

# GCF IN BRIEF: DIRECT ACCESS



One of the Green Climate Fund's distinctive features is the provision for developing countries to access financial resources through national entities, meaning that climate finance can be channelled to the country directly.

The direct access modality is designed to help developing countries exercise ownership of climate change funding and better integrate it with their national climate action plans.

To date, 32 (54 percent) of GCF's 59 accredited entities – over half – are direct access entities. The Fund is committed to working to increase the number of accredited direct access entities, and the representation of direct access entities in GCF's project pipeline and portfolio.

Under the guidance of the UNFCCC Conference of the Parties, the GCF Board has taken several decisions to foster direct access. These include prioritizing national direct access entities for accreditation, commissioning an analysis of measures to facilitate increasing the amount of direct access proposals in the GCF pipeline, and making Secretariat support available to direct access entities.

## How direct access works

National Designated Authorities/focal points ("NDAs") nominate regional, national or subnational institutions for accreditation to GCF. Direct access entities can be public or private sector or non-governmental. Once the entity passes a vetting process, receives GCF Board approval of accreditation and enters relevant legal agreements, it can submit funding proposals for GCF-backed projects and programmes.

Direct access entities and NDAs should work closely together to develop entity work programmes, project concept notes, full funding proposals, and requests to bolster institutional and project development capacities.

## Support for direct access accredited entities

Navigating the array of climate finance channels, and the processes of different funding entities can be a challenge, particularly for entities with limited experience in international climate finance. The GCF has created special forms of assistance to help encourage direct access to GCF resources.

Through the **GCF Readiness Programme**, resources are available for technical assistance and capacity-building to help potential direct access entities work through the accreditation process. NDAs can apply for readiness support on behalf of entities seeking accreditation to undertake in-depth assessments of the organization's institutional capacity to meet GCF's accreditation requirements. This can include support to meet GCF policies relating to financial standards, and gender and environmental and social safeguards.

Once an entity is accredited, **Secretariat support** is available not only to meet accreditation conditions and achieve upgrades to their accreditation type, but also to formulate the entity's project pipeline and to develop high-quality, bankable funding proposals that match GCF investment criteria.

## Quick facts

- 32 (54%) of GCF's accredited entities are direct access: 19 national and 10 regional. Three are private sector entities.
- 19 of GCF's 76 approved projects are from direct access accredited entities, totaling USD 547 million.

## Contact

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GCF has instituted a **Project Preparation Facility (PPF)**, which particularly targets direct access accredited entities in moving innovative project ideas from concept to formal submission. GCF has approved eight PPF requests to date, of which five are led by national direct access entities.

The Board has dedicated an initial USD 200 million to an **Enhanced Direct Access pilot programme**, which includes additional modalities to strengthen countries' decision-making authority over climate finance, and enhance multi-stakeholder engagement.

The **Simplified Approval Process (SAP)**, adopted by the Board in October 2017, simplifies and streamlines the approval of certain small scale projects, particularly from direct access entities. The SAP reduces the documentation to be provided with funding proposals, and streamlines the review and approval process. The GCF Secretariat will provide support to direct access entities to ensure that they access 50 percent of the approved projects or programmes under the SAP, over time.

The Board approved the first SAP project in February 2018 – an initiative by the Namibian direct access entity Environmental Investment Fund (EIF) to improve the ecosystem management practices of farmers.

**Frequently asked questions** (Visit <https://www.greenclimate.fund/gcf101> for more questions and answers)

*What steps are being taken to increase the amount of direct access funding proposals?*

GCF has a Project Preparation Facility that supports direct access entities to move innovative project ideas from concept to high-quality funding proposals. GCF is also deepening its engagement with direct access entities to provide enhanced support to advance post-accreditation requirements, facilitate discussion on their project pipeline and to assist in developing bankable funding proposals. This level of engagement is being carried out through field missions to the headquarters of accredited direct access

entities, through regional dialogues and other meetings organized by GCF, as well as through capacity building and knowledge sharing among direct access entities themselves.

*Can a direct access entity also be the NDA?*

An NDA has a different role from that of an accredited entity. NDAs act as the interface between each developing country and GCF. They ensure country ownership by providing broad strategic oversight of the Fund's activities in their country, serve as the point of communication, and ensure that investments are aligned with local needs and planning. Accredited entities are responsible for channelling GCF resources to programmes and projects. Normally the roles of NDA and accredited entities are distinct and separate. However, in some cases, NDAs may seek to become accredited.

*Can direct access entities apply for readiness support?*

Direct access entities – potential or already accredited – may be the beneficiaries of support under the Readiness Programme. However, all requests for readiness support must be made by NDAs. Direct access entities that would like to receive support should contact their NDA or focal point rather than approaching GCF directly.

*How long does accreditation take?*

The GCF Secretariat and the Accreditation Panel aim to decide within six months after receiving necessary and complete documentation whether to recommend an application to the GCF Board. If organizations also apply for readiness support, this process may take longer. For organizations meeting fast-track requirements – i.e. those already accredited to the GEF, Adaptation Fund or the European Commission's Directorate-General for International Cooperation and Development (DG DEVCO) – a decision should be communicated within three months. Following accreditation an entity should endeavour to conclude relevant legal arrangements (i.e. Accreditation Master Agreement) with the GCF as soon as possible to allow it to implement funding proposals.