

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

Intervention on

**Accreditation Matters****Access the document:** <https://www.greenclimate.fund/document/gcf-b42-04>

We recognize that this is the largest policy reform package ever brought before the Board and thus merits detailed attention. Unfortunately, despite several rounds of drafts, comments and discussions inside and outside the Board, we still believe this package is underdeveloped. Though we appreciate the improvements since B.40, key elements lack sufficient detail, clarity, and readiness for adoption, particularly within the Monitoring and Accountability Framework and legal arrangements. Despite assertions to the contrary, not all the elements of this package have been the subject of detailed and iterative consultation; for example, the draft of the MAF was only first shared six weeks ago.

We are overall concerned that the reforms disproportionately cater to private sector entities, offering alternate, less rigorous pathways to GCF funds without equivalent flexibility for civil society or Indigenous Peoples Organizations (IPOs). Indeed, the PSAA was sold as an approach to benefit Direct Access Entities (DAEs) and is now recognized by the Secretariat as primarily serving the private sector; similar conditions here are likely to produce similar results.

The proposal does not offer real solutions for improving direct access. The proposed reforms do not solve barriers for DAEs. Even if the package increases the number of accredited DAEs, which is not guaranteed, this would not automatically translate into increased DAE funding, as delinking accreditation from the expectation of funding is indeed one of the key features of the reform.

On the **Accreditation Framework**, the proposed two-stage approach raises concerns that this proposal will disadvantage small and local entities. The two annual two-month application windows are too restrictive, particularly for DAEs or smaller CSOs with less capacity. The potential for repeated fees is troubling. Additionally, the package offers inadequate support for DAEs, as it does not clearly outline how DAEs will be supported post-accreditation. The phasing out of conditions for accreditation might remove opportunities for capacity-building and make it impossible for some DAEs to get accredited.

We agree with the comments made by several Board members that applicant entities' ability to comply with the GCF's ESS, Indigenous peoples and gender policies must be tested during institutional screening to have the confidence that those entities have the institutional capacity and systems for full compliance throughout project/program design, implementation, and monitoring.

We also believe the proposed fast-tracking lacks rigor and is not ready for adoption at this meeting. It relies primarily on MDB standards, which could result in weaker safeguards in the name of unclear equivalency. We are also concerned that the Secretariat has decided to focus on MDBs only. Instead of granting blanket fast-track status based on institutional affiliations, equivalency criteria should be listed under each screening requirement for clarity and accountability.

On the **Monitoring and Accountability Framework**, we would first like to point out that the failure to offer a baseline evaluation of the existing MAF and any gaps in its implementation is a major process flaw.

The proposed risk-based approach is too vague; it lacks details on how risks will be defined, flagged, and shared. The policy doesn't explain thresholds or transparency mechanisms. On top of that, over-reliance on self-assessment places too much trust in AEs. This proposal should include mandatory periodic reviews of a sample of AEs and clear public disclosure of all compliance statements.

The new requirement for AEs to show transition toward low-emission and climate-resilient pathways must be tailored so that it does not unfairly penalise under-resourced DAEs, requiring adding additional reporting from them that would likely amount to just another checkbox exercise, instead of driving meaningful shifts in AEs' business models.

The weakened language on participatory monitoring, downgrading it from being mandatory in the current MAF to only being "encouraged as appropriate" in the new Framework is a troubling step back in ensuring community accountability. Rather than adding flexibility to account for different contexts, without a clear mandate for AEs to include participatory approaches to monitoring, most will likely choose not to do so.

On the **policy on fees for Accreditation**, we believe the case-by-case approach is problematic and leaves applicants unclear about what they'll pay and when, especially with narrow submission windows and potential reapplication requirements. The proposal also raises equity concerns, as it provides no clarity on how "ability to pay" or entity type will be factored in. More transparency is needed before implementation.

Finally, on the **Legal Arrangements with Accredited Entities**, we believe that, as with other parts of this reform package, the problem has been misdiagnosed. The issues with current legal frameworks seem more related to Secretariat implementation (e.g., teams working in silos) than to flaws in the policy itself.

We are still concerned about the risk of weakening GCF standards via "substantial equivalence" assessments of the AEs' own policies without robust criteria, risking lowered

standards being embedded into the legal arrangements and weakening the enforceability of GCF policies.

We are deeply concerned by the proposed three-tiered approach, particularly the “Stand alone FAA” model based on market practice, which is clearly designed to favour private sector actors and reduce transparency and consistency, allowing them a degree of flexibility not afforded to others, especially DAEs in vulnerable and underserved countries. This is yet another example of the GCF bending and weakening its standard to “meet the private sector where they are”.

On top of that, publishing a template of Standard Conditions is insufficient. Real-world modifications in FAAs will not be public, meaning stakeholders can’t assess actual legal obligations or deviations.

While the GCF Observer Network welcomed the opportunity to provide comments during the consultation process for the RAF, it strongly urges the Board to delay adoption of the package. Key policies and mechanisms are not fully developed, lack transparency, and may undermine existing standards and equity principles, particularly for DAEs and small non-government applicants. The proposed reforms may inadvertently entrench inefficiencies, reduce access, and weaken accountability without adequate consultation or safeguards.

If this package is indeed adopted as is, we look forward to the Secretariat providing continued opportunities for consultation as elements, particularly the MAF, are operationalized; assurances that GCF policies are being upheld to the highest standard; and sharing comprehensive data on the implementation of all elements of this package.