misconduct in order to meet the GCF requirement.

### Fit-for-Purpose

Strategizing the most obtainable and appropriate fit-for-purpose selection was demanding. Profonanpe opted for a strategy that aimed to increase its chances of being amongst the first institutions to become accredited, with the goal to upgrade after gaining additional experience and enhancing institutional capacities to meet the other fit-for-purpose standards.

### Evidence of Institutional Capacity

Profonanpe, along with many other institutions, have had difficulty identifying what institution specific documents – such as policy, procedures, manuals, guidelines – were best suited to demonstrate the capacity or required standards sought by the Funds. Even more challenging, was to understand what supporting documents could be used to demonstrate that new procedures/committees/policies etc. had been operationalized.

### Transparency

The AF's transparency and anti-corruption measures required Profonanpe to develop additional institutional reporting pathways as well as the creation and implementation of a way to "report" incidence via Profonanpe's website. It was challenging and time consuming to identify what measures the AF required to increase transparency. In the end, Profonanpe needed to post the code of ethics, anti-corruption norms as well as a complaint channel on the opening page of its website.

### Translation

In addition to the time requirements and costliness of the English translation requirements, it became evident that accreditation translation entailed specialized translators who were familiar with the technical language in the documents. After facing difficulty coordinating the translation effort, Profonanpe found that assigning one person to organize all the supporting documents, verify relevance or responsiveness of documents to the questions posed and coordination of the translation effort greatly facilitated the process.

### Uniformity of Institutional Policy Regardless of Donor

To meet GCF standards, Profonanpe needed to develop and operationalize its own institutional policies and procedures instead of using those of the donor funds.

### Risk Management and Project oversight

In an effort to better anticipate project risk, Profonanpe needed to design a risk management plan which included project categories and risk identifier including both risks anticipated and unforeseen. To maintain strong oversight, Profonanpe needed to develop a template for project oversight that contains a means to evaluate that risk mitigation measures were functioning.



## GENERAL RECOMMENDATIONS

Prior to pursuing accreditation the applicant may consider asking some fundamental questions:

1. Does the applicant plan to use climate finance to support national climate change strategies, in line with sustainable development as well as the GCF paradigm shift?
2. Does the applicant have sufficient demonstrable evidence (such as policies procedures, guidelines and project examples) of experience and competency to perform the implementing entity work as defined in the accreditation requirements?
3. Is there understanding of the accreditation process and the requisite support from the applicant's top management? Is there a willingness to share confidential information with the GCF? Will sufficient personnel be provided to support the rigorous and time-consuming accreditation requirements?
4. Does the applicant have institutional flexibility that would allow the development and inclusion of the necessary policies, procedures and/or guidelines that may be missing?
5. Do policies reflect the processes of how work actually flows within the entity? Do policies exist that elaborate the processes required achieving this work?

### Accreditation Preparation

It may prove valuable to perform an accreditation pre-screen, either by a third party or internally, to provide useful insight on strengths and weaknesses of the entity and identify initial gaps that will need to be addressed in order to reach accreditation. This feedback could also be used to evaluate the time and expense of accreditation and inform top management in their decision making process.

Once the decision has been made to seek accreditation it is essential to begin the accreditation process with the support of top management and, if relevant, the Board. This involvement will not only provide the framework to mobilize key areas in the organization that will be required to participate in the process but will create a top down team. This team approach is essential for implementation/operationalization of institutional adjustments which may be required to address identified gaps in meeting the Fund's standards.

The accreditation process will be served well by the nomination of a dedicated accreditation leader whom is committed and knowledgeable about accreditation and well positioned within the institution. This person will increase efficiency by providing prompt and accurate responses to the accreditation panel and keep the accreditation wheels in motion.

After the accreditation leader is assigned, the organization will need to look inward to determine which divisions are most capable of responding to the specific application sections. Once the key divisions and team members are outlined, an accreditation orientation session should be held to provide a macro overview of what accreditation is, its requirements, the importance of demonstrated evidence, how to prepare for document collection and, if applicable, translation requirements.

Ideally, after an accreditation orientation is provided and utilizing the identified initial gaps resulting from the pre-screen, an entity would develop an action plan. This would outline the necessary steps, provide follow-up for the implementation of those steps and define a structure to monitor accreditation progress.

It is highly beneficial to assign one person to oversee document organization and control to confirm quality and relevance of each document; oversee that the reference pages are relevant and responsive to the questions posed by the Fund; and ensure all translations are technically correct and of a high standard.

Extensive accreditation preparation and an institutionally supported and participatory approach was key to Profonanpe's successful accreditation. It was equally valuable for Profonanpe to utilize the insight and guidance available from the Fund throughout the accreditation process.

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## Application Process

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The first step of the process is to organize information – i.e. focus on collecting supporting documents (for example, policies, procedures, guidelines, manuals, templates) as well as project experience. It is important to keep in mind to select projects that demonstrate the required capacity, are advanced enough in their implementation process to have sufficient documentation and that demonstrate the required environmental and social performance standards.

As a starting point, it is also beneficial to review the entity's website to ensure all accreditation requirements are available or put in motion with ample time for operationalization.

If the entity is not already doing so, it is crucial for it to begin to maintain documented processes and procedures.

Often there appears to be an inadequate understanding about what is required for accreditation – leaving the applicant with a sense that it is either easy to access these financial resources or well beyond their capabilities.

The quality of the application is a critical factor for success. The applicant should ensure a full understanding of questions and verify documents and project examples are responsive to the question being asked. Every response should be clear and documented to the best of the applicant's ability.

The applicant should aim to answer all application questions in a specific and concrete manner that avoids providing superfluous information that the Fund has not requested. Profonanpe found the application process increased efficiency when its responses remained highly focused and avoided elaborating beyond what was being asked.

Many entities have reported difficulty understanding how the ESS is applied or are unfamiliar and lack previous experience using the IFC's performance standards. It may be beneficial to seek support from already accredited Entities through south/south cooperation as well as seek ESS trainings that are now available as a capacity building measure for applicants.

In many cases, if the fundamental fiduciary standards and institutional structures are in place, an accreditation team is established and the applicant remains flexible and ready to improve institutional capacity when gaps are identified – successful accreditation can be reached. Capacity shortfalls should be perceived as institutional opportunities for growth – which could potentially be supported through the increasing availability of climate finance readiness support.

Where other large climate funds do not require a project pipeline as part of the accreditation process, the GCF asks that the applicant develop an indicative project pipeline at the time of application. Profonanpe found that this ensured the lengthy process of identifying and lining up potential projects began prior to reaching accreditation. It also requires applicants to strategically identify and plan what types of projects will be part of their institutional climate change strategy and how that strategy is relevant to the national climate change strategy and/or national development plan.



## SPECIFIC TRANSLATION AND SUBMISSION RECOMMENDATIONS

### Translation Recommendations

Profonanpe found that identifying a group of four or five translators dedicated to the accreditation effort at the beginning of the accreditation process was crucial for the completion of the translation requirements. Translators should be professionally known and familiar with sustainable development jargon to ensure quality and technical accuracy.

To limit translation expense and ensure an organized approach, the text required to provide evidence of the capacity should be highlighted for translation and the page number of the translated section should be referenced in the application response on the OAS. Due to the vast number of documents to be partially translated it is very important to have a highly organized system of files and a 'supporting document' control spread sheet. Careful attention should be given to record the date documents are sent for translation.

It is also important to rename/differentiate the translated document name once verified it is complete as both the original and translated document are required to be uploaded as supporting evidence. There should be a process in place for translation quality control.

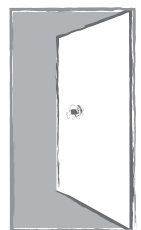
It is useful to assign at least one person to review and correct the translations. This person should ensure that the translators are working with consistent names/acronyms etc.

### GCF submission recommendations

Once the application is complete and all supporting documents are prepared, the final step is to perform the upload onto the OAS. The person responsible for uploading the application should be:

- ▶ familiar with the OAS User Guide
- ▶ aware of the supporting document weight limit (below 10 mb)
- ▶ capable of lowering document resolution and/or compressing files (zip files)

It is advisable to begin uploading the zipped supporting documents early on in the application as it is a time consuming process and adequate time is needed to complete each upload.



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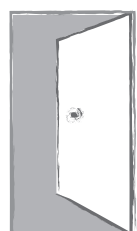
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**ANNEXES**

## Annex I

### List of AF Accredited Entities (as of October 2016)

Legal Entity Name	Country	Entity Type	Website
Agence pour le Développement Agricole (ADA)	Morocco	National	<a href="http://www.ada.gov.ma">www.ada.gov.ma</a>
Agencia de Cooperación Internacional de Chile (AGCI)	Chile	National	<a href="http://www.agci.gob.cl">www.agci.gob.cl</a>
Agencia Nacional de Investigacion e Innovacion (ANII)	Uruguay	National	<a href="http://www.anii.org.uy">www.anii.org.uy</a>
Centre de Suivi Ecologique (CSE)	Senegal	National	<a href="http://www.cse.sn">www.cse.sn</a>
Desert Research Foundation of Namibia (DRFN)	Namibia	National	<a href="http://www.drfn.org.na">www.drfn.org.na</a>
Dominican Institute of Integral Development (IDDI)	Dominican Republic	National	<a href="http://www.iddi.org">www.iddi.org</a>
Environment Division	Antigua and Barbuda	National	<a href="http://www.environmentdivision.info">www.environmentdivision.info</a>
Fundación Natura	Panama	National	<a href="http://www.naturapanama.org">www.naturapanama.org</a>
Fundecooperacion Para el Desarrollo Sostenible	Costa Rica	National	<a href="http://www.fundecooperacion.org">www.fundecooperacion.org</a>
Mexican Institute of Water Technology (IMTA)	Mexico	National	<a href="http://www.imta.mx/english">www.imta.mx/english</a>
Micronesia Conservation Trust (MCT)	Micronesia, Federated States of	National	<a href="http://www.ourmicronesia.org">www.ourmicronesia.org</a>
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	Ethiopia	National	<a href="http://www.mofed.gov.et">www.mofed.gov.et</a>
Ministry of Finance and Economic Management (MFEM)	Cook Islands	National	<a href="http://www.mfem.gov.ck">www.mfem.gov.ck</a>
Ministry of Natural Resources (MINIRENA)	Rwanda	National	<a href="http://www.minirena.gov.rw">www.minirena.gov.rw</a>
Ministry of Planning and International Cooperation (MOPIC)	Jordan	National	<a href="http://www.mop.gov.jo">www.mop.gov.jo</a>
National Bank for Agriculture and Rural Development (NABARD)	India	National	<a href="http://www.nabard.org">www.nabard.org</a>
National Environment Fund	Benin	National	<a href="http://www.fnebenin.net">www.fnebenin.net</a>
National Environment Management Authority (NEMA)	Kenya	National	<a href="http://www.nema.go.ke">www.nema.go.ke</a>
Partnership for Governance Reform in Indonesia (Kemitraan)	Indonesia	National	<a href="http://www.kemitraan.or.id">www.kemitraan.or.id</a>
Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe)	Peru	National	<a href="http://www.profonanpe.org.pe">www.profonanpe.org.pe</a>
Planning Institute of Jamaica (PIOJ)	Jamaica	National	<a href="http://www.pioj.gov.jm">www.pioj.gov.jm</a>
Protected Areas Conservation Trust (PACT)	Belize	National	<a href="http://www.pactbelize.org">www.pactbelize.org</a>
South African National Biodiversity Institute (SANBI)	South Africa	National	<a href="http://www.sanbi.org">www.sanbi.org</a>
Unidad para el Cambio Rural (Unit for Rural Change - UCAR)	Argentina	National	<a href="http://www.ucar.gov.ar">www.ucar.gov.ar</a>
Caribbean Development Bank (CDB)	Barbados	Regional	<a href="http://www.caribank.org">www.caribank.org</a>
Central American Bank for Economic Integration (CABEI)	Honduras	Regional	<a href="http://www.bcie.org/?lang=en">www.bcie.org/?lang=en</a>
Corporación Andina de Fomento (CAF)	Venezuela	Regional	<a href="http://www.caf.com">www.caf.com</a>
Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (OSS)	Tunisia	Regional	<a href="http://www.oss-online.org">www.oss-online.org</a>
Secretariat of the Pacific Regional Environment Programme (SPREP)	Samoa	Regional	<a href="http://www.sprep.org">www.sprep.org</a>
West African Development Bank (BOAD)	Togo	Regional	<a href="http://www.boad.org">www.boad.org</a>
African Development Bank	Tunisia	Multilateral	<a href="http://www.afdb.org">www.afdb.org</a>
Asian Development Bank (ADB)	Philippines	Multilateral	<a href="http://www.adb.org">www.adb.org</a>
European Bank for Reconstruction and Development (EBRD)	United Kingdom	Multilateral	<a href="http://www.ebrd.com">www.ebrd.com</a>
Inter-American Development Bank (IDB)	United States	Multilateral	<a href="http://www.iadb.org">www.iadb.org</a>
International Fund for Agricultural Development (IFAD)	Italy	Multilateral	<a href="http://www.ifad.org">www.ifad.org</a>
UN- Habitat	Kenya	Multilateral	<a href="http://unhabitat.org">unhabitat.org</a>
United Nations Development Programme (UNDP)	United States	Multilateral	<a href="http://www.undp.org">www.undp.org</a>
United Nations Educational, Scientific, and Cultural Organization (UNESCO)	France	Multilateral	<a href="http://www.unesco.org">www.unesco.org</a>
United Nations Environment Programme (UNEP)	Kenya	Multilateral	<a href="http://www.unep.org">www.unep.org</a>
United Nations World Food Programme (WFP)	Italy	Multilateral	<a href="http://www.wfp.org">www.wfp.org</a>
World Bank (International Bank for Reconstruction and Development)	United States	Multilateral	<a href="http://www.worldbank.org">www.worldbank.org</a>
World Meteorological Organization (WMO)	Switzerland	Multilateral	<a href="http://www.wmo.int">www.wmo.int</a>



## Annex II

List of GCF Accredited Entities (as of October 2016)

Legal Entity Name	Country	Entity Type	Size	Fiduciary Standard	Environmental and Social Risk Category	Accreditation date and Decision
Agence pour le Développement Agricole (ADA)	Morocco	National	Small	- Basic - Project management	Category B/Intermediation 2	Decision B.12/32 (09 March 2016)
Acumen Fund, Inc. (Acumen)	United States of America	Regional	Micro	- Basic - Project management - On-lending and/or blending (loans and equity)	Category C/Intermediation 3	Decision B.09/07 (26 March 2015)
African Development Bank (AfDB)	Ivory Coast	Multilateral/ International	Large	- Basic - Project management - Grand award/or funding allocation mechanisms - On lending/or blending (for loans, equity and guarantees)	Category A/Intermediation 1	Decision B.12/32 (09 March 2016)
Africa Finance Corporation (AFC)	Nigeria	Multilateral/ International	Large	- Basic - Project management - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
Agence Française de Développement (AFD)	France	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
Asian Development Bank (ADB)	Philippines	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.09/07 (26 March 2015)
Caribbean Community Climate Change Center (CCCCC)	Belize	Regional	Small	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category B/Intermediation 2	Decision B.10/06 (9 July 2015)
Caribbean Development Bank (CDB)	Barbados	Regional	Small	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (for loans and equity)	Category A/Intermediation 1	Decision B.14/17 (14 October 2016)
Centre de Suivi Ecologique (CSE)	Senegal	National	Micro	- Basic - Project management	Category C/Intermediation 3	Decision B.09/07 (26 March 2015)
Conservation International Foundation (CI)	United States of America	Multilateral/ International	Medium	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category C/Intermediation 3	Decision B.10/06 (9 July 2015)
Corporación Andina de Fomento (CAF)	Venezuela	Regional	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
Credit Agricole Corporate and Investment Bank (Crédit Agricole CIB)	France	Multilateral/ International	Large	- Basic - Project management - On-lending and/or blendings (for loans, equity and guarantees)	Category A/Intermediation 1	Decision B.12/32 (09 March 2016)

<b>Deutsche Bank Aktien Gesellschaft (Deutsche Bank AG)</b>	Germany	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
<b>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</b>	Germany	Multilateral/ International	Medium	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category B/Intermediation 2	Decision B.14/17 (14 October 2016)
<b>Development Bank of Southern Africa (DBSA)</b>	South Africa	Regional	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (for loans, equity and guarantees)	Category A/Intermediation 1	Decision B.12/32 (09 March 2016)
<b>Environmental Investment Fund (EIF)</b>	Namibia	National	Micro	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category C/Intermediation 3	Decision B.10/06 (9 July 2015)
<b>European Bank for Reconstruction and Development (EBRD)</b>	United Kingdom	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
<b>European Investment Bank (EIB)</b>	Luxembourg	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (for loans, equity and guarantees)	Category A/Intermediation 1	Decision B.12/32 (09 March 2016)
<b>Food and Agriculture Organization (FAO)</b>	Italy	Multilateral/ International	Medium	- Basic - Project management	Category B/Intermediation 2	Decision B.14/17 (14 October 2016)
<b>HSBC Holdings plc and its subsidiaries (HSBC)</b>	United Kingdom	Multilateral/ International	Large	- Basic - Project management - On-lending and/or blending (for loans, equity and guarantees)	Category A/Intermediation 1	Decision B.12/32 (09 March 2016)
<b>Inter-American Development Bank (IADB)</b>	United States of America	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
<b>International Bank for Reconstruction and Development and International Development Association (World Bank)</b>	United States of America	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans and guarantees)	Category A/Intermediation 1	Decision B.10/06 (9 July 2015)
<b>International Finance Corporation (IFC)</b>	United States of America	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (for loans, equity and guarantees)	Category A/Intermediation 1	Decision B.12/32 (09 March 2016)
<b>International Fund for Agricultural Development (IFAD)</b>	Italy	Multilateral/ International	Medium	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or -blending (for loans)	Category B/Intermediation 2	Decision B.14/17 (14 October 2016)
<b>International Union for Conservation of Nature (IUCN)</b>	Switzerland	Multilateral/ International	Medium	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category B/Intermediation 2	Decision B.12/32 (09 March 2016)

<b>Kreditanstalt für Wiederaufbau (KfW)</b>	Germany	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.09/07 (26 March 2015)
<b>Ministry of Finance and Economic Corporation of the Federal Democratic of Ethiopia (MOFEC)</b>	Ethiopia	National	Small	- Basic - Project management	Category B/Intermediation 2	Decision B.12/32 (09 March 2016)
<b>Ministry of Natural Resources (MINIRENA)</b>	Rwanda	National	Small	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category B/Intermediation 2	Decision B.10/06 (9 July 2015)
<b>National Bank for Agriculture and Rural Development (NABARD)</b>	India	National	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category B/Intermediation 2	Decision B.10/06 (9 July 2015)
<b>National Environmental Management Authority of Kenya (NEMA)</b>	Kenya	National	Micro	- Basic - Project management	Category B/Intermediation 2	Decision B.12/32 (09 March 2016)
<b>Netherlands Development Finance Company (FMO)</b>	Netherlands	Multilateral/ International	Large	- Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees)	Category A/Intermediation 1	Decision B.14/17 (14 October 2016)
<b>Peruvian Trust Fund for Nacional Parks and Protected Areas (Profonanpe)</b>	Peru	National	Micro	-Basic - Project management	Category C/Intermediation 3	Decision B.09/04 (26 March 2015)
<b>Secretariat of the Pacific Regional Environment Programme (SPREP)</b>	Samoa	Regional	Small	- Basic - Project management	Category C/Intermediation 3	Decision B.09/07 (26 March 2015)
<b>South African National Biodiversity Institute (SANBI)</b>	South Africa	National	Small	- Basic - Project management - Grand award and/or funding allocation mechanisms	Category B/Intermediation 2	Decision B.14/17 (14 October 2016)
<b>Unidad Para el Cambio Rural (Unit for Rural Change – UCAR)</b>	Buenos Aires	National	Small	- Basic - Project management - Grant award and/or funding allocation mechanisms	Category B/Intermediation 2	Decision B.12/30 (09 March 2016)
<b>United Nations Development Programme (UNDP)</b>	United States of America	Multilateral/ International	Medium	- Basic - Project management	Category B/Intermediation 2	Decision B.09/07 (26 March 2015)
<b>United Nations Environment Programme (UNEP)</b>	Kenya	Multilateral/ International	Small	- Basic - Project management	Category B/Intermediation 2	Decision B.09/07 (26 March 2015)
<b>West African Development Bank (BOAD)</b>	Togo	Regional	Medium	- Basic - Project management - Grand award and/or funding allocation mechanisms - On-lending and/or blending (for loans and guarantee)	Category B/Intermediation 2	Decision B.14/17 (14 October 2016)
<b>World Food Programme (WFP)</b>	Italy	Multilateral/ International	Micro	- Basic - Project management	Category C/Intermediation 3	Decision B.12/32 (09 March 2016)
<b>World Meteorological Organization (WMO)</b>	Switzerland	Multilateral/ International	Small	- Basic - Project Management	Category C/Intermediation 3	Decision B.12/32 (09 March 2016)
<b>XacBank LLC (XacBank)</b>	Mongolia	National	Small	- Basic - Project management - On-lending and/or blending (for loans, equity and guarantees)	Category B/Intermediation 2	Decision B.14/17 (14 October 2016)

## Remarks:

- Size is defined as per decision B.08/02 as contained in document GCF/B.08/45, Annex I, paragraph 12.
- The Green Climate Fund's initial fiduciary standards, as adopted per decision B.07/02, are contained in document GCF/B.07/11, Annex II.
- The Green Climate Fund's interim environmental and social safeguards, as adopted per decision B.07/02, are contained in document GCF/B.07/11, Annex III.

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## Annex III

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### AF Template DA Nomination Letter for Accreditation



#### Letter of Endorsement by Government

[Government Letter Head]

[Date of Endorsement Letter]

To: The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org)  
Fax: 202 522 3240/5

Subject: Endorsement for support in NIE accreditation

*In my capacity as designated authority for the Adaptation Fund in [country], I confirm that [national implementing entity] has been requested by my government to support the process of accreditation of a National Implementing Entity for the Adaptation Fund in my country.*

*Accordingly, I am pleased to endorse the grant proposal submitted by [national implementing entity] for funding from the Adaptation Fund.*

Sincerely,

[Name of Designated Government Official]

[Position/Title in Government]

## Annex IV

### GCF Template NDA/FP Nomination Letter for Accreditation

[Government Letterhead]

Executive Director

Date:

G-Tower, 24-4 Songdo-dong, Yeonsu-gu

Reference:

Incheon City, Republic of Korea

Page:

**Subject: Expression of nomination for the application for accreditation to the Green Climate Fund**

*Dear Mr. Howard Bamsey,*

*Pursuant to paragraph 47 of the Governing Instrument for the Green Climate Fund, [in my capacity as representative of the National Designated Authority] OR [in my capacity as focal point] for [country name], duly designated pursuant to the letter from [government ministry/authority] to the Fund dated [date], I hereby nominate the entity below for accreditation by the Green Climate Fund:*

*[Legal name of the applicant entity]*

*[Contact person: name]*

*[Contact details: telephone, address, email address]*

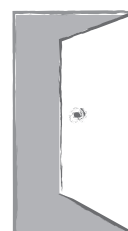
*Sincerely,*

*[Name of the contact point of NDA or focal point]*

*[Position/Title in Government]*

*[Division/Office]*

*[Ministry/Agency]*



## Annex V

### Structure of fees for accreditation to the GCF<sup>4</sup>

Financial capacity category	Threshold	Fee Level for accreditation application for undertaking activities related to Basic Fiduciary Standards and ESS	Fee Level for accreditation application for undertaking activities related to each specialized fiduciary standard	Other fees
Micro	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, less than or equal to US\$ 10 million for an individual project or activity	Subnational and national entities in developing countries including SIDS and LDCs: no fee  All other entities: US\$ 1,000	US\$ 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	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, above  US\$ 10 million and up to and including US\$ 50 million for an individual project or activity	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	US\$ 1,000 each	
Medium	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, above  US\$ 50 million and up to and including US\$ 250 million for an individual project or activity	US\$ 10,000	US\$ 3,000 each	
Large	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, above  US\$ 250 million for an individual project or activity	US\$ 25,000	US\$ 7,000 each	

Specialized Fiduciary Standards refer to: 1) project management; 2) grant award and/or allocation mechanisms; and 3) on-lending and/or blending.

<sup>4</sup> GCF/B.08/45 Decisions of the Board-Eighth Meeting of The Board, 14-17 October 2014 Annex p.62 Annex VI: Policy on fees for accreditation of the Fund

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## NOTES



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