

Annex XVI: Accreditation assessment of Applicant 016 (APL016)

I. Introduction

1. Applicant 016 (APL016) is a non-profit organization that operates internationally in over 30 countries across six continents with a wide range of partners in order to empower societies to responsibly and sustainably care for nature for the well-being of humanity. It has built strong relationships with communities, governments, academia, foundations, civil society organizations and the private sector in order to deliver innovative nature-based solutions for climate change mitigation and adaptation. In developing countries, it partners with the host country government institutions, research or academic institutions, as well as indigenous peoples' organizations. With global private corporations, the applicant has developed a track-record of improving the sustainability of business operations. Key activities include reducing deforestation, improving agricultural practices, protecting natural ecosystems to serve as carbon sinks, and developing standards for effective mitigation and adaptation activities. It has leveraged over US\$ 100 million for 'debt-for-nature' swaps and has raised over US\$ 30 million for a carbon fund. The applicant seeks to scale up its impact on combating climate change by delivering more climate action on the ground, providing accessible and science-based tools for decision makers, and mobilizing a network of major corporations as well as ensuring the involvement of all stakeholders.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 12 February 2015. Stage I, Institutional assessment and completeness check, and Stage II (Step 1), Accreditation review, were concluded at the end of May 2015. APL016 has applied to be accredited for the following parameters under the Green Climate Fund's (the Fund's) fit-for-purpose approach:

- (a) **Access modality:** International access;
- (b) **Track:** Fast-track under the Global Environment Facility (GEF)
- (c) **Size of project/activity within a programme:** Medium;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) **Environmental and social (E&S) risk category:** Minimal to no risk (Category C/Intermediation 3 (I-3)).³

¹ As per Annex I to decision B.08/02, "medium" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the Fund, of above US\$ 50 million and up to and including US\$ 250 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".

II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF agency. Its application has been assessed against the Fund's standards by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decision B.08/03.

4. As a part of this assessment, the AP has consulted the applicant's website and a programme website as additional sources of information, to complement the information provided by the applicant in its application.

2.1 Fiduciary standards

2.1.1 **Section 4.1: Basic fiduciary standards: Key administrative and financial capacities**

5. As per paragraph 3 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track accreditation.

2.1.2 **Section 4.2: Basic fiduciary standards: Transparency and accountability**

6. As per paragraph 3 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.5 of the application, Anti-money laundering and anti-terrorist financing policies, have been met by way of fast-track accreditation.

7. Regarding item 4.2.5, the applicant fully meets the requirements of the basic fiduciary standards related to anti-terrorist financing and anti-money laundering. The applicant has policies which are based on the United States of America's Patriot Act and Executive Order 13224 Policy, and has demonstrated the use of tools that support the enforcement of the policies.

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

8. As per paragraph 3 above, the specialized fiduciary standard for project management is considered to have been met by way of fast-track accreditation.

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

9. It is assessed that the applicant fully meets the requirements of the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The applicant demonstrates experience in implementing grant programmes, by serving as a GEF agency and managing a fund for critical ecosystems, both of which have requirements and procedures consistent with those of the Fund.

10. The applicant also demonstrates regular monitoring of grantees and provides public access to information on the progress of individual projects. The entity has provisions for an annual independent external audit of its grant award activities and has suitable procedures for the suspension, reduction or termination of a grant in the event of a beneficiary failing to comply with its obligations.

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

11. The applicant did not apply for assessment against this standard at this time.

2.2 Environmental and social safeguards

2.2.1 Section 6.1: Policy

12. Commensurate with the fit-for-purpose accreditation approach and with the nature of Category C/I-3 as being minimal to no environmental and social risk, an E&S policy within an institutional environmental and social management system (ESMS) is not required for the Category C/I-3 level of risk. However, the applicant has developed and enforced environmental and social policies that ensure its projects and programmes meet the safeguard principles it has set. APL016 enforces a policy to only support and implement projects that contribute to environmental sustainability and human well-being. In the area of social safeguards, the applicant established an overarching social policy in the mid-1990s, with various components added more recently. Additionally, it has long-standing policies and tools that address, for example, human rights, indigenous peoples, vulnerable groups, gender and involuntary resettlement. The applicant provided evidence that such standards and tools have been applied and enforced in its projects and programmes.

2.2.2 Section 6.2: Identification of risks and impacts

13. The applicant has a project screening form that is assessed to be consistent with the Fund's environmental and social safeguards (ESS). The screening form is part of the E&S framework that the applicant uses for its activities under the GEF, and, if accredited, will be applied in any projects and programmes approved by the Fund. The applicant provided evidence that the screening mechanism is implemented for its GEF-funded projects. In addition, for its non-GEF-funded projects, APL016 demonstrates an operational system for identifying E&S risks and impacts at the project level and for the identification of mitigation measures.

2.2.3 Section 6.3: Management programme

14. If accredited, projects and programmes funded by the Fund will be managed by the same division established to manage the applicant's GEF-funded projects. The E&S management framework for this division specifies the roles and responsibilities of the applicant as well as its executing entity (entities) with respect to ESS throughout the project cycle. The management framework is assessed to meet the requirements of the Fund's ESS.

2.2.4 Section 6.4: Organizational capacity and competency

15. The applicant provided an overall organizational chart for the entity, which shows the position of the division managing its GEF-funded projects. The division is led by a senior officer, and staffed by competent individuals such as technical and safeguards leads, policy and compliance leads as well as finance leads. The division also has access to expertise in other divisions within the organization, should a project need additional support regarding a specific safeguard issue or performance standard. The applicant meets the Fund's ESS for this item.

2.2.5 Section 6.5: Monitoring and review

16. APL016 has demonstrated that projects/programmes and portfolios managed by the applicant undergo monitoring and evaluation on a regular basis, as described in its E&S management framework. In an effort to strengthen the monitoring and review of its GEF-funded projects, the applicant has developed a new evaluation policy intended to evaluate the contribution of its actions in achieving the applicant's goals. If accredited, this would similarly apply to projects and programmes funded by the Fund.

2.2.6 Section 6.6: External communications

17. At the institutional level, the applicant adopted a code of ethics, and operates an ethics hotline through a separate website managed by an independent service that is certified as a safe harbour. There is sufficient information to confirm that such a mechanism is operational and uses sound procedures for handling complaints and grievances received.

18. The applicant adopted an accountability and grievance mechanism aimed at ensuring appropriate measures for the receipt of and timely response to complaints from parties affected by the implementation of its GEF-funded projects. If accredited, the applicant will apply this mechanism in projects and programmes funded by the Fund. Under this mechanism, APL016 has not received any grievances or complaints in the last three years.

2.3 Gender

19. The applicant meets the Fund's gender requirements. It has a comprehensive gender policy and gender mainstreaming framework as well as a set of implementation guidelines, and has utilized its gender approach in many of its programmes. Gender is addressed in its E&S framework which is applied to its GEF-funded projects. The applicant demonstrates competence and the undertaking of a serious effort in order to integrate gender into all its operations and activities on the ground.

III. Conclusions and recommendation

3.1 Conclusions

20. 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 fully meets the requirements of the Fund's basic fiduciary standards, specialized fiduciary standard for project management and specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (b) The applicant fully meets the requirements of the Fund's interim ESS in relation to minimal to no E&S risk Category C/I-3.⁴ If accredited, the E&S management framework that was developed for its GEF-funded projects and has been adjusted to meet the Fund's interim ESS, will be applied to projects and programmes funded by the Fund. For some items, the applicant demonstrates a greater degree of ESMS maturity than is required by the Fund's interim ESS for Category C/I-3 against which the applicant is seeking accreditation. It is recommended that the applicant seeks to deepen its knowledge and application of the Fund's interim ESS in order to support a potential future upgrade of its accreditation to the medium E&S risk level Category B/I-2;⁵ and

⁴ 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".

⁵ As per Annex I to decision B.07/02, 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".

- (c) The applicant has demonstrated that it has policies, procedures and competencies in order to implement its gender policy, and has demonstrated that it has experience with gender considerations in the context of climate change activities.

3.2 Recommendation on accreditation

21. The AP recommends, for consideration by the Board, the applicant (APL016) for accreditation as follows:

- (a) **Accreditation type:**
- (i) **Size of an individual project or activity within a programme:** Medium (including micro and small);
 - (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) **Environmental and social risk category:** Minimal to no risk (Category C/I-3); and
- (b) **Conditions:**
- None.

22. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 21 above, and agrees to the recommendation.