

Annex XXII: Accreditation assessment of Applicant 032 (APL032)

I. Introduction

1. Applicant 032 (APL032), the World Food Programme (WFP) headquartered in Italy, is an international entity whose mandate is to fight hunger worldwide by supporting national, local and regional food security and nutrition plans and programmes. It has built strong relationships with international organizations, non-governmental organizations, civil society and the private sector to enable people, communities and countries to meet their own food needs. With respect to climate change, the applicant plays a role both in helping governments and communities prepare and respond to shocks, as well as in reducing vulnerability and building lasting resilience. Approximately 40 per cent of the applicant's operations include activities designed to reduce disaster risk, build resilience and help people adapt to climate change. In the last decade alone, 47 per cent of its operations included response to climate-related disasters amounting to a total cost of US\$ 23 billion. The applicant seeks accreditation to the GCF in order to contribute to furthering the objectives of the GCF by delivering further climate action in its projects/programmes, promoting results-based management and gender-sensitive programming, and strengthening national and subnational institutional systems to implement programmes.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 20 January 2015. Stage I, institutional assessment and completeness check, and Stage II (Step 1), accreditation review, were concluded. It 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:** fast-track under the Adaptation Fund;
- (c) **Size of an individual project or activity within a programme:** micro;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards; and
 - (ii) Specialized fiduciary standard for project management; and
- (e) **Environmental and social risk category:** minimal to no risk (Category C/Intermediation 3 (I-3)).³

II. Accreditation assessment

3. The applicant is eligible for, and applied under, the fast-track accreditation process as an Adaptation Fund entity. Its application has been assessed against the standards of the GCF by the Accreditation Panel (AP) in accordance with the requirements and gaps identified in decisions B.08/03 and B.10/06.

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "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 US\$ 10 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 (annex I to document GCF/B.07/11), 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".

4. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the 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 4.2.4, investigation function, have been met by way of fast-track accreditation.

7. Regarding item 4.2.4, the applicant has a policy and procedures for processing allegations of violation of the applicant's rules, regulations, policies and standards, which are set out in relation to the activities and projects it finances. All cases are handled by the designated unit that reports to the applicant's Executive Director, and the unit is structurally independent from any interference from other activities of the applicant.

8. In the course of an investigation, based on its findings the designated unit recommends the appropriate administrative or disciplinary action and highlights areas for improvement in the applicant's system. The management team is responsible for the implementation of these recommendations. When an investigation results in evidence of criminal conduct, the designated unit may recommend that the case be referred to the appropriate national authorities.

9. The applicant prepares publicly available annual reports that provide detailed information on cases that have been reported and investigated with regard to violations of the applicant's rules and regulations, policies, procedures and other administrative requirements, such as fraud, corruption, theft, harassment, sexual harassment, sexual exploitation and abuse, and abuse of authority.

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

10. 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**

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

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

12. 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**

13. Commensurate with the fit-for-purpose accreditation approach and with the nature of Category C/I-3 as being of minimal to no environmental and social (E&S) risk, an E&S policy within an institutional E&S management system is not required for the Category C/I-3 level of

risk. However, the applicant has provided its well-established E&S policy adopted in 1998, which includes a comprehensive statement of the E&S objectives and principles guiding the institution. The applicant has also indicated that it is in the process of revising its E&S policy, which is expected to be approved at its next board meeting in November 2016. The applicant will also establish guidelines for implementing the new policy, as well as formal guidance to internal staff requiring the application of the new E&S policy in all adaptation projects.

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

14. The applicant provided a copy of its environmental review guidelines, which describe its E&S risk and impacts review process, including the categorization of projects and the unit responsible for E&S risk screening. The guidelines also include checklists for various sectors to help identify the E&S risk category. While the applicant's E&S risk and impacts identification process allows it to undertake Category B/I-2 projects, it is applying for Category C/I-3 accreditation only at this time. The applicant additionally provided recent examples of the project approval review process for upcoming Category C/I-3 projects.

2.2.3 **Section 6.3: Management programme**

15. The applicant provided a copy of its performance management framework, which is applied during project implementation. E&S risks identified during project design and start-up are included and managed as a part of the overall performance management framework implementation process. The applicant provided sample projects, including environmental management and monitoring plans, which demonstrate the applicant's E&S performance management capacity.

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

16. The applicant provided the organizational chart of its program, policy and innovation division, which includes technical experts at the global, regional and country levels who review the potential projects/programmes. These teams include staff who have specialist expertise in natural resource management, agriculture, community infrastructure and public works, as well as environmental management. Furthermore, the designated members have the necessary skills and knowledge of performance standards 1 to 8 of the GCF interim ESS.

2.2.5 **Section 6.5: Monitoring and review**

17. The applicant has provided information on its minimum monitoring standards and standard operating procedure, which contain project-level monitoring requirements. The evidence provided suggests that the applicant engages actively in monitoring all of its projects. Field monitors are deployed regularly to visit project sites and work with partners to identify and resolve any issues identified. For projects with potential environmental or social impacts, monitoring includes screening and follow-up of the risks identified. The applicant has provided sample projects, which include the E&S component, demonstrating the applicant's capacity to monitor its projects in line with the GCF interim ESS.

2.2.6 **Section 6.6: External communications**

18. The applicant has a website to receive and register external communications. The applicant provided information on its external communications procedure, which describes the process and responsibilities for receiving, registering and handling external communications. It also provided a sample of supporting documents showing detailed information regarding the enquiries received, including the date and description of the enquiry and the satisfactory resolution.

2.3 Gender

19. The applicant provided a copy of its gender policy, which has been found to be in line with the GCF gender policy. The applicant's gender policy sets out a framework for continued mainstreaming of gender into its policies, operational processes and programmes at all levels. The applicant also provided an external evaluation report of one of its projects, which demonstrates the applicant's competencies in implementing its gender policy and practices at the project level. The applicant further provided a detailed description of sample projects related to climate change and gender initiatives.

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 meets the requirements of the GCF basic fiduciary standards and specialized fiduciary standard for project management;
- (b) The applicant meets the requirements of the GCF interim ESS 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 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 considerations in the context of climate change.

3.2 Recommendation on accreditation

21. The AP recommends, for consideration by the Board, applicant APL032 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Size of an individual project or activity within a programme:** micro;
 - (ii) **Fiduciary functions:**
 - 1. Basic fiduciary standards; and
 - 2. Specialized fiduciary standard for project management; 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 condition(s), as identified in paragraph 21 above, and agrees to the recommendation.