



IMPROVING ACCESS TO CLIMATE FINANCE THROUGH NATIONAL ENTITIES

The Green Climate Fund (GCF) fosters country ownership of climate projects and financial resources through the direct access modality.

Direct access is one of the distinctive features of GCF designed to support developing countries in integrating climate change funding with national climate action plans.

Under the guidance of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties, the GCF Board has taken several decisions to foster direct access. These include prioritising national Direct Access Entities (DAEs) 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 DAEs. Through DAEs, GCF's climate finance can be channelled to the country directly.

HOW DIRECT ACCESS PROMOTES COUNTRY OWNERSHIP

A country's National Designated Authority (NDA) or focal point is tasked to build their national climate priorities and associated financial needs and gaps. It may move to nominate a national, sub-national, or regional institution for accreditation to GCF. A DAE can be a non-governmental, public, or private organisation.

Once the entity passes the vetting process, receives GCF Board approval of accreditation, and enters relevant legal agreements, it can submit funding

proposals for GCF-backed projects and programmes.

Note that an NDA has a different role from an Accredited Entity (AE). An NDA acts as the interface between its country and GCF. It provides broad strategic oversight of GCF's activities in the country, serves as the point of communication, and ensures that investments are aligned with local needs and planning. Meanwhile, an AE is responsible for channelling GCF resources to programmes and projects. Normally the roles of an NDA and an AE are distinct and separate. However, in some cases, an NDA may seek to become accredited.

DAEs and NDAs work closely together to align strategies and capacities through the development of work programmes, concept notes, funding proposals, and assistance requests. Furthermore, work programme pipelines of national DAEs are integrated in the country programme while regional DAEs are expected to submit entity work programmes.

The collaboration between DAEs and NDAs helps ensure that locally-led project ideas can be matured into sustainable, transformative projects.

EMPOWERING DIRECT ACCESS ACCREDITED ENTITIES

Navigating climate finance channels and processes can be challenging, particularly for organisations with limited experience in international funding models. Therefore, GCF has devised various forms of assistance to encourage

direct access to GCF resources. To help deliver this mandate, GCF provides technical assistance which includes strategic nomination of national entities to GCF, project development, capacity building, and institutional strengthening.

QUICK FACTS

as of October 2021

- 1. 72 entities out of 112** GCF's accredited entities are direct access: 57 national and 15 regional
- 2. 44 out of 190** GCF's approved projects are implemented by Direct Access Entities, totalling USD 2.0 billion

GCF READINESS AND PREPARATORY SUPPORT PROGRAMME

Through the GCF Readiness Programme, resources such as grants and technical assistance are available to help NDAs strengthen country programming frameworks as well as potential DAEs to work through the accreditation process and project development.

- **USD 46.93 million** approved Readiness support for DAEs
- **85** countries with DAE-related Readiness support
- **27** DAEs receiving project development technical assistance

SAP010: Multi-hazard impact-based forecasting and early warning system for the Philippines

- **Total project value:** USD 20.2 million
- **Theme:** Adaptation
- **DAE:** Landbank of the Philippines

This project received project development technical assistance through the Readiness Programme. It aims to generate science-based multi-hazard weather and climate risk information and establish early warning systems to enhance forecasting.

PROJECT PREPARATION FACILITY

The Project Preparation Facility (PPF) supports DAEs in moving innovative project ideas from concept notes to formal proposals for submissions. PPF may take the form of funding (grants, repayable grants, or equity) or project preparation services.

- **USD 20.5 million** PPF funding approved for supporting DAEs
- **31** PPF applications approved for DAEs

FP150: Promoting private sector investment through large scale adoption of energy saving technologies and equipment for Textile and Readymade Garment (RMG) sectors of Bangladesh

- **DAE:** Infrastructure Development Company Limited (IDCOL)

IDCOL requested USD 665,095 PPF support for all the project preparation services such as development of feasibility studies and impact assessment, among others, to turn their concept notes into a full funding proposal. FP150 is IDCOL's first approved project with GCF.

SIMPLIFIED APPROVAL PROCESS

The Simplified Approval Process (SAP) streamlines approval of certain small-scale projects, particularly from DAEs. SAP generally reduces the required documentation for funding proposals and shortens the review and approval process.

- **USD 208.2 million** value of approved SAP projects (GCF financing)
- **23** approved SAP projects

SAP016: Fiji agrophotovoltaic project in Ovalau

- **Total project value:** USD 10.0 million
- **Theme:** Mitigation
- **DAE:** Fiji Development Bank (FDB)

Aside from supporting an innovative technology that combines photovoltaic power generation and agricultural production, this SAP project will provide technical assistance to strengthen the capacity of local communities while also establishing a climate project financing facility within FDB.

ENHANCING DIRECT ACCESS

Through the Enhancing Direct Access (EDA) pilot programme, funding decisions and project oversight take place at the national or regional level. It also provides flexibility to accommodate a broad range of country conditions and circumstances.

- **USD 200 million** approved for EDA pilot programme, to fund at least 10 projects

FP169: Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia

- **Total project value:** USD 19.7 million
- **Theme:** Adaptation
- **DAE:** Pacific Community

FP169 is an EDA programme that will build the climate resilience of the FSM through the empowerment of their local authorities. This EDA programme will set up the FSM Resilient Communities Grant Facility that will financially support local communities to undertake locally-led adaptation actions. Its EDA funding proposal structure makes FP169 a role model for EDA programmes.

WAYS FORWARD

Following GCF's Updated Strategic Plan 2020-2023, GCF is planning to have a more integrated DAE support system through strategic nomination and accreditation, project development, and capacity building and institutional strengthening. This end-to-end assistance is expected to lead to [greater DAE engagement with GCF](#).

Furthermore, a new dedicated funding window amounting to USD 12.4 million will be created under the Readiness Programme upon the adoption of GCF's [Integrated Results Management Framework \(IRMF\)](#) to enhance technical support to DAEs.

CONTACT

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