

approved by the Board, taking into account any condition approved by the Board in this decision and in the decision accrediting the relevant accredited entity; and

- (v) *Authorizes the Secretariat to disburse fees for each funded project/programme approved by the Board as per the disbursement schedule to be agreed in the funded activity agreement in accordance with the policy on fees and the general principles and indicative list of eligible costs covered under GCF fees and project management costs adopted by the Board pursuant to decision B.19/09.*

Agenda item 17: Consideration of accreditation proposals

53. The Board took note of the document GCF/B.21/17 and its limited distribution addenda Add.01, Add.02, Add.03, and Add.04 titled “Consideration of accreditation proposals”.

54. The Board adopted the following decision:

DECISION B.21/16

The Board, having considered document GCF/B.21/17 and its limited distribution addenda Add.01, Add.02, Add.03 and Add.04 titled “Consideration of accreditation proposals”:

- (a) *Takes note with appreciation of the assessments conducted by the Secretariat and the Accreditation Panel contained within the relevant annexes for the following applicants:*
- (i) *Applicant 061 (APL061) is Caixa Economica Federal (CEF) based in Brazil, as contained in annex V in document GCF/B.21/17;*
 - (ii) *Applicant 062 (APL062) is the Fondo para la Acción Ambiental y la Niñez (Fondo Acción) based in Colombia, as contained in annex VI in document GCF/B.21/17;*
 - (iii) *Applicant 063 (APL063) is IDFC Bank Limited (IDFC Bank) based in India, as contained in annex VII in document GCF/B.21/17;*
 - (iv) *Applicant 064 (APL064) is the Ministry of Finance and Economic Management (MFEM) based in the Cook Islands, as contained in annex VIII in document GCF/B.21/17;*
 - (v) *Applicant 065 (APL065) is the National Rural Support Programme (NRSP) based in Pakistan, as contained in annex IX in document GCF/B.21/17;*
 - (vi) *Applicant 066 (APL066) is the Nordic Environment Finance Corporation (NEFCO) based in Finland, as contained in annex X in document GCF/B.21/17;*
 - (vii) *Applicant 067 (APL067) is Pegasus Capital Advisors (PCA) based in the United States of America, as contained in annex XI in document GCF/B.21/17;*
 - (viii) *Applicant 068 (APL068) is the Austrian Development Agency (ADA) based in Austria, as contained in annex XII in document GCF/B.21/17;*
 - (ix) *Applicant 069 (APL069) is the Compañía Española de Financiación del Desarrollo S.A. S.M.E. (COFIDES) based in Spain, as contained in annex XIII in document GCF/B.21/17;*
 - (x) *Applicant 070 (APL070) is the Financiera De Desarrollo Territorial S.A. (Findeter) based in Colombia, as contained in annex XIV in document GCF/B.21/17;*
 - (xi) *Applicant 071 (APL071) is the Fundo Brasileiro para a Biodiversidade (Funbio) based in Brazil, as contained in annex XV in document GCF/B.21/17;*
 - (xii) *Applicant 072 (APL072) is the LandBank of the Philippines (LandBank) based in the Philippines, as contained in annex XVI in document GCF/B.21/17;*

- (xiii) *Applicant 073 (APL073) is the Protected Areas Conservation Trust (PACT), based in Belize, as contained in annex XVII in document GCF/B.21/17;*
- (xiv) *Applicant 074 (APL074) is BNP Paribas S.A. (BNP Paribas), based in France, as contained in annex XVIII in document GCF/B.21/17;*
- (xv) *Applicant 075 (APL075) is the Consortium of International Agricultural Research Centers (CGIAR), based in France, as contained in annex XIX in document GCF/B.21/17; and*
- (xvi) *Applicant 076 (APL076) is the Inter-American Investment Corporation (IDB Invest), based in the United States of America, as contained in annex XX in document GCF/B.21/17;*
- (b) *Accredits applicants APL061, APL062, APL063, APL064, APL065, APL066, APL067, APL068, APL069, APL070, APL071, APL072, APL073, APL074, APL075 and APL076 pursuant to paragraph 45 of the Governing Instrument for the Green Climate Fund, and subject to, and in accordance with, the assessments by the Accreditation Panel contained in the relevant annexes for each of the applicants;*
- (c) *Takes note with appreciation of the assessment conducted by the Secretariat and the Accreditation Panel contained within the relevant annex for the following applicant seeking to upgrade its accreditation type:*
- (i) *Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), based in Peru, as contained in annex XXI in document GCF/B.21/17;*
- (d) *Agrees to upgrade the accreditation type of Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) as contained in decision B.09/07, paragraph (b), subject to, and in accordance with, the assessment by the Accreditation Panel contained in annex XXI in document GCF/B.21/17; and*
- (e) *Recalling decision B.14/08, paragraph (d)(i), decision B.18/04, paragraph (c), and decision B.19/13, paragraph (c), decides that future accreditation decisions by the Board should aim to bring forward accredited entities that fulfil the mandate on balance, diversity and coverage and advance the objectives of GCF and, to that end, decides to prioritize up to the end of the twenty-third meeting of the Board the following, not listed in order of priority:*
- (i) *National direct access entities nominated for accreditation by national designated authorities or focal points of countries that do not have an accredited direct access national entity;*
- (ii) *Private sector entities, in particular those in developing countries, seeking a balance of diversity of entities in line with decision B.09/07, paragraph (g) and decision B.10/06, paragraph (h);*
- (iii) *Entities responding to requests for proposals issued by the Green Climate Fund, for example, including a pilot phase for enhancing direct access; a pilot programme to support micro, small, and medium-sized enterprises; and a pilot programme to mobilize resources at scale in order to address adaptation and mitigation;*
- (iv) *Accredited entities seeking fulfilment of their conditions for accreditation; and*
- (v) *Accredited entities requesting upgrades in their accreditation scope.*

Agenda item 18: Performance review of the GCF for the initial resource mobilization period

Annex XIX: Accreditation assessment of Applicant 075 (APL075)

I. Introduction

1. Applicant 075 (APL075), the Consortium of International Agricultural Research Centres, now called CGIAR, is an international entity headquartered in France that operates global. The applicant acts as the international development research centre of a consortium of countries, donor agencies and other entities that seeks to increase the social, economic and nutritional well-being of peoples in developing countries through the promotion of agroforestry systems to achieve better land use without detriment of their environments.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 27 June 2015. Accreditation fees were received from the applicant on 21 July 2015, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 11 December 2017 and the applicant was progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the fit-for-purpose approach of the GCF:

- (a) **Access modality:** international access;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** small;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management; and
 - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
- (e) **Maximum environmental and social risk category:** minimal to no risk (Category C/Intermediation 3 (I-3)).³

II. Stage I institutional assessment and completeness check

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process.

4. The accreditation application has been reviewed in Stage I taking into consideration that CGIAR, as the entity seeking accreditation, is required to demonstrate its systems, policies and procedures, as well as its track record of implementing such systems in order to manage, oversee and supervise projects/programmes and related activities in accordance with the role and responsibilities of an accredited entity, as identified in the accreditation master agreement. If accredited to the GCF, CGIAR would enter into the accreditation master agreement, and other organizations as part of the consortium would be leveraged through inter-organization

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of above USD 10 million and up to and including USD 50 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per annex I to decision B.07/02, category C is defined as "Activities with minimal or no adverse environmental and/or social risks and/or impacts" and intermediation 3 is defined as "When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts".

agreements between CGIAR and the other entities within the consortium, which could be executing entities for CGIAR.

2.1 Legal status, registration, permits and licences

5. The applicant provided documents on its establishment and licenses to operate, where relevant, as a part of the application. The applicant was established as an independent international organization under international law in 1971 as an informal network of private and public sector entities from the south and north through the Treaty that established the Consortium, “Agreement Establishing Consortium of International Agricultural Research Centre as an International Organization,” now called CGIAR.

2.2 Institutional presence and relevant networks

6. As a global partnership that unites organizations engaged in research for a food secure future, the applicant is highly committed in various international climate change mitigation and adaptation initiatives. CGIAR’s fifteen partner centres are located across multiple countries, most being in developing countries, and each focusing in a specific area. The partner centres would operate as executing entities for CGIAR, as the implementing entity, if accredited.

7. The applicant supports rapid learning, readiness for and implementation of agricultural practices that enable climate change adaptation and mitigation (“CSA solutions”) at large scales in emerging and least developed countries across Latin America, Africa, Asia and the Pacific. CSA solutions aim at productivity increases, enhanced adaptation and contributions to mitigation. Activities will aim to reduce gender and social inequality.

8. In order to advance the objectives of the GCF, the applicant intends to focus on its research-based best-practices in climate change mitigation and adaptation and undertake projects/programmes in the following areas with the GCF:

- (a) Mitigation: land use/forestry (REDD+) and agriculture; and
- (b) Adaptation: enhancing livelihoods, health, wellbeing and food and water security, Ecosystem and ecosystem services, Institutional and regulatory systems, climate information/early warning systems and awareness strengthening and climate risk reduction.

2.3 Track record

9. The applicant has been working with governments, partner organizations, local and international civil society organizations, and local communities across the developing world and has successfully implemented research-based programmes and projects through its partner centres.

10. The applicant’s track record in financing climate change-related projects includes the following, which fall under the GCF micro and small size categories:

- (a) USD 33.1 million (grant) for the CSISA - Cereal System Initiative South Asia Phase II 2012/3-2016 project in Bangladesh, India, Nepal and Pakistan;
- (b) USD 21.6 million (grant) for SIMLESA – Sustainable intensification of maize-legume cropping system for food security in eastern and south Africa – Phase II 2011-2015 project in Ethiopia, Kenya, Malawi, Ethiopia, Tanzania, Rwanda, Uganda and Botswana;
- (c) USD 18.6 million (grant) for DTMA - Cereal System Initiative South Asia (CSISA) Phase II 2012-2015 project in Bangladesh, India, Nepal and Pakistan;

- (d) USD 18.6 million (grant) for AFSIS, a globally integrated African Soil Information Service project for 2008 to 2013 in Kenya, Tanzania, Malawi, Mali and Nigeria; and
- (e) Circa USD 10 million (grant) for the PABRA-Pan African Research Alliance 2009–2018 project.

2.4 Potential support for direct access entities

11. The applicant intends to support direct access entities in meeting the GCF's accreditation standards through a two-tiered approach. First, CGIAR aims to enhance the capacity of research partners to generate knowledge. Once that knowledge is produced, CGIAR then works to enhance the capacity of decision-makers to demand and use that knowledge effectively.
12. Furthermore, CGIAR facilitation of various multi-stakeholder platforms will provide direct institutional strengthening with regards to adaptation and mitigation capacity, including access to climate finance via for example the GCF in individual countries, and at regional and higher levels via collaboration with partners such as the New Partnership for Africa's Development and Association of Southeast Asian Nations.
13. As part of CGIAR Programmes' Phase II that started on 1 January 2017, CGIAR seeks to continue to enable national partners and beneficiaries and contribute to enhanced capacity for innovation in partner development organizations by raising awareness of and prepare for innovative climate funds at multiple levels, such as the GCF. To support direct access entities in meeting GCF standards, particularly strengthening their financial and project management capacities, CGIAR will contract a recognized capacity development service provider to outsource this component of capacity development in its target countries.

III. Stage II accreditation review assessment

14. The applicant applied under the normal-track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the standards of the GCF in accordance with the accreditation requirements.
15. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Section 4.1: Basic fiduciary standards: key administrative and financial capacities

16. The CGIAR system includes the applicant itself, donors, the trustee, the system management organization and research centres.
17. The applicant's current governance structure was formally adopted in June 2016 and is the result of ongoing improvements agreed upon between the relevant stakeholders.⁴ The main governance bodies are the system council (whose members are representatives of donors and of developing countries); the system management board (whose members are appointed by general assembly of centres) and the system management office, which is responsible for

⁴ The following clarification is provided regarding governance bodies referred to throughout this recommendation. As per CGIAR, the following terms are used interchangeably: (a) System Organization and Consortium; (b) System Management Board and Consortium Board; and (c) Centres shall be construed as meaning the Member Centres. Refer to

<https://cgspace.cgiar.org/bitstream/handle/10947/4370/Charter%20CGIAR%20Organization.pdf?sequence=8>.

executive and operational management. The applicant's governance structure is enhanced by the establishment of independent advisory bodies which include the board audit and risk committee, the independent evaluation unit and the independent science committee.

18. The applicant has a mature strategic planning methodology guided by the input of the system council and the system management board. The applicant's well-defined strategic objectives, which are published in its strategy and results framework document, serve as the basis for development of research programmes through which the strategy is implemented.⁵ Proposals for research programmes are presented by the research centres that are part of the applicant's system, reviewed by the independent science committee, and presented by the system management board to the supervisory council for strategic approval.

19. The applicant has historically prepared its financial statements using its internal accounting guidelines, which are based on the International Financial Reporting Standards (IFRS), however, due to historical limitations of IFRS standards as applicable for not-for-profit entities the applicant had implemented additional accounting guidelines that are not contained in IFRS. However, the applicant, aware of the advantages of full IFRS compliance (e.g., adopting of IFRS and meeting the requirements to provide two years of information for comparative purposes), published in November 2017 a financial guidance document that establishes the requirement for full IFRS compliance for the fiscal year beginning in 2017.

20. The separation of duties and responsibilities in the applicant's payment and disbursements system is well defined. Responsibilities for review, approval and execution of disbursements are appropriately segregated among several authorities. Furthermore, the applicant provided copy of the report prepared by internal audit of an internal control compliance review that evidences regular independent oversight over key control processes.

21. The audit and risk committee (ARC) is a standing committee of the system management board. The terms of reference of this committee are publicly available⁶ and demonstrate that the ARC's functions are appropriate for effective and independent functioning of this committee. The ARC has five members: one independent member and four members that are affiliated with the research centres that are part of the applicant's system. The system council has established the assurance oversight committee ("AOC")⁷, as a standing committee, the main function of the AOC is to provide the system council with assurance of the effectiveness and independence of the internal and external audit functions. The AOC has five members, two of which are members of the system council and three independent members.

22. Drawing upon the risk management principles contained in ISO 31000 and Committee of Sponsoring Organizations' revised framework, the applicant developed its current risk management policy⁸ which was approved by the system council in September 2017. The audit and risk committee exercises, with the support of the internal audit function, regular oversight of risk issues. Furthermore, the independent instances such as the external audit and the independent evaluation unit, provide further assurance regarding risk management and effective oversight.

23. The applicant's procurement guidelines contain the required elements to ensure that procurement activities are undertaken in accordance with best practices.⁹ The procurement guidelines provide specific guidance on ethical issues, procurement planning tasks, role of the procurement committee, procurement methods, types of contracts, required documentation,

⁵ <https://cgspace.cgiar.org/bitstream/handle/10947/3865/CGIAR%20Strategy%20and%20Results%20Framework.pdf>.

⁶ https://www.cgiar.org/wp/wp-content/uploads/2018/03/SMB-ARC_TOR_approved27Mar2018.pdf.

⁷ The Assurance and Oversight Committee was recently formed and is still in the process of being fully established. Refer to <https://www.cgiar.org/how-we-work/governance/system-council/system-council-standing-committees/>.

⁸ <https://www.cgiar.org/wp/wp-content/uploads/2018/01/Risk-Management-Framework-APPROVED.pdf>.

⁹ <https://cgspace.cgiar.org/bitstream/handle/10947/4485/CGIAR%20Financial%20Guidelines%20Series%206.pdf?sequence=1>.

and procurement control, audit and accountability assessment. The applicant provided copies of procurement audit and evaluation reports that provide reasonable assurance of effective application of the procurement guidelines. The beneficiaries of grant funds disbursed by the applicant are the research centres that are part of the CGIAR System and apply procurement policies that are consistent with the applicant's and further the applicant exercises oversight of the research centres.

24. The AP finds that the applicant's policies, procedures and capacity comply with the GCF basic fiduciary standards on key administrative and financial capacities.

3.1.2 Section 4.2: Basic fiduciary standards: transparency and accountability

25. The applicant's code of ethics is contained within its personnel policy manual, in the section titled staff code of conduct. This policy defines the expected behaviours of staff members based on the organizational core values and the responsibility of managers and supervisors to set an example of observance of ethical standards, clearly communicate the ethical requirements to all staff members, monitor the observance of the code of conduct and ensure that any perceived or real breach of the ethical standards is resolved in a timely manner. Furthermore, the applicant provided documentation of the ethical behaviour requirements that are included in contracts signed with external consultants.

26. The staff code of conduct provides clear guidelines pertaining to situations that may give rise to conflicts of interest, and further defines the obligation of staff members to avoid situations of conflict of interest, and if a potential conflict of interest exists the staff member must disclose such situation.

27. All members of the system management board, its standing committees and its working groups adhere to the framework for declarations of interest.¹⁰ This framework provides guidance regarding the situations that may be perceived or constitute a conflict of interest and establishes the requirement to provide an annual declaration of conflict of interest and disclosure previous to the discussion of any agenda point that may give rise to a conflict of interest. Furthermore, this framework establishes that if a situation of conflict arises, the risk of such a conflict shall be evaluated, and if necessary, an action plan to resolve the conflict of interest is agreed upon with the chair of the system management board.

28. The applicant, as part of the CGIAR System, is "responsible for the day-to-day operations of the system management organization, and for providing support to the system management board and the system council."¹¹ This responsibility includes ensuring that reasonable independent assurance is given to donors regarding the effective use of financial resources invested in the research programmes across the entire system.¹² The applicant provided copies of two internal audit assessment reports of the risk management policies and procedures at both the system and the applicant level. The recommendations of these reports are in the process of implementation within the context of the new corporate governance structure adopted, by the applicant, in 2016. In addition to the responsibilities assumed by the applicant, each of the research centres, that are part of the system, provide an annual internal control assurance letter and the donors retain the authority to request independent assurance reviews.

29. The applicant is developing an investigations procedure to be applied consistently throughout the system. This procedure will provide clear guidance for reporting, investigating and reaching final resolution of events. Currently, events that require investigation are managed

¹⁰ https://www.cgiar.org/wp/wp-content/uploads/2018/08/CGIAR-Framework-Declarations-of-Interest-APPROVED_v9Mar2017.pdf.

¹¹ <https://www.cgiar.org/how-we-work/governance/system-organization/>.

¹² For purposes of this assessment the applicant's System is defined as per Article 2 of its Framework document. Refer to <library.cgiar.org/bitstream/handle/10947/4371/CGIAR%20System%20Framework%20-%20WEB.pdf?sequence=1>.

by the internal audit unit and the ethics webpage¹³ can be used to report incidents. This webpage includes instructions on how to report misconduct, how the information is treated, whistle-blower protection (if name of reporting party is included) and both a dedicated email for reporting misconduct as well as an online submission form. The investigations procedure currently under development by the applicant will further enhance its current investigations function, which the AP has found already sufficient to comply with the required GCF fiduciary standard.

30. The applicant enters into financial agreements with the agricultural research centres that are part of the CGIAR System. These agreements contain provisions pertaining to prohibited practices, anti-money laundering (AML) and countering the financing of terrorism (CFT) that the recipient centres must both comply with and provide assurance that downstream research programme participants also comply. Furthermore, evidence was provided of the AML and CFT policies developed by the research centres, including due-diligence formats and guidelines.

31. The provisions of the financial agreements, as well as the AML/CFT policies and procedures implemented by the research centres, provide reasonable assurance of an effective AML/CFT framework and appropriate measures to address prohibited practices issues. However, to fully comply with the GCF's basic fiduciary standards, the GCF General Principles on Prohibited Practices¹⁴ and the GCF AML/CFT Policy,¹⁵ it is required that the applicant develop an AML/CFT policy. The gap identified is reflected in the corresponding condition of accreditation in section 4.2 below.

32. Given that important governance and risk management improvements are of recent implementation, it is not possible to assess the impact of these improvements and the attainment of the stated objectives. Therefore, an annual summary of the implementation status and impact of these improvements (focused specifically on risk management aspects) is also recommended as a condition for accreditation in section 4.2 below.

3.1.3 **Section 5.1: Specialized fiduciary standard for project management**

33. The applicant's project identification, formulation and appraisal activities are framed within the context of its strategic planning documents, including the CGIAR strategy and results framework for 2016 to 2030¹⁶ and the 2017 to 2022 CGIAR research programme portfolio final guidance for full proposals.¹⁷ The detailed guidance provided by the strategy documents and the applicant's focus on five to six-year research programme frame the entire project identification, formulation and appraisal process. The research programmes define the areas that the applicant will dedicate resources to and all projects are evaluated and approved in terms of their contribution to research programme goals. The applicant has demonstrated that it has the capacity to appropriately identify and formulate research programmes. And select projects that contribute to the programme goals.

34. The project assessment process is enhanced by the participation of the independent science and partnership council (ISPC). The ISPC reviews the proposals, for both programmes and projects, against the criteria established in the proposal guidance document. The review deliverables of the mentioned independent council are a final review report, which includes recommendations for programme improvements, and a proposal rating. The system management office (SMO) evaluates the managerial and operational aspects of the proposal, to further enhance the available decision-making information. Based on the technical and

¹³ <https://www.cgiar.org/how-we-work/accountability/ethics/>.

¹⁴ Decision B.12/31.

¹⁵ Decision B.18/10.

¹⁶ <https://cgspace.cgiar.org/bitstream/handle/10947/3865/CGIAR%20Strategy%20and%20Results%20Framework.pdf>.

¹⁷ https://cgspace.cgiar.org/bitstream/handle/10947/4127/CGIAR-2ndCall-GuidanceFullProposals_19Dec2015.pdf?

managerial reviews the system management board evaluates the programme proposal and forwards it to CGIAR's system council for approval of funding.

35. The applicant's governance structure is reflected in the assignment of project implementation responsibilities, which are shared between the CGIAR system organization and the lead research centre. The CGIAR system organization assumes the role of programme coordinator and in this role is responsible for implementation oversight of the entire portfolio of programmes, and the lead research centre assumes the role of implementing entity. In the context of GCF, CGIAR as the applicant would be the implementing entity, and any other entities within the consortium, including the research centres, would be executing entities.

36. The documented oversight functions of the system council and of the system management board provide further assurance of appropriate programme and project management.

37. The applicant has a defined strategy of information disclosure that provides transparency to the management of its research programmes and public availability of the agricultural scientific information generated by these programmes. Specifically: the applicant and system research centres publish a research programme portfolio report and programme specific reports, and the applicant's open access and data management policy establishes that the research information generated is to be considered a public good.

38. The applicant's organizational changes, formalized with the 2016 adoption of the system framework, enhance the applicant's ability to coordinate CGIAR System's research activities; and enhance project monitoring and evaluation mechanisms. Project and programme monitoring and evaluation is undertaken both at the research centre level and at the applicant's level. The applicant publishes monitoring and evaluation information and reports through its website. The information publicly available includes, but is not limited to, research programme steering committee meeting reports, independent evaluation agreement unit¹⁸ reports, programme management responses to evaluation report recommendations (including information on the status of implementation of evaluation recommendations).

39. The structured manner in which the applicant develops, implements and monitors its research programmes provide the basis for effective project at risk management mechanisms. As part of the programme proposals a detailed risk matrix is developed, and specific risk metrics are established. These metrics are regularly monitored, and corrective action can be implemented in a timely manner. The applicant provided information on internal audit reports and management actions that demonstrate the applicant's capacity to identify and resolve programme and project risk issues. The governance structure implemented in 2016, and the adoption of the risk management framework, adopted in 2017, can be expected to enhance the applicant's risk management competencies as further experience is gained.

40. The AP concludes that the applicant's policies and procedures for project management are sufficiently aligned with the GCF specialized fiduciary standard for project management.

3.1.4 **Section 5.2: Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

41. The CGIAR System funds its research activities with donor funds that are managed by the applicant and disbursed as grants to the research centres. The applicant's grant award system is assessed in the context of its organizational arrangement detailed in sections 3.1.1 and 3.1.2 above. Specifically, the following frames this assessment:

- (a) Both the member research centres and approved research programme portfolio eligible to receive grant awards are defined, prior to the grant award process, by the decisions of the system participants; and

¹⁸ <http://iea.cgiar.org/>.

- (b) The applicant is responsible, according to its charter, for “... providing the trustee the information needed for the trustee to carry out its responsibilities, including instructions for transfer of funds”¹⁹ to CGIAR research centres.”
42. It is important to note that the CGIAR System makes calls for proposals every five to six years when the portfolio of research programmes is defined. The calls for proposals are always complemented with a publicly available call guidance document.
43. The applicant’s grant award eligibility and award criteria are based on defined guidelines and independent evaluation instances. The CGIAR research programmes grant award proposals are evaluated following the procedures described in section 3.1.3 above. The portfolio level grant proposals include information on the implementing partners that will participate, and receive grants, during programme implementation. These implementing partners are recognized as eligible to receive grant awards as part of the approval of the research programme grant.
44. The applicant discloses, on its website, all final grant proposals, proposal evaluation reports, information regarding the research programmes to be financed with the grant funds, and annual financial information regarding disbursements and use of grant funds. Furthermore, all grant related decisions taken by the system council and the system management board are publicly available.
45. The board of trustees of the research centre that serves as lead for a research programme appoints an independent steering committee (ISC) which provides assurance of independent and effective programme oversight. Once appointed the ISC is accountable to the board of trustees. The terms of reference of the climate change, agriculture and food security (CCAFS) research programme were provided for the AP’s assessment. The AP assesses that the terms of reference clearly define the role of the ISC, and comprehensively set out the main responsibilities, including those for setting overall programmatic priorities, advise on annual business plan, approve the annual activities plans and budgets, and to provide independent oversight of the research programme.
46. The research programme lead centre, the participating centres and the participating partners are all subject to the required due-diligence processes regarding their technical and managerial capacity to undertake the programme activities assigned. The relationships between the parties are regulated by project participation agreements that provide the applicant with recourse to terminate further disbursements, as well as for the recovery of funds used for non-authorized purposes. The applicant provided information on recent programme audit and external evaluations that are being performed for the CCAFS programme (when available the reports of these evaluations will be published on the applicant’s website).
47. The applicant publishes the results and outcomes of its research programmes on its website (through programme specific webpages) and on the websites of the research centres. Furthermore, the applicant has established the strategic importance of considering its research information a public good and has implemented, across the system, its open access and data management policy and its guidelines on intellectual asset management. Additionally, the applicant has implemented procedures to monitor and evaluate the impact of its research programmes and also discloses the impact assessment reports, measured in terms of the attainment of established system level objectives and intermediate development outcomes.
48. The applicant has implemented important changes in its governance and risk management structure, aimed at enhancing the transparency in the use of grant funds and improving the assurance instances that oversee the management of financial resources across the system. Additional transparency is provided with the annual publication, on its website, of research programme workplans (including budgets) and annual progress reports. The

¹⁹ <https://cgspace.cgiar.org/bitstream/handle/10947/4370/Charter%20CGIAR%20Organization.pdf?sequence=8>.

substantial amount of assurance reports and financial information publicly available on the applicant's website demonstrates its capacity to adequately manage grant funds, and that appropriate controls are in place to detect and correct irregularities.

49. The list of contributors to the CGIAR trust fund demonstrate that the CGIAR system is in good standing with multi-lateral, bi-lateral, national and private donors. Furthermore, the applicant indicated that it expects an expenditure (including a public expenditure) review of the funds overseen by the CGIAR management office.

3.1.5 **Section 5.3: Specialized fiduciary standard for on-lending and/or blending**

50. The applicant did not apply for accreditation for this standard at this time.

3.2 Environmental and social safeguards

3.2.1 **Section 6.1: Policy**

51. The applicant applied for the environmental and social (E&S) risk Category C/I-3 and thus is not required to have an E&S policy. Nevertheless, the AP reviewed applicant's SRF 2016 to 2030 and found that the SRF sufficiently defines the applicant's mission, vision, aspirations and strategic actions to deliver on its mission. The applicant focuses on four key crosscutting themes that are critical to attaining its goals and targets:

- (a) mitigating and adapting to climate change risks and shocks;
- (b) ensuring gender and youth equity and inclusion;
- (c) strengthening the policy and institution enabling environment; and
- (d) developing the capacity of national partners and beneficiaries.

52. The AP found the applicant's SRF to be sufficient to meet the GCF requirements for a maximum E&S risk Category C/I-3 projects/programmes.

3.2.2 **Section 6.2: Identification of risks and impacts**

53. As the nature and core of the applicant's business model as described above is committed to mobilizing agriculture research, a formal procedure to guide staff in identifying the E&S risks and impacts of projects/programmes as they evolve over the project lifecycle, in line with the GCF interim ESS, is not required. Nevertheless, the applicant's SRF describes the process of selecting and screening projects that is seen to be consistent with the performance standards 1 to 8. The SRF is implemented across the applicant's various centres and research programmes.

54. The applicant provided its portfolio-level risk catalogues for its research programme on climate change, agriculture and food security, where risks to the research programme are identified and assessed according to low, medium and high risk. The applicant has stated that it intends to use the GCF resources to focus on its research-based best-practices in climate change mitigation and adaptation and undertake projects/programmes with GCF in areas identified in paragraph 8.

55. The applicant's E&S risk identification and categorization process is found by the AP to meet GCF requirements for a maximum E&S risk Category C/I-3 projects/programmes.

3.2.3 **Section 6.3: Management programme**

56. The applicant provided examples of its risk catalogues at its portfolio-level research programmes on climate change, agriculture and food security, where the follow-up actions on mitigating the risks are identified in the catalogue. The risks are assessed on an annual basis and discussed by the respective programmes' science panels twice a year. The applicant provided examples of its research projects comprising i) a global baseline for changing farming

practices by putting farmers at the centre of climate information services; and ii) gender and climate change and enabling people to reach their full potential in adapting agriculture to climate change. The E&S risk management function is found by the AP to meet GCF requirements for a maximum E&S risk Category C/I-3 projects/programmes.

3.2.4 **Section 6.4: Organizational capacity and competency**

57. The applicant provided its institutional organizational chart showing the designated staff members appropriately located within the organization who are knowledgeable about performance standards 1 to 8 of the GCF interim environmental and social safeguards and are able to properly categorize potential funding proposals through a screening process. The applicant's directors, flagship leaders and regional programme leaders are responsible for implementing the organization's SRF. They usually visit and review projects once every year, led by the respective programme directors. The CCAFS programme management committee assists in implementing the CGIAR research programme on CCAFS. The AP found that the applicant's organizational capacities and competencies to implement its SRF are appropriate, including for projects/programmes that are categorized as a maximum E&S risk Category C/I-3 projects/programmes.

3.2.5 **Section 6.5: Monitoring and review**

58. The applicant's research programmes use a planning and reporting system for all projects. The system sets targets according to the SRF, and reporting is done on an annual basis. The research programmes are progressively adopting a results-based management approach and set clear targets with ten-year indicators. The applicant provided an example of the research programme titled "Climate Change, Agriculture and Food Security" that adopted the results-based management approach since its inception in 2011. The approach facilitates learning and course correction and has led to multiple positive outcomes after four years of implementation. Furthermore, the SRF sets out a procedure for the applicant's centres and research programmes to hold themselves accountable via an accountability framework, results-based management at the programme- and system-levels. The AP reviewed 2017 Annual Reports for CCAFS monitoring reports and found that they provide sufficient evidence on the applicant's monitoring and review system. Overall, the AP found the applicant's monitoring and reporting process sufficient for a maximum E&S risk Category C/I-3 projects/programmes.

3.2.6 **Section 6.6: External communications**

59. The applicant has several external communications channels for receiving and registering external communications from the public comprising general email address, contacts page on website, which provides general address and access to staff contacts and comments area on website news blog. It also uses various social media channels including Facebook, Twitter, LinkedIn, etc.

60. The applicant's SMO utilizes a series of working procedures to screen and assess communications. Issues reported through the ethics reporting framework are routed to internal legal counsel who serves in the dual capacity in this regard as ethics officer and legal counsel. The staff complement of the system organization involved into external communications includes three internationally qualified senior legal counsel, financially qualified people, a certified fraud examiner and a certified internal auditor.

61. The applicant indicated that no formal complaints about the system organization have been received in the past two years from external communication channels. The applicant periodically receives unsolicited general enquires and these are replied to on a timely basis. A formal record of such enquiries, which typically seek information about the organization, is not currently kept. The AP found the applicant's external communications system sufficient for a maximum E&S risk Category C/I-3 projects/programmes.

3.3 Gender

62. The applicant's CCAFS gender strategy, which was adopted in February 2012, outlines its policies and procedures for mainstreaming gender issues in its research operations. The gender strategy is intended to strengthen CCAFS' development impact through the integration of gender issues into research in keeping with commitments in the applicant's SRF to ensure that rural women benefit from its contribution to poverty reduction, enhanced environmental resilience, improved food security, human health and nutrition.

63. CCAFS approaches gender primarily as a cross-cutting theme within the context of its broader objective of achieving positive impact on social inclusion for the rural poor. Gender analysis is therefore applied broadly to deepen the relevance of other research themes, while research on gender is undertaken selectively to address a few questions that represent important risks or opportunities for the CCAFS programme. CCAFS employs strategies and approaches that enhance women's active participation in CCAFS-related research, capacity building opportunities, policy engagement activities and events at local, national, regional and international levels.

64. Following a number of reviews on gender in CGIAR that were undertaken in the past, the applicant's independent evaluation arrangement commissioned an evaluation of gender in CGIAR which was carried out as two separate evaluations on gender in CGIAR research and on gender at the CGIAR workplace, which were both finalized in 2017 with positive outcomes.

65. The applicant provided a sample of its research projects that specifically target women among programme/project beneficiaries which include gender household survey gathering gender-disaggregated data on agricultural activities, decision-making, weather information, risk-perception and values from rural households; and gender and institutional aspects of climate-smart agricultural practices. The applicant also provided a sample of its research papers that provide evidence of linking gender and climate change. The AP found the applicant's gender strategy to be in line with the GCF gender policy and sufficient to meet the GCF requirements on gender. The applicant provided sufficient evidence of track record to demonstrate its experience with gender and climate change.

IV. Conclusions and recommendation

4.1 Conclusions

66. Following its assessment, the AP concludes the following in relation to the application:

- (a) The applicant partially meets the requirements of the GCF basic fiduciary standards, meets the requirements of the specialized fiduciary standard for project management, and meets the requirements of the specialized fiduciary standard for grant award and/or funding allocation mechanisms. To fully meet the GCF basic fiduciary standards the AP recommends that the applicant develop a stand-alone policy addressing to AML, CFT and prohibited practices. The AP also recommends that the applicant provide an independent attestation of the progress made in the implementation of its Risk Management Framework adopted in September 2017;
- (b) The applicant meets the requirements of the interim ESS of the GCF in relation to the minimal to no E&S risk (Category C/I-3); and
- (c) The applicant has demonstrated that it has competencies, policies and procedures in order to implement its gender policy, which is found to be consistent with the gender policy of the GCF and has demonstrated that it has experience with gender consideration in the context of climate change.

4.2 Recommendation on accreditation

67. The AP recommends, for consideration by the Board, applicant APL075 for accreditation as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or activity within a programme:** small (including micro²⁰);

(ii) **Fiduciary functions:**

1. Basic fiduciary standards;
2. Specialized fiduciary standard for project management; and
3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and

(iii) **Maximum environmental and social risk category:** minimal to no risk (Category C/I-3); and

(b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition(s). The AP will thereafter assess whether the condition(s) has/have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:

(i) Condition to be met prior to the signature of the accreditation master agreement for completion of Stage III of the accreditation process:

1. Develop a Policy for AML/CFT and prohibited practices consistent with the GCF basic fiduciary standards, GCF AML/CFT Policy and the GCF General Principles on Prohibited Practices; and

(ii) Condition to be met on an annual basis for three consecutive years, starting from the end of the calendar year 2018:

1. Provide a summary of the implementation milestones and impact of the financial risks management improvements undertaken based on its governance structure adopted in 2016.

68. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 67 above, and agrees to the recommendation.

²⁰ As per annex I to decision B.08/02, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of up to and including USD 10 million for an individual project or an activity within a programme”.