



GEF/C.69/05_Rev.1
May 31, 2025

69th Council Meeting
June 02 to 06, 2025
Washington, DC

Agenda Item 06

STRENGTHENING THE GEF PARTNERSHIP: OPTIONS FOR AGENCY EXPANSION

Recommended Council Decision

The Council, having considered document, GEF/C.69/05-Rev.1, *Strengthening the GEF Partnership: Options for Agency Expansion*, takes notes of the document and decides to:

- a. Request the Secretariat to prepare for the adoption of a targeted expansion approach in GEF-9, to potentially add up to three additional Agencies, with a focus on LDCs and SIDS.
- b. Agree on the minimum eligibility criteria for Stage 1 of the expansion process.
- c. Request the Secretariat to conduct a gap analysis of fiduciary standards, environmental and social safeguards (ESS), gender mainstreaming policies, and stakeholder engagement across Global Environment Facility (GEF), Green Climate Fund (GCF), and Adaptation Fund (AF) to assess the feasibility of a fast-track approach. Based on the findings, the Secretariat will propose finalized expansion procedures for consideration at the 71st Council Meeting (June 2026).

TABLE OF CONTENTS

1.	Background	6
2.	Previous Agency Expansion Processes and Future Direction	6
3.	Review of the Accreditation Processes of Peer Climate Funds: GCF and AF.....	10
4.	Expansion Scope	13
5.	Proposed Process and Criteria for Targeted Expansion	15
6.	Roles of GEF Entities	21
7.	Implementation Timelines	22
8.	Monitoring and Evaluation	23

LIST OF FIGURES

Figure 1: Comparison of Processes for Agency Expansion/Accreditation..... 12

Figure 2: Comparison of Expansion/Accreditation Processes Across Three Funds and the
Proposed GEF Approach 16

Figure 3: Comparison of Assessment Criteria Categories Across GEF, GCF, and AF, and the
Proposed Approach 19

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank	IFAD	International Fund for Agricultural Development
AF	Adaptation Fund	LDCs	Least Developed Countries
AfDB	African Development Bank	LTV	Long-Term Vision
AML	Anti-Money Laundering	MDB	Multilateral Development Bank
ATF	Anti-Terrorist Financing	MoU	Memorandum of Understanding
CCCCC	Caribbean Community Climate Change Centre	NGI	Non-Grant Instrument
CDB	Caribbean Development Bank	NGO	Non-Governmental Organization
CSO	Civil Society Organization	OSS	Sahara and Sahel Observatory
ECA	Eastern Europe and Central Asia	PICTs	Pacific Island Countries and Territories
EBRD	European Bank for Reconstruction and Development	PSAA	Project-Specific Assessment Approach
ESS	Environmental and Social Safeguards	SIDS	Small Island Developing States
EU DEVCO	European Union Directorate-General for International Cooperation and Development	SPC	Pacific Community
FAO	Food and Agriculture Organization of the United Nations	SPREP	Secretariat of the Pacific Regional Environment Programme
FPA	Financial Procedures Agreement	STAR	System for Transparent Allocation of Resources
GCF	Green Climate Fund	UNDP	United Nations Development Programme
GEF	Global Environment Facility	UNEP	United Nations Environment Programme
GEF-X	Replenishment Phases of the GEF	UNIDO	United Nations Industrial Development Organization
IADB	Inter-American Development Bank		

1. BACKGROUND

1. At its 68th meeting, the Council considered the document [Strength of the Partnership: Coverage by Agencies](#) (GEF/C68/10/Rev.01), which presented an updated analysis of how current GEF Agencies support countries across different regions and thematic areas. This analysis responded to mandates from the Council and GEF-8 Replenishment to assess GEF Agency concentration and the extent of geographic and thematic coverage.
2. Based on the analysis, the Council acknowledged progress made under GEF-8, including a more balanced distribution of project approvals across the GEF Partnership. However, the Council highlighted ongoing challenges in effectively supporting Least Developed Countries (LDCs) and Small Island Developing States (SIDS), including barriers to accessing GEF funding and slower operational and disbursement processes, which are largely driven by the specific contexts of these countries. Additionally, the Council expressed interest to increase engagement with Civil Society Organizations (CSOs), Non-Governmental Organizations (NGOs), and the private sector.
3. In Decision 50/2024 (a), the Council requested the Secretariat to *“develop options to add a limited number of additional agencies to the Partnership, on the basis of analysis of agency regional coverage, particularly for LDCs and SIDS, and to strengthen engagement with CSOs, NGOs, and the private sector, for consideration by the Council at its 69th meeting.”* Pursuant to that decision, this document presents the Secretariat’s recommended options, supported by additional analyses, for the Council’s consideration.

2. PREVIOUS AGENCY EXPANSION PROCESSES AND FUTURE DIRECTION

Three Founding Agencies (1991-1994)

4. During the GEF pilot phase (1991-1994), the GEF began as a pilot program housed administratively at the World Bank. While there was no formal Agency selection process, UNDP, UNEP, and the World Bank were identified from the start because each had complementary strengths that together could collectively support the GEF’s objectives. With the formal restructuring in 1994, the GEF’s [Instrument for the Establishment of the Restructured GEF](#) named these three organizations as the official partners, recognizing them as Implementing Agencies.

Seven Agencies in First Expansion (1999-2006)

5. The participation in the GEF of Agencies other than the three founding Implementing Agencies was foreseen at the outset as per Paragraph 29 (or Section IV. Cooperation with Other Bodies) of the GEF’s Governing Instrument. In this context, the GEF introduced the concept of ‘Executing Agencies’—entities expected to focus on managing the implementation of specific projects, in contrast to Implementing Agencies, which engage in broader activities that support

the GEF, including pipeline development. With document [Expanded Opportunities for Executing Agencies](#) (GEF/C12/10) in October 1998 and relevant follow-up Council documents¹, the Council reviewed the experience and potential of expanding the opportunities for ‘Executing Agencies’ to help implement GEF projects.

6. Based on its findings, the GEF Council expanded the Partnership in May 1999 by formally adding the four regional multilateral development banks (MDBs)—ADB, AfDB, EBRD, and IADB, as ‘Executing Agencies.’ These MDBs had already been actively involved as project execution partners with the founding Implementing Agencies. In subsequent years, three UN agencies—FAO, IFAD, and UNIDO—were also added as ‘Executing Agencies’, having similarly served as project execution partners.

7. To ensure that these seven agencies met the necessary qualifications to serve as Executing Agencies, the following criteria² were applied during the expansion process.

- The Executing Agency in question must have previously collaborated in the development and/or execution of a GEF project with an Implementing Agency.
- The Implementing Agencies would need to complete a due diligence review of the Executing Agency’s policies, and those policies must be in conformity with GEF operational policies, strategies, and decisions of Council.
- The Executing Agency must have a comparative advantage in a field where GEF needs to operate (e.g., in the case of persistent toxic substances, FAO and UNIDO) and demonstrate capacity to mobilize additional resources, with commitment to do so in support of GEF projects.

8. Afterward, the Council decided to launch a pilot to test the expansion of ‘direct access’ to GEF resources for the seven Executing Agencies to ensure a ‘level playing field’ with the Implementing Agencies.³ As a result, all agencies operating under that modality became directly accountable to the GEF Council for their GEF-funded activities. Additionally, the corporate budget for Implementing Agencies was eliminated as of FY2008. Over time, the distinction between

¹ Including [Expanded Opportunities for Executing Agencies: Recent Efforts and Current Proposals to Expand Opportunities for Regional Development Banks](#) (GEF/C13/03).

² These criteria were applied to the three UN agencies as referenced in [Review of Progress in Expanded Opportunities for Executing Agencies](#) (GEF/C15/04). The four regional MDBs were added to the Partnership, immediately following the decision outlined in [Expanded Opportunities for Executing Agencies: Recent Efforts and Current Proposals to Expand Opportunities for Regional Development Banks](#) (GEF/C13/03). This document also provides an analysis of the appropriateness of their inclusion, supported by the three Implementing Agencies’ assessment that there is significant potential for synergy and complementarity between their agendas and the regional MDBs’ business operations. Additionally, it confirms that no foreseeable issues would arise, provided that the regional MDB proposals align with the Trustee’s ten safeguard policies.

³ This decision followed the evaluation report [Evaluation of the Experience of Executing Agencies under Expanded Opportunities in the GEF](#) (GEF/ME/C30/04), in November 2006 and relevant Council documents: [Management Response to: Evaluation of the Experience of Executing Agencies under Expanded Opportunities in the GEF](#) (GEF/ME/C30/05); [Roles and Comparative Advantages of the GEF Agencies](#) (GEF/C30/09); and [Comparative Advantages of the GEF Agencies](#) (GEF/C31/05).

‘Implementing Agencies’ and ‘Executing Agencies’ was no longer used in practice, and the term ‘GEF Agencies’ began to be applied. For clarity, today the term ‘GEF Agencies’ refers to all entities accredited to directly access GEF resources and responsible for implementation, regardless of their original designation. The term ‘Executing Entities (not Executing Agencies)’ now refers to organizations or partners that work under the oversight of a GEF Agency to implement specific projects.

9. As the first expansion occurred gradually through status changes, the GEF introduced minimum fiduciary standards to support the transition and uphold fiduciary integrity in June 2007. These standards initially covered the following three key areas⁴, and have since evolved into the [Policy on Minimum Fiduciary Standards](#), the [Policy on ESS](#), and the [Policy on Gender Equality Stakeholder Engagement](#) was later introduced as the fourth area, reflecting the GEF’s commitment to inclusive implementation.

- Audit, Financial Management, and Controls: External financial audit; Financial management and control frameworks; Financial disclosure; Code of ethics; and Internal audit.
- Project and Activity Processes: Project appraisal standards, including safeguards; Procurement processes; Project monitoring and project-at-risk systems; and Evaluation.
- Investigation Function: Hotline and whistleblower protection.

Eight Agencies in Second Expansion (2013-2015)

10. Further broadening the GEF Partnership through the operationalization of paragraph 28⁵ of the GEF Instrument was a central reform under GEF-5, aimed at enhancing country ownership. To implement this, the GEF launched a pilot initiative to accredit new agencies, with the Secretariat developing selection criteria outlined in [Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument](#) (GEF/C40/09). As the first open call for accreditation, the pilot process was carefully designed and refined over three Council meetings (38th to 40th, from June 2010 to May 2011), leading to the development of the [Procedures Manual for the Accreditation of GEF Project Agencies](#) (GEF/C40/Inf.04) in May 2011.

11. The accreditation process followed a systematic three-stage procedure to add eight new agencies, involving the Council, the Independent Accreditation Panel, the Secretariat, and the Trustee.

⁴ For further details, refer to the [Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies](#) (GEF/C31/06).

⁵ This has now been updated to paragraph 29 in the latest Instrument.

- Stage 1: Submission of a Stage 1 Application,⁶ Value-added Review⁷ by the Secretariat, and Council Approval. This stage assessed whether the applicant would add value to the GEF Partnership and align strategically with GEF objectives. Council approval at this stage allowed the application to proceed.
- Stage 2: Submission of a Stage 2 Application and Independent Accreditation Panel Review. The Panel evaluated each applicant’s compliance with GEF policies on Fiduciary Standards, ESS, and Gender Equality, as adopted by the Council.
- Stage 3: Negotiation and approval of a Financial Procedures Agreement (FPA) with the Trustee, followed by negotiation and approval of a Memorandum of Understanding (MoU) with the Secretariat. The conclusion of the FPA and MoU marked the finalization of the accreditation process.

Lessons Learned and Future Directions

12. According to the [Evaluation of the Accreditation Process for Expansion of the GEF Partnership](#) (GEF/ME/C48/Inf.03), below are the key lessons from the second expansion.

- Lesson 1: Accredited GEF Agencies benefitted from the accreditation process through improvements in their systems and standards. Accredited GEF Agencies have gained experience programming climate finance and have put in place stronger policies and practices particularly related to fiduciary standards, ESS, and gender mainstreaming.
- Lesson 2: GEF Accreditation could better reflect the diverse capacities, roles, and needs of the applicant organizations, by applying differentiated requirements based on risk, institutional capacity, and functional focus.
- Lesson 3: Accreditation applicants incurred much higher costs than the accreditation fees, and the cost incurred by the GEF was substantially higher than that recovered through fees. Some of the cost recovery–related rules established during design added to delays.
- Lesson 4: Upfront face-to-face interaction between the applicants and the Independent Accreditation Panel is useful to fill in information gaps and speed up the accreditation process, whilst simultaneously strengthening the checks and balances in the accreditation process.

⁶ Each application must have been endorsed by at least one GEF Operational Focal Point.

⁷ The Value-added Review in Stage 1 was based on six core criteria: Relevance to the GEF; Demonstration of Environmental or Climate Change Adaptation Results; Scale of Engagement; Capacity to Leverage Co-financing; Institutional Efficiency; and Networks and Contacts. In addition to these core criteria, additional Value-Added Review considerations were applied depending on the type of applicant. For national institutions, the review focused on project experience, capacity, and country ownership. For non-governmental and regional organizations, the evaluation considered prior execution of GEF projects.

- Lesson 5: The accreditation process took longer than anticipated, mainly because of the high volume of applications and, in some cases, the challenges agencies faced in meeting accreditation standards. Design issues also created inefficiencies during implementation. By the time the GEF/ME/C48/Inf.03 evaluation was conducted, Stage 2 of the accreditation process had already been underway for nearly three years.

13. The 2015 document [Future Directions on Accreditation](#) (GEF/C49/04/Rev.01) outlined two possible options: (1) a limited strategic expansion, accrediting only a small number of additional agencies; or (2) a broad-based expansion, significantly increasing the number of accredited agencies. The paper emphasizes that this decision should be guided by a needs analysis, assessing how expansion could enhance coverage, collective efficiency and effectiveness of the GEF Partnership.

3. REVIEW OF THE ACCREDITATION PROCESSES OF PEER CLIMATE FUNDS: GCF AND AF

14. While the process of adding new agencies varies across the GEF, Green Climate Fund (GCF), and Adaptation Fund (AF), there are notable similarities, particularly in the application of fiduciary, ESS, and gender mainstreaming policy requirements.

GCF Accreditation

15. At the GCF, institutional accreditation⁸ occurs on a rolling basis, with GCF Accredited Entities required to apply for reaccreditation every five years.⁹ The GCF's accreditation follows a three-stage process after application submission: a technical review by the Secretariat, an independent assessment, and Board approval, followed by legal arrangements. The GCF Secretariat, supported by the Independent Accreditation Panel, manages the accreditation and reaccreditation process.

16. The Panel evaluates an entity's fiduciary, ESS, and gender mainstreaming policies, ensuring alignment with GCF's requirements. It also assesses governance structures and past experience in implementing similar frameworks, enabling GCF to establish long-term partnerships.

⁸ Once accredited, entities can submit multiple funding proposals within their approved scope. The GCF's Project-Specific Accreditation Approach (PSAA) pilot offers an alternative pathway for entities seeking accreditation for a single project rather than full institutional accreditation. This streamlined process assesses an entity's fiduciary capacity, ESS, and gender policies solely in relation to the proposed project. Unlike standard accreditation, PSAA approval is limited to the specific project and does not extend beyond its implementation.

⁹ The GCF Board temporarily paused re-accreditation in October 2023 as part of its review of the accreditation framework.

17. Currently, all 18 GEF Agencies are accredited to the GCF: eight for large projects, eight for medium-sized projects, and two for small projects.¹⁰ Additionally, nine agencies are accredited for both grant and non-grant instruments, seven for grant awards, and two solely for Basic and Project Management fiduciary standards.

18. In 2014, the GCF introduced its [Fast-Track Accreditation Programme](#), conducting a comprehensive assessment to benchmark its process against established climate finance mechanisms. A gap analysis comparing fiduciary and ESS standards with those of the GEF, AF, and other organizations found GEF's accreditation closely aligned with GCF's, with differences primarily in anti-money laundering/anti-terrorist financing (AML/ATF) provisions and institutional-level ESS policies. Similarly, the AF's standards met or exceeded GCF's basic requirements, with only minor gaps in investigative procedures for transparency and accountability.

19. Based on these findings, the GCF Board approved a fast-track accreditation pathway for entities already accredited by the GEF and AF.

AF Accreditation

20. The AF follows a rolling accreditation process through two pathways: Multilateral Implementing Entities are invited by the Board, while national and regional entities are nominated by their respective governments. Accredited entities must comply with ongoing monitoring, reporting, and five-year reaccreditation requirements. The AF's accreditation process mirrors that of the GCF, involving three stages: submission screening by the Secretariat, an independent assessment, and Board approval. The AF Board, supported by the Independent Accreditation Panel, manages accreditation and reaccreditation.

21. The Panel assesses accreditation standards across five broad categories: (1) legal status, (2) financial and management integrity, (3) institutional capacity, (4) transparency, self-investigation, and anti-corruption (including ESS), and (5) compliance with the AF's Gender Policy.

22. Currently, 12 GEF Agencies are accredited to the AF: ten as Multilateral Implementing Entities and two as Regional Implementing Entities.¹¹

¹⁰ As of February 2025, the GCF has accredited a total of 114 entities, comprising 42 International Accredited Entities, 13 Regional Direct Access Entities, and 59 National Direct Access Entities. These entities span both public and private sectors and can also function as Delivery Partners under the Readiness and Preparatory Support Programme.

¹¹ As of February 2025, the AF has accredited a total of 57 entities, comprising 14 Multilateral Implementing Entities, 9 Regional Implementing Entities, and 34 National Implementing Entities.

Figure 1: Comparison of Processes for Agency Expansion/Accreditation

Aspect	GEF	GCF	AF
Initiation of Accreditation	Targeted invitation (first expansion) or open call (second expansion)	Rolling application through an online accreditation system	Invitation or nomination on a rolling basis
Accreditation Process	(Not active, but used most recently): 1. Value-Added Review (By Secretariat) 2. Approval (by Council) 3. Independent assessment (by Panel)	1. Institutional Assessment (By Secretariat) 2. Independent assessment, fit-for-purpose by the scale of funding (by Panel) 3. Approval (by Board)	1. Application completeness check (By Secretariat) 2. Independent assessment (by Panel) 3. Approval (by Board)
Post-approval	Signing of FPA and MoU	Signing of Accreditation Master Agreement	Legal and operational arrangements
Post-accreditation requirements	Self-assessment on compliance with GEF policies, with Third Party Review, once per replenishment cycle (every four years)	Compliance with ongoing monitoring/reporting and five-year re-accreditation	Compliance with ongoing monitoring/reporting and five-year re-accreditation
Assessment Standards	Fiduciary, ESS, Gender, Stakeholder Engagement	Fiduciary, ESS, Gender	Legal, Institutional Capacity, Financial Integrity (Fiduciary), Transparency/Self-Investigation, and Anti-Corruption (Fiduciary/ESS), Gender
Fast-track accreditation	No	Yes, fast-track for GEF, AF, MDBs, and EU DEVCO-accredited entities	Yes, fast-track for GCF-accredited entities

23. There is significant overlap between the AF and GCF accreditation criteria. Following its own 2019 assessment on the [Effectiveness and Efficiency of the Accreditation Process: Assessment of the GCF Accreditation Standards, Including a Gap Analysis](#)—including a gap analysis of accreditation standards across climate funds—the AF reciprocated by introducing a fast-track accreditation process for agencies already accredited by the GCF. This further streamlined access to climate finance for experienced implementing entities.¹²

24. As a result, both the GCF and AF offer fast-track accreditation pathways for entities accredited by the other, reducing the administrative burden and expediting the process for previously vetted entities.

¹² The AF also has streamlined accreditation designed to support smaller entities access AF resources; typically, available for applicants that execute or implement projects that cost up to USD 1 million; that have a staff of up to 25 members engaged in projects, and that have annual administrative expenses of up to USD 1 million.

25. Given the similarities in fiduciary standards, ESS, and gender policies between the GEF, GCF, and AF, the GEF could explore a similar approach. Leveraging assessments already conducted by the GCF and AF could reduce redundancy and shorten the accreditation process for this expansion.

4. EXPANSION SCOPE

GEF Partnership Coverage and Gaps

26. As noted in Section 2, the 2015 document [Future Directions on Accreditation](#) (GEF/C49/04/Rev.01) outlined the need for a needs analysis to determine one of two possible expansion options: (1) a limited strategic expansion or (2) a broad-based expansion.

27. A comprehensive analysis of GEF Partnership coverage and effectiveness was presented at the 68th Council meeting in December 2024 through [Strength of the Partnership: Coverage by Agencies](#) (GEF/C68/10/Rev.01), which guided the preparation of this document. The analysis identified some persistent gaps in agency engagement, particularly in SIDS and LDCs. While efforts have been made to improve access and resource distribution in these regions, challenges persist, especially in diversifying the agencies actively implementing projects. Although non-regional agencies have brought valuable global experience, the analysis also highlighted a growing need for more targeted, context-specific support.

28. In addition, project financing in these countries is often concentrated among a few agencies. As of December 2024, LDCs have received approximately USD 4.7 billion in GEF support, compared to USD 13 billion for non-LDCs, while SIDS have received USD 1.8 billion versus USD 16.1 billion for non-SIDS.

29. Of the 13 agencies currently working in SIDS and LDCs, only four are regional agencies. While many developing countries benefit from a mix of multilateral and bilateral agencies, LDCs and SIDS often lack the institutional capacity to fully access and manage climate finance. High transaction costs and restrictive criteria that do not fully account for regional vulnerabilities further exacerbate these challenges. Expanding the presence of regional agencies could help bridge these gaps by providing localized expertise, facilitating direct access to funding, designing tailored projects, and offering capacity-building support specific to the needs of LDCs and SIDS.

30. The [2024 Annual Monitoring Report](#) (GEF/C68/03) further reveals that projects implemented in SIDS underperform compared to those in other regions on key operational indicators, including project implementation speed, portfolio management effectiveness, and co-financing mobilization. Mid-term review reports and the [Evaluation of GEF Programs in Pacific SIDS](#) (GEF/E/C.68/02) attribute these project-level challenges to systemic issues such as weak institutional capacity, financial constraints, intersectoral coordination issues, limited

procurement supply chains, and insufficient infrastructure. These barriers significantly hinder access to and effective utilization of GEF resources, highlighting the need for a more tailored approach to engagement and project implementation in SIDS.

Harmonization of Climate Funds

31. Acknowledging the similarities in the process of adding new agencies across climate funds, as outlined in Section 3, the G20 Sustainable Finance Working Group's report, [Accelerating Sustainable Finance for Emerging Markets and Developing Economies](#) (October 2024), underscores the need for further integration and reform, emphasizing that greater harmonization, including in accreditation, could enhance access, reduce transaction costs, and improve the coherence of climate finance at the climate fund level. The report also highlights concerns from many entities that the accreditation processes of climate funds remains overly time-consuming and duplicative.

32. Similarly, the [Long-Term Vision \(LTV\) on Complementarity, Coherence, and Collaboration between the GCF and the GEF](#) (GEF/C.60/08) seeks to enhance synergy between the two organizations by optimizing resource utilization for climate change mitigation and adaptation. This vision emphasizes coordinated programming, harmonized policies, and joint initiatives to maximize impact while minimizing redundancy. A key component of this collaboration is the potential harmonization of accreditation processes, which would streamline access to climate finance for implementing entities. By aligning accreditation standards, GCF and GEF could reduce administrative burdens on agencies and improve overall efficiency.

33. Incorporating these insights into GEF's Partnership expansion efforts could help improve access to climate finance for LDCs and SIDS and align GEF with broader global efforts to mobilize sustainable finance for climate resilience. At the same time, the GEF's distinct legal and institutional structures may involve different legal, fiduciary, and oversight considerations. These should be assessed as part of the gap analysis across GEF, GCF, and AF, in consultation with the Trustee and the Council.

Targeted, Limited Expansion for SIDS and LDCs

34. Building on lessons from the second expansion, insights from the Partnership analysis, and the process review of climate funds, a targeted expansion focused on inter-governmental or international organizations with a regional mandate covering SIDS and/or LDCs would address identified gaps while contributing to the overall efficiency of the expansion process.

35. This targeted approach would mitigate challenges encountered in previous expansion processes, such as prolonged timelines and inefficiencies, and represents a preferable

alternative—identified in [Future Directions on Accreditation](#) (GEF/C49/04/Rev.01)—to the broad-based, open-call accreditation option.

36. To ensure a balanced and efficient expansion, the number of additional agencies would be limited to a maximum of three. This targeted approach aims to fill specific gaps in coverage and ensure clear comparative advantage.¹³

37. Aligning GEF’s expansion efforts with broader climate fund harmonization initiatives such as fast-track accreditation would further enhance coordination, reduce duplication, and improve operational efficiency. Strengthening synergies with other climate finance mechanisms including sharing accreditation assessments and aligning safeguard and fiduciary standards would contribute to a more integrated and accessible funding landscape, ultimately improving support for SIDS and LDCs.

5. PROPOSED PROCESS AND CRITERIA FOR TARGETED EXPANSION

38. To support efficiency and align with broader climate finance harmonization efforts, a fast-track assessment approach will be considered wherever possible. The following section outlines both the full process and the fast-track option.

Stage 1. Screening for Strategic Alignment (Minimum Eligibility Criteria)

39. The GEF Secretariat will assess potential agencies against the following criteria on a yes/no basis, all of which must be met to advance to the next stage. A more detailed and comprehensive assessment will be conducted at a subsequent stage by an Independent Assessment Panel.

- An inter-governmental organization or an international organization with a regional mandate covering SIDS and/or LDCs (covering both groups is preferred), ensuring that governance, decision-making, and strategic priorities are directly aligned with these countries’ needs and interests.
- Demonstrated track record in designing and implementing environmental and climate projects in SIDS and/or LDCs (covering both groups is preferred) that align with multiple GEF programming areas and strategic initiatives.

¹³ Additionally, streamlining the selection process through direct engagement—such as in-person discussions between prospective agencies and an assessment panel—could enhance efficiency and ensure rigorous assessment.

Figure 2: Comparison of Expansion/Accreditation Processes Across Three Funds and the Proposed GEF Approach

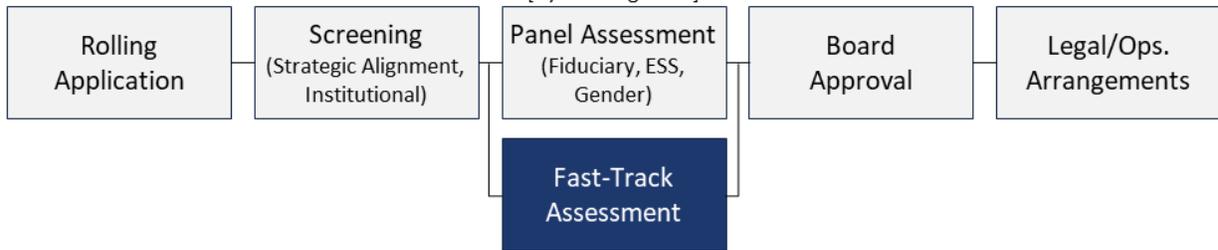
GEF: First Expansion



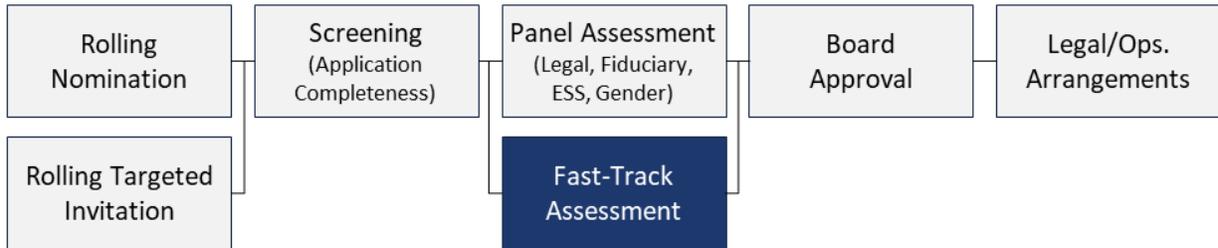
GEF: Second Expansion



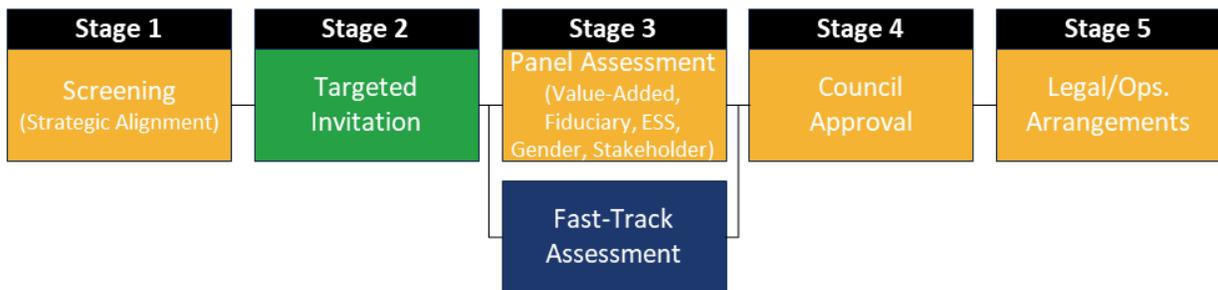
GCF



AF



GEF: Proposed Approach



Notes: The GCF's Project-Specific Assessment Approach (PSAA) pilot, which allows an entity to be accredited for a single project or program, and the AF's Streamlined Accreditation Process, designed for smaller national entities implementing projects costing up to USD 1 million, are excluded from this diagram, as they do not align with the GEF expansion process under consideration. Value-Added = GEF's Value-Added Review that includes institutional capacity assessment, ESS = Environmental and Social Safeguards. Gender = Gender Mainstreaming Policy. Stakeholder = Stakeholder Engagement Policy, Ops. = Operational. Institutional = Institutional Capacity (e.g., entity's systems, policies, and procedures)

- Experience as an executing entity with GEF funding or experience working with peer climate funds; accreditation to both GCF and AF¹⁴ is preferred and in this case may be fast-tracked.
- Demonstrated engagement with CSOs, NGOs, and the private sector

40. During Stage 1, the Secretariat will consult the Trustee to confirm the candidates' eligibility to enter into legal and operational arrangements with the Trustee to operate as a GEF Agency. As part of this consultation, the Trustee will provide input on any challenges or issues encountered during past engagements with the candidates, drawing from their experience. The Trustee would also advise on any internal Trustee policy or procedural requirements to advance the process and will have a no-objection role in this decision, consistent with the applicable policy requirements of the Trustee.

Stage 2. Targeted Invitation for Expression of Interest

41. Entities screened in Stage 1 will be invited to express interest in becoming GEF Agencies. This step will assess their willingness to undergo a detailed, comprehensive assessment and align with GEF fiduciary, ESS, and gender mainstreaming criteria, including stakeholder engagement standards. Interested agencies must confirm their institutional readiness and affirm that they meet the minimum eligibility criteria reviewed by the Secretariat in Stage 1.

42. Up to three eligible entities would be identified¹⁵; a preliminary analysis indicates that the range of eligible entities falls within this expected limit.

Stage 3a. Independent Panel Assessment

43. Entities that have expressed interest in participating in the application process will be required to submit both a Value-Added Review form and an assessment application. These submissions will be collectively evaluated by an Independent Assessment Panel.

44. The Panel will consist of three members. The CEO will either launch an open call for expressions of interest or conduct a targeted search to identify candidates to serve on the Panel, based on the required competencies. Panel members from other climate funds or those with experience serving on panels for other funds, may be considered more actively.

45. Shortlisted candidates will be interviewed by a selection committee comprised of the CEO or designate, Trustee staff, Secretariat staff and one external observer. Following the interviews, the CEO will propose three final candidates—one per area of expertise—along with a summary

¹⁴ CIFs are excluded, as they are designed to operate exclusively with specific MDBs and do not have an accreditation process.

¹⁵ If no agencies are identified as suitable GEF Agencies, or if the number of agencies added is insufficient to meet the intended purpose, Stage 1 may be restarted, subject to the Council's guidance.

of qualifications and interview outcomes. These nominations will be submitted to the Council for review. Council Members will be invited to provide comments or objections within a defined review period (e.g., 15 working days). In the absence of objections, the CEO will consider the appointments endorsed and will formally constitute the Panel. If objections are raised, the Secretariat will consult with the Council before finalizing appointments.

46. Panel members will include:

- Development Project Expert: At least 15 years of experience with project management in developing countries, and familiarity with agency appraisal, procurement, monitoring, and evaluation systems.
- Governance and Accountability Expert: At least 15 years of relevant experience, with expertise in audit, fraud prevention, ethics, and financial oversight.
- ESS Expert: At least 15 years of experience applying safeguard standards, preferably with MDB systems, and familiarity with gender mainstreaming.

47. Additional requirements, including language proficiency and analytical and drafting abilities, will align with those outlined in Annex 4 of the [Procedures Manual for the Accreditation of GEF Project Agencies](#) (GEF/C40/Inf.04).

48. The Value-Added Review will incorporate two additional considerations alongside the existing six criteria.

- Existing Criteria: Relevance to the GEF; Demonstration of Environmental Results; Scale of Engagement; Capacity to Leverage Co-finance; Institutional Efficiency; Networks and Contacts.
- Additional Criteria: Specific expertise in the context of SIDS and LDCs; Demonstrated engagement with CSOs, NGOs, and the private sector.¹⁶

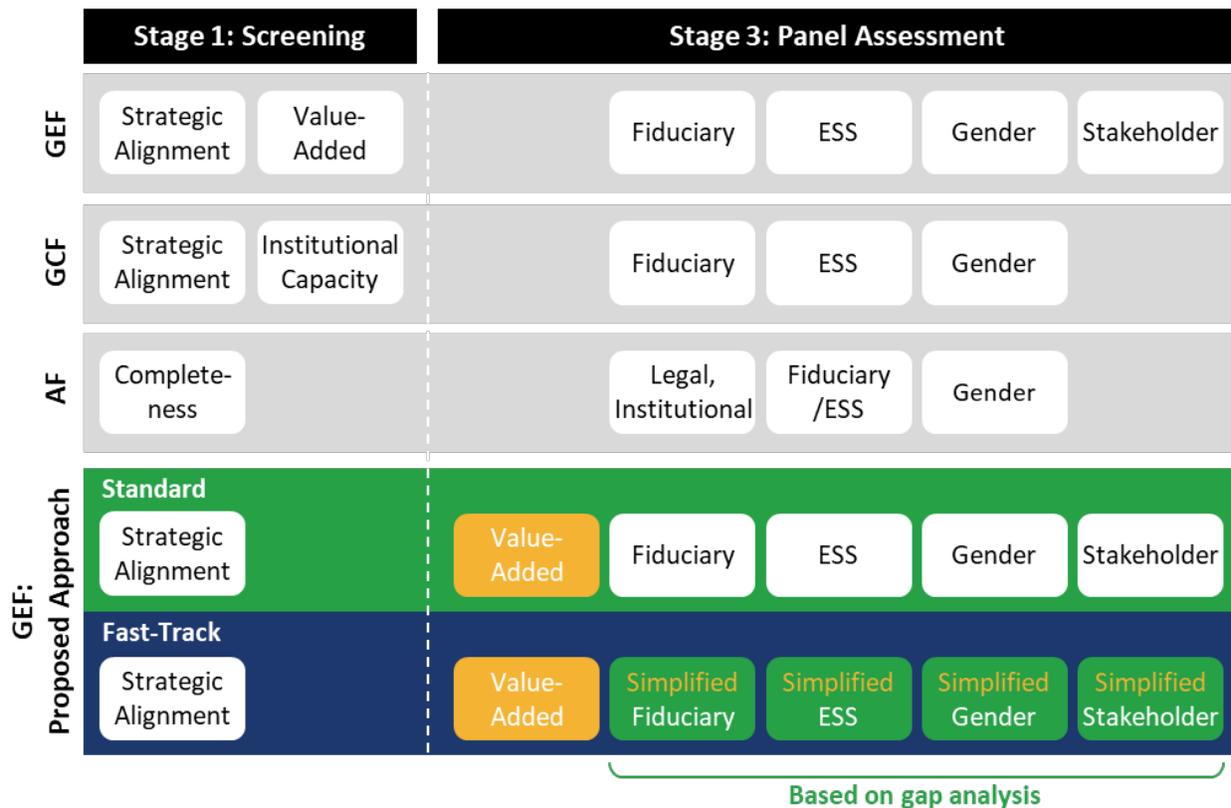
49. The Independent Panel Assessment will follow the approach applied during the second expansion, as outlined in Chapter 4 of the Procedures Manual. However, the latest policies on Minimum [Fiduciary Standards](#), [ESS](#), [Gender Equality](#), and [Stakeholder Engagement](#) will be integrated into the assessment criteria.

50. The Panel will conduct a criteria-based review of applications through a three-step process. During the review, the Panel will consult the Trustee to confirm the eligibility of final candidates to enter into the necessary legal and financial arrangements with the Trustee. Candidates approved through this process will proceed to Stage 4.

¹⁶ The specific questions and means of verification for the two additional criteria will be developed following the approach used in the second expansion, while the existing six criteria will remain aligned with Annex 4 of the Procedures Manual.

- Step 1: Preliminary assessment of each application, including a desk review and applicant interactions to seek clarifications and additional information.
- Step 2: Written assessment based on a collective evaluation, categorizing applications into three groups—Recommended for Council Approval, Required Further Review, or Rejection.
- Step 3: Additional review for applicants classified as Requires Further Review.

Figure 3: Comparison of Assessment Criteria Categories Across GEF, GCF, and AF, and the Proposed Approach



Notes: Value-Added = GEF’s Value-Added Review that includes institutional capacity assessment, ESS = Environmental and Social Safeguards, Completeness = Application Completeness

Stage 3b. Fast-Track Assessment

51. If entities under review are already accredited by both GCF and AF—a preferred criterion during the initial screening in Stage 1—they may be eligible for a fast-track assessment under the Independent Panel Assessment.

52. Given that GCF and AF follow similar accreditation processes, including assessments of fiduciary standards, ESS, and gender mainstreaming policies (as noted in Section 3), the

Independent Panel Assessment could be streamlined by recognizing agencies that have already met these rigorous requirements. This would involve simplifying the assessment process by waiving criteria that are fully aligned between GEF and both GCF and AF within the three criteria categories.

53. To determine the extent of alignment, a gap analysis should be conducted—following the methodology used by the GCF and AF for their fast-track accreditation approach¹⁷—to identify any areas requiring further compliance with GEF standards. While alignment across certain standards may allow for exemptions, the GEF may still require assessments in specific areas to ensure accountability and integrity.

54. As part of the gap analysis, the feasibility of aligning with the accreditation panels of the GCF and AF will also be examined. Integrating such alignment into the fast-track approach could significantly reduce administrative burden and inefficiencies, such as the need to establish a separate panel solely for this expansion. Given that some panel members serve across multiple funds, leveraging existing GCF and AF panels could provide a more efficient and streamlined assessment process.

Stage 4. Council Approval

55. The Panel’s assessments, including recommendations and the list of recommended candidates, will be presented to the Council for consideration. The assessments will also provide feedback for applicants who do not meet requirements, outlining the necessary improvements in their standards and capabilities.

56. Council approval at this stage allows the application to proceed to the final stage but does not confer GEF Agency status. To become a GEF Agency, applicants must successfully complete Stage 5.

Stage 5. Legal and Operational Arrangements

57. As in the second expansion, the Trustee would be expected to establish a FPA with the GEF Agency, enabling the Trustee to commit and transfer funds. The Trustee will have a no-objection role, particularly in cases where the Council-approved entities present concerns related to their legal or operational capacity to function under the [Trustee’s Financial Intermediary Fund Management Framework](#). Nevertheless, any such issues should have already been addressed upstream in the process, as described above. Following the signing of the FPA, agencies will enter

¹⁷ Including GCF’s [Fast-Track Accreditation Programme](#) and AF’s [Effectiveness and Efficiency of the Accreditation Process: Assessment of the GCF Accreditation Standards, Including a Gap Analysis](#).

into a MoU with the GEF Secretariat, covering any procedural or other requirements not contained in the FPA as the only legal agreement.

58. Upon completion of the FPA and MoU, the agency will formally join the GEF Partnership and become eligible to submit funding proposals such as Project Identification Forms, Program Framework Documents, and proposals under other modalities for resources from the family of trust funds managed by the GEF, including the GEF Trust Fund, the Least Developed Countries Fund, the Special Climate Change Fund, and the Global Biodiversity Framework Fund.

6. ROLES OF GEF ENTITIES

59. The process of adding new agencies to the GEF Partnership involves several key entities, each with distinct roles and responsibilities to ensure transparency and efficiency.

GEF Council

60. The Council plays a central role in overseeing the expansion of the Partnership by approving relevant procedures. It is also responsible for approving applications recommended by the Independent Assessment Panel.

Independent Assessment Panel

61. A critical component of the expansion process is the Independent Assessment Panel, which conducts a thorough evaluation of applicants to determine their readiness to join the Partnership. Beyond developing recommendations and list of recommended candidates for Council's consideration, the Panel provides feedback for applicants who do not meet the necessary requirements.

GEF Secretariat

62. The Secretariat provides essential administrative support throughout the process, facilitating communication between the Council and Panel while preparing reports and updates as needed. Additionally, the Secretariat conducts the initial screening to assess applicants' strategic alignment with the GEF, based on the minimum criteria approved by the Council.

GEF Trustee

63. The Trustee oversees the legal and financial arrangements involved in bringing the approved agencies into the Partnership. A key responsibility is formalizing the Agency's role through the FPA, which enables the Trustee to commit and transfer funds to the agencies. The Trustee manages financial transactions, including commitments at the request of the Council,

and disbursements to agencies. The Trustee will have a no-objection role at both Stage 1 and Stage 5.

7. IMPLEMENTATION TIMELINES

Gap Analysis and Finalization of Expansion Procedures (July 2025 – May 2026)

64. The Secretariat will conduct a gap analysis of fiduciary standards, ESS, gender mainstreaming, and stakeholder engagement policies across GEF, GCF, and AF to assess alignment and identify the feasibility of a fast-track approach within the targeted expansion. As part of this assessment, the analysis will also consider practical differences in accreditation cycles and internal review processes.¹⁸

65. Based on the findings of the gap analysis, the Secretariat will finalize expansion procedures, including an assessment of the legal and operational feasibility of a fast-track option. These procedures will be presented for Council consideration and approval at the 71st Council Meeting (June 2026).

66. If the fast-track option proves unfeasible—legally or institutionally—the GEF may instead proceed with the full accreditation process. Consultations with the Trustee will continue from the 69th to the 71st Council Meetings to assess legal and procedural options. If needed, interim consultations with the Council will be held at the December 2025 Council meeting to confirm the preferred approach for finalization.

Estimated Timeline for the Agency Selection Process

67. In the event of Council approval of the expansion procedures in June 2026, the expansion process would be immediately initiated. Two timelines will be considered, depending on the candidate's eligibility for fast-tracking.

68. The full selection process from Stage 1 to Stage 3 before Council Approval (Stage 4) is expected to take 10-16 months.

- Stage 1 (4-6 months): Initial screening of potential agencies against the agreed minimum eligibility criteria by the Secretariat. In parallel, the Independent Assessment Panel will be formed.

¹⁸ For instance, the GCF and AF require re-accreditation every five years, whereas the GEF, through its FPAs, administered by the World Bank as Trustee, follows an institutional accreditation model without fixed re-accreditation cycles. These differences may have implications for the sustainability of fast-track arrangements and will be examined accordingly.

- Stage 2 (2-4 months): Targeted invitation and Agency submission. Screened agencies will receive invitations to participate, confirm their interest, and submit their Value-Added Review form and assessment application.
- Stage 3 (4-6 months): Independent Panel Assessment of each application, and written recommendations by the Panel.

69. A fast-track process will be applied to eligible candidates, reducing the overall duration to approximately 8-12 months.

- Stage 1 (4-6 months): Same as above.
- Stage 2 (2-4 months): Same as above.
- Stage 3 (2 months): Streamlined Panel assessment for fast-track candidates.

70. The Secretariat will provide regular progress updates and seek Council approval as needed, including for the establishment of the Panel and an estimated timeline for completing the expansion process.

71. Following Council approval of the recommended agencies (Stage 4), the Secretariat and Trustee will initiate Stage 5: Legal and operational arrangements with the agencies.

72. The duration of Stages 1 and 5 may vary and, in some cases, require timeline extensions. In particular, where entities falling outside the Trustee's standard scope of eligibility (e.g., those beyond MDBs or UN organizations), additional review and due diligence steps may be required by the Trustee. These may include review or approval by the Trustee's senior management or Board to consider alternative arrangements, including the potential application of exceptions or waivers under the [Trustee's Financial Intermediary Fund Management Framework](#).¹⁹ Meanwhile, most MDBs and UN agencies are required to seek internal approval from their respective Boards or governing bodies before entering into legal and financial arrangements, which can also result in extended timelines.

8. MONITORING AND EVALUATION

73. Monitoring and evaluating the outcomes of this third expansion will be essential to assessing its success and ensuring continuous learning and improvement. The Council may request the GEF Independent Evaluation Office (IEO) to conduct an evaluation of the expansion

¹⁹ According to the Trustee's [Financial Intermediary Fund Management Framework](#) (paragraph 30), updated on June 4, 2019: "Financial Intermediary Funds (i.e., GEF family of funds) that have already accredited other types of entities will be grandfathered and may continue existing accreditation practices to avoid disruption. Other entities like national sovereign entities or CSOs will still be able to receive funding through MDBs or UN agencies consistent with usual multilateral practices." This provision allows the GEF to maintain its existing set of accredited agencies as of the framework's adoption. However, adding new agencies would need to comply with the framework or seek formal exceptions or waivers.

processes and outcomes, including, where possible, comparisons with previous expansions and similar efforts by peer climate funds. The evaluation may also assess the effectiveness of the fast-track approach as part of broader harmonization efforts with the GCF and AF.

74. The evaluation could be initiated four years after the expansion is completed, including the conclusion of FPAs and MoUs with all new agencies.