

*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 XV: Accreditation assessment of Applicant 071 (APL071)

### I. Introduction

1. Applicant 071 (APL071), the Fundo Brasileiro para a Biodiversidade (Funbio), is a national entity whose mandate is to provide strategic resources for biodiversity conservation in Brazil. Throughout its 20-year existence, it has managed projects financed with the private sector and through bilateral and multilateral agreements with the Brazilian government, with a focus on areas of biodiversity conservation, land use, forestry and ecosystems.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 11 April 2017. Accreditation fees were received from the applicant on 16 May 2017, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 18 December 2017 and the applicant was progressed to 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 GCF fit-for-purpose approach:

- (a) **Access modality:** direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application from Brazil;
- (b) **Track:** fast-track under the Global Environment Facility (GEF);
- (c) **Maximum size of an individual project or activity within a programme:** medium;<sup>1</sup>
- (d) **Fiduciary functions:**<sup>2</sup>
  - (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:** medium risk (Category B/Intermediation 2 (I-2)).<sup>3</sup>

### II. Stage I institutional assessment and completeness check

3. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF entity. Its application has been assessed by the Secretariat during Stage I in accordance with the requirements and gaps identified in decisions B.08/03 and B.10/06.

#### 2.1 Legal status, registration, permits and licences

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<sup>1</sup> As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “medium” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 50 million and up to and including USD 250 million for an individual project or an activity within a programme”.

<sup>2</sup> Decision B.07/02.

<sup>3</sup> As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as “Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

4. The applicant provided documents on its establishment and licences to operate, if any and where relevant, as a part of the application. Funbio is registered under the Registry of National Entities (No. 03.537.443/0001-04) and is governed by the Bylaws of a Non-Profit Civil Association in Brazil.

## 2.2 Institutional presence and relevant networks

5. The applicant has a strong national presence. As a GEF Project Agency for the development of strategies that contribute to the implementation of the United Nations Convention on Biological Diversity, the applicant has been a strategic partner for the private sector, different state and federal authorities and organized civil society. Such partnerships make it possible for the private sector entities involved in these projects to make social investments and reduce and mitigate environmental impacts. In the public sphere, such partnerships serve to consolidate conservation policies and enable environmental funding programmes.

6. In order to advance the objectives of GCF, the applicant intends to support Brazil in achieving its nationally determined contribution under the United Nations Framework Convention on Climate Change, aligned with the mission and policies of the GCF. As the nationally determined contribution of Brazil sets ambitious goals for sectors such as land use and forestry, the applicant plans to propose to GCF both mitigation and adaptation projects focusing on these two sectors, building on its expertise and past experience in projects on land-use change, protected areas and forest management.

## 2.3 Track record

7. The applicant has supported national efforts in the field of climate change mitigation and adaptation, with a track record in managing projects of land use and forest management. In the past two decades, the applicant has supported 270 projects from 232 different organizations and supported 311 protected areas totalling 67 million hectares.

8. The applicant's track record in managing climate change-related projects includes the following:

- (a) USD 185.96 million (grants) for the Mechanism for the Conservation of Biodiversity in the State of Rio de Janeiro;
- (b) USD 55.24 million (grants) for the First Phase of the Arpa Amazon Region Protected Areas Programme;
- (c) USD 54.12 million (grants) for the Second Phase of the Arpa Amazon Region Protected Areas Programme;
- (d) USD 20.84 million (grants) for the implementation of the Tropical Forest Conservation Act; and
- (e) USD 3.3 million (grants) for Conservation and Management of Pollinators for Sustainable Agriculture through an Ecosystem Approach of the Pollinators Programme.

## III. Stage II accreditation review assessment

9. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF Project Agency. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the accreditation standards of GCF in accordance with the requirements and gaps identified in decisions B.08/03 and B.10/06.

10. As part of this assessment, the AP consulted the applicant's website 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**

11. As per paragraph 9 above, the basic fiduciary standards concerning key administrative and financial capacities is considered to have been met by way of fast-track accreditation.

#### 3.1.2 **Section 4.2: Basic fiduciary standards: transparency and accountability**

12. As per paragraph 9 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.5, anti-money-laundering (AML) and countering the financing of terrorism (CFT) policies, have been met by way of fast-track accreditation.

13. Regarding Item 4.2.5, the applicant's anti-money-laundering and countering the financing of terrorism (AML/CFT) policy is based on both international best practices, such as the Financial Action Task Force Recommendations and the United Nations International Convention for the Suppression of the Financing of Terrorism Treaty (ratified in 1999), and local applicable legislation. This policy complies with the requirements of GCF fiduciary standards as they pertain to AML/CFT. Furthermore, the applicant provided a copy of its Code of Ethics that contains the elements required for compliance with GCF requirements as they pertain to defining and preventing prohibited practices. The applicant's AML/CFT policy recognizes the same international AML/CFT principles and best practices as those referred to in the GCF AML and CFT Policy,<sup>4</sup> including the requirement of effective identification of the ultimate beneficiary of any disbursement of funds. The applicant's AML/CFT policy and procedures provide reasonable assurance of its ability to comply with the AML/CFT requirements of GCF.

14. The applicant provided relevant documentation of its "know-your-customer" procedures, including a copy of a completed due diligence exercise applied to a project executing entity. The "know-your-customer" procedures provide for appropriate assessment of counterparties; however, the applicant noted that the "know-your-customer" procedures presented for the accreditation assessment of the AP are currently being applied only for disbursement of funds received from a specific donor. The AP emphasizes the requirement that the "know-your-customer" procedures presented for the accreditation assessment of the AP be applied to all GCF-funded projects/programmes. As part of its AML/CFT procedures the applicant has implemented a procedure for strict control of funds disbursed to executing entities. Each executing entity is required to open an exclusive bank account for disbursements of funds from the applicant, and this bank account can be accessed by the applicant to verify that no irregular transactions have occurred.

15. The AP notes that the applicant has formally committed to implement improvements in its AML/CFT policy that will provide further assurance of appropriate management of money-laundering and financing of terrorism risks.

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

16. As per paragraph 9 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

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

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<sup>4</sup> Decision B.18/10.

17. The applicant has a well-documented grant policy that lays out the principles followed in all grant award activities. The policy is supplemented by detailed operational procedures to ensure consistency in the grant award process, which, along with comprehensive calls for project proposals, are publicized on the applicant's website and made available to the public through social media channels (e.g. Facebook, Twitter and Instagram) to attract a wide range of applicants for grant awards.

18. The applicant has a robust due diligence system for assessing the eligibility and capabilities of potential grant awardees. The evaluation of grant proposals/applications is undertaken by an independent technical committee comprised of specialists from academia, governments and non-profit organizations who are chosen based on their expertise. Grant award decisions are published on the applicant's website.

19. Implementation of grant-funded projects is monitored on a regular basis, including on-site visits to support grant beneficiaries and disseminate best practices. Reports by multilateral organizations, such as the GEF, clearly show that the applicant has experience and competence in appraising and overseeing implementation of grant-funded projects.

20. The applicant has provided sufficient information, which demonstrates a sound track record of effectiveness and consistency in the implementation of its grant award policies, procedures and process. The AP concludes that these are aligned with GCF standards in all key areas except those outlined in paragraph 21 below.

21. Currently, the applicant does not have a system of providing public access to information on the periodic progress of individual projects as required by GCF to ensure greater transparency in the use of funds by grant recipients. However, the applicant has committed itself to publishing, on its website every semester, progress of projects that would be funded by GCF. In addition, the applicant does not currently record and maintain data on financial irregularities or fraud in its operations. However, it has agreed to develop and implement such a system as required by the GCF specialized fiduciary standard for grant awarding and/or funding allocation mechanisms. Gaps identified are reflected in the corresponding conditions for accreditation in section 4.2 of this document.

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

22. 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**

23. The applicant adopted its own environmental and social (E&S) and gender safeguards systems when it became a GEF Project Agency in 2015. It adopted the International Financial Corporation (IFC) performance standards 1 to 8 on environmental and social sustainability in December 2017. The revised February 2018 policy provides E&S and gender objectives and principles, refers to relevant national and international laws and obligations, and the IFC performance standards. The 2018 E&S and gender policy is shared with staff via its intranet and is shared with the public via the applicant's website.

24. The operational procedures for environmental and social impact assessment (ESIA) require the assessment of project alternatives and associated facilities. Although not usually an issue for the type of projects funded, the applicant is updating its ESIA procedures to screen for cumulative and supply-chain impacts, to reflect the potential gaps related to the requirements of performance standards 1 and 6.

25. The AP has found that the applicant's E&S and gender policy is in line with GCF requirements and is suitable for the maximum level of E&S and gender risk Category B/I-2 for which the applicant is seeking accreditation.

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

26. The project appraisal manual provides a documented process to identify the E&S and gender risks and impacts as they evolve over the project cycle. Project concepts are screened against eligibility criteria (e.g. organizational mandate) and if eligible, the proponent will develop a full project proposal. The project proposal is subject to an E&S and gender risk assessment screening procedure using the questionnaires provided in the appraisal manual. Based on whether any safeguard is triggered, the project is then categorized by the applicant's E&S and gender policy as having no impact (category C), low impact (category B) or significant impact (category A). The executing entity's capacity to manage E&S and gender risks is also assessed at this time using a capacity assessment tool. The applicant's category C projects (e.g. research and monitoring activities) only require screening and generally do not require further assessment. A partial ESIA is needed for projects that trigger a safeguard (e.g. projects that include small-scale infrastructure). The applicant does not fund category A projects.

27. The applicant provided a list of projects that were categorized retroactively using its E&S and gender policy framework and safeguards system. It also provided an example of a completed screening form. The applicant is currently revising its E&S and gender questionnaires to reflect the 2018 E&S and gender policy. It is also updating its project risk system so that all project risks (i.e. technical, financial, and E&S and gender risks) are shown on one dashboard.

28. The AP has found that the applicant's procedures for the identification of risks and impacts align with the requirements of GCF and are suitable for a maximum E&S risk Category B/I-2. Updating the existing E&S and gender questionnaire to identify all performance standards 1 to 8 impacts under one screening table as planned will streamline the procedure to identify risks and impacts. The gap identified regarding the capacity assessment tool is reflected in the corresponding condition for accreditation in section 4.2.

### 3.2.3 Section 6.3: Management programme

29. The applicant has ESIA procedures and a risk management framework to identify and manage E&S and gender risks over the project cycle. A technical committee formulates an opinion on the project feasibility based on a consolidated risk analysis, integrating the E&S and gender screening results, project category, the legal and financial appraisals, the risk management and mitigation plan, and monitoring plan. The findings are presented to the applicant's board to inform the final project approval. The applicant provided an example of this safeguard assessment procedure to show implementation of the system.

30. For its international programmes, the applicant consolidates all the relevant policies, procedures, tools, management guidelines and management plans into one operational manual. The operational manual then governs all the steps in the project cycle from project design to evaluation. Two sample operational manuals were provided to demonstrate capacity and track record on defining and integrating the environmental and social management requirements. To facilitate GCF project implementation, the applicant indicated that if accredited by GCF, it would develop a GCF-specific operations manual containing all the relevant and most up-to-date E&S policies, standards, procedures, tools and mechanisms.

31. The AP has found that the applicant's 2018 E&S and gender policy and management system meets GCF requirements for Category B/I-2 and C/Intermediation 3 (I-3)<sup>5</sup> projects. The track record for implementing the 2018 E&S and gender policy is now being developed.

### 3.2.4 Section 6.4: Organizational capacity and competency

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<sup>5</sup> 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".

32. This applicant has a relatively flat, matrix structure. The organizational chart shows the location and reporting lines of the E&S and gender staff. The environmental safeguards focal point and the social safeguards focal point are in the programme management unit. The gender focal point is in the communications unit and the grievance-mechanism focal point is in the legal unit. The focal points coordinate, implement and oversee their E&S and gender functions across the organization. There is also a GEF Agency unit, which also has staff with E&S and gender functions. The units with E&S and gender functions report to the executive coordinator, who reports to the applicant's board. If accredited, the applicant would establish a GCF unit, similar to that of the GEF Agency unit it operates.

33. The applicant provided the curriculum vitae of eight E&S and gender staff, including some staff serving as thematic focal points (e.g. an indigenous peoples focal point). It also maintains a roster of expert consultants (e.g. a resettlement specialist). The E&S and gender staff have participated in World Bank safeguards training. Senior management has committed to providing additional E&S and gender capacity development in the near future by allocating a training budget for 2019.

34. The AP has found that the applicant has sufficient capacity to implement its GEF E&S and gender safeguards. The applicant is starting to implement its new 2018 IFC E&S and gender policy framework. The development of the operational manual mentioned in section 3.2.3 of this document (which would contain the most up-to-date checklists and GCF-specific policies) and the 2019 E&S and gender training will further enhance the applicant's E&S and gender capacity related to implementing the new 2018 framework. The capacity gap identified is reflected in the corresponding condition for accreditation in section 4.2.

### 3.2.5 Section 6.5: Monitoring and review

35. The applicant provided a copy of its monitoring and evaluation policy. It approves the E&S and gender monitoring plan of its executing entities. The manual for appraisal and project selection provides a template to develop a project-specific monitoring plan, based on the logical framework, identified risks, and project-specific environmental and social management plan (ESMP). Project monitoring comprises routine communications between the applicant's staff and the project staff, biannual progress reports (from executing entity), biannual supervision meetings, and annual site visits. Failure of project staff to report unanticipated events, impacts or risks can lead to project suspension.

36. The applicant has qualified staff to conduct project monitoring. It can also hire external consultants, as needed. It is revising its project-supervision checklists to build the capacity of its executing entities to use the new 2018 IFC framework. The applicant is also developing an online project management system to allow staff to view all project risks (i.e. safeguard and other risks) at a glance. The applicant provided a list of monitoring visits and some sample monitoring reports conducted in the last five years to show its track record with E&S and gender monitoring. This identified tool gap is reflected in the corresponding condition for accreditation in section 4.2 of this document.

37. The AP has found that the E&S and gender monitoring procedures meet GCF requirements for Category B/1-2 projects/programmes. The applicant can only provide a partial track record of monitoring against the 2018 E&S and gender policy framework at this time, as implementation of the 2018 framework has only just started, but this track record is now being developed. The applicant confirmed that GCF-specific monitoring requirements would be outlined in a GCF operations manual.

38. The applicant's new procedures call for independent midterm reviews and final evaluations to assess progress and implementation of mitigation measures and to extract lessons learnt. The human resources department will begin using an online training tool to further disseminate good practices by the end of 2018.

39. The applicant does not have a policy to review the effectiveness of its E&S and gender management system at this time but has committed to developing this system for GCF projects. This identified gap is reflected in the corresponding condition for accreditation in section 4.2 of this document.

#### 3.2.6 Section 6.6: External communications

40. The applicant has complied with national requirements for public consultations as follows: the national system does not require consultation for category C projects. The national system also requires that projects that support the creation of protected areas have mandatory public consultations at the local level but not at the national level. As per national regulations, free, prior and informed consultations are required for projects located in or near indigenous peoples' land. Even when public consultations are not required, the Ministry of the Environment of Brazil will coordinate consultation sessions, as a good practice. The applicant provided summaries of consultation inputs to project design and to ESIA reports to show its track record and practice.

41. The applicant's code of ethics requires that project and programme information be fully disclosed for consultation on the applicant's website, but the code does not specify the duration of the disclosure or the language. The applicant confirmed that it would comply with the GCF information disclosure policy (IDP) and the gap is reflected in the corresponding condition for accreditation in section 4.2 of this document. The applicant indicated that the English version of its website is expected to be operational by October 2018.

42. The applicant's code of ethics and grievance-system operational procedures identify the steps to investigate E&S and gender grievances and the communication channels to reach the ethics committee or external law firm. Flow charts were provided to explain the different positions and functions called upon to operate the complaints mechanism. All staff, consultants and service providers are subject to the code and to the grievance procedures. The applicant considers its grievance system fair, confidential, impartial, accessible, efficient, inclusive, clear, easy to understand and transparent while also providing protection from retaliation. The code and procedures are available on the applicant's webpage.

43. The grievance officer manages the grievance mechanism and is tasked to register, assess eligibility, categorize external communications and grievances, and direct any grievance to the correct party for resolution. The terms of reference and curriculum vitae of the grievance officer were provided to demonstrate capacity and competency.

44. The applicant provided a register of inquiries, complaints and resolutions for 2016 and 2017. The applicant has not received any E&S and gender complaint to date. As of 2018, the annual report will publish statistics on all complaints cases. The AP found that the applicant's grievance mechanism aligns with GCF requirements.

### 3.3 Gender

45. The 2017 gender mainstreaming policy and related 2013 operational procedures of the applicant refer to the United Nations Universal Declaration on Human Rights and the United Nations Convention on the Elimination of All Forms of Discrimination against Women. The gender policy rejects any form of gender discrimination or unequal pay for equal work. This policy applies to the applicant, its executing entities and all projects.

46. The applicant has gender tools, procedures and practices. The grant award policy states that the applicant will not sign contracts with institutions that have discriminatory practices. The request for proposal requires executing entities to explain how the proposed project will promote gender mainstreaming. The applicant's institutional assessment tool assesses whether an executing entity or proposed project adequately addresses gender mainstreaming. Project proposals are categorized as having no impact, low impact or significant impacts on gender.

Projects categorized as having low impact require a gender integration analysis; projects having significant impacts require a gender impact evaluation as part of the ESIA.

47. A gender working group is currently elaborating the applicant's gender indicators. The applicant has indicated that any update to the gender indicators would be included in a GCF operations manual. The gap is reflected in the corresponding condition for accreditation in section 4.2 of this document.
48. The applicant provided examples of its gender due-diligence process on two potential executing entities to demonstrate a partial track record.
49. The applicant provided the curriculum vitae of its gender focal point, who is responsible for the coordination, implementation and oversight of the gender policy. The applicant is also building its roster of external gender experts. The applicant has provided an introductory gender training course to its staff and is currently translating the GEF online gender course into Portuguese to strengthen capacity development. The applicant also engages with various gender networks to share gender-related experience (e.g. GEF gender partnerships and the national gender committee).
50. The applicant reports on its gender activities. The gender section of the 2017 annual report highlights projects that have benefited women and men, especially projects supporting poor women farmers in small-scale, low-impact sustainable farming. Several newly designed projects and one new project fully integrate gender considerations in compliance with the gender policy and procedures.
51. Overall, the applicant's gender policy and procedures address the requirements of the GCF Gender Policy. Although the applicant does not have extensive experience with gender integration at this time, it is quickly building its gender capacity, its track record, and also promoting gender balance in all of its activities. This identified capacity gap is reflected in the condition related to implementing the 2019 capacity development plan contained in section 4.2 of this document.

## IV. Conclusions and recommendation

### 4.1 Conclusions

52. Following its assessment and noting that the applicant has applied under the fast-track accreditation process, the AP concludes the following in relation to the application:
  - (a) The applicant meets the requirements of the GCF basic fiduciary standards and specialized fiduciary standard for project management but partially meets the specialized fiduciary standard for grant award and/or funding allocation mechanisms. Currently, the applicant does not have a system of providing the public with access to information on the periodic progress of individual projects, and it does not record or maintain data on financial irregularities or fraud in its operations;
  - (b) The applicant partially meets the requirements of the interim environmental and social safeguards of GCF in relation to medium E&S risk (Category B/I-2), with the main gap being that the applicant does not have a policy at this time to review the effectiveness of its E&S and gender management system. The applicant must revise its disclosure policy to comply with the GCF IDP requirement for providing documents in English for the specified duration for Category B/I-2 projects/programmes. The applicant must also update some of its tools and procedures and implement its 2019 E&S and gender capacity development plan; and

- (c) The applicant has demonstrated that it has competencies, policies and procedures to implement its gender policy, which is found to be consistent with the GCF Gender Policy. It is in the process of building its capacity, experience and track record on gender considerations in the context of climate change.

## 4.2 Recommendation on accreditation

53. The AP recommends, for consideration by the Board, applicant APL071 for accreditation as follows:

- (b) **Accreditation type:**
- (i) **Maximum size of an individual project or activity within a programme:** medium (including micro<sup>6</sup> and small<sup>7</sup>);
  - (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:** medium risk (Category B/I-2) (including lower risk (Category C/I-3<sup>8</sup>)); and
- (c) **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) Conditions to be met prior to the first disbursement by GCF for the first GCF-funded project/programme to be undertaken by the applicant:
    - 1. Provide evidence in the form of a report showing that the applicant has established a system for compiling and reporting data on financial irregularities or fraud in its operations;
    - 2. Provide evidence of the development of a policy to periodically review the effectiveness of the applicant's E&S and gender management system;
    - 3. Provide evidence that the applicant has updated and approved its information disclosure policy consistent with requirements of the GCF IDP for Category B/I-2 projects/programmes;
    - 4. Provide evidence that the applicant has updated the following tools and procedures to reflect the requirements of the applicant's E&S policy adopted in 2018:

<sup>6</sup> 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 GCF, of up to and including USD 10 million for an individual project or an activity within a programme".

<sup>7</sup> As per annex I to decision B.08/02, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 10 million and up to and including USD 50 million for an individual project or an activity within a programme".

<sup>8</sup> 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".

- a. Environmental social impact assessment procedures to screen for cumulative and supply-chain impacts;
  - b. E&S and gender questionnaire;
  - c. Project supervision checklist; and
  - d. Gender indicators; and
5. Provide evidence to show that the applicant has implemented its E&S and gender capacity development plan in 2019 (e.g. list of training events and E&S and gender topics; list of participants; or correct use of new tools); and
- (ii) Condition to be met within two (2) years following the approval by the Board of the first GCF-funded project/programme to be undertaken by the applicant:
1. Provide evidence showing that the applicant provides public access to information on the progress of GCF-funded projects/programmes, including budget utilization, in accordance with its information disclosure policy as updated and approved pursuant to paragraph 53(b)(i)(3) above.
54. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 53 above, and agrees to the recommendation.

### 4.3 Remarks

55. The applicant indicated in section 3.2.3 that it would develop a GCF operations manual, which would include the GCF-relevant policies, standards and procedural updates needed to comply with GCF interim environmental and social safeguards. The applicant may choose to provide the planned GCF operations manual containing all the necessary E&S and gender evidence requested in section 4.2 above to address the conditions of accreditation.