

Annex III: Re-accreditation assessment of International Union for Conservation of Nature (RAPL031)

I. Introduction

1. International Union for Conservation of Nature (IUCN) is an international entity headquartered in Switzerland. It is a non-profit organization that operates internationally in over 150 countries with a wide range of members and partners, including States and government agencies, non-governmental organizations (NGOs), scientists and experts to find practical solutions to environment conservation and sustainable development challenges. It has a strong presence in countries in transition, least developed countries (LDCs) and small island developing States (SIDS) through its regional offices. Its overall programme of work focuses on valuing and conserving nature, ensuring effective and equitable governance of its use, and deploying nature-based solutions to global challenges such as climate change. The AE does this by undertaking and supporting scientific research, managing and implementing field projects on the ground and bringing together various stakeholders to develop and improve policies, laws and best practices. The accredited entity (AE) intends to add significant value to the GCF by implementing its mandate to build capacity, especially in relation to its national government and NGO members.

2. IUCN was accredited by the Board on 8 March 2016 in decision B.12/30, paragraph (b), and signed its accreditation master agreement (AMA) with GCF on 11 October 2016, which became effective on 11 January 2017, 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 award and/or funding allocation mechanisms; and
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2)).³

3. The AMA became effective on 11 January 2017, and the AE's first accreditation term is from 11 January 2017 to 10 January 2022. The AE submitted its application for re-accreditation to GCF via the digital accreditation platform on 11 June 2021. Accreditation fees were not applicable because the AE is seeking re-accreditation for the same accreditation scope that it was previously

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."

accredited for; thus, the stage I institutional assessment and completeness check commenced upon submission of the re-accreditation application. Stage I was completed on 25 July 2021 and the AE was progressed to the stage II (step 1) accreditation review by the AP, which has been concluded with the publication of this assessment. The AE has applied for the same accreditation scope that it was previously accredited for:

- (a) **Access modality:** international access;
- (b) **Track:** fast track under the GEF;
- (c) **Maximum size of an individual project or activity within a programme:** medium;⁴
- (d) **Fiduciary functions:**⁵
 - (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)).⁶

II. Stage I institutional assessment and completeness check

4. The AE is eligible for, and applied under, the fast track re-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, B.10/06, B.12/30, B.14/09, B.15/09, B.17/13, B.18/05, B.19/14, B.22/09, B.23/13, B.24/11 and B.26/01 and in accordance with the GCF policies and standards below:

- (a) “Updated Strategic Plan for the GCF: 2020–2023” (decision B.27/06);
- (b) “Matters related to the accreditation framework” regarding the re-accreditation process (decisions B.24/13 and B.26/01);
- (c) “Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund’s Fiduciary Principles and Standards and Environmental and Social Safeguards” (decision B.07/02);
- (d) “Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach” (decision B.08/02);
- (e) “Policy on Prohibited Practices” (decision B.22/19);
- (f) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (AML/CFT Policy) (decision B.18/10);
- (g) “Policy on the Protection of Whistleblowers and Witnesses” (decision B.BM-2018/21);

⁴ 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.”

⁵ Decision B.07/02.

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- (h) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (i) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of environmental and social information; and
- (j) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12).

2.1 Legal status, registration, permits and licences

5. The AE provided documents on its establishment and licences to operate, where relevant, as a part of the application. The AE confirmed that it is willing to engage on amending the AMA to account for new GCF policies adopted after the initial accreditation and will put in place the necessary resources to review the draft AMA.

2.2 Accredited entity performance in contributing to GCF programming results

2.2.1. **Approved GCF projects under implementation and national designated authority participatory monitoring**

6. As at 31 July 2021, the GCF has approved six funded activities (FP087, FP113, FP124, FP131, FP151 and FP167) with a total budget of USD 165 million. These activities are a mix of adaptation, mitigation and cross-cutting projects in several countries and continents. The total approved funding for IUCN projects is USD 231.5 million, including co-financing. To date USD 9.5 million of the GCF approved funding amount has been disbursed, which represents only 9.17 per cent of approved GCF funds for the four approved projects under implementation. IUCN’s engagement with GCF also includes five approved grants under the Readiness and Preparatory Support Programme (Readiness Programme). These five grants, which are not for national adaptation plans, are made under the Project Preparation Facility (PPF028, PPF037, PAK RS004, BFA RS001 and CMR RS001) with the first three being managed by the United Nations Office for Project Services (UNOPS). In total USD 1.5 million has been disbursed representing 68 per cent of approved GCF funding.

7. IUCN submitted FP151: Global Subnational Climate Fund (SnCF Global) – Technical Assistance (TA) Facility at B.27, which was subsequently approved by the Board. This was a joint submission with FP152: Global Subnational Climate Fund (SnCF Global) – Equity, by Pegasus Capital Advisors. FP151 channels USD 18.5 million of GCF funding out of the total USD 28 million grant funding for the technical assistance component of the total USD 778 million SnCF Global, with Pegasus Capital Advisors handling the USD 750 million equity component.

8. The SnCF Global targets results areas in energy access & power generation; buildings, cities and industries & appliances M1, M3 and M4 with strong adaptation co-benefits in 42 countries spanning Africa, Asia-Pacific, Eastern Europe and Latin America and the Caribbean. These target countries include the priority groups of SIDS, LDCs, and African States. The SnCF Global’s business model is designed to attract primarily private institutional investment and to deliver certified climate and sustainable development impacts and nature-based solutions at the global scale. The SnCF Global, with its deal size ranging from USD 5 million to USD 75 million, is designed to overcome project-level barriers and limitations in attracting private investment, which is known to lead to underfunding of bankable mitigation and adaptation projects at the subnational level, where 70 per cent of known climate solutions are located. This will be achieved in cooperation with national designated authorities and local stakeholders via virtual stakeholder engagement events that ensure alignment with all eligible countries’ nationally determined contributions.

9. The SnCF Global represents a positive disruptive solution showing how subnational climate projects can be structured, de-risked and funded by both private and public investors, as well as being monitored and benchmarked at the highest level of quality. This is the first time an impact

equity fund has mobilized public (20 per cent) and private sector (80 per cent) funding at scale to de-risk subnational medium-scale infrastructure projects.

10. FP151 became effective on 20 April 2021 and the first disbursement was made on 26 May 2021.

11. **Project implementation progress:** Overall, project implementation in two (FP087, FP113) of the approved funded activities has started, while two (FP113 and FP131) are in the preparatory stage and have not yet submitted of annual performance reports (APRs). The remaining approved project (FP151) only became effective in April 2021, so no information is available yet on implementation. Regarding the Readiness grants, the two grants managed by GCF are completed, while the three grants under UNOPS management are under implementation.

12. For the funded activities, the AE had requested extensions for the submission of the key reports soon after project commencement, because all the projects commenced implementation during the onset of the COVID-19 pandemic, which affected development projects globally. The AE has submitted one APR for the first project (FP087) in 2020 and requested waivers for APRs for FP113 and FP124 because those projects only became effective in 2020. The remaining two projects are yet to require APR submissions.

13. For the Readiness grants, the two grants managed by GCF have received no-cost extensions (NCEs), with BFA-RS- 001 having received two NCEs for a duration of 7 and 3 months. CMR RS 001 received one NCE for a duration of 10 months. Out of the three grants managed by UNOPS, one grant (PAK-RS-004) has received a 6-month COVID-19 blanket extension.

14. **Reporting:** There has been little reporting for the funded activities, because most of the projects under IUCN's oversight are just entering implementation. In terms of the quality of reporting, the AE is quite timely in requesting extensions and also in seeking guidance and clarifications regarding reporting obligations under the funded activity portfolio. For submitted reports, the quality of reporting is above average with detailed reporting and clarity of information. In terms of communication, the focal point is very responsive and proactive in reaching out to the GCF Secretariat and, compared with other AEs, the turnaround time is efficient.

15. The AE explained implementation delays in the funded activity for FP087 as follows:

- (a) The main challenge faced during 2020 was the COVID-19 pandemic, which seriously hindered travel and in-person events for all the projects. These restrictions prevented the project management units and executing partners from visiting the project area and holding face-to-face meetings with beneficiaries and stakeholders; and
- (b) Changes in the political architecture in Guatemala caused disbursement delays.

16. For the Readiness grants, there have been marked delays in the submissions of the required interim progress reports and completion reports. The reporting timelines differ between the grants managed by GCF and UNOPS; however, significant delays have been observed for report submissions. The quality of reporting can be rated as slightly above average for all the grants. For the two grants managed by the GCF Office of Portfolio Management, the reports are generally of good quality, while the quality of reporting for those under UNOPS management is mixed.

17. For the Readiness portfolio, the challenges include non-compliance with reporting timeline obligations regarding grants under implementation and reporting for the Readiness grant (PAK-RS-004) under UNOPS management; and non-submission of the BFA-RS-001 progress reports. In addition, a slow expenditure rate has been observed for the PAK-RS-004 grant. While the grant was extended by USD 6 million, the AE has indicated the intention to submit further requests for changes to the proposal. Moreover, although the project has been under implementation for at least 18 months, only 50 per cent of the funds provided to date (first tranche) has been used.

2.2.2. **Entity work programme or inclusion in the country programme of concept notes, funding proposals and Project Preparation Facility requests**

18. **Country programme/entity work programme (EWP):** IUCN has submitted the first draft of its EWP for the first replenishment period of GCF (GCF-1). The draft document is currently undergoing the Secretariat's review. An initial light review of the current draft of the EWP suggests that the EWP clearly explains the comparative advantages of the AE and the added value to GCF as a partner. However, improvements need to be made to the articulation of the programming strategies for the GCF-1 period and, more specifically, how IUCN's programming will contribute to GCF achieving its goals and priorities set out in the updated Strategic Plan for the GCF (USP). Additionally, the AE's approach to ensuring country ownership and its strategy to support and engage direct access entities (DAEs) in its programming needs to be elaborated. The EWP proposes to bring forward three new proposals in addition to the concept notes (CNs)/funding proposals already submitted. The funding amounts and instruments are yet to be determined.

19. **Concept notes/funding proposals:** As at 31 July 2021, the AE has 1 funding proposals in the pipeline at a total volume of USD 60 million in an African LDC. The funding proposals is cross-cutting, with approximately 25 per cent of funding for mitigation and 75 per cent for adaptation. In addition, there are eight CNs in the pipeline at a total volume of USD 348.6 million of which 19 per cent contribute to mitigation and 81 per cent to adaptation. There are four CNs (USD 155.5 million) in LDCs and one CN in a SIDS (USD 50 million). Seven CNs (USD 337 million) are in Africa and the rest are in Asia-Pacific and one CN (\$11M) is in Latin America and the Caribbean.

20. The quality of entry of the proposals and the AE responses has been mixed. There are three CNs with weak quality at entry that have been reviewed by the Secretariat and require further enhancement in terms of consistency, paradigm shift and innovation in each of the targeted result areas.

21. IUCN should focus on its strengths and unique position; hence, projects outside its main focus areas (e.g. REDD-plus interventions) should not be submitted. The AE is encouraged to design transformational projects where it can influence policy-making and transformation on the ground. Additionally, linkages and cooperation with private sector entities should be further explored and expanded.

2.2.3. **Risk flags incurred by the projects, AE or country during the previous accreditation term**

22. It is too early to indicate any risk flags on the IUCN funded activity portfolio because almost all of the projects are just starting implementation. However, the AE is quite responsive and eager to respond to comments and always seeking guidance on areas that are unclear. However, for the Readiness grants under UNOPS management, IUCN needs to ensure compliance with the reporting obligations as well as timely communications on issues relating to grants under implementation that might request waiver or extension approvals.

23. IUCN's Commission on Environment, Economic and Social Policy and its gender equality and women's empowerment (GE&WE) policy are globally recognized with implications for enhancing environmental and social and gender-responsive principles/standards. IUCN's funded activity portfolio is still at its early stages with nearly all its projects just starting implementation. Therefore, there are no risk flags at this stage.

2.3 International access entity contribution to building the capacity of direct access entities

24. In line with the AMA clause 15.02(c)(ii), the AE has reported, on an annual basis covering 2017–2020, on various types of support it has provided to the GCF DAEs as well as potential local, national and regional level entities for accreditation. The reports provided by IUCN show that the AE has provided support to 10 DAEs/potential entities in Oceania and five countries/regions (Bangladesh, Burkina Faso, Guatemala, Nepal and West Africa). The types of support from IUCN included engaging these entities as partners/executing entities to build their track record; technical

support to prepare proposals for GCF; building familiarity with GCF policies, modalities and investment criteria; and technical support to meet the GCF accreditation requirements.

2.4 Overall portfolio of activities of the accredited entity beyond those funded by GCF

25. As per the USP,⁷ the re-accreditation process,⁸ and the monitoring and accountability framework,⁹ the Secretariat and the AP are requested to provide an assessment of the extent to which the overall portfolio of activities of the AE beyond those funded by GCF has evolved during the accreditation period, in order to advance the goal of GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development.

26. IUCN has provided information on the climate change related projects financed by various multilateral and national funds and entities, such as the Agence Française de Développement (AFD), GEF and the European Commission. During the accreditation period under GCF, the donors' contribution for adaptation, mitigation and cross-cutting projects increased from USD 174 million to over USD 413 million, while the total project budget increased from USD 468 million to USD 833 million. Currently, there are six projects in implementation financed by GCF, amounting to USD 71 million, and several CNs and draft funding proposals in the stage of consideration by GCF.

27. The AE provided the following information with regard to the guiding questions established in the baseline methodology:

(a) **Guiding question 1. Has the AE established policies or commitments in the short, medium or long term regarding investment in climate change projects?**

- (i) Over the period of accreditation, IUCN has drawn attention to the critical role that the world's ecosystems – and their conservation, restoration and sustainable management – can play in providing practical and effective nature-based solutions for both climate change mitigation and adaptation. In this regard, it has established commitments in the short, medium and long term regarding investment in climate projects, as provided in its document “Programme for the Union 2021–2024/Nature 2030”, adopted in February 2021;
- (ii) IUCN's ambition is that over the 2021–2030 decade the 1,400+ States, government agencies, indigenous peoples and NGO members of IUCN, together with its network of 16,000+ scientists and its secretariat will mobilize collectively around delivering a clear and demonstrable contribution to the Sustainable Development Goals (SDGs), the post-2020 global biodiversity framework and the Paris Agreement;
- (iii) Specifically, its Programme for the Union 2021–2024 aims to support a vision of limiting temperature rise to 1.5°C through future investments in climate projects with the following impact targets:
 - i. Countries use nature-based solutions and innovations in financing to scale up effective adaptation to the impacts of climate change, with the aim of leveraging private sector investment to amplify the impact over that from public finance targeted for nature-based solutions;

⁷ Decision B.27/06 and annex VI thereto.

⁸ Decision B.24/13 and annex XXVI thereto.

⁹ Decision B.11/10 and annex I thereto.

- ii. Countries scale up nature-based solutions to reach climate mitigation targets, with the aim that countries apply nature-based solutions to contribute to at least 30 per cent of the overall climate mitigation required by 2030; and
 - iii. Responses to climate change and its impacts are informed by scientific assessment and knowledge to avoid adverse outcomes for nature and people, with the aim of informing and transforming decision-making on climate responses to benefit both people and nature, including climate investments; and
 - (iv) The AE has not invested in coal-related power plants or coal mining activities.
- (b) **Guiding question 2. Does the AE receive resources from third parties for the financing of climate projects?**
- (i) IUCN has provided substantive information on climate change related projects financed by fourteen (14) donors, such as the AFD, GEF, the World Bank and the European Commission;
 - (ii) It has provided quantitative information on funds received over the period of accreditation and on the status of IUCN's current portfolio of climate change projects, which totals USD 413 million, as of August 2021;
 - (iii) The AE also provided information of the relative size of the currently active projects, indicating that the climate-related portfolio has grown from 62 projects in 2017 to 141 in 2021 (an increase of 227 per cent), whereas the overall portfolio increased from 233 to 473 projects in the same period (an increase of 203 per cent). The funding for climate-related projects also more than doubled in the period; and
 - (iv) Around half of current funding is climate-focused. Currently, there are six projects in implementation financed by GCF, amounting USD 71 million.
- (c) **Guiding question 3: Does the AE calculate and reduce its greenhouse gas emissions?**
- (i) IUCN explained to the AP that its carbon footprint is estimated and monitored at the global institutional level. A file detailing the carbon dioxide (CO₂) estimates was provided, indicating approximately 1,202 tonnes of CO₂ (tCO₂) emitted as a result of IUCN operational activities in 2020. In addition, IUCN noted that it offsets CO₂ emissions relating to staff travel; and
 - (ii) IUCN also estimates the direct and indirect emission reduction impacts of its portfolio projects over a 20-year lifespan. In the agriculture, forestry and other land use sector, IUCN makes use of the EX-Ante Carbon Balance Tool (EX-ACT), developed by the Food and Agriculture Organization of the United Nations, to estimate the ex-ante contribution of projects to greenhouse gas (GHG) emissions and reductions.
- (d) **Guiding question 4. Does the AE evaluate the climate risks of its portfolio?**
- (i) The AE's environmental and social management system (ESMS) is used for screening for the risks inherent to project design and implementation, including risks relating to climate change and its impacts (e.g. historic, current and future trends in climate variability and sensitivity, shifts in the biophysical conditions triggered by climate change, potential impacts of climate variability on project effectiveness, the risk of maladaptation and the impact of the proposed project on the adaptive capacity of ecosystems and communities). Currently, all IUCN projects over 1 million Swiss francs that are implemented on the ground must pass this screening in order to receive approval. The AE provided a sample of three (3) projects for which a climate change vulnerability assessment exists.
- (e) **Guiding question 5. What are the main sectors of activity of the AE?**

- (i) IUCN focuses on the conservation, restoration and sustainable management of ecosystems and how these activities translate into nature-based solutions for both climate change mitigation and adaptation; and
- (ii) In terms of the sectoral distribution of the climate-related portfolio, IUCN described its plans to track and monitor results related to its Nature 2030 programme. Starting in 2021, it will report annually on the number of projects (and associated investment) that focus on nature-based solutions for adaptation and for mitigation, and on the contributions of the projects to knowledge and capacity-building, policy influencing and/or policy implementation. It will also provide the appropriate methodology for continued reporting on results for climate change, disaggregated to the extent possible by mitigation and adaptation.
- (f) **Guiding question 6. Is the AE investing in mitigation projects/operations?**
- (i) Agriculture, forestry and other land use projects account for the majority of IUCN's current portfolio of projects focused on climate mitigation. Both direct and indirect emission reduction impacts from project interventions are estimated over a 20-year lifespan. Two (2) examples of active IUCN/GEF projects using EX-Act calculations were provided by the AE:
- GEF ID 9417 – Restoring ecological corridors in Western Chad to mitigate climate change: the project includes a direct GHG mitigation target of 705,685 tonnes of carbon dioxide equivalent (tCO₂eq); and
 - GEF ID 9518 – Building climate resilient green infrastructure: enhancing ecosystem services of planted forests in China through forest landscape restoration and governance innovation; a project that includes GHG targets of 3.65 MtCO₂eq by direct mitigation plus 7.63 MtCO₂eq by indirect mitigation; and
- (ii) IUCN is currently analysing its portfolio to quantify the expected investment in 2022 for each key output for adaptation and mitigation. This work is expected to provide a baseline of the portfolio investment in mitigation and adaptation and to inform the appropriate methodology for continued reporting on investments and results for climate change, disaggregated by mitigation and adaptation to the extent possible, and reported on an annual basis to IUCN stakeholders including the GCF.
- (g) **Guiding question 7. Is the AE investing in adaptation projects/operations?**
- (i) The AE actively seeks climate adaptation projects. It has been primarily focusing on biodiversity conservation and resilience investments, framed around three thematic actions/priorities: climate impacts on nature; nature-based solutions; and inclusive climate actions. IUCN has also supported the inclusion of nature-based solutions and ecosystem-based adaptation within national adaptation plans and national adaptation programmes of action, and supported their implementation in a number of developing countries;
- (ii) IUCN is currently analysing its portfolio to quantify the expected investment in 2022 for each key output for adaptation and mitigation. This work is expected to provide a baseline of the portfolio investment in mitigation and adaptation and to inform the appropriate methodology for continued reporting on investments and results for climate change, disaggregated by mitigation and adaptation to the extent possible, and reported on an annual basis to IUCN stakeholders including the GCF.
28. On the basis of the information presented by the AE, which has been analysed as part of the re-accreditation assessment, the AP notes the following:
- (a) The strategic direction for IUCN is set out in the Nature 2030 programme, which outlines the mandate, vision and programmes for IUCN to attract and manage resources for nature-based climate solutions. The strategic plan of the AE aligns with the GCF mandate and objectives and the USP to promote the paradigm shift towards low-emission and climate-

resilient development pathways in the context of sustainable development and efforts to eradicate poverty;

- (b) As stated under guiding question 1 above, the AE has never been involved in fossil fuel financing in the past and no activities of this kind are planned for implementation in the future; and
- (c) As stated under guiding question 2 above, the climate change projects make up 50 per cent of the current funding portfolio of the AE.

29. The AP considers that the evidence provided for the first accreditation term demonstrates the continuous positive trend of developing climate change mitigation and adaptation and cross-cutting activities. Both the strategy and the trend of activities are aligned with the GCF mandate and objectives.

III. Stage II accreditation review assessment

30. The AE is eligible for, and applied under, the fast track re-accreditation process as a GEF entity. Its application has been assessed by the AP during stage II (step 1) against the accreditation standards of the GCF and gaps identified in decisions B.08/03, B.10/06, B.12/30, B.14/09, B.15/09, B.17/13, B.18/05, B.19/14, B.22/09, B.23/13, B.24/11 and B.26/01 and in accordance with the re-accreditation requirements in paragraph 4 above.

31. As part of this assessment, the AP consulted the AE's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

32. IUCN does not have any outstanding fiduciary conditions from the previous accreditation term.

3.1.1. Basic fiduciary standards: key administrative and financial capacities

33. There are no specific changes indicated by IUCN and observed by the AP in the systems and policies or procedures related to the key administrative and financial capacities. As per paragraph 30 above, the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast track accreditation.

34. IUCN's governance structure, as described in the IUCN Statutes, consists of the Members' Assembly (1,400 organizations) which meets every four years at the World Conservation Congress and which elects a Council made of representatives of the members and commissions of experts. The Council provides oversight to the secretariat, which is led by a Director General, appointed by the Council. The IUCN's organizational chart provides the evidence of IUCN's management capacity in terms of thematic programmes, financial management, corporate services and regional presence. The governance structure is considered to be in line with GCF basic fiduciary requirements.

35. IUCN has a formal goal-setting process in place. For 2021–2024, an iterative process involving several rounds of consultation has delineated core priorities, which were provided in the document Programme for the Union 2021–2024. IUCN has developed its programme impact framework by 2030 under the 2021–2014 programme document. The framework contains specific organizational impact targets and related SDG indicators.

36. The IUCN programme is implemented by its secretariat with support of members and commissions. It prepares a detailed annual plan, within the quadrennial programme, supported by a related budget. Each year management and budget reports are prepared at the secretariat level, under the coordination of the Director General, and distributed to members of the Council and the Congress, which includes financial reporting.

37. IUCN has in place a clear and complete set of financial statements that provide information on the statement of assets, liabilities and fund balances; statement of income and expenses; statement of changes in reserves and fund balances; and other notes to accounts. IUCN carries out a review of its financial statements by using an independent external auditor. Audited financial statements for 2019 and 2018 were provided and demonstrated the opinion of the external audit firm. The AP therefore concludes that the resources, systems and procedures for financial management and accounting are in place continue to meet the GCF requirements.

38. The IUCN Office of Internal Oversight Services (OIOS) oversees the work of the internal audit function, as well as the external audit firm as it relates to the audit of financial statements, control systems and reporting. The AE has provided the Investigation Manual of September 2020, developed to support investigation work by OIOS. The AE's external audit is conducted in accordance with the internationally recognized standards.

39. IUCN ensures regular oversight of the procurement function with consistent monitoring by the Procurement Officer. Its procurement policy includes the requirement for contract opportunities and contract awards to be published on the IUCN website. The Procurement Officer conducts annual procurement compliance reviews and procurement activities are audited externally. The AE provided evidence on consistent monitoring and follow-up on review reports, proving that a risk management process exists and allows management to identify, assess and address existing or potential issues that may hamper compliance. Examples of procurement practices were provided, as well as the weblink for complaint and dispute resolution procedures available on the IUCN website.

40. The AP concludes that the basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by the AE.

3.1.2 Basic fiduciary standards: transparency and accountability

41. As per paragraph 30 above, the basic fiduciary standards concerning transparency and accountability have been met by way of fast track accreditation, with the exception of the policy on whistleblowing and prohibited practices, the investigation function, and AML/CFT policies.

42. Regarding the policy on whistleblowing and prohibited practices, the AE has had an anti-fraud policy since 2014 as well as a Code of Ethics, both of which meet the requirements of the GCF basic fiduciary standards on transparency and accountability, the GCF Policy on the Protection of Whistleblowers and Witnesses and the GCF Policy on Prohibited Practices. The AE's policies include provisions related to whistleblower protection and individuals reporting such violations, as well as investigative procedures and structures to receive, investigate and deal with the allegations of prohibitive practices.

43. The investigative function is under the responsibility of Head of Oversight within the OIOS. IUCN recently updated (2020) its mandate for internal audit and investigation functions through two new charters, the IUCN Charter for Internal Audit and IUCN Charter for OIOS Investigations, bringing the function closer to international standards. Procedures to be used to investigate violations against the IUCN's anti-fraud policy, Code of Ethics and related standards have been complemented by two new operational manuals for internal audit and investigations published in September 2020. Investigation activity has been sufficiently demonstrated by the AE: several investigations over integrity events have taken place between 2014-2021. An increase in integrity events was reported in 2020; the AE has informed the AP that this is partly explained by improved capacity to log integrity incidents and enhanced risk management. As stated above, the AE has taken steps to modernize its investigation procedures.

44. The AE adopts procedures inline with the GCF AML/CFT Policy and the GCF Policy on Prohibited Practices, including 'know-your-customer' processes and procedures for the due diligence of its partners. However, the AE does not have a formally approved AML/CFT policy, which is required by the GCF.

45. As per paragraph 30 above, the basic fiduciary standards on transparency and accountability are considered to have been met by way of fast track accreditation. The AP finds that

the AE's policies, procedures and capacity and track record partially meet the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy. The relevant gap is identified in paragraph 44 and is reflected by the same condition as those for re-accreditation in section 4.2.

3.1.3 Specialized fiduciary standard for project management

46. As per paragraph 30 above, the specialized fiduciary standard for project management is considered to have been met by way of fast track accreditation.

47. IUCN has over 1000 staff based in 40 offices worldwide. Its secretariat is organized with regional offices liaising with countries and members, and global thematic programmes which provide overall technical guidance to the IUCN on areas of its programme. Project management is considered the primary means for the IUCN secretariat to deliver the interventions that will achieve the objectives of the IUCN programme and GCF. The IUCN delegation of authority policy regulates the delegation of authority from the Director General to directors, heads of cost centre and other managers, to ensure the highest risk-informed programmatic efficiency and effectiveness. The Project Guidelines and Standards document outlines for each procedure where appraisals and approvals have to be escalated to higher levels of authority within the function. The AE provided its Project Guidelines and Standards document, which establishes a road map and provides the toolkit for identifying, reviewing, selecting, planning, implementing, monitoring, evaluating and closing IUCN projects.

48. IUCN's project management phases follow established best practice in project cycle management and are aligned with the expectations of the sponsors, whether donors or clients, of IUCN projects. The IUCN life cycle comprises the following stages: (1) identification and conceptualization; (2) project development (status A); (3) contracting (status B); (4) implementation and monitoring (status C); and (5) evaluation and closure. Throughout the life cycle of every project, IUCN ensures that technical, financial, economic and legal aspects, as well as possible environmental, social and climate change aspects, are examined and managed. Monitoring is done at the project, portfolio and programme level. The Project Guidelines and Standards document defines the principles for engaging with internal stakeholders and gives access to tools for external engagement.

49. Regarding its track record of capability and experience in the identification and design of projects or programmes, IUCN has provided examples of project appraisal documents in different jurisdictions where identification and design of projects or programmes has taken place, including a GCF-funded project in Guatemala and a GEF-funded project concerning peatlands in Cambodia.

50. The AP finds that the policies, procedures and capacity of the AE, supported by evidence of its track record, fully meet the specialized fiduciary standard for project management.

3.1.4 Specialized fiduciary standard for grant award and funding allocation mechanisms

51. IUCN's overall approach to grant awards has remained the same since its original accreditation. The AE's grant processes address species, habitat and ecosystem conservation needs and issues, and they have been co-financed by various philanthropic organizations, or bilateral/multilateral institutions such as the European Union and GEF.

52. Policies and procedures for grant awards are consolidated in the AE's Grant Making Operations Manual, which contains procedures for evaluating proposals and awarding grants and the terms of reference of the AE's Steering Committee, including provisions for calls for security and confidentiality, criteria for exclusion, eligibility, legality, selection and evaluation. Recent examples of the grant notices and the publication of grant award decisions were provided, demonstrating that the public access to information on beneficiaries and results is guaranteed.

53. IUCN's grant award framework also includes provisions about transparency of financial resources allocation, including guidelines on eligibility of activities to be supported by grants, procurement rules and procedures required to be applied by the grant beneficiary, and monitoring of the implementation of individual projects under the grant awards. Grants awarded by the entity are subject to AML/CFT procedures. Regarding the AE's practices, reports of missions and site visits aimed at supporting grant beneficiaries and at disseminating best practices were provided, reflecting that IUCN is implementing its systems, policies, procedures and capacities with regard to grant making.

54. IUCN has solid experience as a grant-making agency. Evidence has been provided in relation to its extensive expertise (staff in countries, regions and global programmes, commissions and membership) and knowledge mobilized in support of grant-making mechanisms and of specific grants/projects. Because of its role in conservation policy at the global, regional, national and local level, and of its close relationship with government and government agency members, IUCN is in the position to link field activities supported by the grant-making mechanisms with policy processes.

55. The AP finds that the AE's policies, procedures and capacity, supported by evidence of its track record, fully meet the specialized fiduciary standard for grant awards.

3.1.5. **Specialized fiduciary standard for on-lending and/or blending (for loans and equity)**

56. The AE did not apply for re-accreditation for this standard at this time.

3.2 Environmental and social safeguards

57. IUCN does not have any outstanding conditions related to environmental and social safeguards (ESS) from the previous accreditation term.

3.2.1. **Environmental and social policy**

58. IUCN's environmental and social management framework (ESMF) is provided within its Environmental Management System Manual, which has been endorsed by senior management in 2016 and is available on its website. The policy commits the IUCN to the following: taking a rights-based approach; protecting the needs of vulnerable groups; gender equality and empowerment of women; stakeholder engagement; free, prior and informed consent; accountability; and the precautionary principle. The ESMS is consistent with operational policy 4.01 of the World Bank and the GEF policy on agency minimum standards on ESS, and has also been influenced by the environmental and social performance standards of the International Finance Corporation.

59. The AE has recently updated its ESMS with three guidance notes that support implementation regarding stakeholder engagement; the grievance redress mechanism; and assessment, management and monitoring of environmental and social (E&S) risks. With these enhancements, the entity's ESMS is now more closely aligned with the International Finance Corporation Performance Standard on Risk Management (PS1) and its requirements for the scope and nature of activities undertaken by the IUCN, particularly with regards to labour (PS2), resource efficiency (PS3) and community (PS4).

60. IUCN's indigenous peoples standard was revised in 2019, with additions relating to peoples living in voluntary isolation and to access to a culturally appropriate grievance redress mechanism. A guidance note is currently in preparation and it will reflect these changes. The correspondence and consistency between the IUCN ESMS, the indigenous peoples standard and

the new guidance note with the principles of the GCF Indigenous Peoples Policy has been confirmed by an independent ESS expert.

61. IUCN's policies on climate change include Resolution 56,¹⁰ which calls on IUCN's members to strengthen their efforts towards implementing the Paris Agreement, including through ecosystem-based approaches, and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. It also calls on the IUCN secretariat to support, as appropriate, IUCN members, commissions and programmes that are assisting Parties to the Paris Agreement with the implementation of their nationally determined contributions. At the project level, detailed climate risks screening is done at the concept and proposal stages of project development. On each of its projects, IUCN measures GHG emissions reduction potential and tracks this throughout the project life. The AE does not support coal-related power plants or coal mining activities.

62. The AP finds that the AE's ESMS, comprising the environmental and social policy, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim GCF ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.2. Identification of environmental and social risks and impacts

63. IUCN has an institution-wide ESMS which is consistent with good international practice and which explicitly commits the IUCN to assessing cumulative and associated facilities impacts and to applying a mitigation hierarchy to manage impacts. The AE updated its ESMS in 2020 with a guidance note that supports the implementation of monitoring of E&S risks. The guidance note complements the policies and procedures established in the ESMS manual by providing more detailed guidance for the identification and management of E&S risks. The guidance note also provides guidance on exclusion and other project design decisions in order to avoid or mitigate risks and guidance for measures to mitigate or compensate risks.

64. Suitable evidence relating to the E&S risks and impact identification has been provided, including a screening template and screening reports from 2017, 2018 and 2020 for several category B/I-2 projects/programmes, including two climate resilience enhancement projects, in Sri Lanka and in Nepal, and a drylands sustainable management project in Burkina Faso. Also, the AE has provided its Annual ESMS Risk Report drawn from the IUCN Project Portal, demonstrating its track record on monitoring E&S risk status and making data partially available to the public. The AE explained that the portal will be further refined, including indicating further ESMS data.

65. The AP finds that the AE's system of identifying E&S risks and impacts, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim GCF ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.3. Environmental and social management programme

66. IUCN's ESMS manual describes the institutional policy, process and standards for E&S risk management and related steps and procedures, as well as how they are connected to the project cycle. The ESMS is guided by eight overarching ESMS principles and four ESMS standards that reflect key environmental and social areas and issues that are at the heart of IUCN's conservation approach. The four IUCN ESMS standards – on involuntary resettlement and access restrictions; indigenous peoples, cultural heritage; and biodiversity and sustainable use of natural resources – are published as stand-alone documents that describe the standard's underlying policies and objectives and specific requirements on how to assess and manage

¹⁰ Available at <https://portals.iucn.org/library/sites/library/files/documents/IUCN-WCC-6th-005.pdf>.

associated risks. The AE's E&S risk policy also contains a description of oversight requirements on its partners.

67. A guidance note on "Assessment, Management and Monitoring of Environmental and Social Risks" was released in 2020, introducing new elements and providing detailed guidance for identification and management of risks in six specific areas that are common to biodiversity conservation projects: (1) adverse gender-related impacts, including gender-based violence; (2) risks of affecting vulnerable groups; (3) risk of undermining human rights; (4) community health, safety and security risks; (5) labour and working conditions, including that of project workers; and (6) resource efficiency, pollution, wastes, chemicals and emissions of GHGs. The AE also indicated in the guidance note that it is preparing a methodology to assess the risk of a project design failing to take climate change into account.

68. The management of E&S risks includes screening, risk assessment, ESMS clearance, and management and monitoring and evaluation. All projects that have been categorized as moderate, substantial or high risk require a risk assessment to ensure that the risks are analysed in more detail and a strategy will be in place for managing risks and mitigating impacts. Due diligence may include scoping visits. Engagement with stakeholders and right holders is intended as part of the impact assessment process; and women and vulnerable groups are emphasized as essential parts of the community engagement for an environmental and social impact assessment.

69. The AE also requires that grant beneficiaries develop an ESMF or a fund-level ESMS. The purpose of these safeguard tools is to document the institutional processes showing how the executing entity will carry IUCN's E&S risk due diligence for each grant. The AE provided two examples – one ESMF and one fund-level ESMS.

70. The AE's ESMS was mainstreamed into the entire IUCN portfolio in 2016 such that it is applied to all area-based projects. Since mainstreaming the ESMS, a total of 222 projects have been screened and related data shared through a central database that was established in 2019 (the IUCN Project Portal). Only one project was rated high for E&S risk, 23 moderate (10 per cent) and 198 were considered low risk projects (89 per cent). The current safeguards risk profile reflects the fact that a large number of IUCN projects are either non-area-based projects¹¹ or area-based projects with no or only small-scale and low-impact physical interventions. The current approach for internal control is considered fit-for-purpose and commensurate to the types of projects and the risk level of the IUCN portfolio. The AE's ESMS was subject to external auditing in the context of GEF accreditation. The GEF external audit recommended that the AE include the production of free-standing standards that address requirements on resource efficiency and pollution prevention; labour and working conditions; and community health, safety and security in future updates to its ESMS manual and supporting documents. The AE also informed the AP of its plans to conduct an independent review of the effectiveness of the ESMS in 2025, after guidance notes have been pilot-tested on a sample of projects.

71. Regarding track record, IUCN provided two sample reports for category B/I-2 projects/programmes demonstrating the AE's E&S risk and impact mitigation measures and actions stemming from the E&S risk identification process, including experience with performance standards 2–8.

72. The AP finds that the entity's management programme, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim GCF ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

¹¹ Interventions such as engagement in global policies, advice for regional or national policies, stakeholder engagement, capacity-building, and so on.

3.2.4. Monitoring and review

73. IUCN's main instrument for monitoring a project's ESMS is a project-specific Environmental and Social Management Plan (ESMP), which establishes the project's risk management strategy. A Guidance Note on ESMP describing the content of the ESMP and how the ESMP is monitored has been provided to the AP, including two templates for ESMP monitoring: one for tracking the implementation of the mitigation measures and another for monitoring the effectiveness of the ESMP (including indicators).

74. IUCN provided evidence on its track record: namely, two ESMPs monitoring reports for category B projects comprising ecosystem conservation and international water resources management, and an example of an aide-memoire of a supervision mission including findings of ESMP monitoring. High-risk projects require an ESMP supervision mission to be carried out by an external expert; however, this has not yet taken place because the one project in the IUCN portfolio that is categorized as high risk has not yet reached the supervision stage.

75. The AP finds that the AE's system of monitoring and review, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy and interim GCF ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.5. External communications, consultations, information disclosure and grievance redress mechanism at the institutional level

76. IUCN's ESMS manual describes its E&S information disclosure requirements. The AE has a policy on transparency and also a website for overarching external communications through which it shares information and invites interactions on its various global policies, projects and programmes.

77. At the project level, the AE's institutional-level grievance redress mechanism (GRM) is managed by the Head of Oversight and overseen by the Director of the Programme and Policy Group. The GRM process and procedures were updated in October 2020 through the publication of a guidance note. The updated guidance note contains information such as the avenues/channels of communication and the internal procedures and competencies to screen, assess and, as needed, address E&S risk-related issues raised. The guidance note also emphasizes the GCF principles of protection from retaliation, and provides information on the appropriate procedures to put in place. Changes further involved clarification of the escalation steps, the timeframe of responses and for filing a complaint (chapter 3), and clarifying in chapter 1 that the detail of any project-level GRM depends on the risk level as instructed by the screening process. To date, the AE has received only one E&S risk-related complaint through its institutional external communications system. Information about this case has been provided by the AE.

78. IUCN's ESMS grievance mechanism – referred to as the project complaints management mechanism – addresses stakeholders' complaints related to issues where IUCN projects have failed to respect ESMS principles, standards and procedures. The mechanism applies to all projects covered under the scope of the ESMS, irrespective of their size or source of funding. A sample of two (2) documents on project-level GRM was provided.

79. The AP finds that the AE's system of external communications, consultations, information disclosure and its GRM, supported by evidence of its track record, fully meets the GCF Environmental and Social Policy, the GCF interim ESS standards and GCF Information Disclosure Policy regarding the disclosure of environmental and social information requirements for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.6. Organizational capacity and competency

80. IUCN has provided an organizational chart that describes the roles, responsibilities, reporting lines and authority of its experts, including their competencies in implementing the ESMS. The project-related environmental and social functions are under the responsibility of the IUCN ESMS coordinator, hosted at its headquarters and supported by the ESMS expert team, a group of IUCN senior and technical staff drawn from IUCN global thematic programmes and regional programmes, based in regional, national and project offices around the world.

81. The AE provided a list of personnel with qualifications to manage environmental and social issues, including the senior gender programme manager, the lead governance, rights and equity manager, the manager of the global protected area programme, and the programme officer for indigenous peoples and conservation, as well as regional officers involved in ESMS-related functions.

82. The AE also provided a sample of documents describing ESMS training organized as both physical events and in hybrid format (due to COVID-19).

83. Project oversight and supervision is assumed by the ESMS coordinator and members of the ESMS expert team in the respective countries. IUCN indicated its intention to further institutionalize ESMS support and oversight in the function of ESMS officers based on the main regional IUCN offices.

84. The AP finds that the AE's organizational capacity and competency, supported by evidence of its track record, meets the GCF ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.3 Gender

85. IUCN does not have any outstanding gender-related conditions from the previous accreditation term.

86. The AE provided a copy of its updated GE&WE policy, revised in 2018. The updated GE&WE policy includes the institutional commitment to realizing gender equality and women's rights and empowerment, and puts into place principles and requirements for embedding a gender-responsive approach into projects/programmes. The Director General oversees the implementation of this policy. The AE is committed to issuing a Gender Equality Synthesis report every four years to assess the institutional progress in the implementation of the IUCN GE&WE. The first synthesis report is due in 2022.

87. While IUCN's ESMS manual and environmental and social guidance note have provisions for disclosure of information and free, prior and informed consent (FPIC) in projects involving indigenous peoples, as well as gender-sensitive stakeholder engagement, these are not reflected in its GE&WE policy. The AP notes that this gap should be addressed by the AE through the inclusion of such provisions in the GE&WE. The AE informed the AP that its draft guidance note on the indigenous peoples standard addresses the need for participation of indigenous peoples to be gender inclusive and tailored to the needs of disadvantaged and vulnerable groups.

88. At the institutional level, IUCN ensures gender equality is enforced throughout its human resources policies. In particular, the IUCN talent acquisition policy lays out the principles of gender balance and non-discrimination. The gender pay gap and Swiss equity reports provided sufficient evidence on the AE's track record on gender mainstreaming at the institutional level. AE provided evidence that it does not have any gender pay gap globally, and there is gender pay parity in its head office. IUCN's Code of Conduct and Professional Ethics

outlines that IUCN values and respects diversity. At the institutional level, the Human Resources Management Group is in charge of looking at gender equality matters within the secretariat.

89. Regarding capacity, the AE established a gender team as part of its Global Governance and Rights Programme, and has gender officers positioned in several regional and local offices. It has provided the curricula vitae of gender officers and members of its gender team. The AE has provided evidence of having conducted gender activities and gender training events.¹² Copies of some gender training materials and lists of participants were provided.

90. A number of guidance notes, handouts and templates were provided by the AE. These are sufficient evidence of the AE's procedures to ensure gender mainstreaming at the project/programme level, including that project/programme design should be compliant with gender requirements in stakeholder analysis and engagement, situation analysis, project results framework, impact analysis and mitigation, risk monitoring, and GRM and protection from sexual exploitation, sexual abuse and sexual harassment.

91. With regard to practices, sample documents were provided that demonstrate the active participation of women in project/programme consultations and development of activities, as well as project-level gender assessments and gender action plans.

92. The AP finds that the AE's gender policy, procedures and capacities partially meet the updated GCF Gender Policy. The relevant gap is identified in paragraph 87 and is reflected as a condition of re-accreditation in section 4.2.

IV. Conclusions and recommendation

4.1 Conclusions

93. Following its assessment, the Secretariat concludes the following in relation to the application:

- (a) Overall, the AE has a limited size of a portfolio with GCF that is under implementation with APRs submitted and analysed. Therefore, it is too early to provide substantive recommendations apart from requesting the AE to address project- and grant-specific challenges on a timely manner;
- (b) The AE needs to improve its compliance with reporting deadlines for Readiness grants; and
- (c) The AE needs to prioritize the finalization of its EWP in 2021, and ensure that the partnership approach and programming strategy are aligned with USP.

94. Noting the recommendations above, on the basis of the AE's limited portfolio that demonstrates satisfactory progress, and the pipeline that offers potential to contribute to GCF achieving the goals and priorities set out in the USP, the Secretariat recommends that the AE's re-accreditation application be progressed to stage II.

95. Following its assessment of the application against the standards of the GCF in accordance with the accreditation requirements identified in paragraph 30 above, and noting that the AE has applied under the fast track accreditation process, The AP also concludes:

- (a) The AE partially meets the requirements of the basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy. The gap relates to the AE's lack of a formally approved AML/CFT policy, as reflected in paragraph 44 above and addressed in the corresponding condition of re-accreditation in section 4.2;

¹² Available at <www.genderandenvironment.org>.

- (b) The AE meets the requirements of the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and/or funding allocation mechanism;
- (c) The AE meets the GCF Environmental and Social Policy, interim GCF ESS standards and the Information Disclosure Policy on disclosure of environmental and social information in relation to the medium E&S risk category (category B/I-2); and
- (d) The AE has demonstrated that it has a policy, procedures and competencies in order to implement its GE&WE policy, which is found to be partially consistent with the updated GCF Gender Policy, and has demonstrated that it has experience in gender considerations in the context of climate change. The gap in the policy relates to the lack of provisions relating to non-discriminatory disclosure of information and FPIC by indigenous peoples in the AE's GE&WE policy, as required by the updated GCF Gender Policy, as reflected in paragraph 87 above and addressed in the corresponding condition of accreditation in section 4.2.

4.2 Recommendation on re-accreditation

96. The AP recommends, for consideration by the Board, IUCN for re-accreditation for its second term as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** medium¹³ (including micro and small);
 - (ii) **Fiduciary functions:**
 - (1) Basic fiduciary standards;
 - (2) Specialized fiduciary standard for project management;
 - (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-3¹⁴));
- (b) **Conditions:** the entity will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions 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 presentation of the AE's mid-term review of the accreditation process:
 - (1) Provision of evidence that the entity has formally approved an AML/CFT policy that is consistent with GCF AML/CFT Policy;
 - (2) Provision of evidence that the entity has updated the GE&WE policy, including provisions relating to non-discriminatory disclosure of information and FPIC by indigenous peoples.

¹³ 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 USUSD 250 million for an individual project or an activity within a programme."

¹⁴ 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."

97. The entity has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 96 above, and agrees to the recommendation.

4.3 Remarks

46. The entity has reported that it plans to update its GE&WE policy after the quadrennial review of the current policy (2022). The AP recommends the creation of a Gender Committee or equivalent, and further integration of non-discriminatory disclosure of information and FPIC by indigenous peoples.

47. The entity has conducted a global gender pay gap analysis and an HQ equal pay analysis. The AP recommends that the AE develop similar types of analysis at the project level so as to demonstrate the implementation of the AE's non-discrimination policy, including the sharing of development benefits between men and women.

48. The entity has informed the AP that it plans to conduct an independent review of effectiveness of the ESMS in 2025, after guidance notes have been pilot-tested on a sample of projects. The AP recommends that the AE report on the progress of pilot testing by the mid-term review.