

Annex XII: Accreditation assessment of Applicant 049 (APL049)

I. Introduction

1. Applicant 049 (APL049), the World Wildlife Fund, Inc. (WWF), is an international non-governmental organization. The work of WWF has evolved from saving species and landscapes to addressing the larger global environmental threats and forces that impact them, with people at the centre of its work, and organized around six priority areas for improved environmental management comprising climate, forests, food, freshwater, wildlife and oceans.

2. The applicant submitted its application for accreditation to the Secretariat via the Online Accreditation System on 30 July 2015. The Stage I institutional assessment and completeness check was completed on 20 July 2016 and 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 fit-for-purpose approach of the GCF:

- (a) **Access modality:** international access;
- (b) **Track:** fast-track under the Global Environment Facility (GEF);
- (c) **Maximum size of an individual project or 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) **Maximum environmental and social risk category:** medium risk (Category B/Intermediation 2 (I-2)).³

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 project agency. Its application has been assessed by the Secretariat during Stage I in

¹ 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 the GCF, of above USD 50 million and up to and including USD 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 (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”.

accordance with the requirements and gaps identified in decisions B.08/03, B.10/06 and B.12/30.

2.1 Legal status, registration, permits and licences

4. The applicant provided documentation on its establishment and licences to operate, if any and relevant, as a part of the application. The applicant, the network office of which is in the United States of America (WWF US), has indicated that it has been accredited to the GEF and has signed a memorandum of understanding to conclude the GEF accreditation process. The applicant's offices are federated under a global non-profit network.

2.2 Institutional presence and relevant networks

5. The applicant has a network of 60 offices and operations in Africa, Asia, Eastern Europe and Latin America, including the least developed countries and small island developing States. The applicant mobilizes its global network to set up partnerships in the private sector, national and local governments, local communities, and other civil society organizations in order to develop the innovative solutions for the conservation of nature.

6. The applicant seeks to contribute to the objectives of the GCF by leveraging its experience of managing projects in the energy, forestry, water, agriculture and wildlife conservation sectors. It seeks to facilitate developing countries' access to climate finance by supporting them in the sound implementation of their climate change policies, programmes and projects. Specifically, with respect to mitigation, the applicant intends to undertake activities that reduce emissions through increased low-emission energy access and through sustainable forest management and conservation, and the enhancement of forest carbon stocks. Regarding adaptation, the applicant intends to enhance the livelihoods of the most vulnerable communities by improving the resilience of ecosystems and ecosystem service. Furthermore, the applicant intends to strengthen country ownership by assisting subnational and national entities to meet the requirements of the GCF by using its own accreditation experience, training and capacity-building.

2.3 Track record

7. The applicant mobilizes financial resources for its climate change projects and programmes by leveraging its partnerships with other non-governmental organizations, private sector entities and international organizations. The applicant intends to continue cooperating with public and private sector organizations in order to achieve adaptation and mitigation of climate change impacts through the implementation of nature conservation activities.

8. The applicant undertakes climate-resilient sustainable development by mainstreaming climate change mitigation and adaptation in all the sectors that it operates in. The applicant has a track record in financing sustainable development and climate change related projects in the sectors of energy, forestry and water.

9. The climate change related projects of WWF to date include the following, which fall within the GCF medium size category:
- (a) USD 138 million (grant) for the Central African regional programme for the environment in Gabon and the Central African Republic;
 - (b) USD 91 million (grant) for the Integrated transboundary ridges-to-reef management of the Meso-American reef project in Belize, Guatemala, Honduras and Mexico; and
 - (c) USD 51 million (grant) for the From REDD-plus to agreements to REDD-plus results project.

III. Stage II accreditation review assessment

10. The applicant is eligible for, and applied under, the fast-track accreditation process as a GEF agency. 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, B.10/06, B.12/30 and B.14/09.
11. 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

12. As per paragraph 10 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

13. As per paragraph 10 above, the basic fiduciary standards concerning transparency and accountability, with the exception of item 4.2.5 (anti-money laundering and countering the financing of terrorism policies), have been met by way of fast-track accreditation.

14. Regarding item 4.2.5, the applicant has comprehensive anti-money laundering and countering the financing of terrorism policies and procedures which include detailed 'know-your-customer' due diligence procedures designed to ensure that the organizations with which it has business relationships are not involved in money laundering or the financing of terrorism. The core of the applicant's know-your-customer due diligence process is the use of LexisNexis Bridger Insight, a specialized software platform that enables the applicant to consolidate compliance processes, standardize controls and increase the efficiency of its know-your-customer processes. Specifically, through the use of Bridger Insight, the applicant:

- (a) Searches and monitors global sanctions, and regulatory and law enforcement watch lists. The system scans names in real time, ad hoc or in bulk, against the most up-to-date watch lists available. The applicant has added many watch lists to its Bridger Insight

licence, including the European Union consolidated list of sanctions,⁴ the consolidated United Nations Security Council sanctions list,⁵ the Office of Foreign Assets Control,⁶ the terrorist exclusion list (United States Patriot Act of 2001),⁷ and Her Majesty's Treasury sanctions list;⁸ and

- (b) Scans names through Bridger Insight prior to entering into an agreement with the grantee, as well as prior to making each payment as part of the accounts payable process.

15. As part of its system for combating money laundering and the financing of terrorism, the applicant also monitors electronic transfer of funds by collaboration with its banking partners (Western Union and JPMorgan Chase & Co.) to ensure that they follow:

- (a) The United States Federal Reserve banking regulations to process and deliver each payment; and
- (b) The applicant's strict instructions on delivering payments and ensuring that the payments are made to bona fide beneficiaries.

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

16. As per paragraph 10 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**

17. The applicant has a clearly defined grant award system that includes defined roles and responsibilities of management and staff charged with the responsibility for the evaluation and approval of grant applications. The grant award system and calls for proposals are publicized on the applicant's website, local office websites, LISTSERVs, e-newsletters, social media channels, at conferences and in various languages in order to ensure that the broadest possible number of potential recipients is aware of the grant opportunities as well as specific requirements and processes followed in the selection of grantees. Sample grant award notices/calls for proposals provided are comprehensive and include the criteria for exclusion, eligibility and selection, and grant awards.

18. Based on the information and supporting documentation provided, the AP concluded that:

- (a) The composition of the team responsible for the evaluation of grant applications ensures both competence and independence to undertake evaluation and recommend grant awards;
- (b) Grant evaluation and award decisions comply with the applicant's grant award policies and procedures; and

⁴ <https://eeas.europa.eu/topics/sanctions-policy/8442/consolidated-list-of-sanctions_en>.

⁵ <<https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>>.

⁶ <<https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>>.

⁷ <<http://www.state.gov/j/ct/rls/other/des/123086.htm>>.

⁸ <<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>>.

- (c) Grant award decisions are taken by the persons with the requisite authority.
- 19. The applicant also demonstrated that it has adequate checks/procedures in place for:
 - (d) Ensuring that one activity only results in the awarding of one grant to any one beneficiary;
 - (e) Ensuring that no grant is awarded retrospectively for activities already started or completed at the time of the application; and
 - (f) The suspension, reduction or termination of the grant in the event of the beneficiary failing to comply with its obligations.

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

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

3.2 Environmental and social safeguards

3.2.1 Section 6.1: Policy

21. The applicant generally implements Category B and Category C projects/programmes. As a federated entity, its network focuses on food, forests, freshwater, oceans and wildlife issues, with the aim of influencing climate finance towards conservation goals, while also benefiting resource-dependent communities.

22. The applicant's environment and social (E&S) policy elements were first adopted in 1996 and were updated in 2008, 2013 and 2015 as a part of its accreditation application process to become a GEF project agency. The applicant stated that it then became the first non-governmental organization to meet GEF environmental and social standards (ESS).

23. The 2015 E&S policy, available on the applicant's website, is a living document to be revised at least once every five years to reflect evolving best practices. In combination with the applicant's network policies, it complies with the GCF interim ESS. The applicant's decentralized model ensures adherence to country laws and country obligations under international law.

3.2.2 Section 6.2: Identification of risks and impacts

24. Once a project identification form is approved, the applicant's Safeguards Coordinator, with other expert input as needed, screens and categorizes projects in terms of E&S risks. The screening results identify the management plans that are needed (e.g. a resettlement action plan). A Senior Director approves the categorization memorandum.

25. The final project proposal is reviewed against the requirements of the applicant's ESS and the network policies. The technical and financial capacity of the project team is also assessed. An ESS compliance memorandum is then generated. The applicant provided project categorizations and project compliance memorandums to show its track record under GEF requirements.

26. Even though the types of projects implemented by the applicant rarely have impacts under performance standards 2 to 4 of the GCF interim ESS, the applicant recently updated its screening procedure to explicitly screen for potential impacts under performance standards 2 to 4.

3.2.3 **Section 6.3: Management programme**

27. The impact assessment process integrates baseline data standards and the analysis of alternatives, cumulative impacts and associated facilities, and the use of a mitigation hierarchy. The 2015 ESS document provides the institutional guidance to develop the environmental and social management plans (ESMPs). The Safeguards Coordinator reviews all ESMPs, with final approval being given by the Safeguards Compliance Officer. All mitigation plans are integrated into the project design, reporting, monitoring and evaluation framework.

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

28. The applicant has demonstrated the required organizational capacity and competency for ESS implementation and compliance, functions assigned to senior staff in the organization. The Vice-President of Policy and Government Affairs, who is also the E&S Compliance Officer, is responsible for the oversight of safeguard compliance and is assisted by the Senior Director of the public sector support department (who is also the E&S Complaints Officer) and the Senior Safeguards Coordinator. The curricula vitae of the above officers show that they have the necessary experience and competency which will ensure that safeguard compliance is carried out in accordance with the institution's policy.

29. The Safeguards Coordinator and the Safeguards Compliance Officer approve key ESS documents (e.g. environmental and social impact assessments and ESMPs) and are responsible for ESS monitoring. The Safeguards Coordinator coordinates inputs from other E&S-related experts, such as the gender expert or conservation expert and also develops ESS training materials and trains project teams and executing entities. A list of participants in ESS training events was provided.

3.2.5 **Section 6.5: Monitoring and review**

30. The project teams manage the day-to-day ESMP implementation, including submitting quarterly progress reports. In conjunction with the Safeguards Compliance Officer, the Safeguards Coordinator supervises implementation, reviews project reports and engages with the project teams as needed to ensure adaptive safeguards management. The E&S progress monitoring is reported to senior management every six months. The Safeguards Coordinator or an external consultant will conduct an annual site visit/due diligence, the results of which will also be reported to senior management. The applicant provided adequate examples of reporting against the safeguards' mitigation measures that were triggered and reports on external and internal lessons learned covering E&S implementation in order to demonstrate its continuous learning character.

3.2.6 **Section 6.6: External communications**

31. The ESS document covers requirements related to consultation, disclosure and grievances, applicable to itself and to its executing agencies. The applicant's screening tool also checks whether a project's external communications are adequate.

32. The project team must conduct meaningful consultations on E&S aspects with relevant stakeholders for its Category B projects. Draft and final Category B project documents are adequately disclosed in the affected communities, and on the applicant's and executing entity's websites for a minimum of 30 days before finalizing the project design.

33. The applicant's accountability and grievance mechanism, shared with stakeholders at the project design phase, can receive and respond to stakeholder enquiries and concerns. Complaints are submitted to the project team, who will respond to grievances within 15 calendar days. Failing the resolution of a complaint, the grievant can file a claim through the applicant's Complaints Officer by e-mail or post. Some safeguards, when triggered (e.g. the safeguard protecting indigenous peoples), may have additional requirements related to grievance mechanisms. The applicant provided a log of inquiries and complaints for January 2012 to February 2016. Only one complaint, which proved invalid, was received during this period.

3.3 Gender

34. The Network gender policy (2011) was integrated into the applicant's ESS (2015). The applicant has committed to expanding gender knowledge, mainstreaming gender perspectives into all projects, providing equal employment opportunities, and assessing how policies affect gender equity and men and women's access to and control over natural resources. The applicant has in-house gender expertise and also procedures to incorporate gender perspectives into project development (e.g., the screening check list assesses whether gender was sufficiently included in a project proposal). It applies gender analysis during project design, implementation, monitoring and evaluation. The applicant provided examples of projects with a gender and climate change focus, including projects promoting gender-sensitive leadership and benefit-sharing in natural resource management. The applicant received an award from the United States Agency for International Development for its approach to including men, women and children with disabilities in its activities.

IV. Conclusions and recommendation

4.1 Conclusions

35. 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, specialized fiduciary standard for project management and specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (b) The applicant meets the requirements of the interim ESS of the GCF in relation to the medium E&S risk (Category B/I-2); 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 GCF Gender policy, and has demonstrated that it has experience with gender consideration in the context of climate change.

4.2 Recommendation on accreditation

36. The AP recommends, for consideration by the Board, applicant APL049 for accreditation as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or activity within a programme:** medium (including micro⁹ and small¹⁰);

(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-3¹¹)); and

(b) **Conditions:** none.

37. The applicant has been informed of the recommendation for accreditation, including the accreditation type and condition(s), as identified in paragraph 36 above, and agrees to the recommendation.

4.3 Remarks

38. If the applicant builds its experience in implementing higher risk projects and programmes, the applicant may, in the future, seek accreditation against the high E&S risk (Category A/I-1).¹²

39. The 2015 ESS is a living document. The applicant has evolved quickly to develop and apply its ESS for its projects funded by the GEF, and, if accredited to the GCF, some evolution in the ESS may also be anticipated. Currently, there are small discrepancies between the ESS guidance, ESS training materials and actual practice (e.g. the procedure provided in the annex of the ESS for the complaints mechanism compared to that provided in the body of the ESS document vary slightly; the actual role of the safeguards review team varies slightly in practice from that outlined in the guidance; and reference to screening for impacts under performance

⁹ 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”.

¹⁰ 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 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”.

¹¹ 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”.

¹² As per annex I to decision B.07/02, category A is defined as “Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented” and intermediation 1 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented”.

standards 2 to 4 should now be integrated into the ESS text). Once these are harmonized, the routine updates, as already foreseen in the ESS, should be sufficient to keep abreast of best international practices. Accordingly, the applicant may wish, perhaps in the next six months, to harmonize its existing guidance, training materials and procedures, and inform the GCF if this has been carried out.