

July 12, 2023

36th Board Meeting of the Green Climate Fund (GCF)

GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities

INTERVENTION

Overarching comments on accreditation proposals

Access the accreditation proposals: <https://www.greenclimate.fund/boardroom/meeting/b36>

We have seen considerable discussion at this Board meeting of greening the financial system and how the GCF can help achieve this. One key way to do that is through the assessment of whether accredited entities are shifting their entire portfolios beyond their limited engagement with the GCF. In assessing this portfolio shift, it is not enough to look only at whether they have an official climate policy or commitment or are increasing their share of renewables; one must also look at whether they are decreasing and ending their direct and indirect financing for fossil fuels—the main drivers of climate change—and other climate destructive practices, such as projects that contribute to deforestation. This is the only way to truly achieve all of the objectives of the Paris Agreement. In this respect, most of the reaccreditation assessments are insufficient.

As we have mentioned before and discussed with the Secretariat, we look forward to having increased transparency on the AMA effectiveness date by indicating this date on the GCF website, as this will provide a better indication about when entities will be coming up for reaccreditation.

We support the focus on accrediting direct access entities, and are pleased to see three more national development banks from developing countries being considered for accreditation, but again reiterate that it is not only about support for accreditation, but providing the requisite support for DAEs post-accreditation to bring funding proposals and grow the percentage of the portfolio programmed through DAEs. The shift to such increased end-to-end support throughout DAEs' partnership with the GCF is part of the commitments under the accreditation strategy, with significant staffing and cost implications for both the Accreditation Panel and the Secretariat, as elaborated in the separate paper on resourcing implications of the strategy.

Lastly, we are surprised to see a long list of outstanding policies and integrity codes and standards that one of the applicants, [APL121 / an international access entity wanting to program large-scale medium-risk GCF projects] is still missing at the time of the accreditation. In a regular accreditation approach, proof of these policies and codes being delivered is required in a sequenced manner at the signing of the AMA, before delivering its first funding proposal and/or prior to the first disbursement. With the project-specific assessment approach set to debut and the first PSAA proposal in the pipeline, how would such a set of missing codes/policies necessary for project implementation be handled? Would the absence of such policies render the applicant unsuitable for the PSAA and unfit to implement a project?

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