

Annex XIII: Accreditation assessment of upgrade application from Conservation International Foundation

I. Introduction

1. The Conservation International Foundation (CI), is an international non-profit organization that operates internationally in over 30 countries across 6 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. 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 in 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.
2. The applicant was accredited by the Board of the GCF on 9 July 2015 in decision B.10/06, paragraph (a)(ix), for the following parameters, as recommended by the Accreditation Panel (AP), 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 and/or funding allocation mechanisms; and
 - (e) **Maximum environmental and social risk category:** minimal to no risk (Category C/Intermediation 3 (I-3))³.
3. The applicant submitted its application for an accreditation upgrade of its maximum environmental and social (E&S) risk category to the Secretariat via the Online Accreditation System on 16 January 2016. The application for an upgrade in its accreditation type from minimal to no E&S risk Category C/I-3 to medium risk Category B/Intermediation 2 (I-2)⁴

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 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 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

follows the recommendation by the AP for the applicant to consider an E&S risk category upgrade application, as well as the applicant's interest in upgrading its accreditation in order to accommodate potential projects/programmes funded by the GCF that may include projects/programmes that are identified as Category B/I-2. The Stage I institutional assessment and completeness check was completed on 5 August 2016 and 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:** fast-track under the GEF;
- (c) **Maximum environmental and social risk category:** medium risk (Category B/Intermediation 2 (I-2)); and
- (d) **All other criteria for which the applicant was accredited:**⁵ no change.

II. Stage I institutional assessment and completeness check

4. The applicant is seeking an upgrade with regard to its E&S risk category. The applicant was assessed during Stage I against only the criteria for which the applicant was seeking an upgrade. Its application has been assessed by the Secretariat during Stage I in accordance with the requirements and gaps identified in decisions B.08/03, B.10/06, B.12/30 and B.14/09.

2.2 Legal status, registration, permits and licences

5. The applicant provided documents on its establishment and licences to operate, if any and where relevant, as part of the application. CI was established as a non-profit public benefit corporation. It was incorporated in the United States of America in 1987.

2.3 Institutional presence and relevant networks

6. The applicant operates in more than 30 countries worldwide with a wide range of partners with whom it has built strong relationships, including local communities, governments, academia, foundations, civil society organizations and the private sector, in an effort to deliver innovative nature-based solutions for climate change mitigation and adaptation. Through its partnerships, the applicant raises a substantial amount of resources that enables it to co-finance its projects and programmes.

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".

⁵ For example, maximum size of an individual project or activity within a programme, and fiduciary functions.

7. The applicant is seeking to upgrade its accreditation type to allow it to scale up its activities on combating climate change by delivering more climate action on the ground, providing accessible and science-based tools for decision makers, mobilizing a network of major corporations, and ensuring the involvement of all stakeholders. It seeks to facilitate developing countries' access to climate finance by continuing to build local capacity through collaborations working with governments, civil society and the private sector at the national and subnational levels to deliver nature-based solutions to adapt to and mitigate the adverse effects of climate change.

2.4 Track record

8. The applicant undertakes climate-resilient sustainable development by mainstreaming climate change mitigation and adaptation in all the sectors in which it operates. The applicant focuses on nature-based solutions with respect to climate change mitigation and adaptation. In that regard, the applicant works in the areas of forestry, land use, agriculture, water, health, ecosystems and ecosystem services to improve and protect the livelihoods of communities. The applicant's track record in financing sustainable development and climate change related projects was provided by the applicant as evidence of its experience with Category B/I-2 projects and programmes, however, is unable to be shared due to confidentiality of the activities.

III. Stage II accreditation review assessment

9. The applicant applied under the fast-track process, and was assessed against the standards of the GCF by the AP during Stage II (Step 1). The application review by the AP focused on the applicant's request to upgrade its E&S risk category from Category C/I-3 to Category B/I-2. Its application has been assessed against the standards of the GCF by the AP in accordance with the requirements and gaps identified in decisions B.08/03, B.10/06, B.12/30 and B.14/09.

10. As part of this assessment, the AP consulted the applicant's website and project-level websites set up by its executing entities.

3.1 Environmental and social safeguards

3.1.1 Section 6.1: Policy

11. The applicant has an overarching policy that covers E&S safeguards (ESS) for its conservation programmes and projects, based on a rights-based approach adopted in 2009. The approach consists of six policies that address gender, involuntary resettlement, protection of vulnerable populations, and indigenous peoples. This set of policies makes direct connections between human well-being and the environment by linking biodiversity conservation and human rights. The applicant has also developed and implemented a range of safeguard policies and standards for different portfolios/programmes, which are based on international E&S standards comparable to those of the GCF interim ESS. Projects to be funded by the GCF will

utilize an E&S management framework (ESMF) that was established in 2013 by the applicant for its projects funded by the GEF, utilizing the World Bank's safeguards framework.⁶

12. As a result of the applicant's accreditation to the GCF in decision B.10/06, the ESMF has been updated to conform with the GCF interim ESS requirements. The ESMF describes the division of labour between the applicant and its executing entities. Responsibility to ensure project conformance with the ESMF lies with the head of the division designated to manage projects funded by GEF and GCF (CI-GEF/GCF Project Agency).

3.1.2 Section 6.2: Identification of risks and impacts

13. The ESMF for GCF and GEF projects describes a process for identifying E&S risks and impacts that is consistent with the GCF interim ESS. The framework also identifies types of project activities that may result in adverse E&S impacts, and a screening tool and mechanism for projects to manage the impacts.

14. The applicant provided evidence of a track record in managing projects that fit into both the GCF E&S risk Category C/I-3 and Category B/I-2, and documentation showing its experience in identifying, assessing and handling various safeguards triggered by such projects.

3.1.3 Section 6.3: Management programme

15. The applicant provided evidence that it has a functioning mechanism to manage mitigation measures for E&S impacts or risks associated with its projects. This is apparent from projects in various portfolios using different donor requirements and standards. Specifically for GEF (and to be applied in future GCF) projects, the ESMF clearly describes the requirements from concept stage to project implementation and completion. The applicant has also submitted sample screening forms, E&S assessments and mitigation plans commensurate with the nature, scale and potential E&S risks and impacts of its projects.

16. Much of the applicant's projects are executed by host country entities in the countries where it operates, including local civil society organizations and government agencies. In order to ensure conformance with the GCF interim ESS, the applicant has developed a practice of capacity-building for its executing entities, which involves capacity self-assessment and review by the applicant's personnel, followed by relevant E&S training during the project preparation stage, and inception workshops. The applicant also prepares written guidelines to guide its executing entities to develop mitigation plans, and conducts field visits before and during project implementation.

3.1.4 Section 6.4: Organizational capacity and competency

17. The applicant's capacity and competency with respect to E&S matters has been developed through experience with other programmes and portfolios using various international E&S standards and policies. The division set up for GCF and GEF projects builds upon this experience. The division is headed by a vice-president, who reports directly to the chief operating officer of the applicant organization. Organizational charts for the overall

⁶ See the GEF policy on agency minimum standards on environmental and social safeguards., Available at <<http://www.thegef.org/council-meeting-documents/gef-policy-agency-minimum-standards-environmental-and-social-safeguards>>.

organization and division for GCF and GEF projects have been provided, as well as job descriptions describing responsibilities related to ESS implementation and oversight.

18. The applicant has personnel with strong technical backgrounds to ensure that ESMF requirements are properly implemented. The applicant provides technical support to its executing entities in its host countries by assigning the technical advisor and safeguards specialist from the respective division, as well as additional expert support from other units.

19. The applicant has conducted training programmes to ensure that both the rights-based approach and the ESMF are understood by staff in the headquarters and field offices. There are plans to disseminate ESS learning modules to executing entities in partner countries to allow them to build their capacity on a continuous basis.

3.1.5 **Section 6.5: Monitoring and review**

20. The ESMF requires project ESS plans to be monitored and reported on a quarterly and annual basis, and third-party evaluation to be scheduled at project mid-point and completion. Samples of monitoring and evaluation reports were provided for this assessment, demonstrating the applicant's ability to conform with its ESS policies and procedures.

21. In addition, the applicant has recruited three regional compliance officers to report on project portfolio compliance and operational excellence. The compliance officers report to the office of the general counsel on a monthly and quarterly basis, and the reports are presented to the applicant's board of directors.

22. The applicant provided documentation demonstrating that it continues to learn from its experience in implementing ESS across programmes and portfolios. It has also demonstrated its ability to quickly adapt its procedures to the requirements of the GCF, following its recent accreditation.

3.1.6 **Section 6.6: External communications**

23. The ESMF describes the internal procedures for the accountability and grievance mechanism, and assignment of the senior director for compliance and risk management to ensure appropriate follow-up and resolution. At an institutional level, the applicant has channels to receive and register complaints and queries, including an e-mail contact as well as an ethics hotline managed by a third-party safe harbour certified through the United States Department of Commerce. The applicant has provided a register of the ethics hotline for this assessment. The division managing GCF and GEF projects requires executing entities to provide information related to project-level grievances on project websites. The applicant has not received project-level grievances in the last three years.

24. The ESMF also describes disclosure of E&S documents which is consistent with that expected under the GCF interim ESS. The division managing GCF and GEF projects has a dedicated website that hosts ESS -related documents. With respect to the time frame for disclosure of information, the applicant is committed to adopting the timelines required by the GCF information disclosure policy.

IV. Conclusions and recommendation

4.1 Conclusions

25. Following its assessment, the AP concludes the following in relation to the application:
- (a) The applicant meets the requirements of the interim ESS of the GCF in relation to medium E&S risk (Category B/I-2).

4.2 Recommendation on accreditation

26. The AP recommends, for consideration by the Board, Conservation International Foundation for an upgrade in its accreditation type as follows:
- (a) **Accreditation type:**
 - (i) **Maximum environmental and social risk category:** medium risk (Category B/I-2) (including lower risk (Category C/I-3)) from low risk Category C/I-3; and
 - (b) **Conditions:** none.
27. The applicant has been informed of the recommendation for accreditation, including the accreditation type and condition(s), as identified in paragraph 26 above, and agrees to the recommendation.