



Strengthening country capacities for climate change adaptation and mitigation and finalization of country work programme for the Republic of North Macedonia

The accreditation process of the Green Climate Fund

Accessing the Green Climate Fund

Currently, the Green Climate Fund (GCF) is the world’s largest dedicated fund supporting developing countries in reducing their greenhouse gas emissions and enhancing their respond to cope with climate change impacts. The GCF business models relies on a wide range of partners including National Designates Authorities (NDAs) and Accredited Entities (Figure 1).

Accredited Entities (AE), are an essential part of the GCF business model, and include **national, sub-national, regional and international institutions, from both public and private sectors**. There are two main modalities for entities to become GCF Accredited Entities:

- 1. Direct Access Entities (DAE):** include sub-national, national and regional entities (e.g. ministries, governmental agencies, climate funds, commercial banks, private foundations and non-governmental organizations, others). These entities shall obtain clearance from the country’s NDA or focal point through a **Nomination Letter** and might be eligible to receive **GCF Readiness Support** to meet GCF accreditation criteria.
- 2. International Access Entities:** refers to entities that operate across multiple regions/countries and include United Nations agencies, multilateral development banks, international financial institutions. These entities do not need to be nominated by the NDAs/focal points.

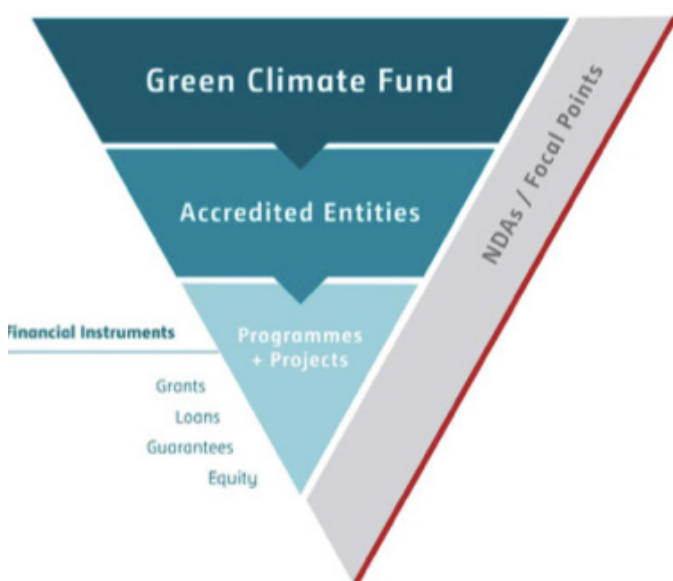


Figure 1. GCF architecture
Source: Green Climate Fund

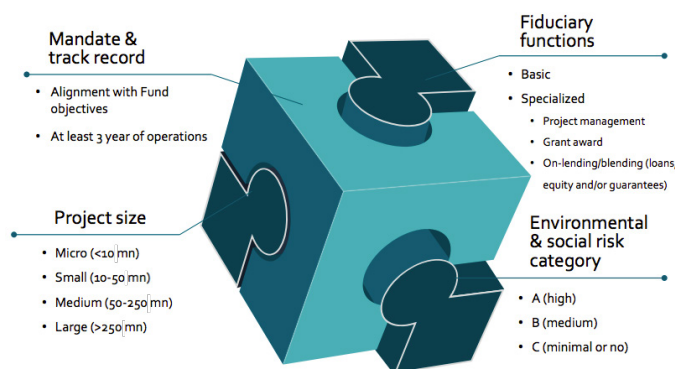


Figure 2. Fit-for-purpose approach
Source: Green Climate Fund

The GCF Accreditation Process

To access GCF funds, entities must go through an accreditation process, designed **to assess the entity’s capacities to manage the funds adequately and to safeguard funded projects/programmes in line with GCF accreditation standards**. In general terms, the accreditation defines the way in which the AE will use GCF resources.

The GCF recognizes the role of a wide range of entities, which differ in the scope and nature of their activities, as well as their capacities and therefore, the accreditation process is based on a **“fit-for-purpose”** approach (Figure 2). This provides an assessment commensurate to the risk to which the Fund will be exposed to; avoiding unnecessarily burdensome assessments for entities that will expose the Fund to few or no financial, environmental and social risks.

During the accreditation process, the GCF will assess the entity’s compliance with GCF accreditation standards policies & guidelines, as well as the entity’s track record in undertaking climate-related projects and in implementing its own institutional arrangement. All applicant entities shall comply with GFC criteria for **Basic Fiduciary Standards, Environmental and Social Safeguard and Gender Policy**. Depending on the core nature of the institution, entities will select one or a combination of **Specialized Fiduciary Standards**: Project management; Grant award and/or Funding allocation mechanism, and/or On-lending and/or blending.

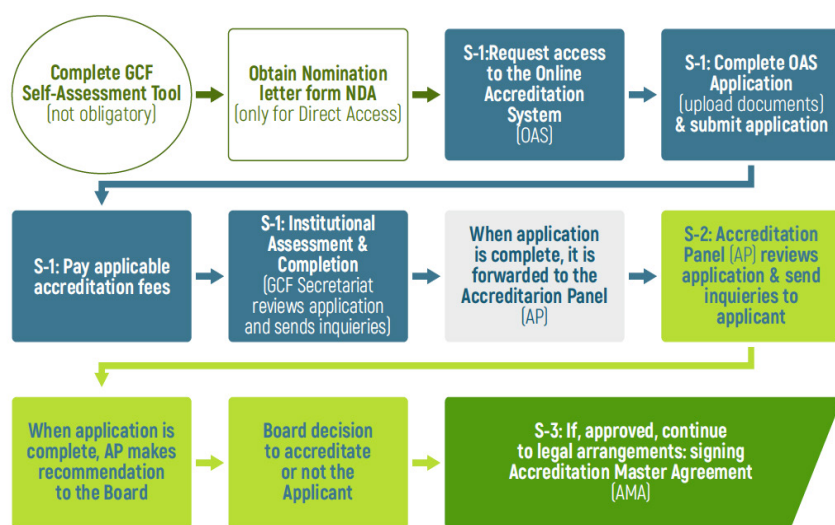
Accreditation is not the only way to engage with the GFC. Other modalities include, but are not limited to: partnering with an already AE to implement a GCF project; co-financing projects with an already AE and; as a readiness delivery partner, provided that the entity can demonstrate relevant experience and ability in implementing projects.

Stages of the accreditation process for Direct Access Entities:

Stage 1 (S-1) “Completeness Check”: obtain Nomination Letter, request access to the GCF Online Accreditation System (OAS); prepare supporting documentation, complete and submit the accreditation application form through the OAS and pay the accreditation fee. The GCF Secretariat will conduct a completeness check of the Application Form, several rounds of Q&A will be conducted between the applicant entities and the GCF Secretariat. Main stakeholders: applicant entity, NDA and GCF Secretariat.

Stage 2 (S-2) “Review and decision”: The Accreditation Panel (AP) reviews the application and information provided during the S-1. The AP conducts a thorough assessment of the application (especially Section IV to VII) and requests additional clarifications and supporting documentation (several rounds of Q&A). Once the AP is satisfied, the Panel provides the recommendation to the GCF Board. The GCF Board will have the final decision on whether or not an entity should be accredited and could establish accreditation conditions/recommendation to the entities. Main stakeholders: applicant entity, GCF Secretariat and GCF Board.

Stage 3 (S-3) “Legal Arrangements”: If the application is approved by the GCF Board, legal arrangements between the Accredited Entity and the GCF are negotiated, and the Accreditation Master Agreement (AMA) is signed.



GCF accreditation application sections:

- I. Background and contact information of the entity
- II. Ways in which the entity and its intended projects/programmes will contribute to furthering the objectives of the GCF;
- III. Scope of intended projects/programmes and estimated contribution requested for individual project;
- IV. Basic fiduciary standards;
- V. Specialized fiduciary standards;
- VI. Environmental and social safeguards (ESS)
- VII. Gender.

Key facts (quick check):

- Entities shall have at least **3 years of experience** and track record implementing climate related projects.
- DAEs need a **nomination letter** from the NDA of the country/countries in which they intend to operate.
- DAEs need to have **legal personality/legal status** in the country/countries where they intend to operate, along with necessary registration, permits and licences.
- DAEs shall **engage with the country's NDA** and participate in the country's prioritization process of potential DAE (if any). Additionally, entities shall undertake the **Accreditation Self-Assessment Tool** (available at the GCF website).
- **Track record and institutional arrangements:** Have in place key financial & administrative capacities, transparency & accountability policies, procedures and capacity to comply with GCF E&S Safeguards (e.g., IFC Performance Standards) and GCF Gender Policy.
- All application forms must be completed and submitted in English. This does not mean that entities have to completely translate all their policies and procedures. English summaries of main documents can be provided.
- **Accreditation cost:** make provision to pay the accreditation fee and other related costs.

Tips & recommendations:

Commitment: Priority and commitment for the accreditation has to be at all levels of the institution.

Leadership and teamwork: Have a strong and dedicated team working in the process, with at least 1-2 persons exclusively dedicated to this task, with support of other internal technical experts.

Organization: Be organized & resourceful when completing the application and preparing the supporting documents (policies, procedures, reports, etc.), one document can serve as supporting document for one or more sections.

REMEMBER: the accreditation is barely the “tip of the iceberg”, **the goal is to access GCF resources to implement climate change project/programmes.**

CONTACTS AND MORE INFORMATION:

Cabinet of the Deputy President of the Government of North Macedonia, in charge of economic affairs, coordination of economic sectors and investments / National Designated Authority for the GCF:

- Cabinet webpage: www.vicepremier-ekonomija.gov.mk; NDA webpage: www.greendevlopment.mk

FAO Regional Office for Europe and Central Asia (FAO office in North Macedonia)

- FAO-RO-Europe@fao.org (FAO-MK@fao.org)

Food and Agriculture Organization of the United Nations, Budapest Hungary

