



REPUBLIC OF GHANA
MINISTRY OF FINANCE

GREEN CLIMATE FUND

**NATIONAL DESIGNATED
AUTHORITY (NDA)
REVISED OPERATIONAL MANUAL
ABRIDGED VERSION**

March 2020



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1.0 INTRODUCTION

Overview of the Green Climate Fund

The Green Climate Fund (GCF) is global financial mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) to respond to climate change by investing in low-emission (mitigation) and climate-resilient (adaptation) development. It is created to help developing countries respond to climate change mitigation and adaptation activities and to strengthen their national capacities to effectively and efficiently plan for, access, manage and monitor international climate funds. GCF also finances private sector projects relating to mitigation and adaptation activities at all levels. It aims for a 50:50 balance between mitigation and adaptation in its portfolio in terms of funding, with special focus on vulnerable countries. GCF provides countries with direct access to the Fund and supports readiness and preparatory activities to enhance country ownership and access to the Fund.

What are the Objectives of the Fund?

The Green Climate Fund seeks to:

- Reduce the greenhouse gas emissions of developing countries and help them to adapt to the impacts of climate change.
- Promote the paradigm-shift towards low-emission and climate resilient development pathways in the context of sustainable development.
- Build the capacity of public and private sector and non-governmental organizations to access climate funds.

- Enhance the resilience of people, enterprises and ecosystems in developing countries to the adverse impacts of climate change.
- Promote a paradigm shift towards low-emission and climate-resilient development pathways.
- Support the implementation of the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC) within the evolving climate finance landscape.

Accessing GCF Funds

A wide variety of organisations (ranging from private sector actors, development agencies and commercial banks and NGOs) at different scales (international, regional, national, local) can access the GCF funds to implement projects and programmes that implement adaptation and mitigation strategies in developing countries.

Direct Access to GCF Fund

Direct access is one of the key aspects of the Green Climate Fund. It means that recipient countries can nominate competent national and subnational organisations (either public, private or non-governmental) that can directly access the GCF without an intermediary. Direct access is important to increase country ownership of the funding; ensure better oversight and increased transparency; improved effectiveness of the funds and increased accountability of the recipient countries. Direct access by national public and private entities has been a

key feature of the Fund in line with a GCF's commitment to country ownership.

GCF Results Areas and National Climate Change Priorities

The GCF identifies eight results areas where targeted GCF investment would have greater impact. When developing a GCF project, a project proponent should identify which strategic impact areas its proposed project or programme contributes towards.

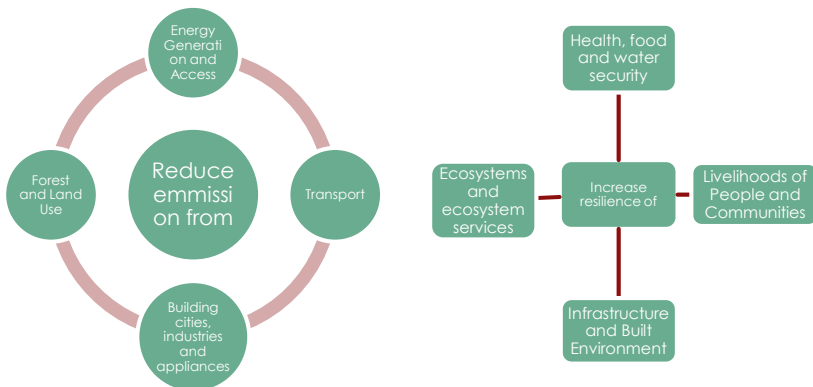


Figure 1: Eight Results Areas of the GCF

Ghana's National Climate Change Strategic Areas

Ghana's climate change policy and Ghana's Nationally Determined Contributions (NDCs) are directly in line with the GCF goals which seek to enhance the resilience and climate compatible economy through low carbon growth, adaptation and social development. The national climate

change policy and national strategies are therefore consistent and in line with the Green Climate Fund.

What will the Fund support in Ghana?

Generally, the GCF will support programmes and projects

- that are aligned with Ghana's climate change policy and demonstrate very good potential for reducing emissions.
- that will contribute to the sustainable development goals of Ghana.
- that promote synergies across areas of adaptation and mitigation with co-benefits.
- that adapt a gender sensitive approach.
- that meet the fiduciary principles and standards and environmental and social safeguards of the Fund.

2.0 THE NATIONAL DESIGNATED AUTHORITY

Countries that are eligible for accessing funds through the Green Climate Fund, need to establish a National Designated Authority (NDA), which serves as the point of communication with the GCF. The National Designated Authority (NDA) operates as the interface between country and the GCF to communicate the country's priorities for financing low-emission and climate-resilient development. The Government of Ghana has nominated the Economic Strategy, and Research Division (ESRD) of Ministry of Finance to be the NDA to liaise with the GCF.

What are the Roles of NDA in Ghana?

In line with GCF's outlined roles and responsibility, the NDA has two main broad roles:

- The NDA must endorse any applications for accreditation made by prospective Direct Access Entities (DAEs).
- The NDA must endorse any project proposals that would be implemented in Ghana.

Specifically, the roles and responsibilities of the Ghana's NDA Secretariat are as follows:

- a) Convene relevant public, private and civil society stakeholders to identify priority sectors to be financed by the Fund.** Stakeholders include other relevant government entities, civil society, project developers, private sector actors, financial institutions and communities, including vulnerable groups and women who will be affected by the Fund's activities. This is clearly detailed in the NDA Multi-Stakeholder Strategy.
- b) Developing and updating Country Programmes.** The NDA will play a lead role in developing and updating country programmes, a document that presents a country's climate change priorities with the GCF, including a pipeline of projects that the country would like to develop with the Fund.

- c) Communicate accredited entities to the Fund.** NDA will engage with potential public, private sector and non-governmental entities and nominate such entities for accreditation to the Fund. Applications from DAEs wishing to become accredited via the direct access track need to be accompanied by a nomination letter from the NDA.
- d) Communicate No-objection to programmes and project proposals to the Fund.** The no-objection is to be communicated by the NDA to confirm that funding proposals by accredited entities are in line with the country's national climate change priorities and strategies.
- e) Provide leadership on the deployment of readiness and preparatory support funding in the country.** The NDA may directly benefit from the funding or select international, regional, national and sub-national, public, private or non-governmental institutions well-versed in readiness activities as their delivery partners.
- f) Assesses compliance with Fund's environmental requirements.** Assesses compliance with Fund's environmental and social safeguards, gender policy, financial policies and any other policies promulgated by the Board, in addition to performance of the project or programme against activity-specific criteria.

Other Functions of NDA Secretariat

In addition to the roles of the NDA specified by GCF, the NDA secretariat should also perform some specific functions as follows:

- **Secretariat for the Technical Advisory Committee (TAC).** The NDA also serves as the secretariat for the Technical Advisory Committee and will be responsible for convening meetings of TAC and providing administrative support for the work of TAC.
- **Monitoring.** The Secretariat may be involved in the monitoring of the implementation of the programmes and projects by accredited entities to ensure their compliance with Fund's social and environmental standards and Ghana's key sustainable priority indicators throughout the life cycle of the projects.
- **Prepare annual progress reports.** The NDA should prepare annual progress reports on the implementation of activities under the Fund in Ghana.
- The NDA should also retain information on all funding proposals relating to Ghana and facilitate information sharing on the projects through appropriate media and relevant networks, including in local languages as possible.

- The secretariat should also be able to disseminate and share GCF process, key requirement, challenges and operational procedures of the Fund to the national actors and stakeholders.
- The Secretariat should pre-screen all proposals before submission to NDATAAC
- The secretariat should drive and coordinate relevant coordination mechanisms and multi-stakeholder engagement, as needed and appropriate, including processes for no-objection for funding proposals.
- As a part of the readiness programme, the secretariat is responsible for in-country institutional strengthening, including strengthening the capacities for country coordination and to meet fiduciary principles and standards and environmental and social safeguards, in order to enable countries to directly access the Fund.

Ghana's NDA Structure

Existing mechanisms and structures currently in place will be utilized to ensure sustainability, reduced duplication of effort, and coherence in operations. The NDA's governance structure has tiered institutional units that provide timely, strategic guidance and support to the NDA in terms of GCF processes and broader climate finance targets. The structure is illustrated in Figure 2.

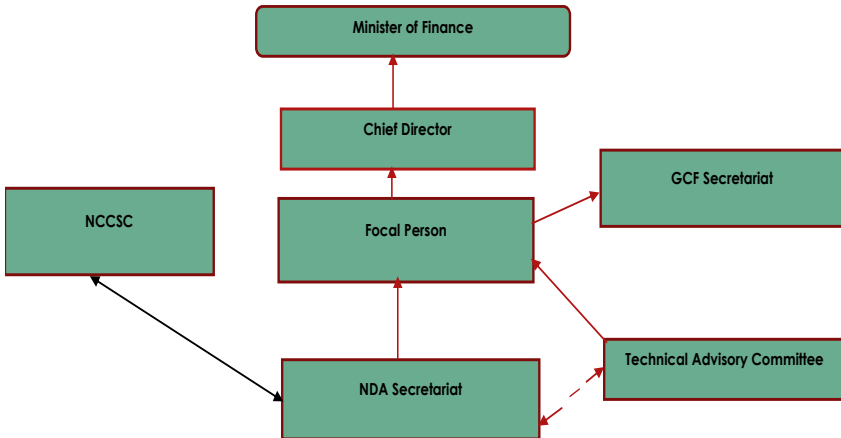


Figure 2: Ghana’s NDA Structure

Note: The NDA secretariat will report to the designated Focal Person who will in turn report to the Minister of Finance through the Chief Director.

NDA Governance Mechanism

A governance mechanism for the NDA has been established with the purpose of providing policy guidance, aiding decision making and technical inputs on GCF processes. The key elements of the governance mechanism are provided below.

Ministry of Finance – National Designated Authority

The Economic Strategy, and Research Division (ESRD) of Ministry of Finance serves as the National Designated Authority for the GCF in Ghana. The ESRD is housed within the Ministry of Finance, which leads and oversees the GCF process in Ghana through Focal Point person. All

engagements with the Fund by prospective DAEs and project developers should be channelled through the NDA Secretariat. The NDA Focal person will communicate to Minister of Finance on the GCF through the Chief Director.

Technical Advisory Committee, members and roles

The Technical Advisory Committee (TAC) is a high-level advisory body for overall Green Climate Fund work in Ghana. Their primary function is to provide policy guidance to the NDA as well as provide an independent technical assessment of, and advice on, accreditation and funding proposals in the country.

Composition of the TAC

The TAC is a multi-stakeholder body, which will be chaired by the NDA. The committee will consist of eleven (11) members representing key sectoral ministries, private sector and Civil Society Organizations (representing climate change sectors). The Committee members include:

- Ministry of Finance (Chair)
- Ministry of Environment, Science, Technology and Innovation (MESTI)
- National Development Planning Commission (NDPC)
- Crop Services Directorate of Ministry of Food and Agriculture
- Ministry of Gender, Children and Social Protection
- Forestry Commission

- Energy Commission
- Environmental Protection Agency (EPA)
- Ministry of Local Government and Rural Development (MLGRD)
- Private Enterprise Foundation
- Civil Society Organisation

To ensure inclusiveness of various national stakeholders, NDA will extend invitation to representatives of indigenous groups, women and marginalized groups when necessary.

Roles and Responsibilities of TAC

The TAC provides policy guidance and coordination support to create an enabling environment for climate investment, especially in relation to the GCF. The TAC makes strategic decisions and engages government and non-government agencies including the private sector to harness available international climate finance to Ghana. The terms of reference/roles and responsibilities the TAC includes:

- a. Provide policy guidance to the NDA on emerging national and sectoral climate finance issues and priorities.
- b. Provide strategic direction for domestic and international investments in low carbon and climate resilient development in Ghana.
- c. Conduct technical assessments and advice on funding proposals submitted through the NDA by accredited entities in line with agreed country programming arrangements.

- d. Facilitate the coordination of relevant ministries to prioritize areas/projects for GCF funding in line with the national policy and strategies.
- e. Facilitate the creation of an enabling environment for policy and institutional reforms to address policy, capacity and institutional gaps.
- f. Enhance coordination and collaboration among all stakeholders.

National Climate Change Steering Committee

The National Climate Change Steering Committee (NCCSC) is an inter-ministerial committee which is responsible for overseeing and guiding the implementation of climate change activities in Ghana. The NCCSC is hosted by MESTI. This committee is made up of representatives from relevant ministries, universities, research institutions, the private sector and NGOs, and has been mandated under a ministerial directive. Whilst the TAC is primarily responsible for policy guidance and coordination support, the NCCSC provides technical and advisory support to the NDA. The NCCC has the mandate of reviewing policies and programmes to complement national priorities. Due to the critical role of the NCCSC, the NDA will be required to report to them on all activities regarding GCF.

NDA's Partnership and Stakeholder Engagement

The Green Climate Fund support developing countries and thus play a significant role in the development paths taken in these countries. People and communities in countries that will receive GCF funding, should have the strongest voice in determining the direction of their development, based on their needs and interests.

In this regard, all the key stakeholders related to climate finance such as government, private sector, beneficiary communities, non-government will be effectively involved in the GCF process through multi-stakeholders and consultative processes to ensure ownership. Such ownership could only be achieved by engaging all relevant stakeholders in climate finance/GCF process based on their roles, interest and ability.

3.0 ACCREDITED ENTITIES AND ACCREDITATION PROCESSES

Accredited Entities

GCF does not implement projects directly, but through partnerships with Accredited Entities. Accredited entities can be private, public, non-governmental, sub-national, national, regional or international bodies with a clear, detailed and actionable climate change projects or programmes to present to GCF. They must also meet GCF standards based on financial standards, environmental and social safeguards, and gender. Accredited Entities develop funding proposals, in close consultation with NDAs or focal points, based on the differing climate finance needs of individual developing countries. Non-accredited entities will have to team-up with Accredited Entities when formally submitting funding proposals to GCF.

What is GCF accreditation?

Accreditation is a process under which entities have to prove that they have the ability and capacity to manage the fund's resources in accordance with standards and criteria set out by the Fund. To access finance directly from GCF, the NDA will identify and nominate national entities to be accredited as Direct Access Entities (DAEs). To get accredited to access the Fund, GCF panel undertakes an independent review of the application to assess whether the prospective applicants meet GCF's fiduciary standards and

environmental and social safeguards (ESS) and complies with its gender policy.

Who qualifies to apply for Accreditation as DAE?

The funds from the GCF will flow directly to Accredited Entities (AEs) for project/programme implementation.

All entities, including public and private and NGOs in Ghana qualify to apply for accreditation as DAE. The entity must be:

- a) Legally established within Ghana.
- b) Able to demonstrate robust organisation policies, procedures and guidelines.
- c) Able demonstrate capacity and experience in implementing similar actions.

In addition, all prospective DAEs must meet the fiduciary principles and standards, the environmental and social safeguards, and gender policy, as given in the operational policies and guidelines of the GCF Board for accessing resources from the Fund.

How do Entities Apply for Direct Access?

Direct access is one of the key aspects of the Green Climate Fund. It means that recipient countries can nominate competent national and subnational organisations (either public, private or non-governmental) that can directly access the GCF without an intermediary.

. Engaging early on and often with the NDA is highly recommended. Entities seeking Direct Access will need to undertake the following sequence:

1. Obtain a “Nomination Letter” from the Nationally Designated Authority (NDA)
2. Obtain Online Accreditation System (OAS) access from the GCF
3. Compile the GCF application according to the requirements for the selected accreditation level
4. Submit application and pay accreditation fee
5. Respond to GCF inquiries in Stage I and Stage II
6. If approved, sign the Accreditation Master Agreement (“AMA”)

National institutions need to be accredited with the GCF by meeting the minimum eligibility criteria as indicated in Table 2 and must be nominated by the NDA. The accreditation of national institutions under the direct access modality will help countries to: (i) Strengthen national institutions; (ii) build strong country ownership and accountability; (iii) codify systems and processes; (iv) achieve increased international recognition; and (v), deal directly with the GCF instead of through an international third party.

Basic Fiduciary Standards: These are standards set as reasonable baseline for fund management. The underlying principles for Basic Fiduciary Standards include the ability to demonstrate that financial inputs and outputs are properly accounted for, reported, and administered

transparently in accordance with pertinent regulations and law, and with due accountability; Information relating to the overall administration and management of the entity is available, consistent, reliable, complete and relevant to the required fiduciary standards; and that operations of the entity show a track record in effectiveness and efficiency. The GCF also requires all entities to meet basic Transparency and Accountability standards which include protection and commitment against mismanagement and fraudulent, corrupt and wasteful practices; disclosure of any form of conflict of interest (actual, potential or perceived); and code of ethics, policies and culture that drive and promote full transparency and accountability.

Accreditation Processes

An entity seeking accreditation will need to submit a completed application through GCF Online Accreditation System, consistent with the fit-for-purpose accreditation approach at the Green Climate Fund. Subnational, national, and regional entities, public and private, applying for accreditation will need to submit a nomination letter from a National Designated Authority as a part of their application for accreditation. Applications for accreditation are received by GCF on a rolling basis. There is no deadline for submitting accreditation applications. Ghana has decided to follow the national accreditation process in line with the GCF's accreditation process. Entities will express interest or the NDA will call for national entities in a competitive process for the selection of DAEs. There are four stages:

1. Entities express/National Call for Entities
2. Online Application Submission
3. Accreditation Review
4. Legal Arrangement

Accreditation self-assessment

GCF has developed Self-Assessment Tool to help organizations save time and expenses by deciding at an early stage whether they meet GCF accreditation requirements. The Self-Assessment Tool can be accessed via <https://www.greenclimate.fund/accreditation/self-assessment>

4.0 HOW TO ACCESS GCF FUNDING

Direct Access Entities must go through a simple process in Ghana to get their proposals to GCF for funding.

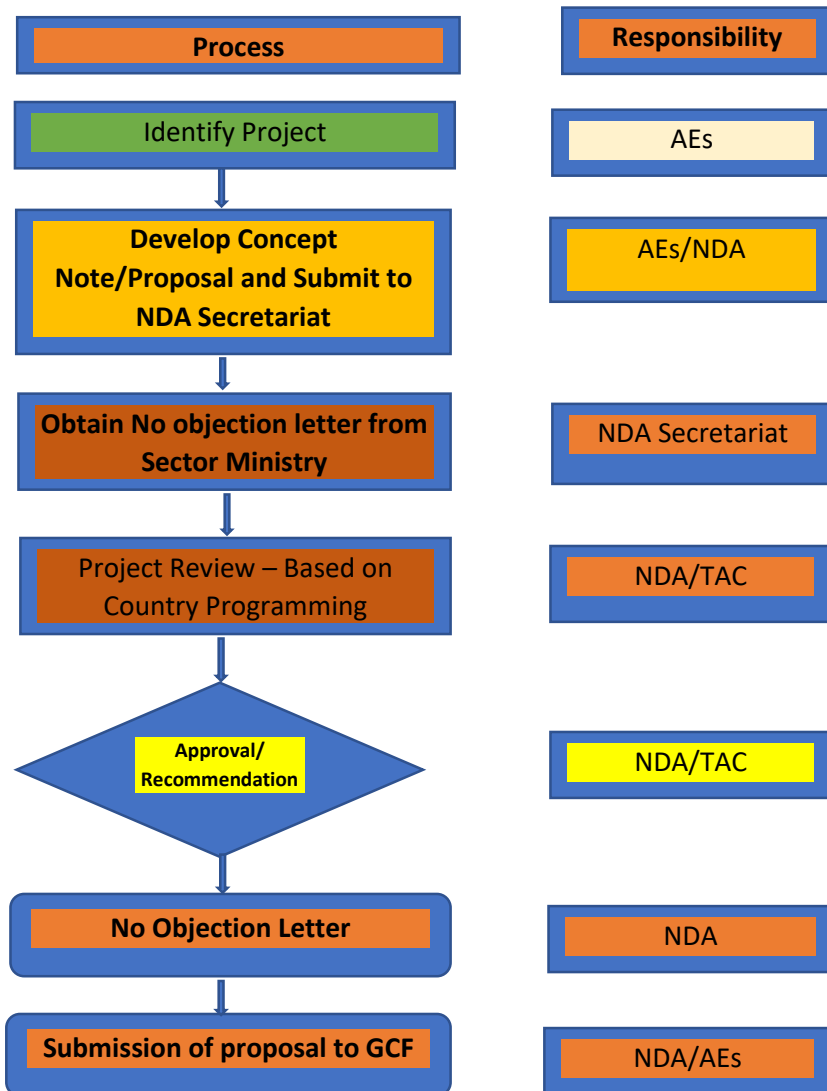


Figure 5: Stages of Funding Proposal Development Fund

GCF investment Criteria

The GCF support projects and programmes that:

- maximize impact,
- promote paradigm shift,
- enhance sustainable development benefits,
- respond to the needs of the beneficiary country,
- promote country ownership and
- demonstrate financial soundness.

NO-OBJECTION OF FUNDING PROPOSAL

A no-objection is a condition of approval provided by the NDA for all funding proposals submitted to the Fund. The purpose of the no-objection procedure is to ensure consistency of proposals with national climate strategies and plans and country-driven approaches, and to provide for effective direct and indirect public and private sector financing by the Fund.

Objectives of No-Objection

No objection is meant to achieve two main objectives:

- to ensure that the programmes and projects are to be implemented in Ghana are aligned with the country's sustainable development goals, and

- to ensure that the people living within Ghana, particularly individuals and communities affected by a GCF project or programme, have the right to reject such an activity.

Communication of no-objection to funding proposals

The no-objection should be provided to the GCF Secretariat in conjunction with any submission of a funding proposal seeking Fund funding. The NDA is the national agency responsible for approving GCF projects for GCF consideration. To ensure country ownership, the Fund's Board will only consider funding proposals that are submitted with a formal letter of no-objection signed by the official representative of the NDA in accordance with the Fund's initial no-objection procedure.

In cases of submissions of proposals for funding that are not accompanied by a no-objection letter, the Secretariat will inform the NDA or focal point that the funding proposal will not be processed for Board consideration unless the NDA or focal point provides its no-objection. The NDA shall provide its no-objection within 30 days after receiving this information. After the passage of 30 days, the proposal will be suspended, and the Secretariat will notify the AE/intermediary. Communication of no-objection by the NDA or focal point in line with the provisions of this procedure will imply that:

- (a) The government has no-objection to the funding proposal;
- (b) The submitted funding proposal is in conformity with the country's GCF country programming, national priorities, strategies and plans, and that consistency was pursued; and
- (c) The submitted funding proposal is in conformity with relevant national laws and regulations, in accordance with the Fund's environmental and social safeguards

Effective No-Objection Procedures

To assure effective no-objection procedures, NDAs must ensure that any proposed GCF activity in their respective countries meets the following minimum standards in addition to GCF's investment criteria in order to advance to the level of the GCF board for approval:

Observance of do-no-harm principle. A project should not create new or additional sources of environmental degradation, economic dislocation, inequity, or social disruption.

Compliance. NDAs must ensure that projects comply with all environmental and social safeguards and fiduciary standards, including for projects managed by financial intermediaries, if any.

Transparency and access to information. NDAs should implement international best practice transparency

standards and access to information policies, including for projects managed by financial intermediaries. Information about the proposed project should be made available in a timely manner, through popular media, and in the appropriate languages to anyone potentially affected by the project.

Inclusion of multiple government agencies. NDA engagement must not be limited to a country's NDA. For example, ministries of environment and development, national climate commissions, and relevant local government bodies must also consent to proposed projects.

Stakeholder consultation and consent. Public consultations must be held according to international best practices, and the consent of the majority of stakeholders must be obtained in a process free of disinformation or intimidation.. The details of the stakeholder engagement processes is provided in the Multi-Stakeholder Engagement Strategy (MSES) of the NDA.

Legal requirements. Projects must be evaluated for consistency with both national law and international legal obligations, including, but not limited to, the Convention on the Elimination of Discrimination against Women, Stockholm Convention, Basel Ban, Rotterdam Convention, and the Convention on Biological Diversity.

Gender policy

Impacts of climate change affects women and men. Women are particularly vulnerable to the impacts of climate change. The Green Climate Fund is committed to ensure that the allocation of resources for adaptation and mitigation activities contributes to gender equality and women's empowerment. Projects and programmes should ideally address the inequity of climate change impacts on women and men and provide gender sensitive solutions to climate change mitigation, adaptation or readiness. The GCF will target funds to support women's climate change adaptation and mitigation initiatives in cases where gender inequality is exacerbated by climate change.