

Session 2: Introduction to the accreditation process and experiences from other regions

Workshop – An introduction to the accreditation to the GCF for Direct Access

24 May 2019

Metropol Hotel, Belgrade

Dr Sara Venturini, International Expert

What to expect from this session

- Get an introduction on the GCF accreditation framework
 - Gain a better understanding of the accredited entities' roles and responsibilities
 - Get an overview of the fit-for-purpose accreditation system and of the accreditation steps
 - Learn more about the specific accreditation requirements
 - Look at concrete examples of direct access entities and understand their success criteria
-

Ecosystem of GCF actors in a country

National Designated Authority (NDA)

- **Focal agency** and GCF point of contact in the country.
- **Provides no-objection letter** for funding proposals.
- **Nominates** national direct access entities (national AEs) for accreditation.

Accredited Entity (AE)

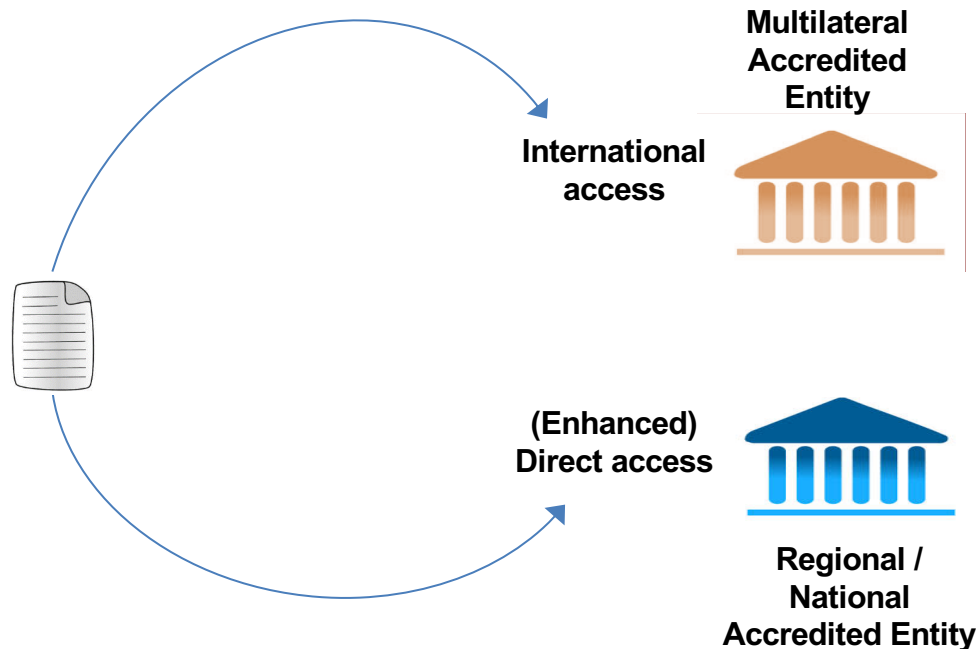
- Has **oversight and supervision responsibilities**: acts as fund manager for projects/programmes approved, administers grants, loans and also blend funds with its own.
- **Accredited by the GCF** demonstrating it complies with the GCF's fiduciary principles, standards and interim environmental and social safeguards.

Executing Entity (EE)

- Has **implementation responsibilities**: executes (implements) day-to-day project/programme activities
- **No need for accreditation** but works under the supervision and overall management of the accredited entity

Access modalities

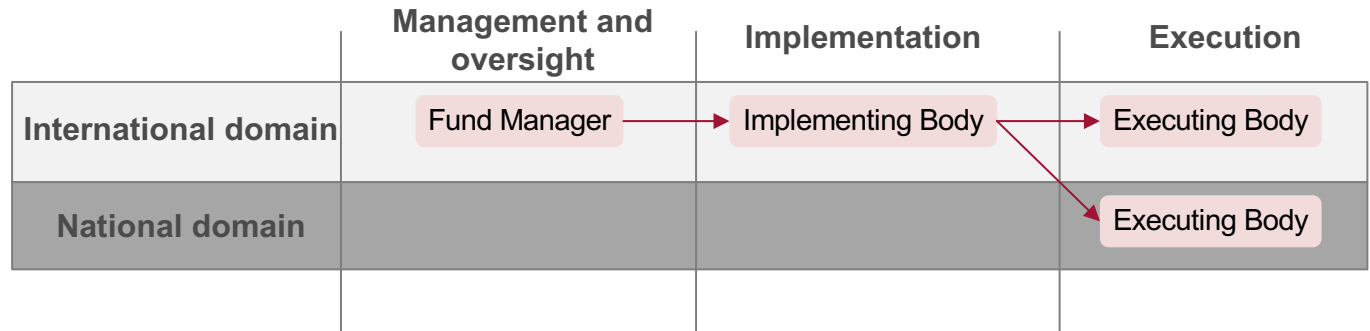
- **Access through Accredited Entities**, acting as “fund managers” for the GCF :
 - ✓ Accredited Entities are in charge of **administration and management of the approved projects or programmes.**
 - ✓ They have to demonstrate they **comply with the GCF’s fiduciary principles, standards and interim environmental and social safeguards.**
 - ✓ Accreditation process is onerous and can take over 2 years.
- They can be **multilateral, regional and national** from public and private sectors.
- **Only AEs can submit a funding proposal to the GCF.**



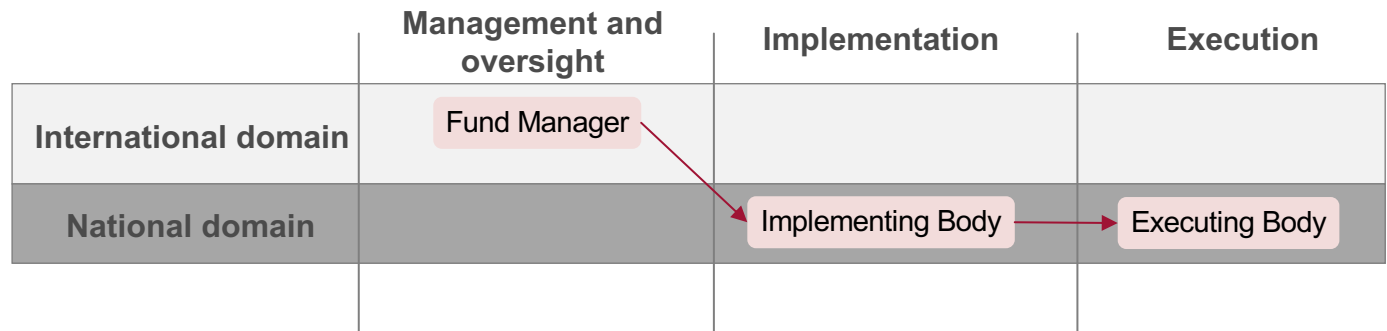
There is no national AE. in Serbia yet, so to submit funding proposals a project proponents needs to work through an international AE

Access modalities

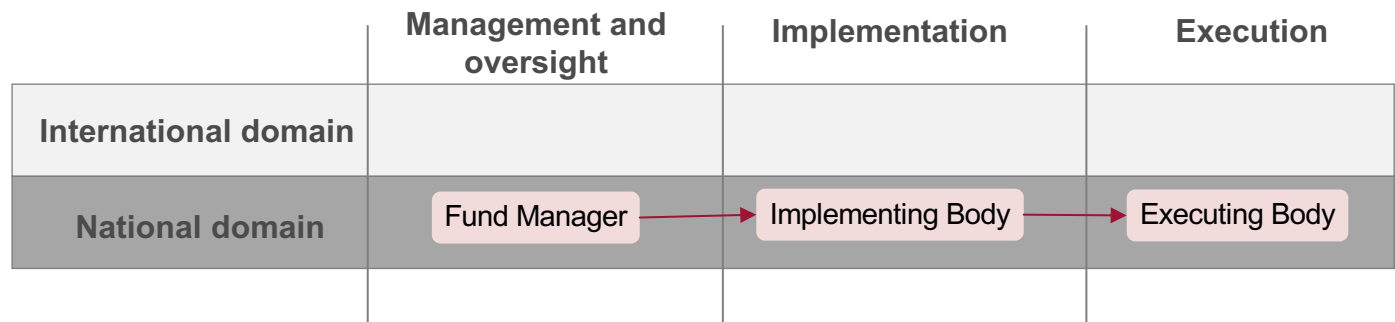
International access



Direct access



Enhanced direct access (EDA)



What are the benefits of direct access?

For the country:

- **Avoiding international intermediaries** to access GCF resources
- **Enhancing country ownership**

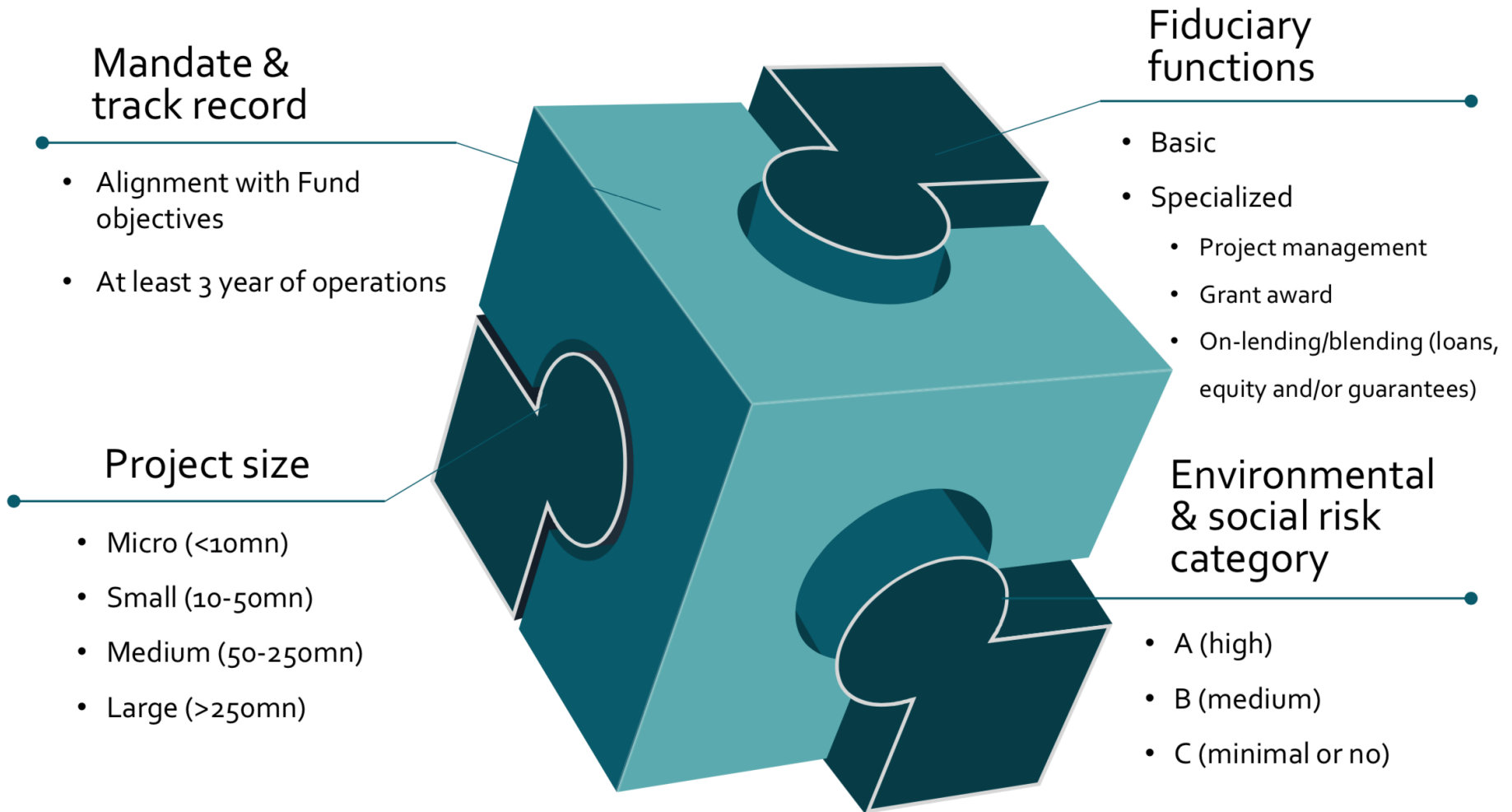
For the entity:

- Directly accessing and managing GCF resources
- Provides an **opportunity to establish clear and uniform procedures**
- Strengthens **the monitoring system**
- Institutional benefit of performing self-evaluation and **comparison with international standards and best practices**
- Fit-for-purpose selection process can be strategic – with the **option of future accreditation upgrade**:
 - This may allow the candidate to pursue accreditation and gain capacity and experience - after which they can more easily qualify to increase the scope of activities, project scale and / or level of risk.

Who can become accredited to the GCF?

- **All entities**, including international, regional, national and subnational organisations from both the **public and private sector**, **provided they successfully receive accreditation.**
- The entity must **demonstrate compliance with**
 - ✓ **the GCF's fiduciary standards,**
 - ✓ **environmental and social safeguards and**
 - ✓ **gender and indigenous peoples policies.**
- **National entities** can be **prioritized** in the accreditation process to become Direct Access Entities.

Fit-for-purpose approach to accreditation



Key considerations (I)

What is accreditation?

- This is the process of selecting institutions that will funnel and implement the GCF's resources / projects.

What is the fit-for-purpose accreditation?

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

When to apply?

- Entities can apply on a **rolling basis** (applications are reviewed on a rolling basis) and decisions are made by the Board at its meetings.

What is the Fast-track accreditation process?

- Entities **accredited by the GEF, Adaptation Fund, and DG DEVCO** may be eligible for a fast-track accreditation process, whereby completion of the application and review will focus on the gaps that have not been assessed in other accreditation processes.

Key considerations (II)

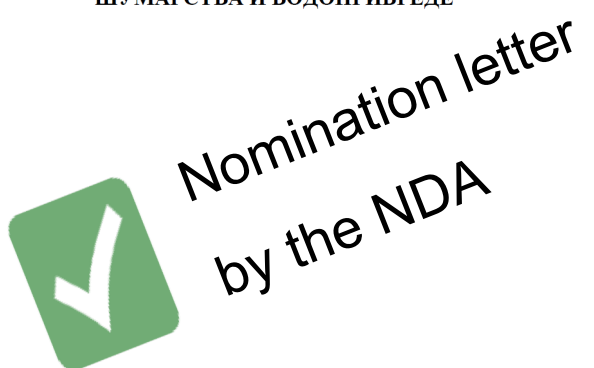
- To apply for accreditation, the entity must have (and demonstrate):
 - 1) **Legal status:** does the entity have full legal capacity to undertake the intended activities?
 - 2) **Institutional system:** does the entity have robust policies, procedures and guidelines at the organization level?
 - 3) **Track record (at least 3 years):** Can the entity demonstrate these policies, procedures and guidelines are implemented? Does it have experience managing international aid and development or climate finance? Does it have a solid track record of implementing relevant climate change projects or programmes?

The nomination process

To access finance directly from the GCF, the NDA - Ministry of Agriculture, Forestry and Water Management in Serbia - has to identify and nominate national entities for accreditation



Република Србија
МИНИСТАРСТВО ПОЉОПРИВРЕДЕ,
ШУМАРСТВА И ВОДОПРИВРЕДЕ



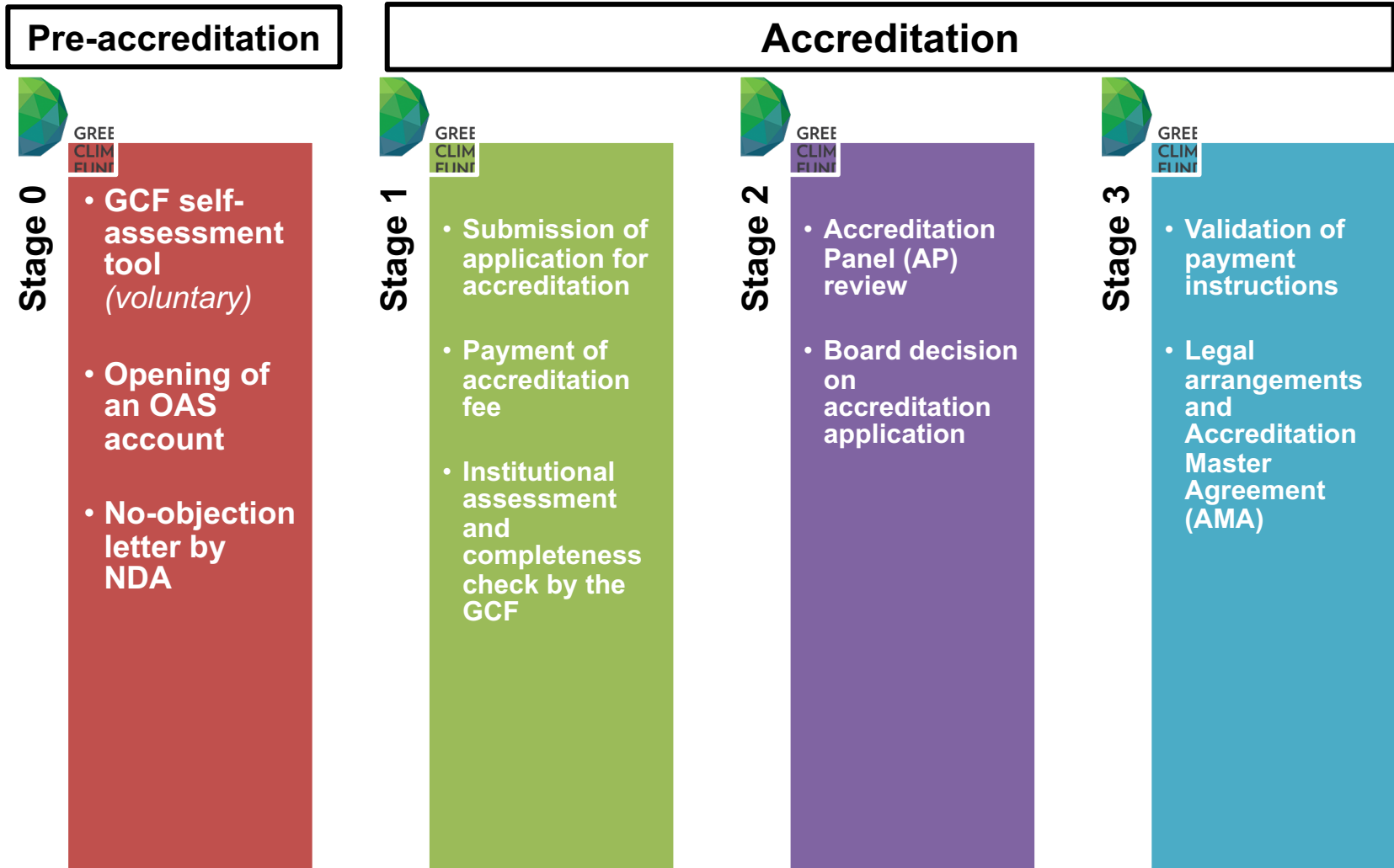
Nomination letter
by the NDA

The nomination process is a mandatory condition for approval of all applications for accreditation by **sub-national, national and regional** accredited entities and delivery partners:

- To facilitate the communication of applications of national entities for accreditation to the GCF
- Contribute to the development of high-quality and competitive applications that are in line with national priorities
- Filter out applications that are duplicative, ill-conceived and poorly developed.

International entities do not need nomination.

Main accreditation stages



Stage 0: Pre-accreditation

Step 0: Entity does self-assessment

- Use online GCF Accreditation Self-Assessment Tool <https://www.greenclimate.fund/how-we-work/getting-accredited/self-assessment-tool>.
- Is accreditation in line with the **entity's strategic goals**?
- Determine **fit-for-purpose conditions for success**
- Can entity differentiate itself by the way it **intends to contribute to the objectives of the GCF** and can it identify how it will provide **value added**?
- Are the identified gaps in areas which the entity is **willing and able to change**?

Step 1. Entity opens an account at GCF's Online Accreditation System

- The Online Accreditation System (OAS) is an **online portal for submitting the accreditation material**
- OAS account requested and issued by the Secretariat

Step 2. Entity requests and receives NDA nomination letter

- Nomination letter requested from the NDA ("**national approval**" for accreditation)

Stage 1: Completeness check

Step 3. Entity prepares and submits the accreditation application

- Fills the [application form](#), gathers all relevant material and evidences and submits it through the OAS
- All evidence and documents should be in English

Step 4. Entity pays accredited fees

- Fees required on submission of accreditation
- Fees vary depending on the selected level of accreditation

Step 5. GCF Secretariat performs assessment

- Performs institutional assessment and completeness check of application form
- Check all documents submitted are in-line with GCF standards and mission
- Back and forth between Secretariat and entity, clarification requests

Accreditation fees

Financial capacity category	Total projected costs at the time of the application	Fee level for accreditation for basic fiduciary standards, ESS and gender	Fee for accreditation application for specialised fiduciary standards
Micro	Less than or equal to USD 10 million	DAE from developing countries: no fee International access entities: USD 1,000	USD 500 per specialised fiduciary standard
Small	Above USD 10 million up to USD 50 million	DAE from SIDS and LDCs: no fee DAE not from SIDS and LDCs: USD 3,000 Regional and international access entities: USD 5,000	USD 1,000 per specialised fiduciary standard
Medium	Above USD 50 million up to USD 250 million	All entities: USD 10,000	USD 3,000 per specialised fiduciary standard
Large	Above USD 250 million	All entities: USD 25,000	USD 7,000 per specialised fiduciary standard

Stage 2: Review and Board decision

Step 6. Accreditation Panel review

- Reviews the accreditation application that has been signed off by the Secretariat
- Recommends to the GCF Board the accredited entities that surpass its evaluation
- Recommends the size, scope and risk level of activities for accreditation
- Provides conditions and recommendations on entities for accreditation

Step 7. GCF Board decision

- Makes decision based on evaluation results of the Accreditation Panel
- Can either unconditionally approve, conditionally approve, reject to Stage 1, or reject outright
- Has not yet rejected an entity for accreditation

Stage 3: Legal arrangements

4 POSSIBLE OUTCOMES:

- ☐ Unconditional approval
- ☐ Conditional approval – (disbursements subject to compliance with condition(s))
- ☐ Referral back to Stage 1 – Pre-accreditation and completeness check
- ☐ Rejection

If the entity received **unconditional or conditional approval** for accreditation by the Board:

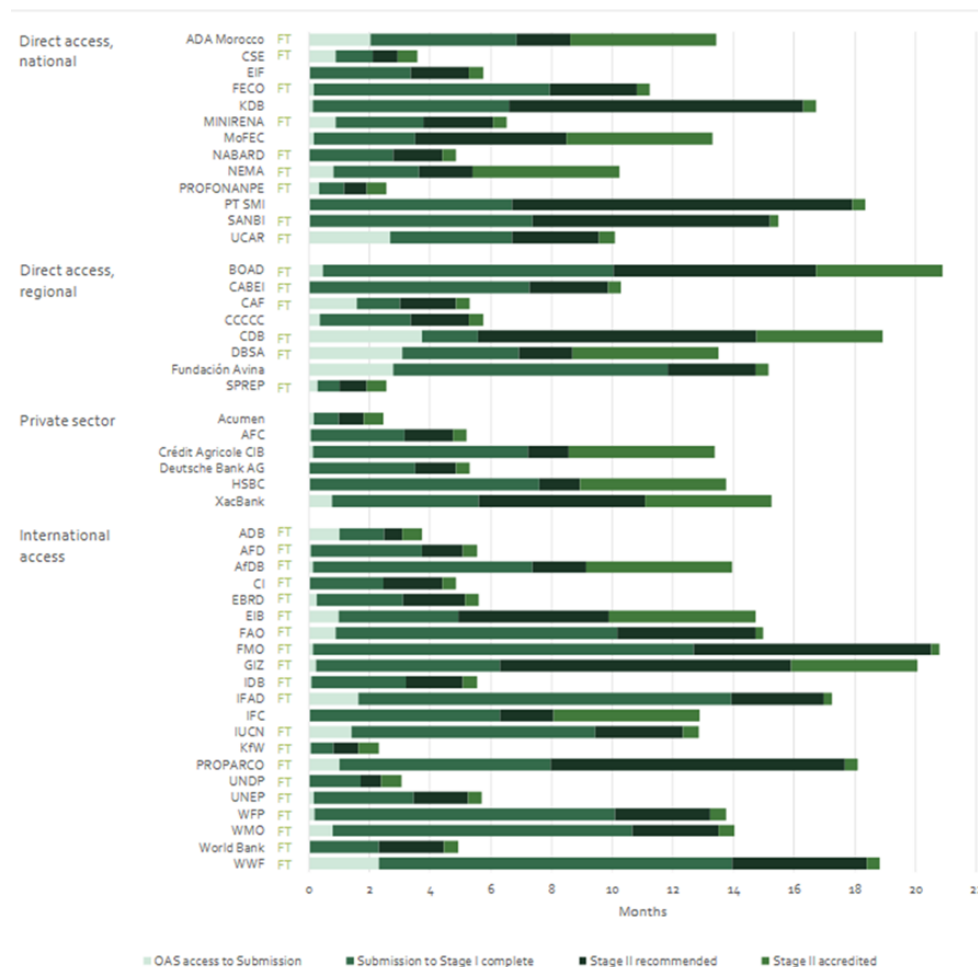
- Validation and registration of payment instructions
- Legal arrangements between GCF and accredited entity
- [Accreditation Master Agreement \(AMA\)](#)

How long does it take to get accredited?

Name	Months from submission to decision	Track	Project size	Env., soc., risk category
PACT	Over 2 years	Fast	Micro	C
ADA	13	Fast	Small	B
HSBC	14	Normal	Large	A
UNDP	3	Fast	Medium	B

It takes **on average 9 months for entities to get accredited**, from submission to Board decision (consider **another 6 months** on average for the legwork to prepare for accreditation).

In some cases it takes **much longer (over 2 years)**, depending on the entity's internal capacity and the project size, scope and level of risk requested.



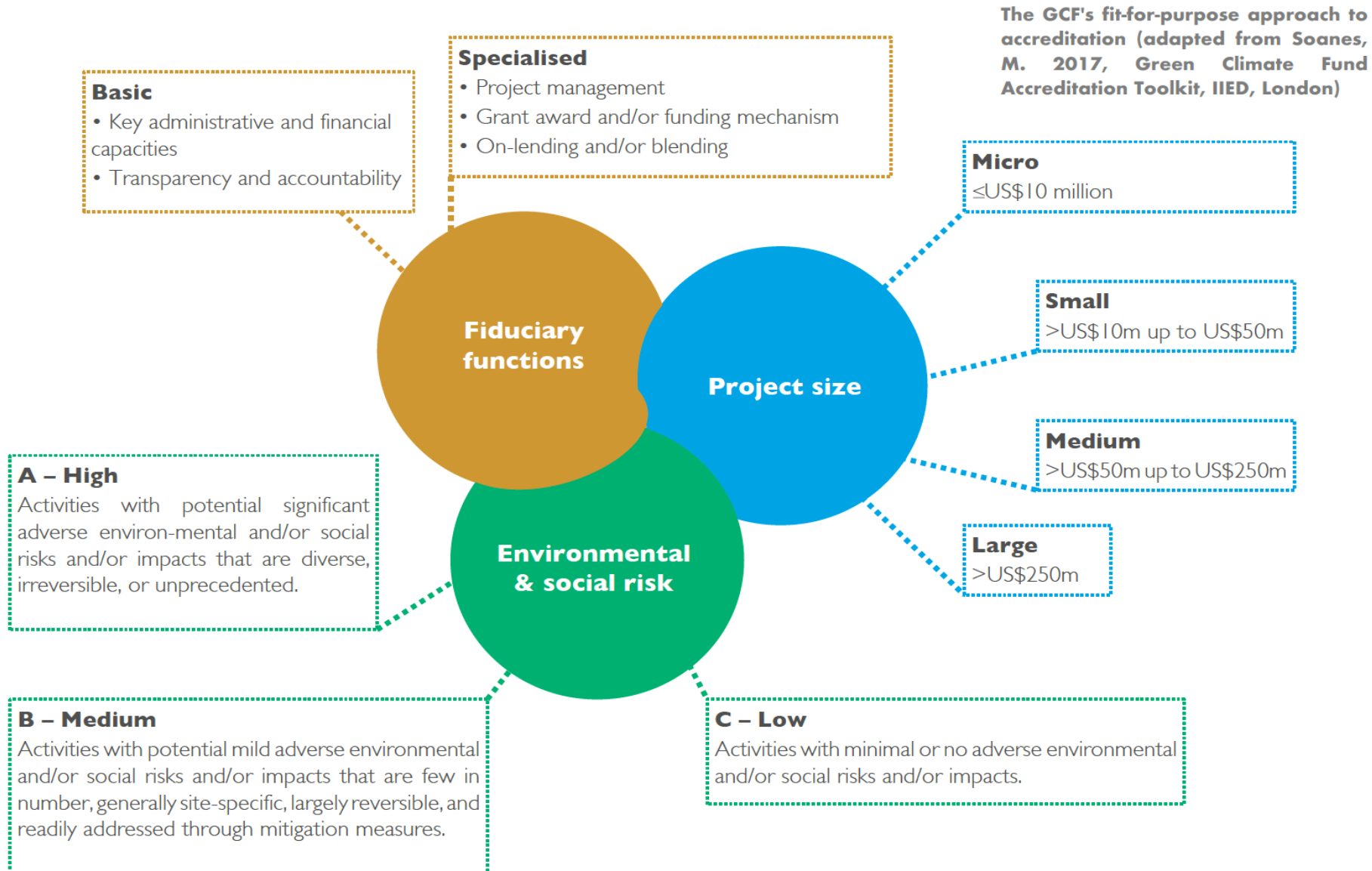
Accreditation status

- AEs will need to **re-apply to retain their status every 5 years** by paying the fee again.
- AEs can **upgrade their accreditation status at any time**, once they have generated sufficient policies and experience to demonstrate their compliance:
 - **Upgrading entities will go straight to Stage 2 of the accreditation process**, where the additional capacities will be analysed by the GCF Accreditation Panel (unless the entity wishes to commence at Stage 1 in order to undergo a readiness support assessment for the newly proposed accreditation standards).

Readiness support available

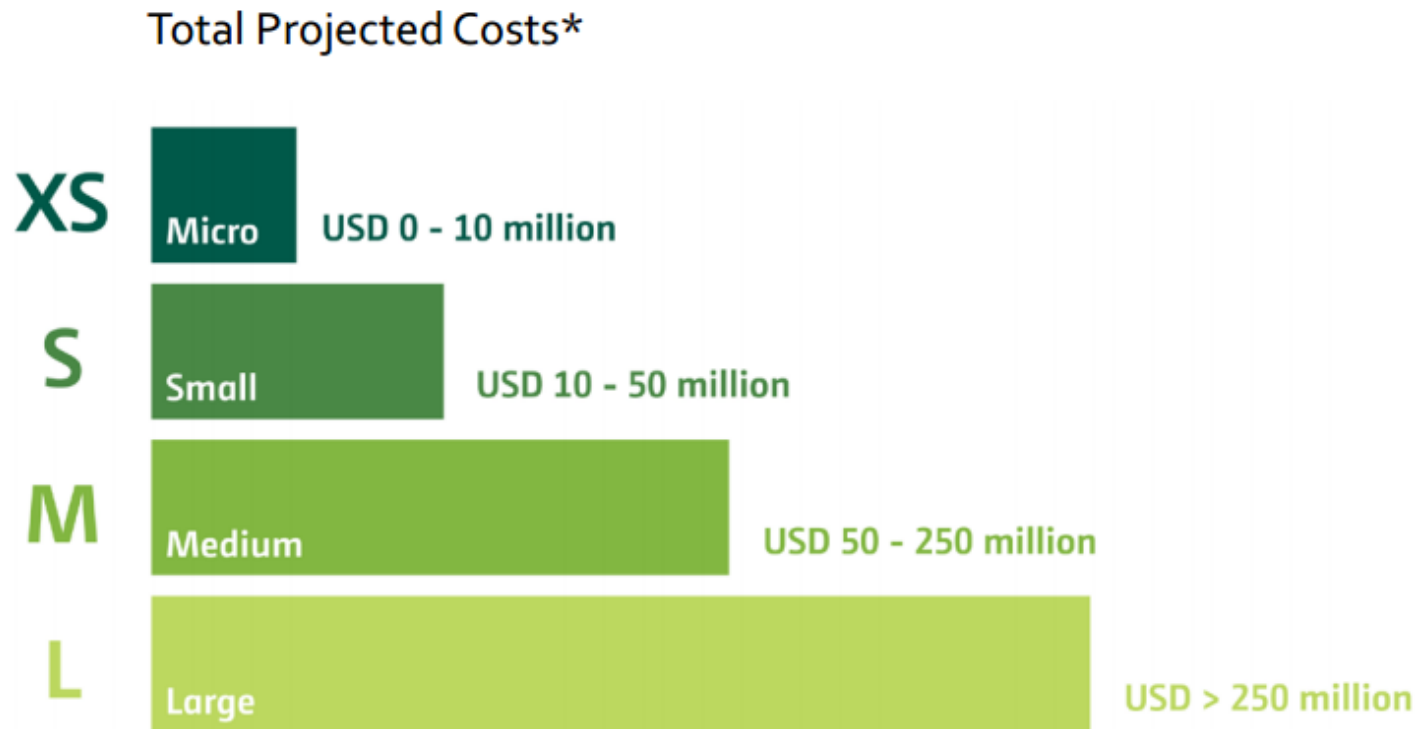
- Entities that apply under the direct access modality can request for and may be eligible to **receive readiness and preparatory support to meet the GCF's accreditation requirements.**
- Readiness support is available for:
 - Fast-track accreditation support for eligible entities
 - Awareness raising of accreditation processes and standards (e.g. fiduciary, environment and social safeguards, gender and indigenous peoples policies)
 - Institutional gap analyses
 - Developing personalized capacity building plans to address identified gaps

Elements of the fit-for-purpose approach to accreditation



For which project size does the entity want to get accredited?

The prospective accredited entity has to select **the scale of projects they intend to implement (this cannot be larger than the largest project implemented so far by the entity).**

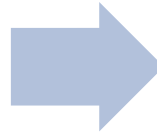


For which fiduciary standards does the entity want to get accredited?

All entities seeking accreditation will need to satisfy and comply with this set of basic fiduciary standards and criteria.

Basic Fiduciary standards

- Key administrative & financial capacities
- Transparency & accountability



Specialised Fiduciary standards

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

Basic Fiduciary Standards

Underlying principles

**Key
administrative
and financial
capacity**

- Financial inputs and outputs are properly accounted
- Information relating to the entity's overall administration is available

Underlying principles

**Transparency
and
accountability**

- Protection against mismanagement
- Disclosure of any form of conflicts of interest
- Code of ethics, policies and culture drive to promote full transparency and accountability

**Basic
Fiduciary
Standards**



Common conditions placed on DAEs:

Key administrative & financial capacities

Entity	Type	Nature of the condition(s)
Environmental Investment Fund (EIF)	Internal audit	Submit an internal audit plan for 2016 financial year
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	Internal audit, procurement	Provide annual audit reports on procurement related to projects and programmes with substantial, non public procurement undertaken by EE's

Common conditions placed on DAEs: Transparency & accountability

Entity	Type	Nature of the condition(s)
Agency for Agricultural Development of Morocco (ADA), Centre de Suivi Ecologique of Senegal (CSE)	Investigation function	Publicly available terms of reference that outline the purpose, authority and accountability function, on their website
ADA, CSE	Investigation function	Guidelines for processing cases and standardised procedures for handling complaints, and managing cases before, during and after the investigation process
ADA, XacBank	Investigation function	A registry for cases of fraud and corruption, plus evidence
Caribbean Development Bank	Disclosure	Establish an appropriate system for providing public access to information on the periodic progress of individual projects/programmes, including budget utilization, in relation to grant funding

Specialised Fiduciary Standards

Underlying principles

- Ability to identify, formulate and appraise projects
- Competency to manage the execution
- Capacity to report on progress

Underlying principles

- Transparent eligibility criteria and evaluation
- Grant award decision and procedure
- Public access to info on beneficiaries and results
- Transparent allocation and implementation of financial resources

Underlying principles

- Registration/license from financial oversight body
- Track record for on-lending & blending with resources from multilaterals
- Credit worthiness
- Due diligence
- Financial risk management capacities in place

Specialised
Fiduciary
Standards

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graph LR; A((Specialised Fiduciary Standards)) --> B[Project management]; A --> C[Grant award mechanism]; A --> D[On-lending and blending]; B --- E[Underlying principles]; C --- F[Underlying principles]; D --- G[Underlying principles];
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Project
management

Grant award
mechanism

On-lending and
blending

Common conditions placed on DAEs:

Project management

Entity	Condition
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	Further develop the current operations and procedures manual to incorporate the features expected to be applied in the grant operations undertaken.
Unidad para el Cambio Rural of Argentina (UCAR)	Provide evidence of the effective implementation of the procedures for: project preparation of projects implementation plans, project closure, the independent evaluation of project results.

Common conditions placed on DAEs: Grant awarding

Entity	Type	Condition
Environment al Investment Fund (EIF)	Publicising	Publish information on its grant award mechanism and process on its website
Environment al Investment Fund (EIF)	Recommen dation	Recommended that the applicant continue to develop its grant mechanism, including compilation of a process and procedure manual that incorporates all mechanisms elements

Environmental and Social Safeguards

What are ESS?

- Procedures aimed to **avoid, minimise and manage environmental and social impacts** that result from agencies' activities.

Why apply ESS?

- To ensure that **planned activities are successful**. They can reduce conflict, optimise benefits, and help ensure that activities do not result in unintentional harm to people or ecosystems.

What ESS does the GCF apply?

- On an interim basis, they are **aligned with the International Finance Corporations (IFC) Performance Standards (PS)**, until the GCF has enough project and programme financing experience to develop its own ESS.

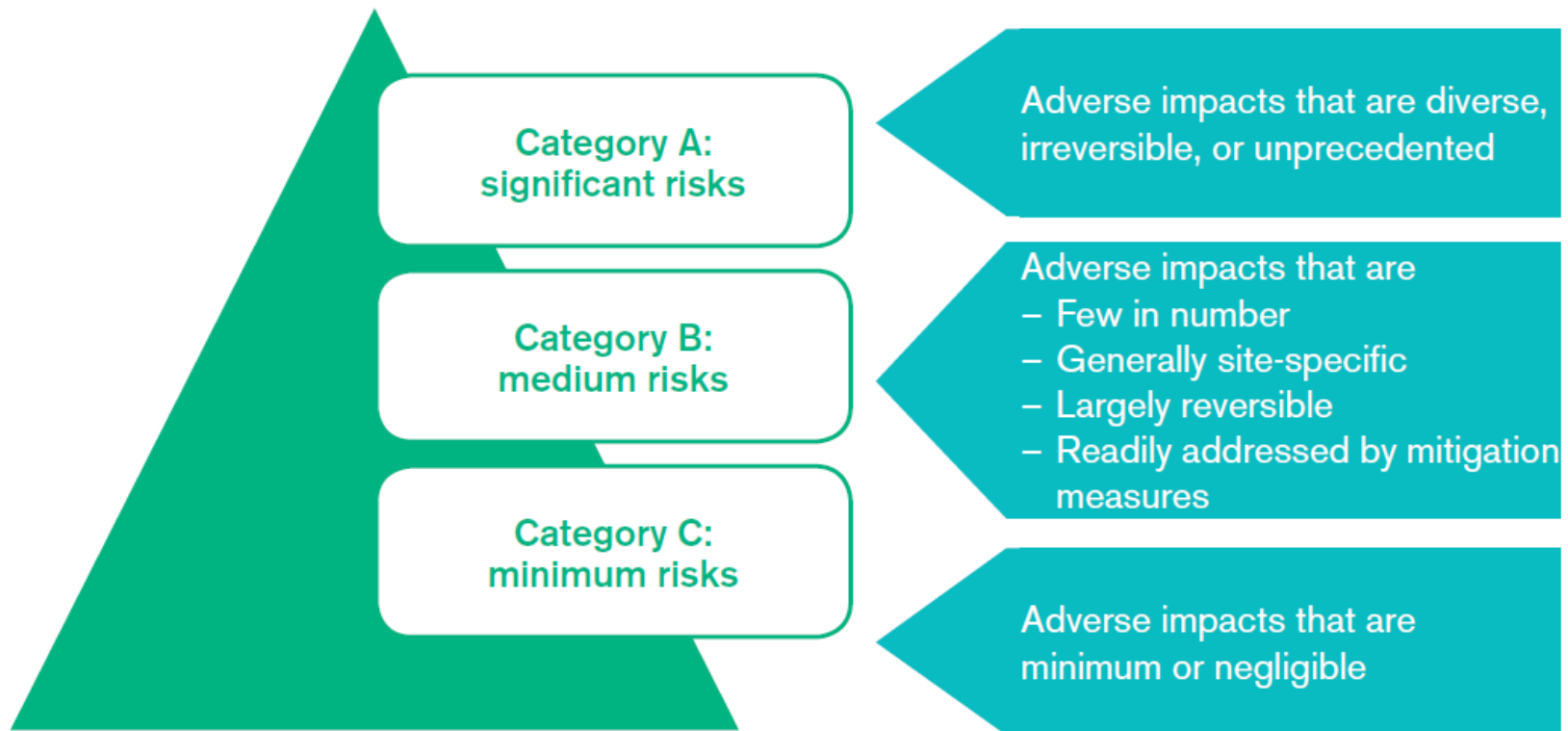
Environmental and Social Safeguards

- Based on the **Performance Standards of the International Finance Corporation (IFC)**:
 - **PS 1-** Assessment and management of environmental and social risk and impacts (*overarching*)
 - **PS 2-** Labor and working conditions
 - **PS 3-** Resource efficiency and pollution prevention
 - **PS 4-** Community health, safety and security
 - **PS 5-** Land acquisition and involuntary resettlement
 - **PS 6-** Biodiversity conservation and sustainable management of living natural resources
 - **PS 7-** Indigenous people
 - **PS 8-** Cultural heritage

For what Environmental & Social risk level does the entity want to get accredited?

A scaled risk approach

- The application of the Fund's interim ESS will be implemented in a risk-based manner and not in a blunt, one-size-fits-all approach
- An **Environmental & Social Management System** should be in place which is less comprehensive and thorough for low E&S-risk projects.



Common conditions placed on DAEs: ESS

Entity	Condition
National Bank for Agriculture and Rural Development, India (NABARD)	Approve the ESS policy, and communicate the policy and procedures within the organisation as well as to executing entities
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	Finalise the recruitment of an E&S expert to help oversee the project management cycle
MOFEC	Develop an external communications mechanism, which provides a system to receive, document and respond to questions or complaints from the public
Ministry of National Resources of Rwanda (MINIRENA)	Use external support, including from co-financers, acceptable to the GCF in order to prepare projects that invoke performance standards 2 to 8
National Environment Management Authority of Kenya (NEMA)	
MINIRENA	Undertake an equivalence assessment of the country's legal framework with respect to project specific performance standards 2 to 8, and apply it to funding

Does the entity comply with the GCF gender policy?

The GCF, NDA and AEs are responsible for the implementation of this policy during accreditation and at funding proposal stage.

To ensure gender-sensitive project identification, design, preparation, implementation and reporting

AE must have:

- **Previous experience implementing a gender policy** through project examples.
- **Experience in gender and climate change**, such as lending to both men and women.
- **Recognising that gender is often a new element** – as a minimum be willing to demonstrate **a willingness to acquire and develop all of these competencies.**

Common conditions on DAEs: Gender

Entity	Condition
Centre de Suivi Ecologique (CSE)	Obtain the competencies required in order to implement the policy (has appointed two focal points for gender related matters)
National Bank for Agriculture and Rural Development (NABARD)	Develop a gender policy in line with the gender policy of the GCF to be applied to projects and programmes funded
Environmental Investment Fund (EIF)	Recommended that the applicant include the principles of its new gender charter in its internal procedures manuals
National Environment Management Authority of Kenya (NEMA)	Share key features of its gender development plan, as and when it is finalised, including efforts the applicant has made to enhance the capacities of its staff on gender related programming

Does the entity comply with the GCF indigenous peoples policy?

The GCF and AEs are responsible for the implementation of this policy during accreditation and at funding proposal stage.

To ensure indigenous peoples considerations are included in project identification, design, preparation, implementation and reporting

- **AEs** are now required to comply with the indigenous peoples policy (where applicable) and **must also have in place policies, procedures and competencies to ensure its implementation.**

Example from another region: Uzbekistan

Selection and accreditation process of DAEs lasted about 2 years:

- Potential DAEs preliminarily identified through early assessment of core GCF accreditation criteria via **multiple surveys** since September 2016.
- Long list of 11, then **short list of 7 institutions** in June 2017.
- **Self-assessment conducted** through a semi-structured questionnaire and further bilateral consultations organised in August 2017.
- Developed **individual capacity development strategy and road map** for 2 candidates: JSBC 'Hamkorbank' (private) and Uzbekistan Fund for Reconstruction and Development (public), to address identified needs and gaps.
- **Accreditation Toolkit** developed as additional support tool.
- Dedicated **technical assistance for pre-accreditation phase** since December 2017 through to September 2018.
- **Entities potentially able to submit application without major gaps but huge delays due to:**
 - Lack of government approval and institutional makeover at UFRD
 - Limited dedicated internal resources at Hamkorbank

Review of GCF accreditation framework

- **The accreditation framework is being reviewed.** The proposed review is expected to be presented at the next Board meeting in July 2019 (if it stays on the agenda).
- The review covers the full cycle of the process from the nomination of entities by the NDA and focal point through to the implementation of approved projects.
- GCF is working on a **project-specific accreditation approach**. This would be a new modality to allow for more flexibility.
- Until anything is approved at Board level, it is difficult to tell what will come out of this review. **But it could be a quite significant review of the accreditation process from the nomination of entities to implementation M&E of projects...**

Quiz time:
**How well do you know the GCF
accreditation framework?**

Rules of the game

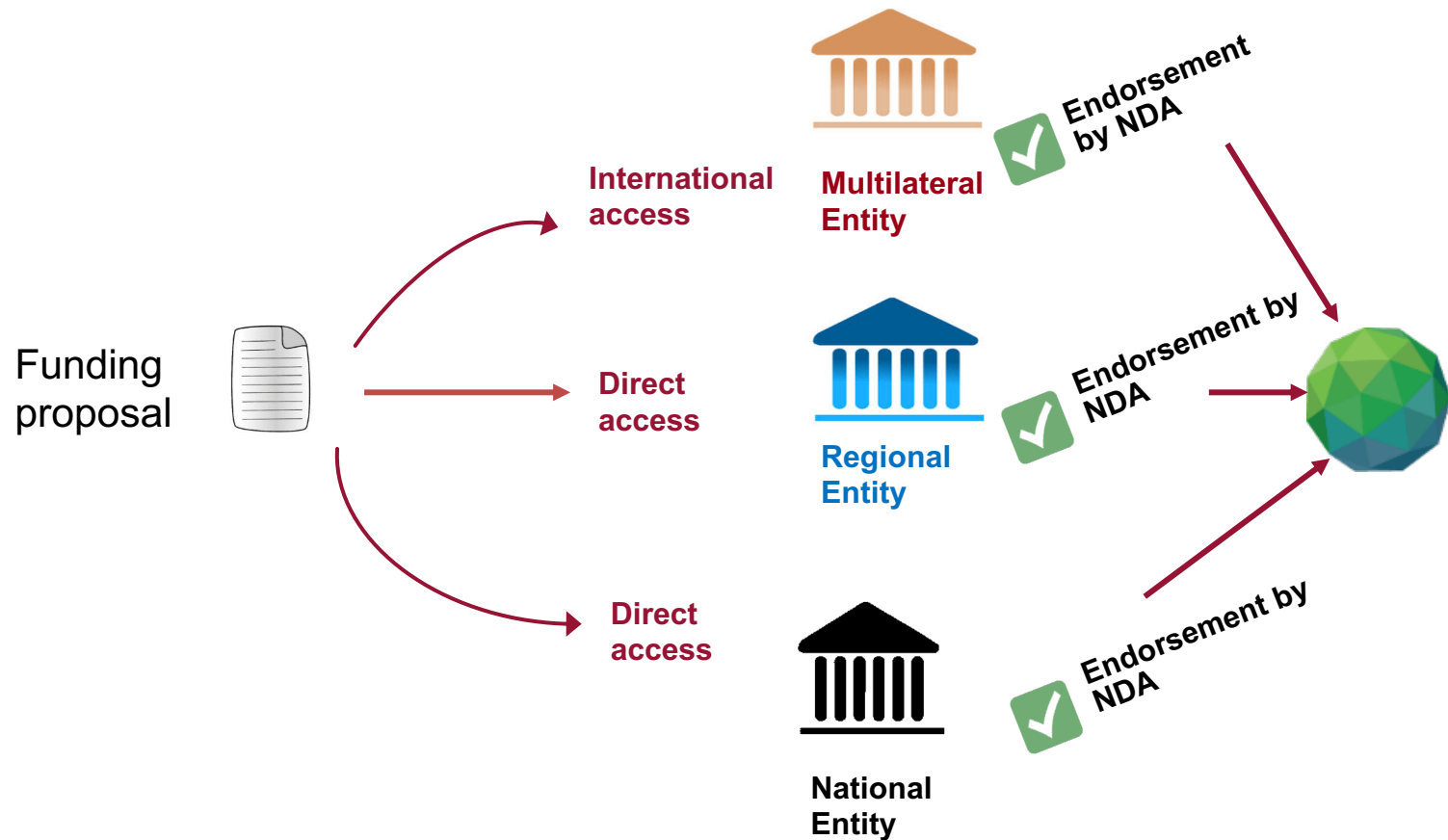
- The facilitator will present a statement
- Decide if this statement is **true** or **false** and raise your card!
- The facilitator will reveal the correct answer

Statement 1

Accredited Entities: Countries can submit a proposal to the GCF through various accredited entities (international, regional, national).



Statement 1: True



Statement 2

All organisations need to be accredited to access the GCF resources.



Statement 2: False

No, your organisation does not necessarily need to be accredited to access the GCF resources: **a project proponent that is not an Accredited Entity (AE) can act as an Executing Entity (EE) for projects and programmes.**

- While the AE acts as project/programme managers,
- The EE is in charge of executing eligible activities supported by the GCF under the oversight of the AE.

However, note that an AE can also perform project execution itself (meaning that can be both the AE and EE).

Statement 3

*The main role and responsibility of an Accredited Entity is to **prepare and submit funding proposals.***



Statement 3: False

AEs main roles and responsibilities include:

- **Prepare and submit funding proposals** of projects and programmes
- **Supervise** the management and execution of projects
- **Make financial instruments available** – grants, concessional loans, equity, guarantees
- **Mobilise private sector capital**
- **AEs can also act as an Executing Entity and deliver Readiness Support**



Statement 4

An NDA must be accredited to receive GCF funding.



Statement 4: False

- An NDA is appointed by the respective government. **There is no accreditation process for NDAs.**
- An NDA **does not receive funding from the GCF to implement projects and programmes**, but has the important role of representing the priorities and interests of the country in a clear and transparent manner.
- It can however **access funding through the Readiness support including to support accreditation of national entities.**

Statement 5

***Shell Oil Company
could become an
Accredited Entity to
the GCF.***



Statement 5: True

- The GCF has a particular interest in engaging with the **private sector**.
- A **Private Sector Facility** has been established to provide for direct and indirect GCF funding for private sector activities.
- **NDAs**, which may nonetheless oppose private sector activities, **must ensure that private sector interests are aligned with national climate policies**.



Statement 6

*All entities applying for accreditation must fulfil the **same fiduciary standards and Environmental and Social Safeguards (ESS)**.*



Statement 6: False

- Candidates may qualify for **different levels of accreditation based** on their ability to demonstrate their experience in applying the Fund's fiduciary standards and Environmental and Social Safeguards.
- This **fit-for-purpose approach** avoids an unnecessarily long and cumbersome accreditation process and classifies the applicant entities according to the size, nature and risks of the proposed activities.



Session 3: Introduction to the GCFs project cycle and proposal requirements

Workshop – An introduction to the accreditation to the GCF for Direct Access

24 May 2019

Metropol Hotel, Belgrade

Dr Sara Venturini, International Expert

What to expect from this session

- Get introduced to the GCF's project cycle and requirements
 - Understand what support is available to develop a project pipeline and funding proposals
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84 Accredited Entities so far...







...of which 48 Direct Access Entities, but none in Serbia yet!

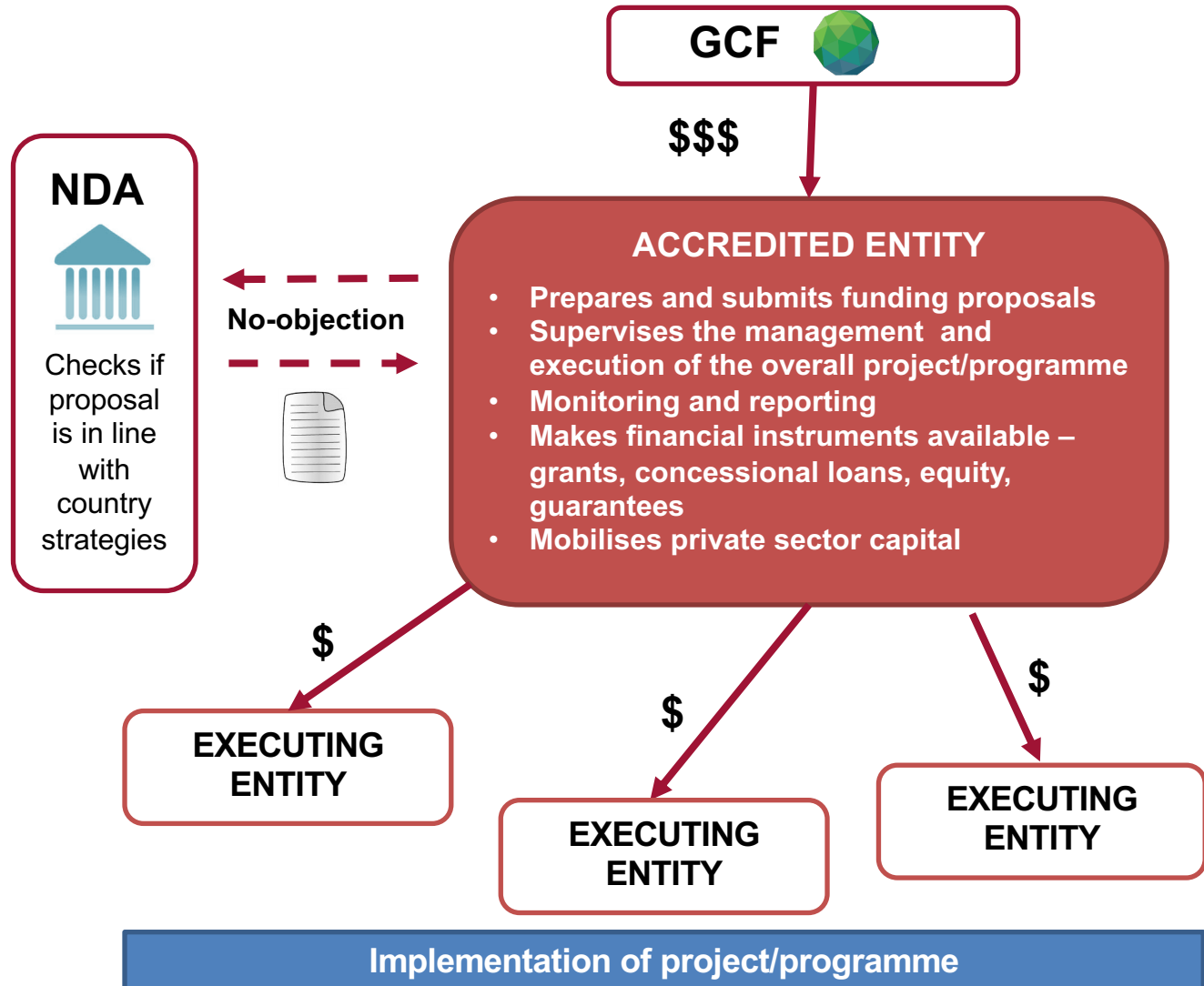
Selecting an existing Accredited Entity to submit a funding proposal

A funding proposal must be submitted through an AE. Keep in mind that AEs are accredited for specific project size(s), fiduciary standard(s) and risk category(ies).

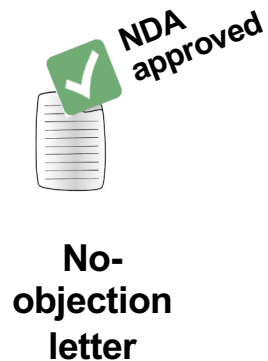
Example of international AEs that are active in Serbia:

AE	Type	Project size	Fiduciary standards	Environmental & Social risk category
	International	Small	<ul style="list-style-type: none"> - Basic - Project management - Grant award and/or funding allocation mechanisms 	Category B
 <i>Empowered lives. Resilient nations.</i>	International	Medium	<ul style="list-style-type: none"> - Basic - Project management - Grant award and/or funding allocation mechanisms 	Category B
 <small>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH</small>	International	Medium	<ul style="list-style-type: none"> - Basic - Project management - Grant award and/or funding allocation mechanisms 	Category B
 European Bank <small>for Reconstruction and Development</small>	International	Large	<ul style="list-style-type: none"> - Basic - Project management - Grant award and/or funding allocation mechanisms - On-lending and/or blending (loans, equity and guarantees) 	Category A

Working with an existing AE to submit a funding proposal to the GCF



The no-objection: Key requirements

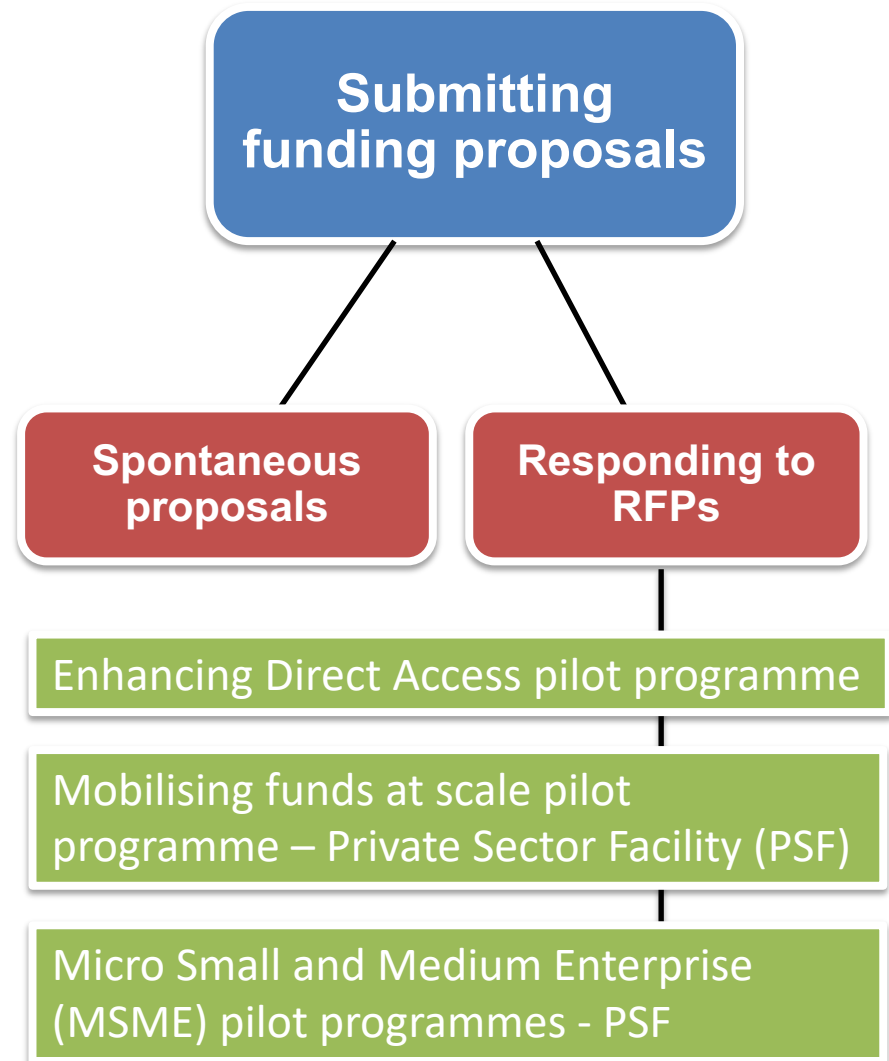


- **Mandatory condition for approval of all funding proposals but only voluntary for concept notes.**
- **To ensure consistency of funding proposals** with national climate strategies and plans and country-driven approaches.
- **Filter out proposals that are duplicative, ill-conceived and poorly developed.**

A national no-objection procedure must be established by the NDA in Serbia

Modalities to submit funding proposals to the GCF

- Accredited Entities (AEs) can **submit spontaneous funding proposals** to — or **responding to a Request for Proposals (RfPs)** published by the GCF
- So far, most funding proposals approved have been submitted spontaneously
- First come, first served basis.
- Ongoing discussions to use RFPs and regular calls for proposals for more targeted submissions



GCF project cycle

Stage 1: Generation of projects or programmes funding proposals



Stage 2: Concept development (voluntary)



Stage 3: Submission of funding proposals



Stage 4: Evaluation & recommendations to the Board

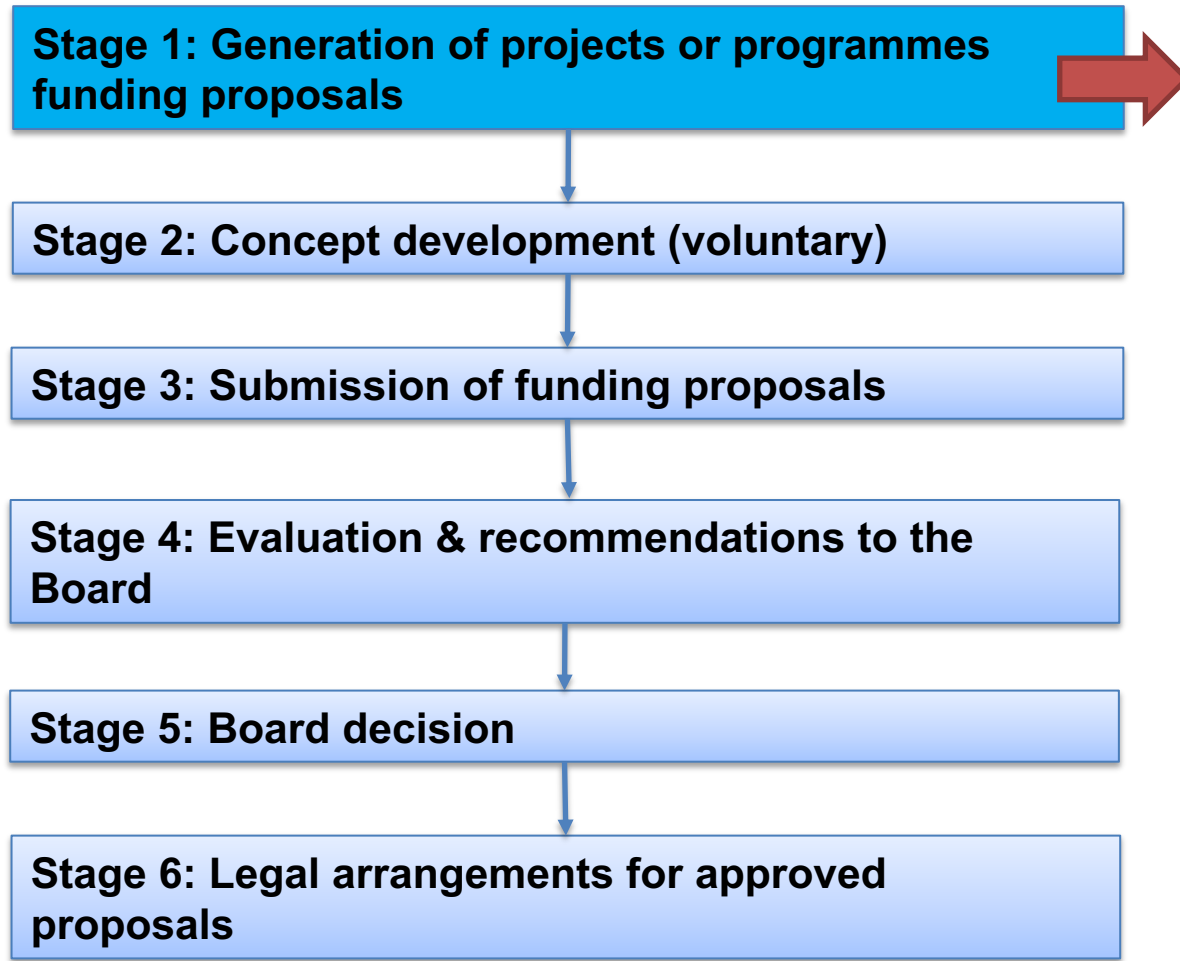


Stage 5: Board decision



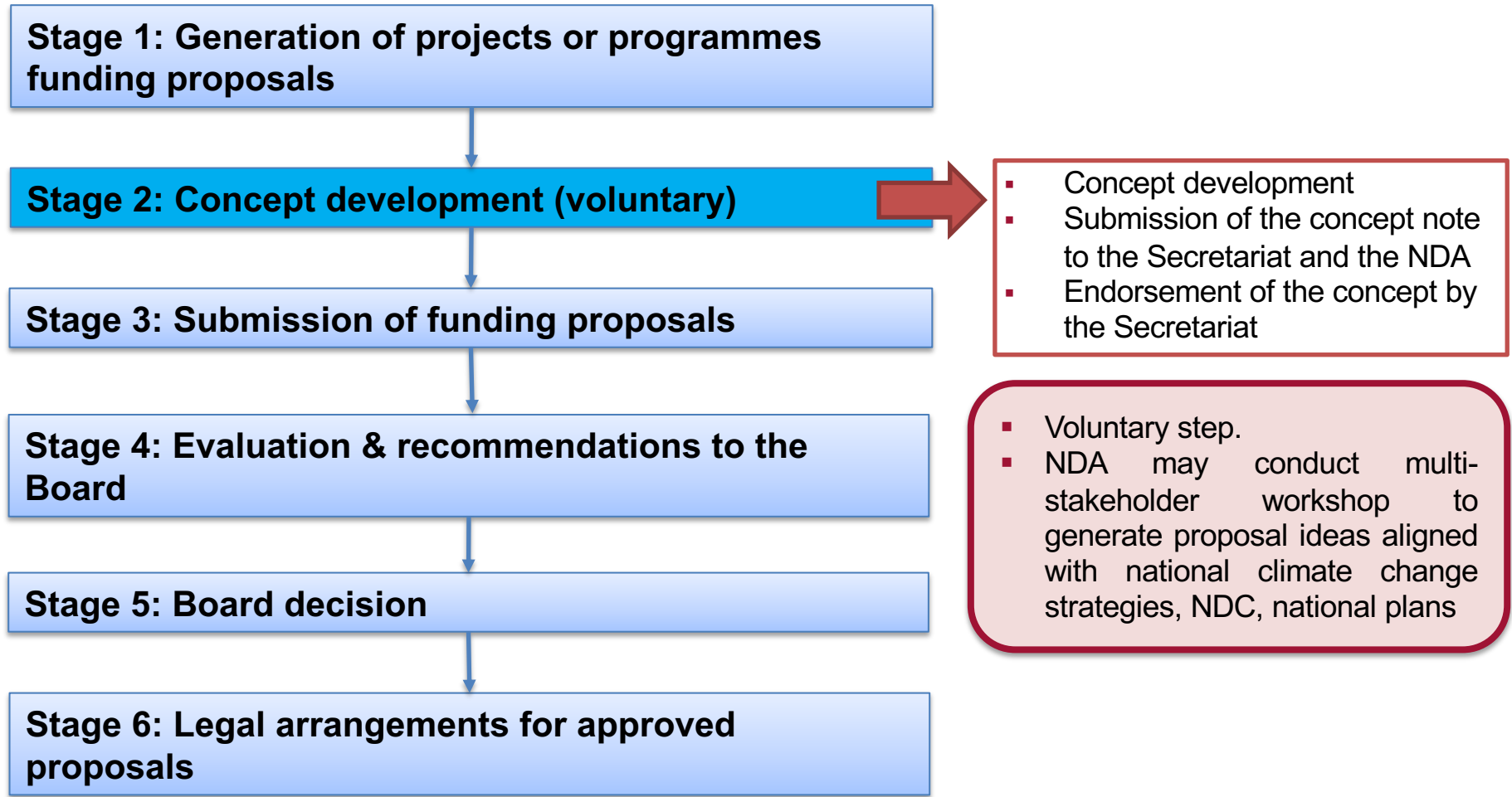
Stage 6: Legal arrangements for approved proposals

GCF project cycle

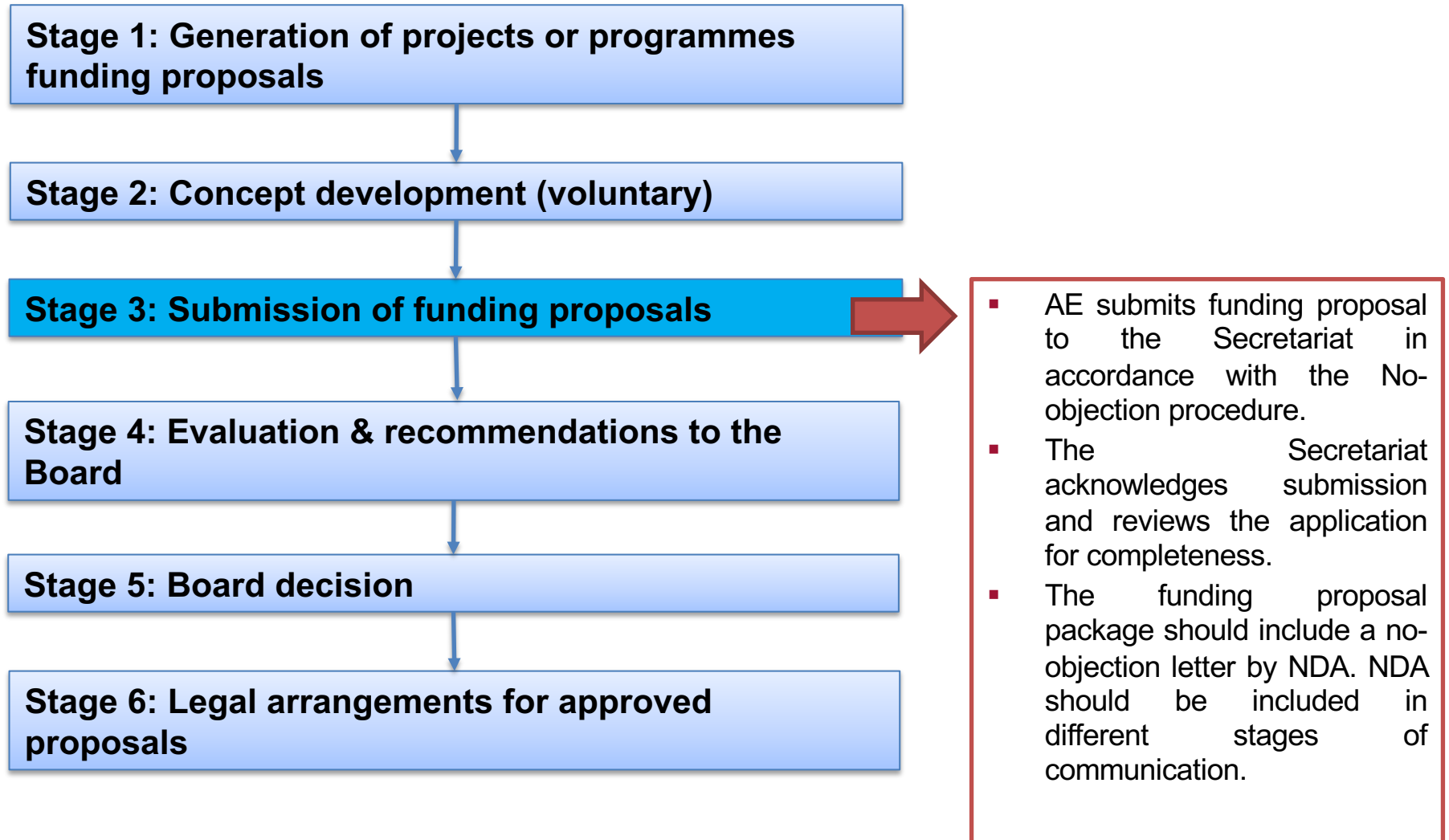


- The Secretariat publishes calls for funding proposals on the GCF website
- The funding proposals are submitted to the GCF spontaneously on an ongoing basis

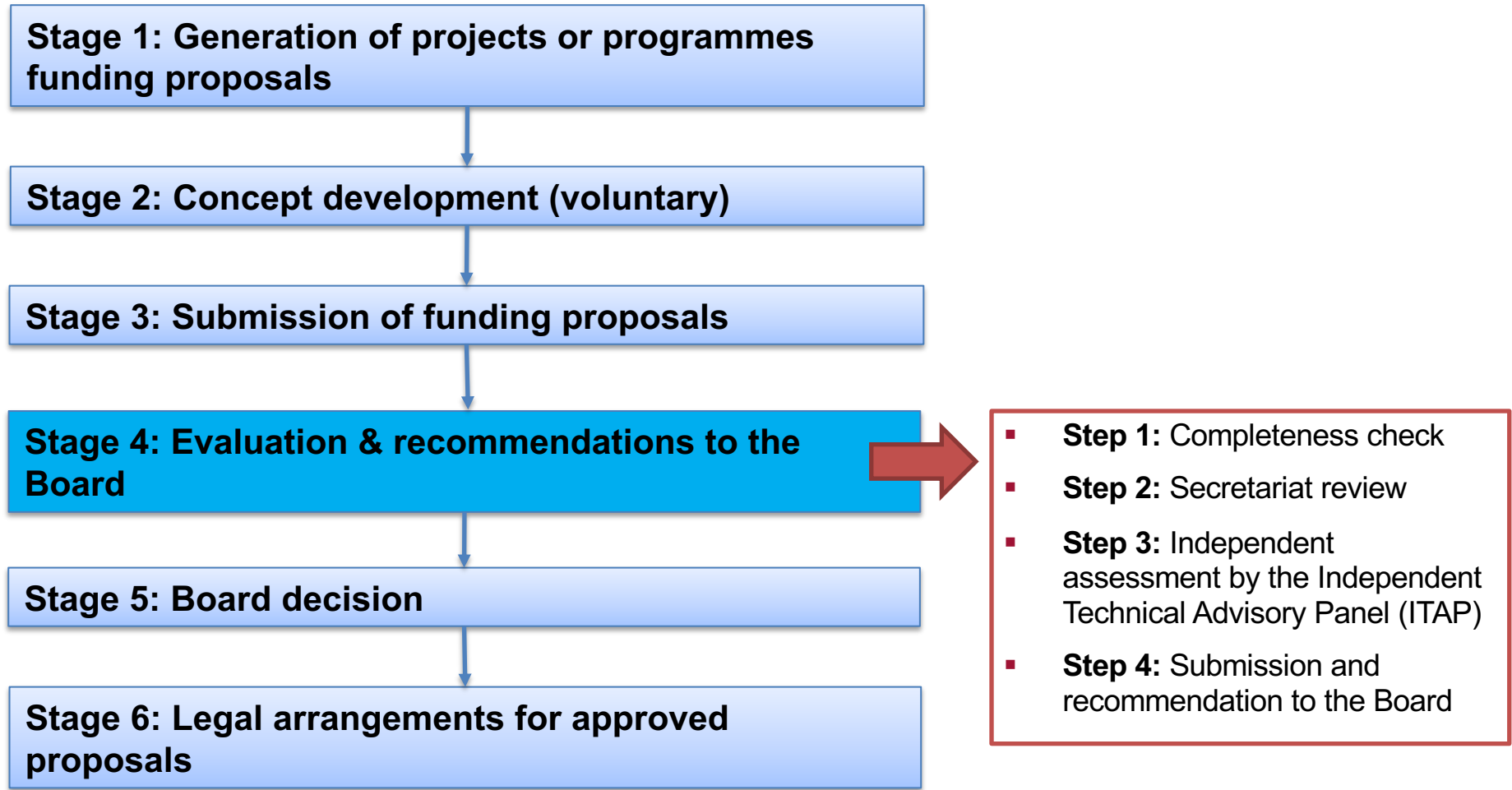
GCF project cycle



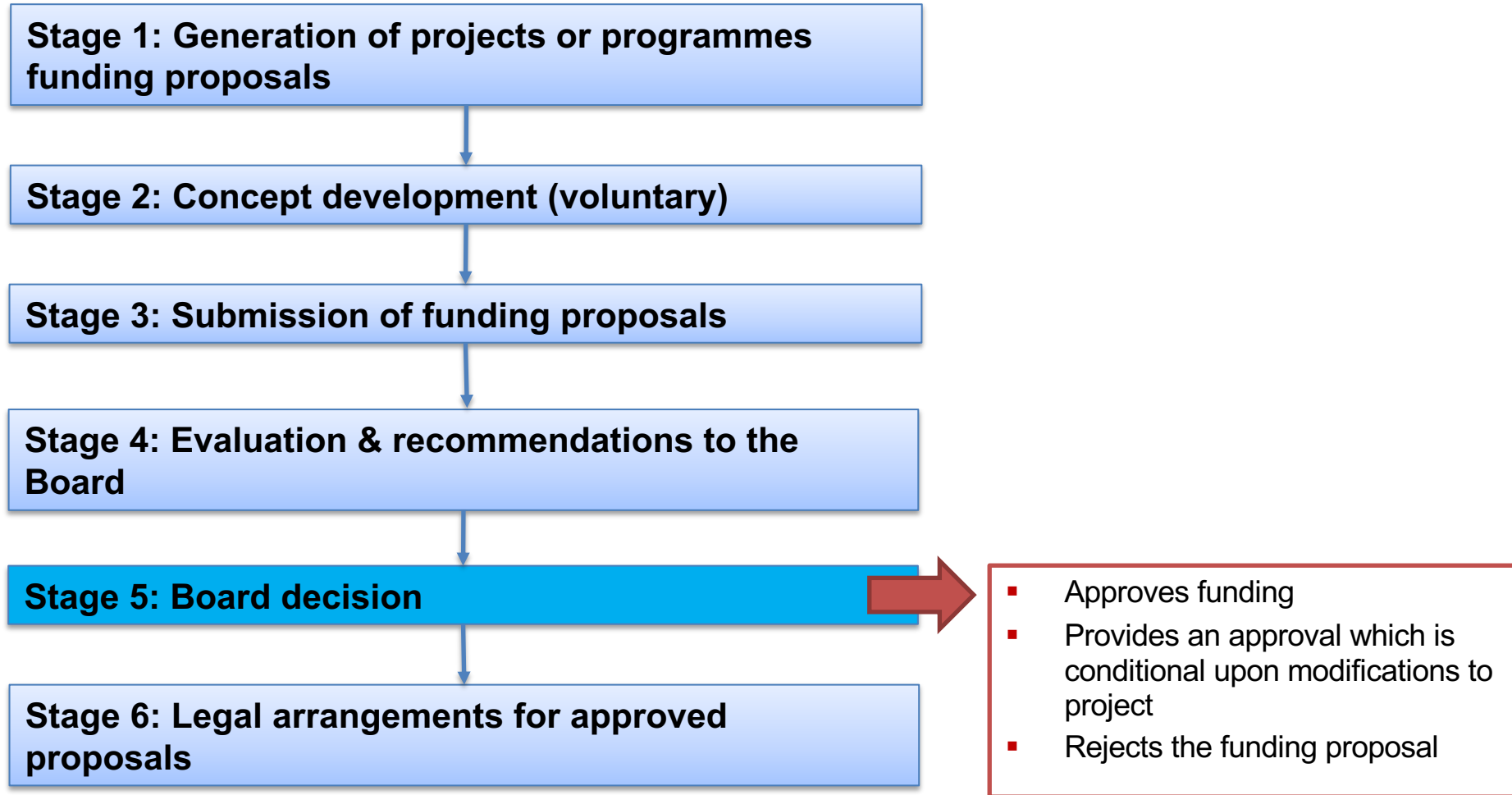
GCF project cycle



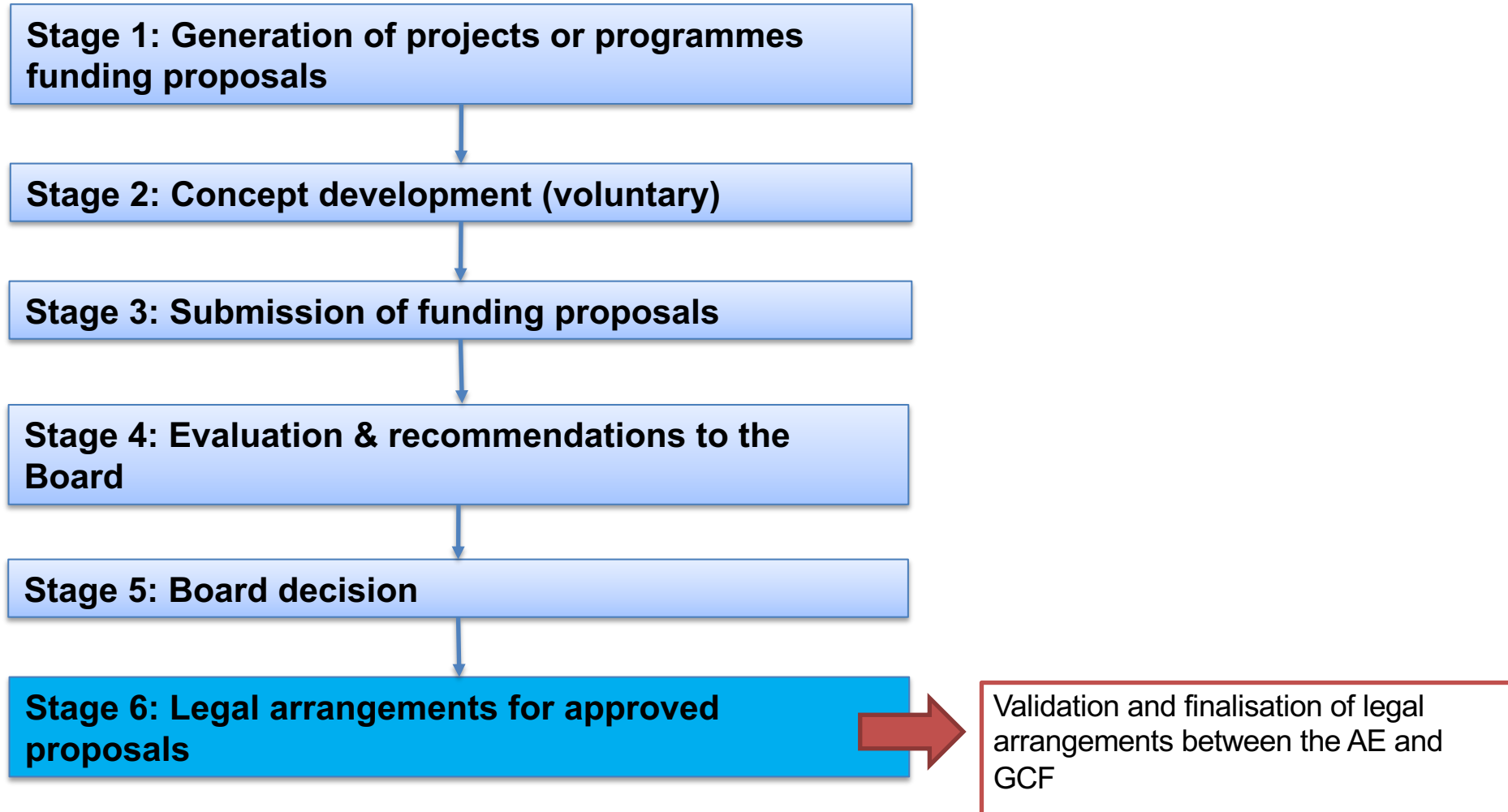
GCF project cycle



GCF project cycle



GCF project cycle



GCF Simplified Approval Process (SAP): Towards a more streamlined approval

Adopted during GCF's 18th Board meeting in October 2017, **the SAP is for small-scale low-risk activities (less than USD 50 M)**

- 2 key features:
 - **The documentation to be provided with the Funding Proposal is reduced;**
 - **The review and approval processes are streamlined**
- Eligibility criteria:
 - Projects/programmes **ready for scaling up** and having the potential for transformation, promoting a paradigm shift to low-emission and climate-resilient development;
 - GCF contribution of up to USD 10 M; and
 - Environmental and social risks and impacts classified as minimal or none (Category 3 - C).

Support for pipeline development and funding proposals preparation

Identification and preparation of a pipeline of projects/programmes and turning them into concept notes



Readiness support

Submitted by: NDA

Eligibility: NDA

Financing limit: subject to the readiness funding limit of USD 1 M per year

Turning concept notes into full funding proposal and annexes



Project Preparation Facility (PPF)

Submitted by: AE

Eligibility: Preference given to

- Small scale activities (less than 50 million USD)
- Direct Access Entities
- Support to pre-feasibility and feasibility studies, risk assessments, social and gender studies...

Financing limit: up to 10% of GCF financing with a limit of USD 1.5 M for 1 proposal

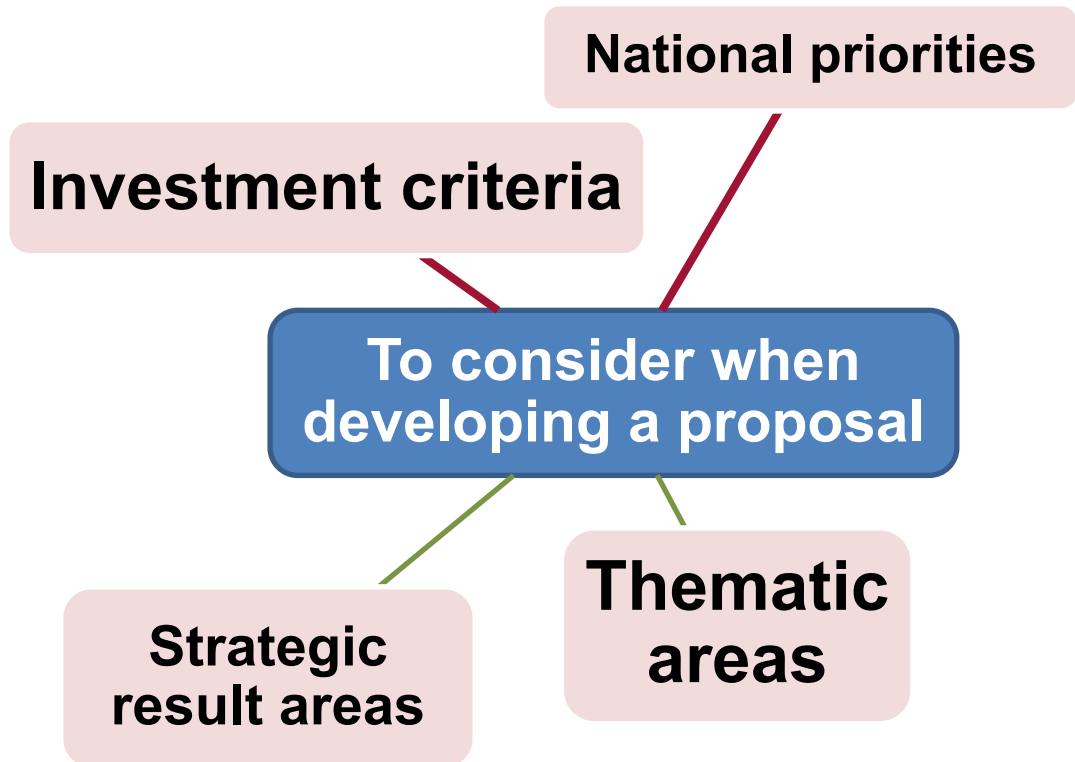
No-objection letter from NDA is mandatory

How are projects selected?

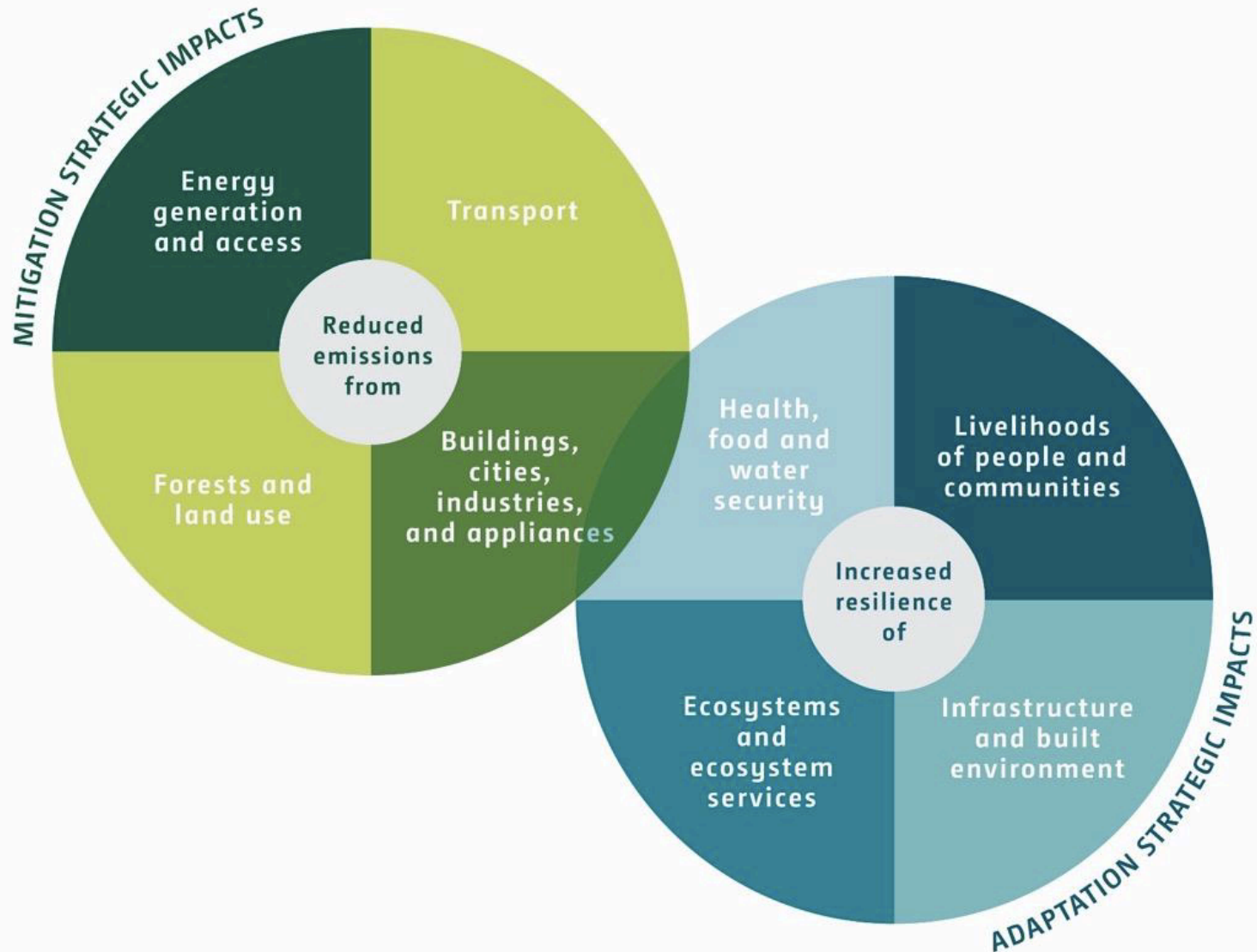
To access GCF money for specific projects, AEs need to develop funding proposals that fulfil the

- ✓ **Thematic areas-** adaptation or mitigation
- ✓ **Strategic result areas**
- ✓ **National priorities** specified in national plans & strategies
- ✓ **Investment criteria-** evaluation criteria of the GCF

They must be accompanied by a **no-objection letter** from the **NDA**.



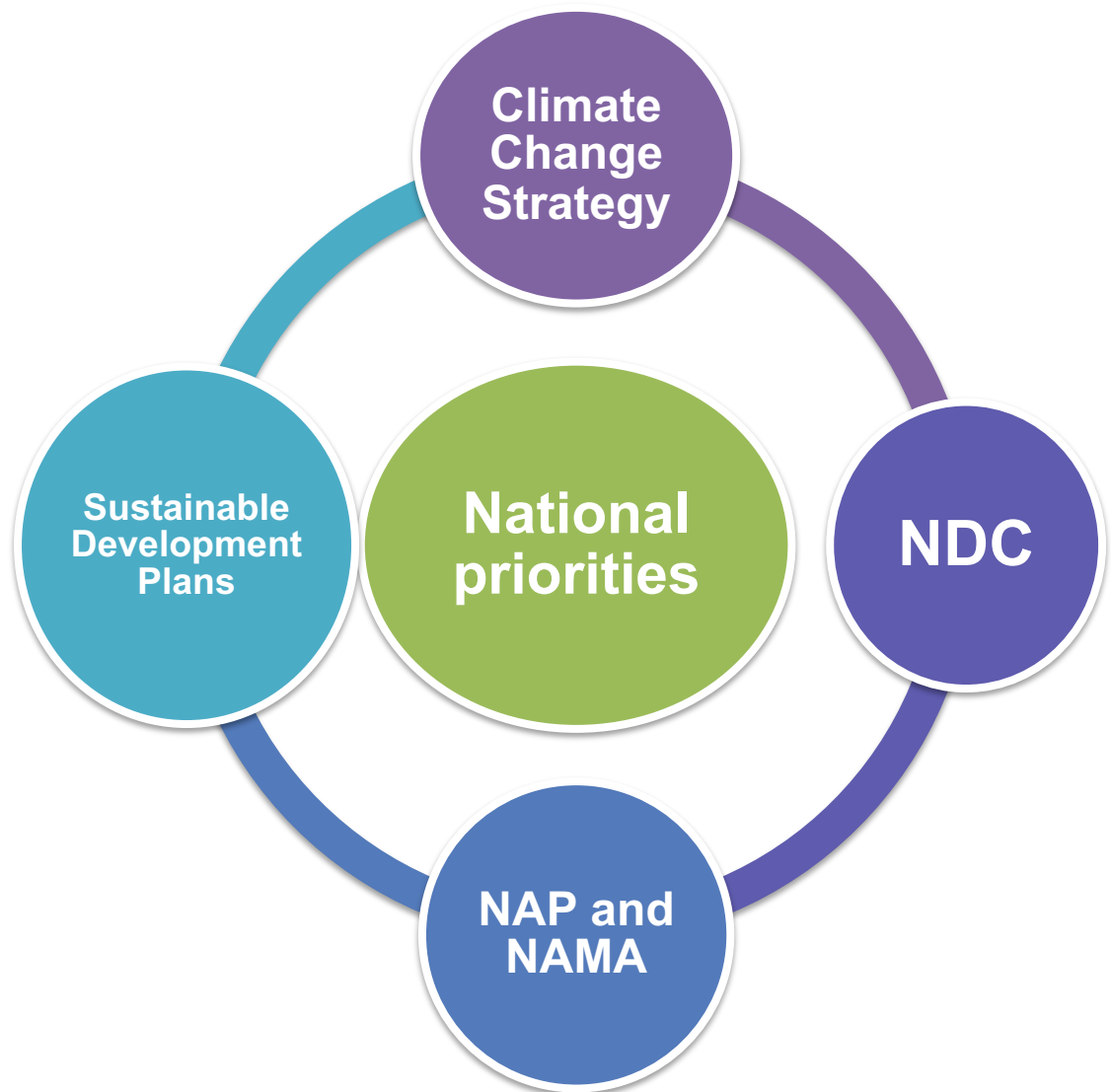
Funding allocation based on GCF 8 strategic results areas



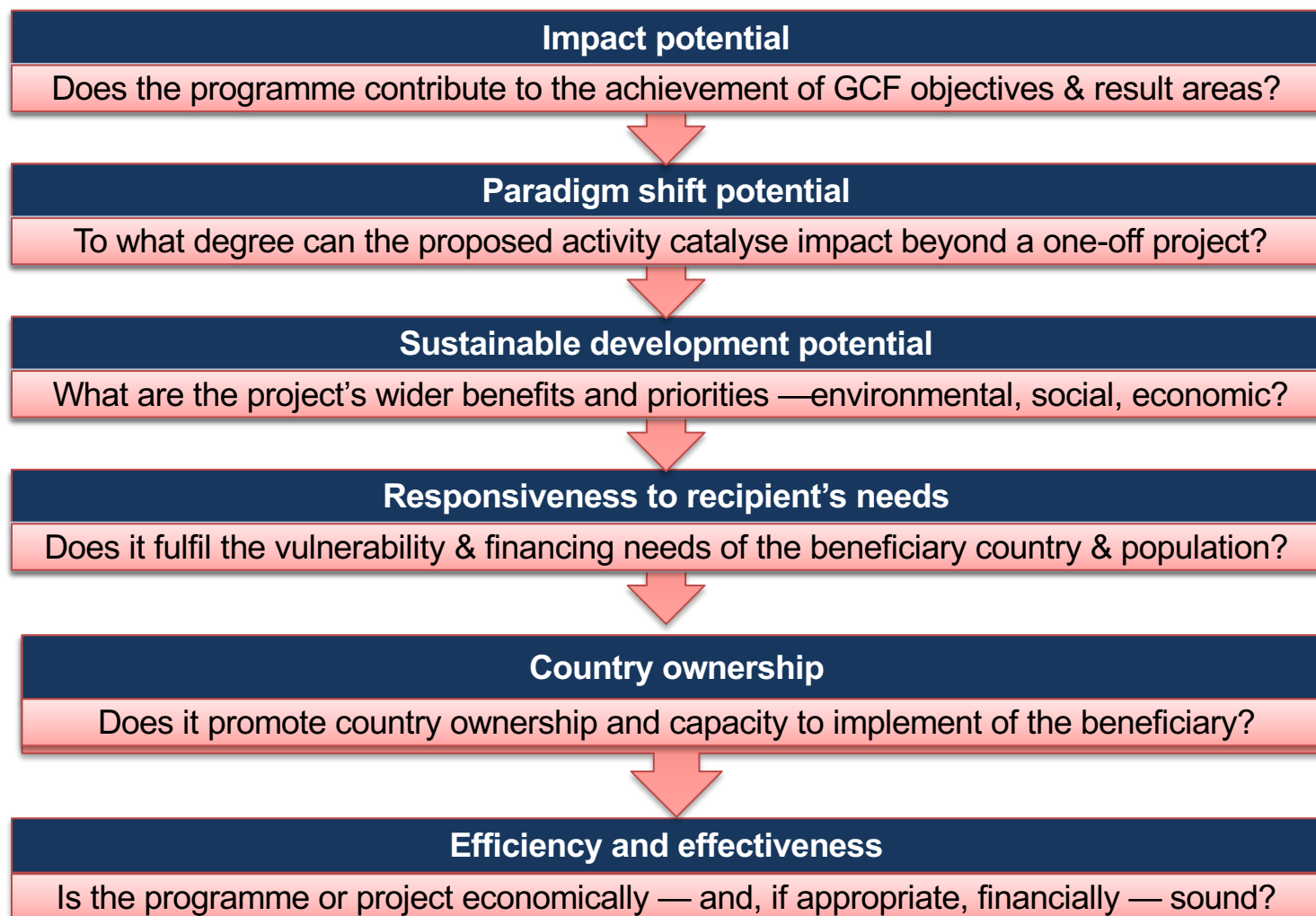
National priorities to consider for developing a funding proposal

AEs should also **align with national priorities** when developing funding proposals.

The **Country Programme** provides a reference for the most relevant national frameworks.



GCF 6 investment criteria against which funding proposals are assessed



GCF funds climate change projects only

Projects must have a **strong climate change signature** and be based on climate science and evidence

Climate Change Adaptation or “Development as Usual”?

- **“Additionality” is a key criterion for the allocation of climate finance for adaptation** → Climate adaptation activities should be new and additional and consider **expected future climate trends and impacts**.
- **Difference** between adaptation and “development as usual” is oftentimes more about **problem definition and strategies** and less about implementation

Business-as-usual (BAU)	With climate change
Design and construction of residential buildings	Climate-resilient building design and construction of residential buildings
Technical support to construction firms	Technical support to construction firms on climate-resilient building techniques
Support for institutional development and capacity building	Support for institutional development and capacity building specifically concerning climate change adaptation (e.g. integration of climate-resilience building techniques into national building code)
BAU development cost	Additional adaptation cost

Quiz time:
How well do you know the
GCF project requirements
and approval process?

Statement 1

*The GCF assesses funding proposals based on their **thematic areas.***



Statement 1: False

Funding proposals are assessed based on the **6 investment criteria** (Impact potential, Paradigm shift potential, Sustainable development potential, Responsiveness to recipient's needs, country ownership, Efficiency and effectiveness)...

...and not on the **thematic areas** (adaptation/mitigation).

Statement 2

*To submit a funding proposal, the AE **must respond to a Request for Proposal (RFP)** published by the GCF.*



Statement 2: False

- No. So far, most funding proposals approved have been submitted spontaneously.
- RFPs were published under the two pilot programmes of the **Private Sector Facility on MSMEs** and **Mobilise funding at scale**, as well as the **Enhanced Direct Access** pilot programme.
- Ongoing discussions to use RFPs and regular calls for proposals for more targeted submissions.



Statement 3

*It takes on **average 13 months** from **concept note submission to final project approval** to get funding from the GCF.*

For Xac Bank (Mongolia), it took 6 months.



Statement 3: Complicated

Depending on how much baseline information is already available, to develop a GCF funding proposal it takes:

- **Time taken:** Takes approx. 34 person months (6.5 months)
- **Resources:** 3 full-time staff and 4 part-time staff
- **Costs:** less than USD 150,000
- **Time taken for No-Objection Letter from NDA:** Over 3 months on average
- **Concepts notes:** while a voluntary step, help design a better GCF projects

Source: Eco Limited Group, June 2016



Statement 4

*There is a **specific form** to complete to submit a **project concept note** and **full funding proposal** to the GCF.*



Statement 4: True

- There is a specific form to complete for both concept note and full funding proposal stages.
- Both forms are available **on the GCF website**.

Concept note template:

http://www.greenclimate.fund/documents/20182/300732/GCF_Concept_Note_Template.docx

Full funding proposal template:

https://www.greenclimate.fund/documents/20182/239759/4.6.1_-_Funding_Proposal_Template_ver.1.1_clean_copy_.docx/dbade9ba-0359-4efc-9c86-40e9d245463f

Thank you



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www.unenvironment.org

GCF Readiness in the WB

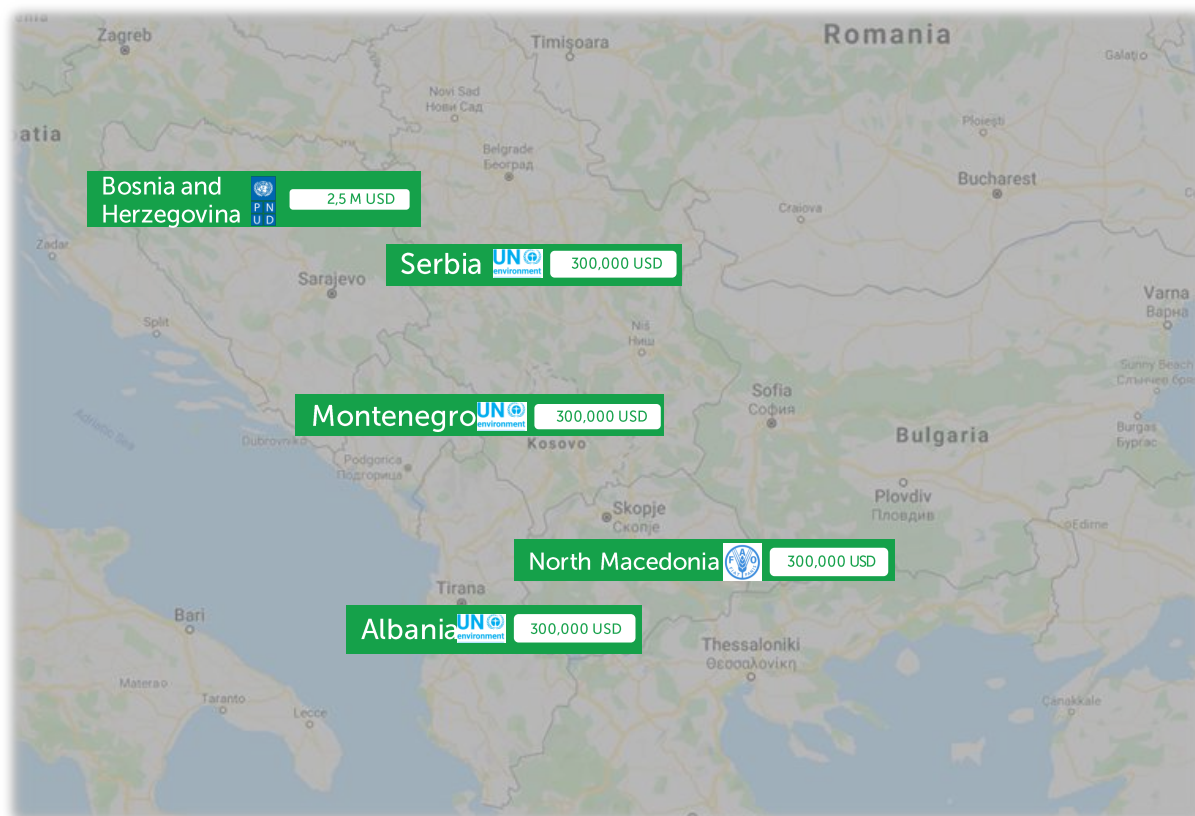


GREEN
CLIMATE
FUND

GCF Readiness portfolio in Western Balkans

5 Readiness grants approved

Total value: 3.7 million USD



GCF approved projects in the WB

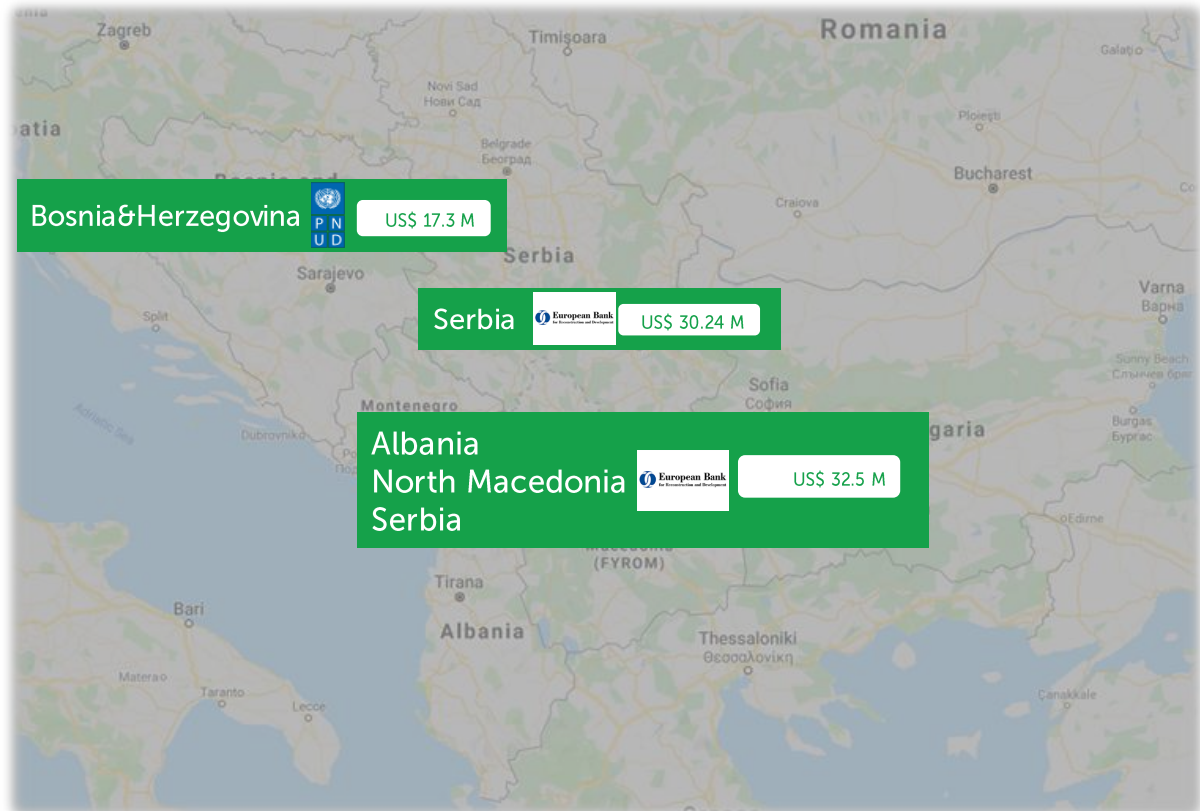


GREEN
CLIMATE
FUND

Approved GCF funding in Western Balkans

3 projects

Total value: 80 million USD



GCF approved projects in the WB



GREEN
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APPROVED PROJECTS



Scaling-up Investment in Low-Carbon Public Buildings

Bosnia and Herzegovina



TOTAL
122.6m

GCF
17m

Project size:
Impact:

Medium (public)
Mitigation



GCF-EBRD Sustainable Energy Financing Facilities

Serbia (and other 9 countries)



TOTAL
1.4b

GCF
378m

Project size:
Impact:

Large (private)
Mitigation&Adaptation



Green Cities Facility

Albania, North Macedonia, Serbia (and other 6 countries)



TOTAL
604m

GCF
98m

Project size:
Impact:

Large (public)
Mitigation&Adaptation

UN Environment's Current Pipeline for Western Balkans Region

Funding Proposals / Concept Notes

- **Albania:** Climate Information Systems
- Albania REDD+
- **Serbia:** Multi-Hazard Early Warning System and hydro meteorological capacities

Readiness support

- NDA Capacity Building, Strategic Framework Development:
 - Albania,
 - Montenegro,
 - Serbia
- Support to developing countries directly access the GCF through their financial institutions:
 - Albania



UNDP's engagement with GCF

Climate portfolio highlights: Serbia



*Empowered lives.
Resilient nations.*

On-going

- GEF: Reducing Barriers to Accelerate Development of Biomass Markets
- GEF: Energy Management Information System (EMIS)
- GEF: Climate Smart Urban Development

New ideas / pipeline

- GCF: NAP
- GCF: Strengthening resilience to climate change induced water insecurity amongst small and medium sized fruit and vegetable farmers in Central Serbia
- GEF: EMIS-2
- GEF: Innovation for Circular and Green Economy in Serbia

FAO's engagement with GCF

Supporting countries in their engagement with the GCF

Readiness

- North Macedonia
- Kyrgyzstan
- Azerbaijan
- Tajikistan
- Macedonia
- Serbia
- Armenia
- Moldova (Ag. SAP)

Second proposals

Funding proposals

- Kyrgyzstan
- Armenia



Food and Agriculture
Organization of the
United Nations