

GREEN
CLIMATE
FUND

Introduction to the Green Climate Fund

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Facts at a glance

- **Operating entity** of the financial mechanism of the UNFCCC
- Established on 11 December 2010, in Cancun, Mexico (COP16)
- **Stakeholders:** 194 Sovereign States, signatory of the UNFCCC
- **Governance:** 24 Board members, equally representing Developing and developed countries
- **Mandate:** Promoting low-emission and climate resilient development in eligible developing countries
- **Goal:** to become the main global financial mechanism for long-term finance under UNFCCC
- Fund's **headquarters** opened in December 2013 in Songdo, Republic of Korea



Objectives of the Fund

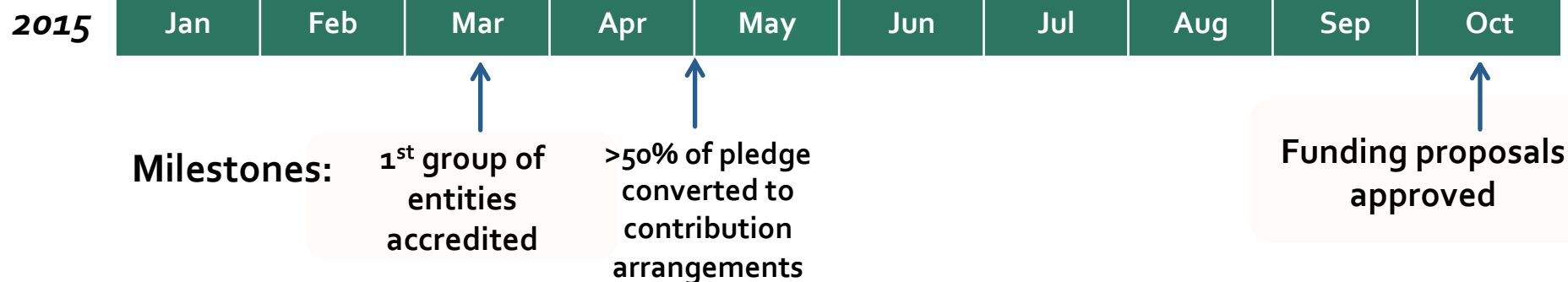
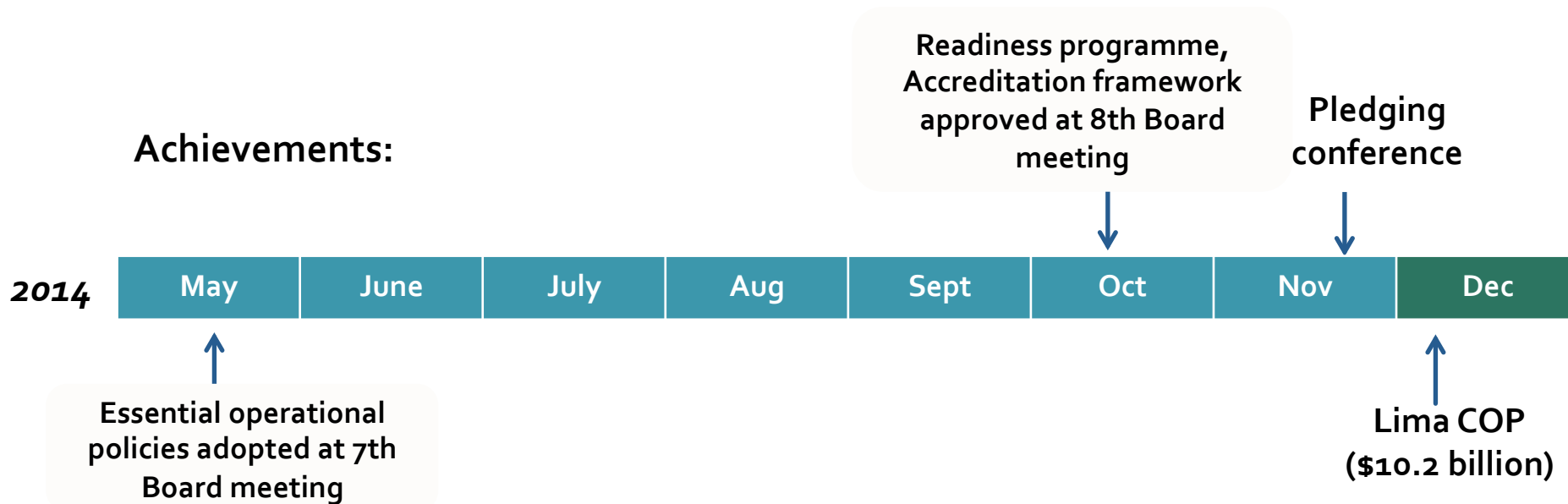
The Fund will contribute to the achievement of the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC).

In the context of sustainable development, the Fund will **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.



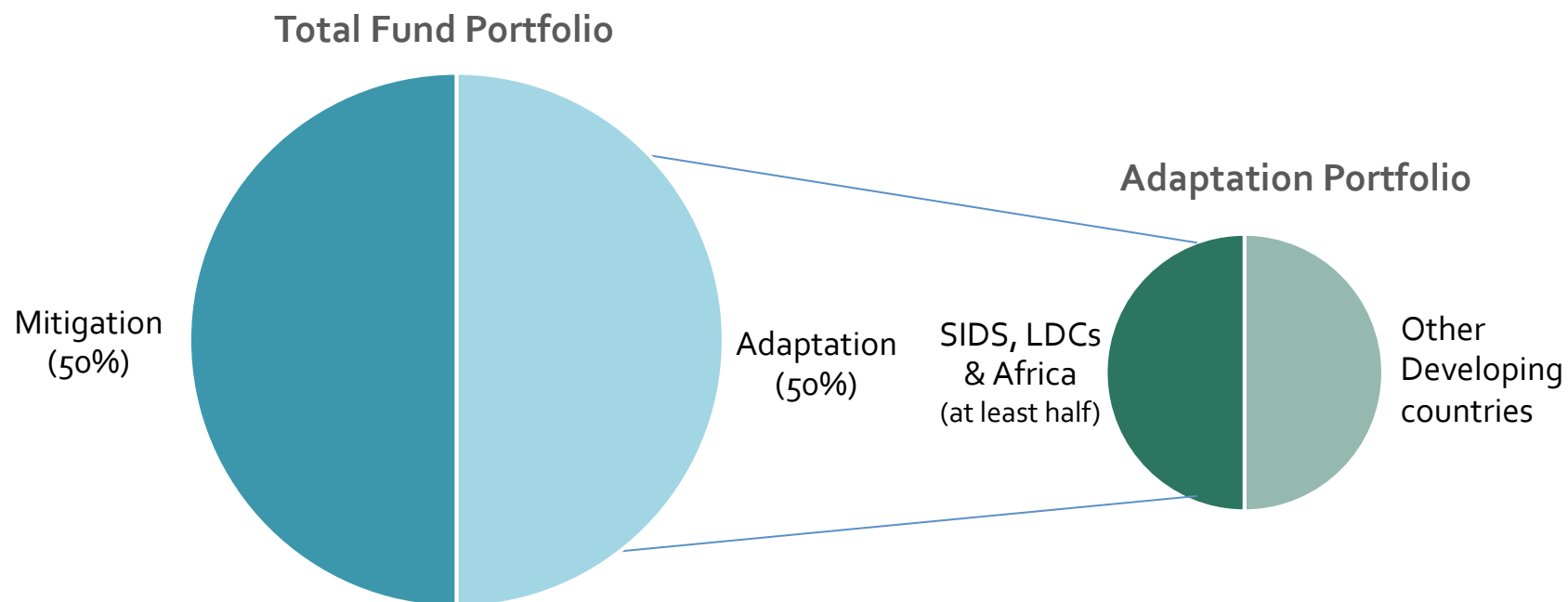
Moving into full operation

Achievements:





Allocation Framework



- Geographic balance
- Significant allocation to Private Sector Facility
- Sufficient resources for readiness activities
- Grant equivalent term



Investment Criteria

against which proposals are assessed

Impact Potential

- Potential to contribute to the achievement of the Fund's **objectives** and **result areas**

Paradigm Shift Potential

- Potential to catalyse impact beyond a one-off project or programme investment

Sustainable Development Potential

- Potential to provide wider benefits and priorities (environmental, social and economic co-benefits as well as gender-sensitive development impact)

Needs of Recipient

- Vulnerability and financing needs of the beneficiary country and population of the targeted group

Country Ownership

- Beneficiary country ownership of and capacity to implement funded activities

Efficiency & Effectiveness

- Economic and, if appropriate, financial soundness of the programme/project and for mitigation-specific programmes/projects, cost-effectiveness and co-financing



Strategic Impact Results Areas

Mitigation:

- Low-emission energy access and power generation
- Low-emission modes of transport
- Buildings, cities, industries and appliances
- Land use, deforestation, forest degradation, and through sustainable management of forests and conservation and enhancement of forest carbon stocks

Adaptation:

- Livelihoods of people, communities and regions
- Health and well-being of people, food and water security
- Infrastructure and built environment
- Ecosystems and ecosystems services



Accreditation Framework

– Who can apply for accreditation?

- **All entities**, including international, regional, national and subnational and public and private entities, can apply for accreditation through one of two modes of access:
- **Direct access track**: for regional, national and sub-national entities.
 - NDA nomination required
 - Entities may be eligible to receive readiness and preparatory support on accreditation
- **International access track**: for international entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions



Accreditation Requirements

– Fiduciary Standards and ESS*

Basic Fiduciary Standards

- Key administrative and financial capacities
- Transparency and accountability

Specialized Fiduciary Standards (SFS)

Project management

Grant award and/or funding allocation mechanisms

On-lending and/or blending

Environmental and Social Safeguards (ESS)

Institutional ESMS policy-level:

✓ **Performance Standard (PS) 1:**

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

Project-level:

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

* For more details, refer to the [initial guiding accreditation framework](#), [fiduciary standards](#), and [ESS](#).



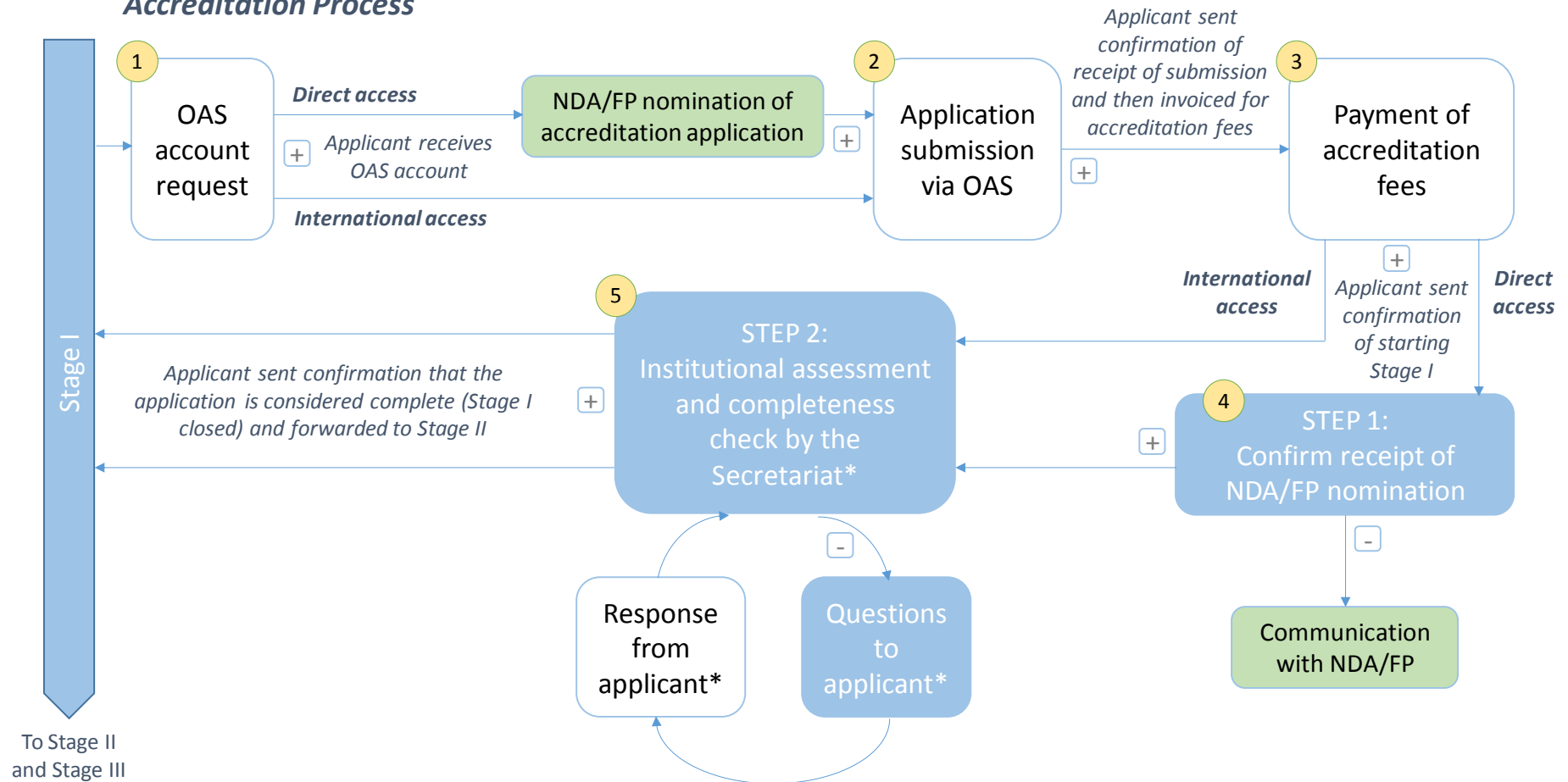
Robust and rigorous accreditation process fit for an entity's purpose





Accreditation Stage I

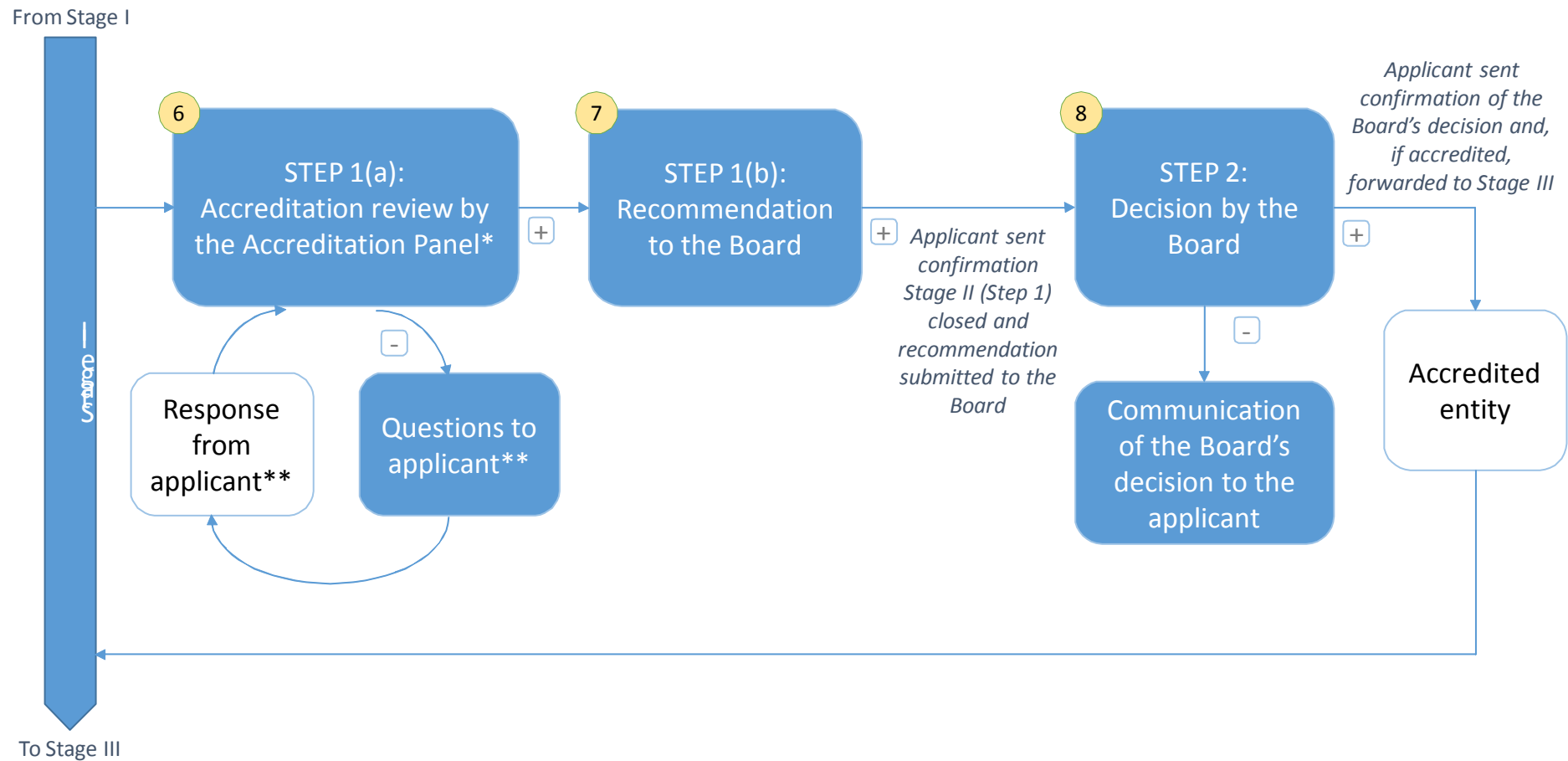
Accreditation Process



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



Accreditation Stage II

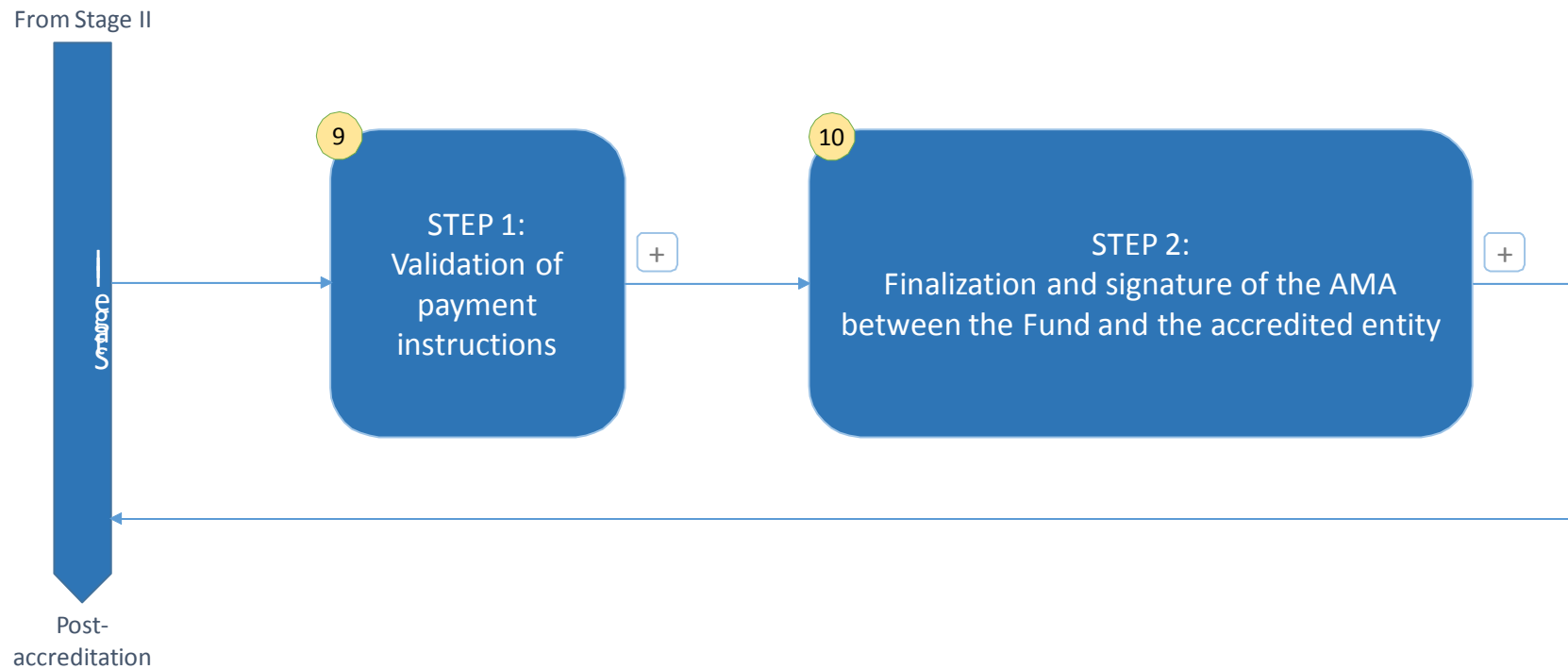


* With support from external technical experts on an as-needed basis

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



Accreditation Stage III



Post-accreditation Process

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



3 key questions for ECREEE's accreditation?

1. **Legal personality:** is ECREEE a legally established entity with its own legal personality?
2. **Institutional system:** what are ECREEE's policies, procedures, guidelines, etc. at the organizational level?
3. **Track record:** can ECREEE demonstrate that these policies, procedures, guidelines, etc. are implemented?



Fit-for-purpose approach to accreditation

Entities will be accredited with certain fiduciary functions, size of project/activity within a programme, and environmental risk category.

- **Fiduciary functions:** shapes how the implementing entity or intermediary will operate using the Fund's resources (e.g., grants, concessional loans, equity, guarantees)
- **Size of project/activity within a programme:** micro, small, medium, large
- **Environment and social risk category:**
 - high risk Category A/ Intermediation I (I-1)
 - medium Category B/I-2
 - low/no risk Category C/I-3



Fiduciary functions

Entities will be required to be accredited against **certain fiduciary standards** in order to undertake the relevant fiduciary functions

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

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



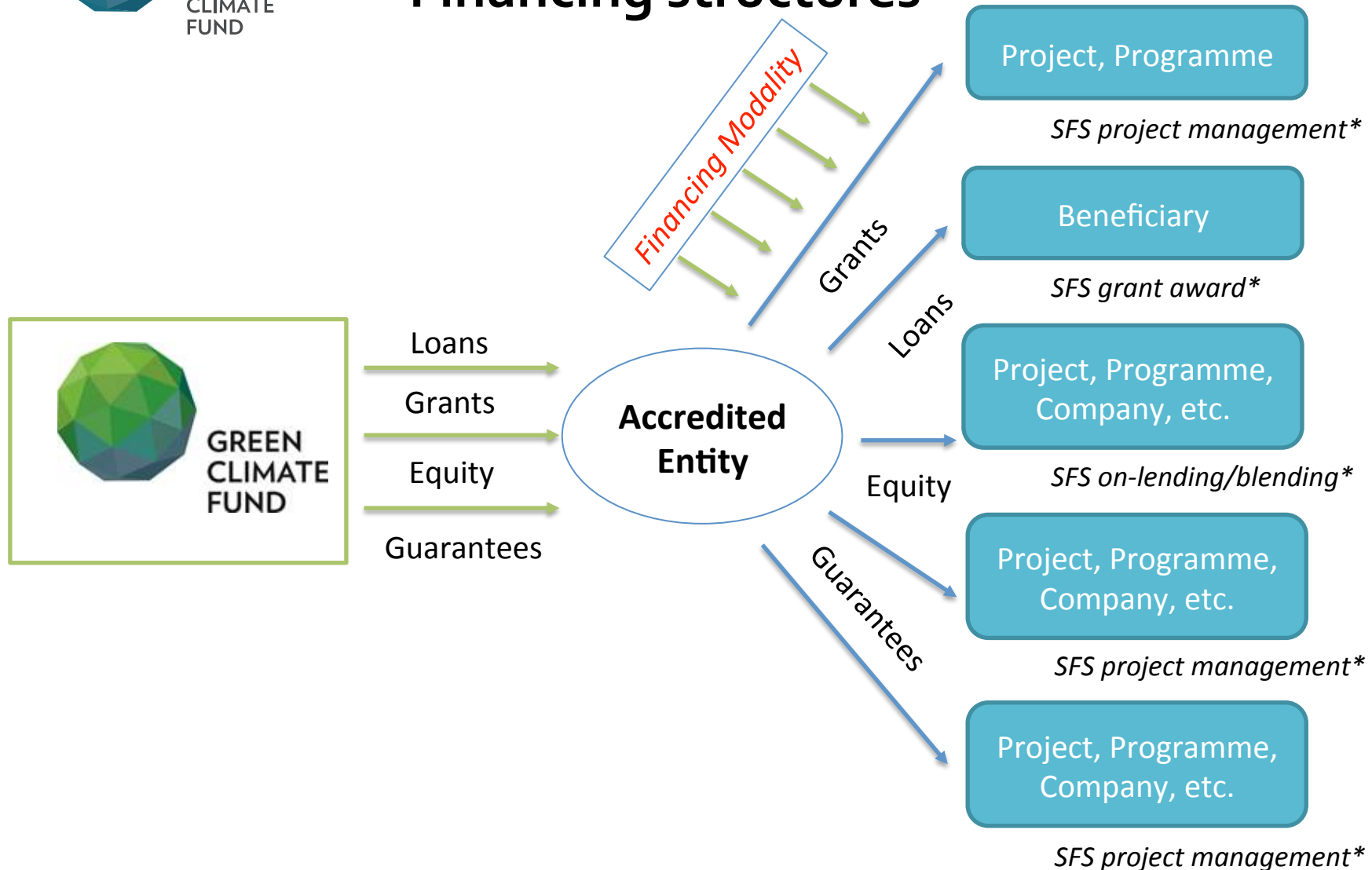
Size of project/activity within a programme

	Total Projected Costs*
Micro	Up to and including US\$10 million
Small	Above US\$ 10 million and up to and including US\$ 50 million
Medium	Above US\$ 50 million and up to and including US\$ 250 million
Large	above US\$ 250 million

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



Financing structures



*SFS refers to the Fund's specialized fiduciary standards.



Environmental and social risk categories

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

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



Gender Policy Requirements:

Actions required at accreditation stage

A. Application of GCF guidelines on the initial socioeconomic and gender assessments to be performed for each project/programme

- Commitment to prepare a socioeconomic and gender assessment for each project/programme.

B. NDA to ensure that programme/projects are aligned with national policies and priorities on gender

- Commitment that projects/ programmes will be aligned with national policies & priorities.

C. Demonstrate commitment to implementing the Fund's gender-sensitive approach, whether through:

C.1. Existing gender policy and experience in delivering gender and climate change programs, **OR**

- Existence of a gender policy
- Existence of staff with gender competency

C.2. willingness to acquire the necessary gender competencies to exercise their oversight responsibilities over Executing Entities on gender and climate change.

- If no policy and/or no staff, then Executing Entities commitment to obtain this competency.



Fast-track accreditation process

- Certain entities may be eligible to apply under the fast-track accreditation process, as approved by the Board
 - Global Environment Facility ([GEF](#))
 - Adaptation Fund ([AF](#))
 - Directorate-General for Development and Cooperation – EuropeAid of the European Commission ([EU DEVCO](#))
- Recognizing that certain entities have completed the accreditation process of other funds/institutions against fiduciary and environmental and social standards that may be comparable to the Fund's fiduciary standards and ESS, the fast-track process allows for eligible entities to **focus their application on the Fund's accreditation requirements (gaps) that have not been assessed in other accreditation processes.**
- The fast-track process also allows for the **accreditation review to focus on how the entity addresses the gaps.**



Fast-track accreditation process: GEF-accredited entities

		Global Environment Facility (GEF)-accredited entities
Eligible if:	Accreditation date	Up to 17 October 2014
	In full compliance with	GEF's Minimum Fiduciary Standards and Minimum Standards on ESS
Gaps to be addressed by entity:	Fiduciary gap(s)	1. Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability)
	ESS gap(s)	1. Have the capacity to assess and manage relevant elements of Performance Standards 1-4 and 6 environmental and social risks and impacts in line with the Fund's ESS through an ESMS
Fast-track accreditation against:	Basic fiduciary criteria and ESS	Yes
	Specialized fiduciary criteria for project management	Yes
	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	No
	Specialized fiduciary criteria for on-lending and/or blending	No



Fast-track accreditation process: Adaptation Fund-accredited entities

		Adaptation Fund (AF)-accredited entities
Eligible if:	Accreditation date	Up to 17 October 2014
	In full compliance with	AF's fiduciary standards
Gaps to be addressed by entity:	Fiduciary gap(s)	<ol style="list-style-type: none"> 1. Have publicly available terms of reference that outline the purpose, authority and accountability for the investigation function (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation) 2. Ensure functional independence by having the investigations function headed by an officer who reports to a level of the organization that allows the investigation function to fulfil its responsibilities objectively (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation) 3. Publish guidelines for processing cases, including standardized procedures for handling complaints received by the function and managing cases before, during and after the investigation process (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation)
	ESS gap(s)	<ol style="list-style-type: none"> 1. Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS
Fast-track accreditation against:	Basic fiduciary criteria and ESS	Yes
	Specialized fiduciary criteria for project management	Yes
	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	No
	Specialized fiduciary criteria for on-lending and/or blending	No

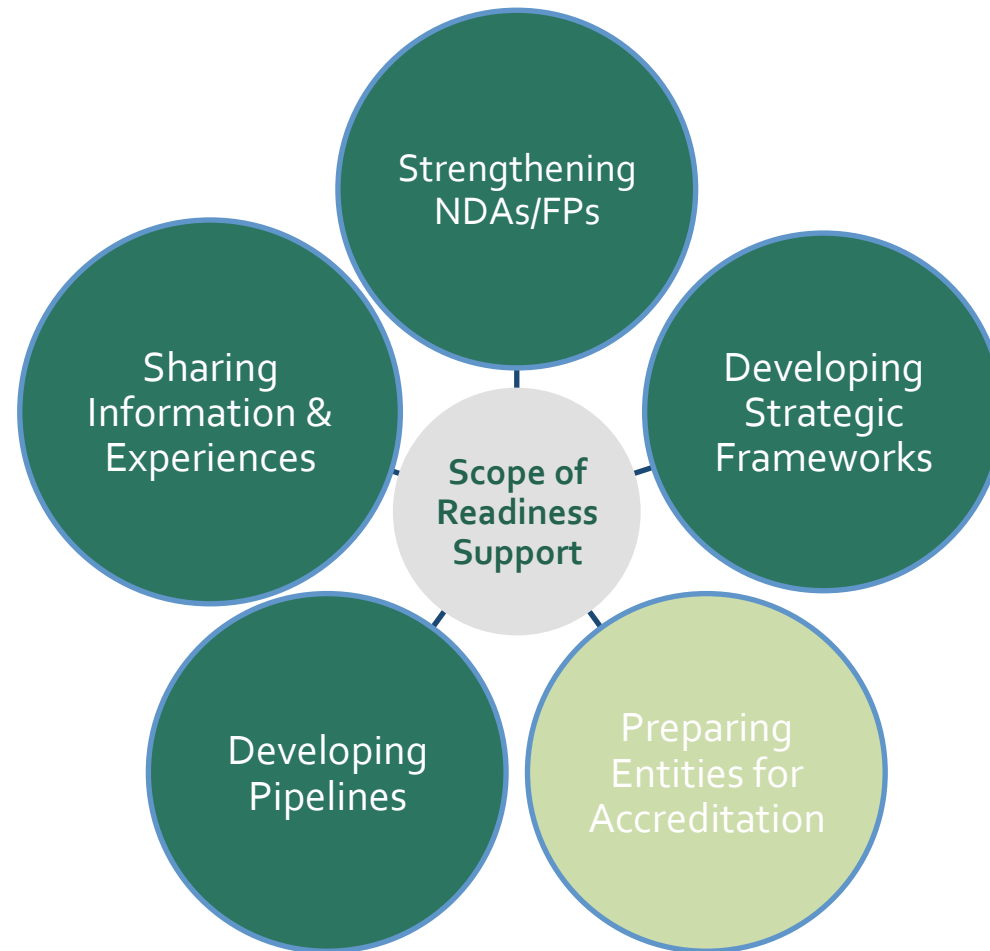


Fast-track accreditation process: EU DEVCO-accredited entities

		Directorate-General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO) entities
Eligible if:	Accreditation date	Up to 17 October 2014
	In full compliance with	EU DEVCO's fiduciary standards under the 6-pillar assessment
Gaps to be addressed by entity:	Fiduciary gap(s)	1. Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability)
	ESS gap(s)	1. Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS
Fast-track accreditation against:	Basic fiduciary criteria and ESS	Yes
	Specialized fiduciary criteria for project management	No
	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	Yes
	Specialized fiduciary criteria for on-lending and/or blending	No



Scope of Readiness Activities





What readiness support is available for accreditation?

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

Readiness support is available for:

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



Accreditation fees*

Financial capacity category	Total projected costs at the time of application, irrespective of the portion that is funded by the Fund, for an individual project or activity	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 ^a	Other Fees
Micro	Less than or equal to US\$ 10 million	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	Above US\$ 10 million and up to and including US\$ 50 million	SIDS and LDCs: no fee Subnational and national entities in developing countries other than SIDS and LDCs: US\$ 3,000 All other entities: US\$ 5,000	US\$ 1,000 each	
Medium	Above US\$ 50 million and up to and including US\$ 250 million	US\$ 10,000	US\$ 3,000 each	
Large	Above US\$ 250 million	US\$ 25,000	US\$ 7,000 each	

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

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

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



Accredited Entities

The following organizations are [Accredited Entities](#) of the Green Climate Fund.

National

- Centre de Suivi Ecologique ([CSE](#)), Senegal
- Peruvian Trust Fund for National Parks and Protected Areas ([Profonanpe](#)), Peru

Regional

- Secretariat of the Pacific Regional Environment Programme ([SPREP](#))
- Acumen Fund, Inc. ([Acumen](#))

Private Sector

- Acumen Fund, Inc. ([Acumen](#))

International

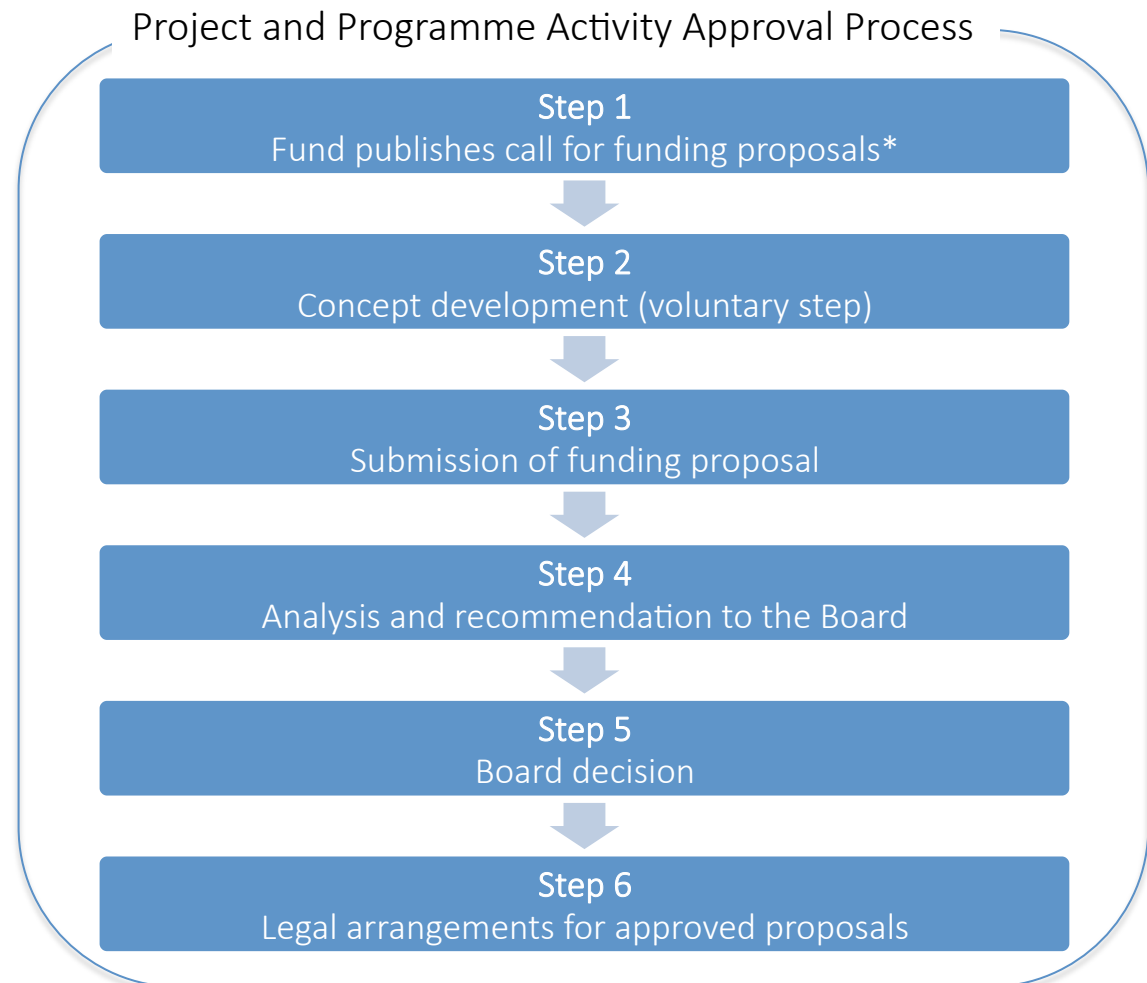
- Asian Development Bank ([ADB](#))
- Kreditanstalt für Wiederaufbau ([KfW](#))
- United Nations Development Programme ([UNDP](#))



Funding for projects/programmes

Next steps:

- 1. submitting project and programme proposals for funding.**
- 2. Funding proposals will be evaluated against the Fund's investment criteria**
- 3. Accredited entities are encouraged to inform NDAs/Focal Points when they intend to operate in their countries**



* Fund also accepts spontaneous proposal submissions received from NDAs, IEs and intermediaries



So, what does ECREEE need to apply for accreditation?

The accreditation application will include the following 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 Green Climate Fund
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

What ECREEE needs to apply*

- ☑ Intended projects/programmes (for information purposes)
- ☑ Evidence of how your organisation can meet the Fund's fiduciary standards, ESS, and gender policy
- ☑ Track record, which can include climate change-related projects/programmes and the fiduciary and environmental and social practices applied

* This list is not exhaustive.



Get accredited

Apply online through

<http://www.gcfund.org/operations/accreditation>

Get in touch with us through:

accreditation@gcfund.org



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