

Annex III: Re-accreditation assessment of Conservation International (CI) for the second accreditation term

I. Introduction

1. Conservation International Foundation (CI) is a non-profit organization that operates internationally in over 30 countries across six continents with more than 2,000 partners in order to empower societies to responsibly and sustainably care for nature for the well-being of humanity. It has built strong relationships with communities, governments, academia, foundations, civil society organizations and the private sector in order to deliver innovative nature-based solutions for climate change mitigation and adaptation. In developing countries, it partners with host country government institutions, research and academic institutions, as well as indigenous peoples' organizations. Globally, CI's partnerships include alliances with other environmental organizations to promote policies that support the conservation and restoration of nature in forums like the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, and at the level of the European Union and the federal government of the United States of America. CI also has numerous collaborations with corporations to improve business practices and drive investment into conservation. 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. CI was accredited by the Board on 9 July 2015 in decision B.10/06, paragraph (c), for the following parameters, as recommended by the Accreditation Panel (AP), under the fit-for-purpose approach of 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 standards for grant award and/or funding allocation mechanisms; and
- (e) **Maximum environmental and social risk category:** minimal to no risk (Category C/intermediation 3 (I-3));³ and
- (f) **Indicative results areas for intended projects/programmes with GCF:**
 - (i) Buildings, cities, industries and appliances;
 - (ii) Energy generation and access;

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, 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."

- (iii) Livelihoods of people and communities;
 - (iv) Forests and land use;
 - (v) Ecosystems and ecosystem services; and
 - (vi) Public, private, and cross-cutting types of projects/programmes.
3. CI applied for an upgrade in its accreditation scope, which was approved in decision B.15/09, paragraph (f), for the following parameters:
- (a) **Maximum environmental and social risk category:** medium risk (Category B/intermediation 2 (I-2)).⁴
4. CI signed its accreditation master agreement (AMA) with GCF on 13 July 2017, which became effective on 17 August 2017. With the AMA having become effective, the AE's first accreditation term is from 17 August 2017 to 16 August 2022. The accredited entity (AE) submitted its application for re-accreditation to GCF via the digital accreditation platform on 25 November 2021. Accreditation fees were not applicable since the AE is seeking re-accreditation for the same accreditation scope that it was previously accredited for; thus, the stage I institutional assessment and completeness check commenced upon submission of the re-accreditation application. Stage I was completed on 8 February 2022 and the applicant was progressed to the stage II (step 1) accreditation review by the AP, which has been concluded with the publication of this assessment.
5. The AE has applied for the same accreditation scope that it was previously accredited for, while updating the indicative results areas for intended projects/programmes it seeks to submit to GCF to the following:
- (a) **Indicative results areas for intended projects/programmes with GCF:**
 - (i) Livelihoods of people and communities;
 - (ii) Health and well-being, and food and water security;
 - (iii) Forests and land use;
 - (iv) Ecosystems and ecosystem services; and
 - (v) Public, private, and cross-cutting types of projects/programmes.

II. Stage I institutional assessment and completeness check

6. The AE was 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 decision B.08/03, and in accordance with the GCF policies and standards below to the extent applicable to accreditation below:
- (a) "Updated Strategic Plan for the Green Climate Fund: 2020–2023" (decision B.27/06);

⁴ 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."

- (b) “Matters related to the accreditation framework” and “Consideration of accreditation proposals, including consideration of the re-accreditation deadline” regarding the re-accreditation process (decisions B.24/13, para. (a), and B.26/01, para. (h), respectively);
- (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);
- (h) “Revised Environmental and Social Policy” (decision B.BM-2021/18);
- (i) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of environmental and social (E&S) information; and
- (j) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12).

2.1 Legal status, registration, permits and licences

7. The AE provided documents on its establishment and licences to operate, where relevant, as a part of the application. The AE confirmed that there had been no change in its legal status or licences to operate since the original accreditation application.

8. As indicated in paragraph 4 above, the AE and GCF entered into the AMA for the AE’s first term from 17 August 2017 (date of AMA effectiveness) to 16 August 2022.

9. Once re-accredited, the AE’s AMA would need to be amended and restated to account for the re-accreditation decision and any conditions of re-accreditation based on the AP’s assessment of the AE against the relevant GCF standards and policies listed in paragraph 41 below, as well as to reflect the GCF policies and standards adopted by the Board that have become effective since the agreement between the GCF and the AE of the AMA for its first accreditation term.

10. The AE confirmed at the time of publication of this recommendation that it is willing to engage with GCF on amending and restating the AMA to account for new GCF policies that have become effective after the agreement between the GCF and AE of the AMA for the first accreditation term and that it will put in the necessary resources to review the draft amended and restated 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**

11. CI’s portfolio includes two approved funded activities in two African countries (Botswana and Madagascar) with GCF financing of USD 55.2 million in grants and co-financing of USD 61.6 million also in grants. These are funding proposal 26 (FP026) titled “Sustainable Landscapes in Eastern Madagascar (SLEM)”, which was approved as a private sector project at

the fourteenth meeting of the Board (B.14) in October 2016, and funding proposal 158 (FP158) titled “Ecosystem-Based Adaptation and Mitigation in Botswana’s Communal Rangelands”, which is a public sector project approved at B.28 in March 2021.

12. FP026 has been under implementation since 2018 and is in its fourth year of a five-year implementation period. The SLEM project is cross-cutting, seeking to reach 87,500 beneficiaries and avoid 5 million tonnes of carbon dioxide equivalent (tCO₂eq). The project’s business model is to initially address smallholder farmers’ vulnerability through non-profit activities that will prepare them to eventually access private sector investment, providing a pathway out of extreme vulnerability and dependency. This approach is aimed at overcoming the barriers to private sector investment.

13. The FP026 project, when approved by the Board, was to be implemented by two AEs – CI and the European Investment Bank (EIB) – as the project was jointly developed by the two. However, EIB withdrew from the joint project before it started implementation of the components for which it was the AE. EIB’s activities under FP026 were to be focused on the joint project’s private sector activities through the oversight of the executing entity (EE) Mirova Natural Capital’s (formerly Althelia) of the management of a USD 50.5 million for-profit investment fund. Profits from the Investment Fund had the possibility (with GCF approval) of being invested into climate activities in the country through the CI-supported Climate Change Trust Fund (CCTF), enabling continued investment in landscape-level adaptation and mitigation activities. As stated in the CI and EIB joint funding proposal, the project’s overall objective was “Sustainable landscape measures are used to enhance the climate change resiliency of smallholder farmers, improve ecosystem resiliency, improve access to low-emission energy sources and reduce emissions from deforestation”. EIB’s withdrawal from the joint project has reduced the number of direct beneficiaries from 562,000 to 87,500 and resulted in reduced mitigation benefits since activities related to low-emission energy production will not take place. Project objectives included the mobilization of large-scale private sector finance to address the needs of Madagascar to adapt to the impacts of climate change as well as reduce national greenhouse gas (GHG) emissions. The joint project was also to test a potential model for public-sector finance to enable private sector participation in a least developed country to support low-carbon growth, green climate bonds and climate resilience. These objectives will no longer be achieved by FP026 with the withdrawal of EIB.

14. FP158 was approved in March 2021 and recently came into implementation after becoming effective on 01 December 2021 and received first disbursement of USD 1.9 million on 03 February 2022. The project is cross-cutting, seeking to reach 247,000 direct beneficiaries and aiming for a reduction of 21.5 million tCO₂eq (4.7M tCO₂e during implementation). The project objective is to restore vegetation in communal grazing lands that are particularly impacted by climate change.

15. **Overall performance:** The key performance assessment of CI’s portfolio performance is based on the only project under effective implementation (SLEM, FP026) since the other one (FP158) is at the operational set-up and project launch stage.

16. The implementation of FP026 is generally satisfactory and has progressed despite the withdrawal of EIB and the impact of the COVID-19 pandemic. Overall, the key performance parameters of CI, based on FP026 implementation, are average in terms of the results delivery, disbursement rates and execution rate, and above average in terms of timely reporting for all reporting obligations when compared with other AEs. As of 31 December 2021, USD 8.6 million had been disbursed, which represents 46.5 per cent of approved GCF funds for SLEM only (FP026) (which is the only CI project that had received disbursement). Out of this, the project had spent USD 6.14 million from GCF and USD 0.77 million from CI co-financing.

17. SLEM is in its fourth year of implementation. Regarding the results of FP026 during this period, the project has reduced emissions from deforestation by 7,788,379 of tCO₂eq trained and provided information to more than 100,000 individuals about the threats of climate change; provided training and agricultural inputs to over 60,000 individuals, who can now practise improved, climate-resilient agricultural techniques; produced more than 600,000 seedlings through the project-supported nurseries; and restored more than 1,800 hectares within protected forest areas. In the first three quarters of 2021, the project's drone patrols in remote areas identified 52 deforestation zones and led to confessions of 17 deforesters when confronted with photo and video evidence. Also, 96 members of project-supported farming collectives in Tolongoína produced and sold 10,000 kilograms of green vanilla to an export company. The project has supported the development of many women's farmers associations, and more than 40 per cent of those trained and supported by the project to improve agricultural practices are women. Over the course of project implementation, the project has patrolled more than 400,000 hectares through support to community and local enforcement agency cooperative patrols, leading to over 200 arrests.

18. **Reporting timeliness and quality:** Overall, CI has been timely in the submission of the key reports for FP026 and also in seeking guidance and clarifications as they relate to reporting obligations and other project management issues. With regard to the quality and timeliness of annual performance reports (APRs), overall CI has been providing its APRs per the terms and conditions as included under the AMA and the FAA. The overall quality of reporting is above average with detailed reporting and clarity of information in the submitted documents. The 2020 and 2021 APRs provides detailed information on implementation progress as well as the financial reporting. With regard to communication, the focal points are responsive and proactive in reaching out to the Secretariat, and the turnaround time is very efficient.

19. **CI as a delivery partner for the GCF Readiness and Preparatory Support Programme (Readiness Programme):** In addition to its role as an AE, CI is a delivery partner for the Readiness Programme. Under its Readiness portfolio, CI has two Project Preparation Facility (PPF) projects: ECU-PPF-009 for a proposal titled "Transformative public and private partnerships for climate change adaptation and mitigation through the protection of mangroves and wetlands along Ecuador's coast" and BWA-PPF-017 for a proposal titled "Ecosystem and livelihoods resiliency: climate change risk reduction through ecosystem-based adaptation in Botswana's communal grazing lands", both of which are managed by the United Nations Office for Project Services (UNOPS). For ECU-PPF-009, the objective is to build resilience and adaptive capacity coordinated across the coastal sectors most vulnerable to climate change, particularly including coastal communities and the fisheries/shrimp sector. The objective of BWA-PPF-017 is to support the submission of a full funding proposal 12 months after the PPF funding was made available. For ECU-PPF-009, the objective is to build resilience and adaptive capacity coordinated across the coastal sectors most vulnerable to climate change, particularly including coastal communities and the fisheries/shrimp sector. The two approved grants are valued at USD 642,488, of which USD 542,386 has been disbursed.

20. **Project performance:** As of 31 December 2021, the two PPF grants under the Readiness portfolio had been completed and closed. The implementation of the two grants was generally satisfactory, although the portfolio had been characterized by time extensions with both grants having received two no-cost extensions each, including a COVID-19 pandemic blanket extension granted by GCF as an adaptive management strategy due to the pandemic. Overall, both projects had been extended for an average of 12 months – double their original duration. However, the associated funding proposal, one of the deliverables of ECU-PPF-009, is under review by the Ecuador's Ministry of Environment, Water and Ecological Transition and is thus pending submission to the Secretariat. With regard to BWA-PPF-017, the associated funding proposal has been submitted to the Secretariat and was subsequently approved by the Board at B.28.

21. **Reporting timeliness and quality:** Overall, reporting by the AE has always been on time. CI submitted two interim progress reports as well as completion reports, and the reports were submitted before the due dates. The quality of reporting under the Readiness portfolio is very satisfactory. Supporting documentation is always provided in a clear and efficient manner, while the turnaround time for additional clarifications as requested by UNOPS is short. With regard to communication, the focal points for the two grants are responsive and easily reachable. Similar to the funded activities, CI is very fast in responding to questions or concerns raised.

2.2.2 **Entity work programme, concept notes, funding proposals and Project Preparation Facility requests**

22. **Entity work programme (EWP):** The AE submitted a draft EWP for the first replenishment period of the GCF (GCF-1) on 8 May 2020. The EWP was taken through multiple rounds of interdivisional review by the Secretariat and iterations by the AE before it was endorsed by CIC-1 on 26 November 2020, with recommendations on the partnership and overall pipeline to be considered at the midway point of GCF-1 and on the specific project ideas PIs to be considered when developing those into concept notes and funding proposals.

23. The AE's comparative advantage is its continuous presence in nearly 30 countries of operation and strong expertise in policy and science, which result in innovative nature-based solutions to address climate change. CI's experience and expertise overlap with GCF results areas such as forestry and land use; most vulnerable people and communities; health and well-being; food and water security; and ecosystems and ecosystem services. CI also leverages its partnerships with communities, governments, civil society groups, private sector organizations, and donors around the world to achieve transformational change, including in proposals the AE develops for GCF financing. Although CI's accreditation scope is focused on the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and/or funding allocation mechanisms, the AE seeks innovative ways to use the available financial instruments and, where possible, leverage the instruments to enable and catalyse private sector investment and design sustainable value chains.

24. The EWP endorsed by CIC-1 contained four multi-country project ideas covering countries in Africa, Asia and Latin America and one single country project idea for Indonesia, with the total request from GCF estimated at USD 233 million, while the co-financing sources and figures were yet to be confirmed. Since then, CI's pipeline has changed, and CI resubmitted its revised EWP in March 2022 addressing recommendations of the CIC-1 and reflecting the latest status of the pipeline, which shows that some of the project ideas endorsed for further development in the earlier version of the EWP have been moved to the GCF-2 pipeline or were withdrawn altogether. During the remainder of the GCF-1 period, the AE will focus on advancing the officially submitted concept notes and funding proposals. The Secretariat intends to present the revised EWP to CIC-1 for information.

25. **Concept notes/funding proposals:** As of 31 December 2021, the pipeline submitted by the AE consists of five public sector concept notes. Of these, three cover multiple countries in Latin America and the Pacific, and the remaining two are single-country proposals for Indonesia and Peru and one project idea note for the Philippines for a total financing value of USD 436.6 million (seeking GCF funding of USD 267.245 million). Additionally, CI's pipeline contains one private sector funding proposal that has been inactive since 2019. For two of the public sector proposals, CI has requested PPF grant resources to develop the associated concept notes into full funding proposals to be submitted in 2022–2023, with one already approved.

26. The submitted pipeline demonstrates significant potential to contribute to GCF programming targets and climate objectives at the national level in targeted countries, and to a

number of GCF thematic areas, in particular ecosystems and ecosystem services, and forests and land use. Some of the concept notes have been in the GCF pipeline for more than a year waiting for the AE to resubmit the concept notes and/or to reconfirm that the proposals are still priorities for the countries and should therefore continue to be considered as active proposals in the GCF pipeline. Although all of the submitted concept notes request GCF financing in the form of grants given CI's accreditation scope, the transformational impact of the GCF resources is an area which will benefit from further development at concept note stage. It should be noted that while the Secretariat discussed with CI the potential for an upgrade in its accreditation scope for the specialized fiduciary standard for on-lending and/or blending for loans given its ownership of Conservation International Ventures, the AE has opted to not yet pursue this option due to its internal considerations of structuring such engagement.

2.2.3 **Risk flags incurred by the projects, accredited entity or country during the previous accreditation term**

27. **ESS, gender and Indigenous People (IP) risks.** One of the AE projects has been receiving reports related to illegal activities by outside parties in the project area; the AE has indicated that it is working with national authorities to mitigate these problems and support enforcement efforts.

28. **Operational risks:** The FP026 project has experienced the following operational risks:

- (a) The FP026 project, when approved by the Board, was to be implemented by two AEs – CI and EIB – as the funding proposal was jointly developed by the two. In June 2020, EIB formally communicated to GCF that it was withdrawing as from its role as the co-AE for the project. Despite the withdrawal of EIB from FP026, the implementation of CI's part of the approved funded activity has continued, and CI has confirmed that it will still be able to achieve the targets and indicators of the funded activity under CI management in accordance with the terms of and its obligations under the CI FAA;
- (b) Regarding the establishment of the Climate Change Trust Fund (CCTF), which is a key component of the project, in December 2021, CI informed the Secretariat of recent developments that might likely lead to changes to and the redesigning of project activities and other adjustments to the project's workplan. The CCTF is contingent on several Board-related conditions;
- (c) Also, the COVID-19 pandemic has seriously impacted CI operations in Madagascar, which seriously hindered travels, project activities, and in-person events for all projects. These restrictions prevented the EE (CI Madagascar) from visiting the project-targeted vulnerable communities in remote areas of Madagascar, and poor telecommunications infrastructure in Madagascar prevented the implementation of a variety of planned project activities, including a household survey of beneficiaries; and
- (d) Given the delays in project implementation and budget execution, CI had informed the Secretariat of the possibility of requesting a no-cost extension of the project duration to enable the project to achieve its project planned outcomes. This, however, will be subject to recommendations from the interim evaluation currently ongoing.

29. Specifically with regard to integrity risk related to the GCF AML/CFT Policy and the Policy on Prohibited Practices, the Secretariat is not aware of any risk flags pertaining to the AE during the current accreditation term. Furthermore, the Secretariat also consulted with the IIU regarding integrity risk within IIU's knowledge, and IIU has confirmed that it does not have any reservations with this re-accreditation proposal being presented for Board consideration.

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

30. In line with the AMA clause 15.02(c)(ii), the AE has reported, on an annual basis between 2017 and 2020, on various types of support it has provided to the GCF direct access entities (DAEs) as well as potential local, national and regional-level entities for accreditation. The reports submitted by CI show that the AE has provided support to two entities in Africa. It engaged one as an EE in its project over multiple years, thus building the entity's track record while providing technical support to the other. CI has also entered into discussions to engage two DAEs in the Pacific and one DAE in Latin America to serve as EEs in its proposals for the respective regions submitted to the GCF. These are significant opportunities for exchanges of information to build institutional policies and capacities of the involved DAEs.

31. CI indicated in its re-accreditation application received on 25 November 2021 that it has initiated similar discussions with two other DAEs. It is recommended that CI further diversify the entities considered for execution of its GCF funding proposals, thus building capacity and receiving support from local technical experts in the countries. This could also serve to mitigate any potential implementation risk.

2.4 Accredited entity-level reporting on continuing to meet GCF accreditation standards

32. In line with the AMA clause 15.02(c)(i) and 5.03(b)(iv), CI has submitted the required AE-level reports throughout its five-year accreditation term within the deadlines stipulated in the AMA. These include annual self-assessments for calendar years 2017 and 2018, followed by a midterm accreditation review that included the self-assessment for calendar year 2019, and another self-assessment for calendar year 2020. CI's re-accreditation application includes the self-assessment for calendar year 2021.

33. In the annual self-assessments, CI reported changes to a number of areas related to fiduciary standards, ESS and gender requirements against which CI was assessed for its original accreditation, all of which CI reported as having positive impacts on the AE's capabilities to continue to serve in its role as an AE. The AE has maintained its accreditation to the GEF throughout its first accreditation term.

34. As detailed in document GCF/B.27/03/Add.02, the AP and Secretariat reviewed the midterm review report covering calendar year 2019 and found that the AE continued to meet the relevant GCF accreditation standards and obligations as an AE per its AMA with GCF in the context of its accreditation scope.

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

35. As per the Strategic Plan for the GCF 2020–2023, the re-accreditation process and the monitoring and accountability framework, 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 a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development.

36. The AE provided the following information in its re-accreditation application with regard to guiding questions established in the GCF methodology for establishing a baseline of GHG emissions and climate resilience for the portfolio of AEs:
- (a) Guiding question 1. Has the entity established policies or commitments in the short, medium or long-term regarding investment in climate change projects?
- (i) Stabilizing the climate by protecting and restoring nature is one of the three main institutional priorities CI focuses on. In 2015, CI developed a strategy for aligning its work on nature-based solutions to climate change. Over four years, this strategy evolved into an institutional set of ambitious quantitative goals focusing on key pathways to scaling natural climate solutions. This then led to a revised climate change strategy for 2019–2025 that promotes the approach ‘Nature for Climate’ as one of the four guiding stars that orient all of CI’s work;
- (ii) The CI climate strategy includes quantitative goals: by 2025, CI aims to secure 20 gigatonnes of carbon in carbon-dense ecosystems, achieve two gigatonnes of avoided CO₂ emissions through reduced deforestation, and enable one gigatonne of CO₂ sequestration through restoration activities. By 2025, CI also aims to directly support at least 3 million people from climate-vulnerable communities to adapt to the impacts of climate change through nature-based approaches that protect, manage and restore the nature that they and future generations depend on. Progress toward the strategy goals is regularly reported to the Board and serves as the basis for the development and tracking of annual key performance indicators;
- (iii) At the activity level, the work focuses on protecting forests that absorb and store climate-warming carbon by working with businesses and governments to account for their impacts on forests; enabling private investment in forest protection initiatives; and helping local and indigenous communities protect forests on their lands; and
- (iv) CI’s 2019 climate strategy also includes a target to support several countries to accelerate the adoption of nature-based solutions to climate change and the incorporation of these approaches into their NDCs. Other work at CI to support developing countries in achieving their climate objectives includes the implementation of GEF projects in seven African countries to strengthen the capacity of institutions to implement the transparency requirements of the Paris Agreement, funded by the Capacity-building Initiative for Transparency (CBIT);
- (b) Guiding question 2. Does the entity receive resources from third parties for the financing of climate projects?
- (i) Yes, CI receives resources from third parties for the financing of climate projects, including multilateral institutions, national governments, private companies and individuals. CI active projects with a primary focus of “Nature for Climate” totaled approximately USD \$ 327 million in obligated revenue from January 2018-September 2021;
- (c) Guiding question 3. Does the AE calculate and reduce its institutional-level GHG emissions?
- (i) CI has not comprehensively calculated its GHGs at the corporate level in the past. CI has for many years estimated and offset GHG emissions associated with corporate business travel and headquarter energy use. In addition, an initiative is currently underway to assist the organization to become “climate positive”, demonstrating a leading climate change commitment and serving as an example

in CI's engagement with companies, governments and others. A two-phase process is proposed to develop this roadmap, which includes first conducting a comprehensive GHG inventory for the institution and then developing a climate target and roadmap for achieving the target. This work is expected to be completed by mid-2022, with the implementation of the roadmap in the second half of the year;

- (d) Guiding question 4. Does the entity evaluate the climate risks of its portfolio?
- (i) CI introduced a new ESS standard (ESS 10) that focused on climate change and related disasters in November 2020, and this was applied to new projects after November 2020. ESS 10 entails screening projects for climate change risks. Where risks have been identified as moderate to high, this requires a more detailed climate change vulnerability assessment (CCVA);
 - (ii) To date, CI has completed 12 climate risk screenings at the GEF Project Identification Form (PIF) stage, of which two required a CCVA. These CCVAs are to be completed during the implementation phase of the project, when the specific sites have been identified; this includes the Mediterranean Marine Protected Area (MPA) project. However, prior to the introduction of ESS 10, a CCVA was completed for the FP 158 Ecosystem-Based Adaptation and Mitigation in Botswana's Communal Rangelands GCF project, and the methodology applied follows international best practices as outlined by the Intergovernmental Panel on Climate Change Fourth Assessment Report, which examined the primary components of current/projected exposure, sensitivity, potential direct impacts and adaptive capacity;
 - (iii) CI also provided a sample case of a project where it applied a climate risk classification: the "Build back a blue and stronger Mediterranean," project, in Mediterranean coastal and marine areas in Albania, Algeria, Lebanon, Morocco, Tunisia and Montenegro. The climate risk of the aforementioned project is medium to substantial based on the observed changes in temperature and precipitation, and the projected changes in temperature, acidification and rising sea levels;
- (e) Guiding question 5. What are the main sectors of activity of the entity?
- (i) CI defines its work by its four key priorities: Nature for Climate, Sustainable Landscapes and Seascapes, Ocean Conservation at Scale, and Innovation in Science and Finance. For the period January 2018–September 2021, CI had 980 total active projects, of which 32% had a Nature for Climate primary focus and 68 % with another of the four priorities as a primary focus.
- (f) Guiding question 6. Is the entity investing in mitigation projects/operations?
- (i) The volume of CI mitigation projects/operations increased during CI's first accreditation period and this resulted in the consistent growth of CI's mitigation impact, both in terms of emissions avoidance as well as carbon removals through in nature-based mitigation solutions, such as projects on reducing agricultural drivers of deforestation, restoration of landscapes, and blue carbon. The AE provided data from its country program on-the-ground implementation sites showing a 575% growth in CO₂eq emissions avoided from 2019 to 2021 and a 25% increase in carbon removals from sequestration, from the year 2019 to the year 2021.
 - (ii) In terms of indirect contribution to mitigation projects/operations, CI also promotes investments in mitigation through engagement with subnational,

national, and global policy processes and platforms to ensure nature-based mitigation solutions are incorporated to their full potential. For example, CI is supporting more than 20+ countries to incorporate or accelerate the implementation of natural climate solutions in national policies and raise the ambition of NDCs. CI also contributes to mitigation through the development of innovative scientific research, including national-level analyses of potentials for natural climate solution pathways and the establishment of the scientific concept and global mapping of irrecoverable carbon reserves. In addition, CI has a partnership with the Canada Pension Plan Investment Fund to drive investments in nature-based solutions within the voluntary carbon market. The initial portfolio of projects has the potential to avoid 4 million tCO₂ annually, with plans to scale the partnership further by bringing in additional investors.

- (g) Guiding question 7. Is the entity investing in adaptation projects/operations?
- (i) The majority of current CI adaptation projects aim to improve climate-resilient livelihoods (around two-thirds), especially of vulnerable groups such as smallholder farmers and rural or coastal populations, followed by improving food security, disaster risk reduction and water security (~10 % each). Around 1.2 million people directly benefited from ongoing CI adaptation projects. CI projects targeted many different ecosystems, including rangelands, agricultural landscapes and coastal areas (around 25 % each), followed by forests and wetlands (~10 % each);
 - (ii) The number of CI adaptation projects has been increasing during CI's accreditation period, especially for multi-year and larger projects. This is also reflected in the number of completed projects, although it is not increasing as much because many projects that started after 2017 are not yet completed. Currently, there are 40 active adaptation projects in CI's portfolio and another 21 were already completed;
 - (iii) CI's adaptation projects follow the approach known as nature-based solutions to climate change (International Union for Conservation of Nature (IUCN), 2020) or ecosystem-based adaptation (Convention on Biological Diversity, 2009). This approach refers to the protection, sustainable management or restoration of nature to help reduce people's vulnerabilities to climate change as part of an overall adaptation strategy;
 - (iv) In addition to implementing nature-based interventions, CI projects also support other enabling activities for nature-based adaptation, such as strengthening climate change adaptation-related policies, capacities, financial mechanisms, knowledge and technologies. For policy engagement, CI is working to mainstream ecosystem-based adaptation solutions into local, subnational, and national land-use planning and policies (e.g. adaptation in nationally determined contributions (NDCs) and national adaptation plans in several countries, in different continents. CI scientists are also making important contributions to the knowledge and science base of adaptation: more than 17 scientific papers related to adaptation have been published in peer-reviewed literature, including the journals *Science* and *Nature*, since 2018. CI science work also includes the production of several maps and vulnerability assessments that help design projects and inform decision-making at local level. For adaptation finance, CI is developing innovative financial mechanisms that support climate adaptation, including work with insurance companies (Restoration Insurance Service Company model), climate-friendly businesses (Liberia and Madagascar) and climate-resilient supply chains (e.g. coffee, cacao, tuna).

37. CI confirms that it has not and does not currently implement or execute fossil fuel projects such as coal-fired power, gas-fired power plants, coal mining, etc. CI does not have plans for a potential future fossil fuel portfolio.
38. CI has been a pioneer in defining, promoting and implementing ecosystem-based approaches to adaptation since 2006. The past five years have seen the entity grow in stature and gradually become a reference for financing and implementing nature-based solutions to both mitigation and adaptation.
39. The AP considers that the evidence provided for the first accreditation term demonstrates the continuous positive trend of developing climate change adaptation, mitigation and cross-cutting activities. Both the strategy and the trend of activities are aligned with the GCF mandate and objectives.
40. Moving forward, CI's goals are to ensure that nature-based solutions deliver a share of global mitigation efforts commensurate with their potential (30%+) and are maximized where ecosystems are important for vulnerable populations to adapt to the impacts of climate change.

III. Stage II re-accreditation review assessment

41. The AE is eligible for, and applied under, the fast-track accreditation process as a GEF entity. Its application was assessed by the AP during stage II (step 1) against the accreditation standards of the GCF and gaps identified in decisions B.08/03, and in accordance with the re-accreditation requirements to the extent applicable to accreditation identified in paragraph 6 above. Partnership with the GEF currently relies on a process of self-assessments by partner agencies, once per replenishment, to confirm that the agencies maintain the competence and minimum standards required by the GEF Council.
42. In 2020 the GEF Council initiated the process for an independent third-party review of compliance with GEF Minimum Fiduciary Standards in close coordination with GEF's management, corporate policy units, regional bureaux and country offices.
43. These self-assessments are undertaken by the agencies and reviewed by a third-party expert(s) independent of the GEF Secretariat, providing additional comfort to the Council. As a result of this process, if an agency were to be found to be non-compliant or partially compliant with a policy standard or set of standards, it would prepare a time-bound action plan to remedy identified deficiencies and submit it to the Council for approval.
44. The self-assessment covered two broad criteria: (i) Project/Activity Processes and Oversight, including project appraisal, procurement processes, monitoring, project completion and financial closure, procedures to make project results publicly available, and the evaluation function; and (ii) Governance Framework, including external financial audit, financial management and control frameworks, oversight of EEs, financial disclosure/conflict of interest, code of ethics/conduct, internal audit, investigation function, hotline and whistleblower protection, and AML/CFT.
45. The independent review was completed in December 2020 and CI's self-assessment was independently reviewed; CI was found to be compliant with all GEF minimum fiduciary standards. CI therefore remains an accredited GEF agency, and CI programmes and projects remain eligible for submission and approval in the GEF work programmes. The Financial Procedure Agreement between CI and the GEF remains in full force and CI continues to implement GEF-supported projects.
46. 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

3.1.1 Basic fiduciary standards: key administrative and financial capacities

47. CI did not have any conditions with regard to the basic fiduciary standards on key administrative and financial capacities recommended by the AP for the first accreditation term and the upgrade in accreditation scope during said term.

48. As per paragraph 41 above, the GCF basic fiduciary standards concerning key administrative and financial capacities are considered to have been met by way of fast-track re-accreditation.

49. Regarding CI's policy framework, insofar as various fiduciary policies were reviewed as part of this assessment, the AE's policies covering GCF fiduciary standards are approved at either the CI Board or Senior Leadership level in accordance with CI's bylaws and Board Approval Matrix. The Board and Senior Management team, under their respective mandates, approve the following policies related to ethics, illegal conduct and reporting, and conflicts of interest; therefore the Code of Ethics, the Anti-Trafficking in Persons Policy, Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment Policy, Anti-Bribery and Anti-Corruption Policy, the Anti-Fraud Policy and Guidelines for Investigations and the Anti-Money Laundering/Countering Terrorism-Financing Policy. The AE confirmed a new cycle of policy/procedure reviews commencing in September 2022.

50. The AE publishes full policy documents on its intranet for staff awareness and use, and several key policies are made available on the AE's external-facing website, namely the Anti-Trafficking in Persons Policy and the Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment Policy.

51. Generally, summary policy extracts are developed for external audiences; however, as some policies apply to contractors, consultants and relevant associated parties, publishing on the external website will increase transparency and awareness.

52. The AP noted, in its April 2021 review of the AE's annual self-assessment that changes in its procurement standards, guidelines and systems, and that instead of the AE's internal business unit (the CI-GCF Agency) maintaining a separate procurement policy for GCF project/programme procurement, the AE transitioned its GCF project/programme procurement to its institutional procurement policy during the accreditation term. Preceding this transition, the AE improved the alignment of its institutional procurement policy with global industry best practice and with GCF fiduciary standards on procurement. Notable improvements were made in the areas of confidentiality of bidding information, inclusion of a clear dispute resolution process and inclusion of a sustainability statement. In addition, further guidelines were included on sole source procurement, integrity and fairness standards, and information-sharing during procurement processes and feedback.

53. As per paragraph 41 above, the basic fiduciary standards on key administrative and financial capacities continue to be met by way of fast-track re-accreditation.

3.1.2 Basic fiduciary standards: transparency and accountability

54. CI did not have any conditions with regard to basic fiduciary standards on transparency and accountability recommended by the AP for the first accreditation term and the upgrade in accreditation scope during said term.

55. As per paragraph 41 above, the GCF basic fiduciary standards concerning transparency and accountability have been met by way of fast-track re-accreditation, with the exception of re-accreditation application items 4.2.3: policies on prohibited practices and the protection of whistleblowers and witnesses; 4.2.4: investigation function; and 4.2.5: AML and CFT policies.

56. Regarding policies on prohibited practices and the protection of whistleblowers and witnesses, at the time of its 2021 annual self-assessment, the AE shared its updated whistleblower policy. The policy elaborates on the protection of whistleblowers from retaliation and is read in conjunction with the Anti-Fraud Policy and Guidelines for Investigations summarized under the Reporting Illegal or Unethical Conduct Statement on the AE's external website. The full policy is available to staff via CI's intranet. The AE demonstrated that policies are cascaded to consultants, contractors and other relevant associated parties, including EEs, and shared examples of templates for contracts with subrecipients and training materials used for subrecipients. A comprehensive training on prohibited practices focusing on GCF (and GEF) policies and definitions was shared as well as a beta version of a new e-training. Training uptake is reviewed and monitored at the institutional, project and EE staff levels.

57. With respect to the AE's track record in policy implementation regarding suspected ethics violations, misconduct and any kind of malpractice or prohibited practice, the AE's Anti-Fraud Policy and Guidelines for Investigations offers several reporting avenues. CI's Ethics Hotline (www.ci.ethicspoint.com), which is also available via the AE's GCF-specific web page, can be accessed at any time from anywhere CI works, in several local languages, and can be used in a way that retains anonymity. In addition, reporting can be carried out via post or email to ethics@conservation.org or to the Senior Director of Risk Management and Compliance in the General Counsel's Office (GCO).

58. In addition, the AE confirmed that ethics-related reports made via other avenues are consolidated using Ethics Point and its tracking tool, shared a more recent Ethics Hotline report (January–June 2021) summarizing reports and trends, and offered the most recent report for the second half of 2021 once finalized.

59. The AE provided assurances on its capability and competency in implementing policy and procedural measures to protect whistleblowers and witnesses and shared a case example from the accreditation period.

60. With regard to preventing and handling malpractice-related sexual exploitation, abuse and harassment, the AE has, in recent years, prioritized strengthening its policies, procedures and processes in its Prevention of Sexual Exploitation, Sexual Abuse and Sexual Harassment Policy and Anti-Harassment Policy, including rolling out bespoke trainings to ensure maximum awareness, such as its March 2021 communique "Commitment to Child Protection and Prevention of Sexual Exploitation, Abuse and Harassment" (aimed at staff and delivery partners).

61. In addition, advisory mechanisms have been introduced to support staff and the AP noted CI management's tone from the top and commitment to continually improve the workplace environment. While CI has historically had low number of discrimination and harassment reports, CI management has confirmed significant further reduction in this reporting category in its EthicsPoint reporting, demonstrating the impact of CI's initiatives in this area.

62. Regarding its investigation function, the AE's policies pertaining to prohibited practices include investigation terms of reference under its Anti-Fraud Policy and Guidelines for Investigations. The AP concluded that a transparent, independent and objective investigation function to manage allegations of fraud and corruption exists. In relation to publishing its full Anti-fraud Policy and Guidelines for Investigations on the CI public website, the AE confirmed that its policy documents are generally written with its internal staff audience in mind, despite policies also applying to contractors, consultants and grantees. The AE publishes summaries on its website, whereas GCF fiduciary standards for investigation procedures set out requirements for (i) publicly available terms of reference, outlining the purpose, authority and accountability of the investigation function; and (ii) published guidelines for processing and managing cases

during and after the investigation process. For this reason, the AP has recorded a remark regarding the publishing of full investigation guidelines and process documents.

63. During the review of CI's annual self-assessment for calendar year 2020, the AP concluded that the guidelines for investigation indicate independence in the roles played by the Senior Director of Risk Management and Compliance under (i) the GCO; and (ii) the reporting lines to both management and to the Board's Audit and Risk Management Committee.

64. The reporting process between the senior leadership team and the Audit and Risk Management Committee of the Board achieves independent oversight of the investigation function as envisaged in CI's bylaws and Committee Charter.

65. The AE shared a selection of its Board Audit and Risk Management Committee agendas demonstrating the inclusion of the standing agenda item of 'Ongoing Compliance and Litigation Matters', during which verbal updates are provided. In addition, half-yearly dashboard reports from the Ethics Hotline are shared with all staff, along with Ethics Hotline updates. The AP noted good practice whereby summary reports on Ethics Hotline activity and the resolution of cases is shared periodically with all staff.

66. The AE shared redacted examples of an internal and an external investigation report indicating actions taken and exemplifying the track record of its investigation function and reporting process.

67. Regarding AML/CFT and 'know-your-customer' (KYC) policies, procedures and processes in its original accreditation application, the AP opined that the AE fully met the requirements of the basic fiduciary standards related to anti-terrorist financing and AML. It noted that the AE's policies were based on the United States of America's Patriot Act and Executive Order 13224 Policy, and that the AE had demonstrated the use of tools that support the enforcement of the policies.

68. The AE confirmed the subsequent approval of the new version of its Anti-Money Laundering/Counter-Terrorism Financing Policy that was shared during its 2021 annual self-assessment. The revised policy incorporates modifications to further align itself with global best practices and expands the policy's scope in its principles and guidance regarding AML/CFT requirements and risks in addressing, inter alia, the prevention of misuse of CI funds for money laundering or the financing of terrorism; compliance with applicable AML/CFT legislation and donor obligations; prevention of any relations or undertaking any transaction that may relate to or may facilitate money laundering or financing of terrorism; exercising adequate due diligence on funding recipients and donors; and engaging in continued review of this AML/CFT Policy and implementing procedures as new threats emerge and international standards evolve to prevent and detect money laundering and financing of terrorism.

69. The AE's recent re-accreditation period track record was evidenced by examples of KYC checks, specifically a prescriptive, robust security screening process using a security screening request form and CSI Watchdog Elite software, for all sub-recipients and service providers. The form is supported by a guidance note for grantees that indicates the checks to be performed by CI. Internal procedures/workflows and examples were shared by the AE to document the process followed. Furthermore, the AE indicated that it had not detected any suspicious transactions during the accreditation period.

70. As per paragraph 41 above, the basic fiduciary standards on transparency and accountability are considered to have been met by way of fast-track re-accreditation. The AP also finds that the AE's policies, procedures and capacity, supported by evidence of its track

record, fully meet the GCF Policy on Prohibited Practices,⁵ the GCF Policy on the Protection of Whistleblowers and Witnesses,⁶ and the GCF AML/CFT Policy.⁷

3.1.3 Specialized fiduciary standard for project management

71. CI did not have any conditions with regard to the specialized fiduciary standard for project management recommended by the AP for the first accreditation term and for the upgrade in accreditation scope during said term.

72. As per paragraph 41 above, the specialized fiduciary standards for project management are considered to have been met by way of fast-track re-accreditation.

73. The AP noted satisfactory performance ratings by the GCF Secretariat, and timely reporting, consultation and collaboration by the AE in relation to GCF project reporting and project management issues. The AP noted that at the time of consideration of the AE's re-accreditation application, an interim evaluation of FP026 is ongoing.

74. With respect to FP026, project documentation shared by the AE included financial and technical site visit reports that demonstrate a sound track record in project management. The CI-GEF Agency and CI-GCF Agency business units enable robust project management, which augurs well for projects currently in the pipeline.

75. Specifically concerning FP026, the AP noted the change of direction and withdrawal of EIB, and that the satisfactory performance under the circumstances is commensurate with the AE's processes and capabilities. As FP158 gains momentum, the AP will review the AE's track record in the midterm review for accreditation during the next term if re-accredited. More importantly, the AE is well positioned with project management capabilities to oversee EEs if and when pipeline concept notes with grant award components are approved for funding.

76. As per paragraph 41 above, the specialized fiduciary standards for project management continue to be met by way of fast-track re-accreditation.

3.1.4 Specialized fiduciary standard for grant award and/or funding allocation mechanisms

77. CI did not have any conditions with regard to the specialized fiduciary standard for grant award and/or funding allocation mechanisms recommended by the AP for the first accreditation term and the upgrade in accreditation scope during said term.

78. Regarding competitive grant awards, the AE's two GCF-funded FP026 and FP158 do not involve grant awards; therefore the AE has not demonstrated a specific track record with GCF funding in this specialized fiduciary area. CI's portfolio does however have significant competitive grant award mechanisms, not least the Critical Ecosystem Partnership Fund (CEPF).⁸ CI serves as the secretariat for the CEPF, whereby the MOU between CI, the GEF and the World Bank articulates CI's responsibility for identifying, preparing, appraising, selecting and supervising approved projects and activities in accordance with the CEPF Operations Manual.

79. CI's GCF sub-recipient selection process within its grants and contracts award phase procedure requires its EEs to establish competitive granting processes when grantees are not

⁵ Decision B.22/19 and annex XIV thereto.

⁶ Decision B.21/25 and annex II thereto.

⁷ Decision B.18/10 and annex XIV thereto.

⁸ CEPF is a joint initiative of CI, Agence Française de Développement, the European Union, GEF, the Government of Japan and the World Bank and incorporates GCF funding to the tune of USD 38 million via the GCF AE Agence Française de Développement and other bilateral and multilateral donors. CEPF has issued USD 277 million worth of grants to over 2,500 civil society organizations since its inception in 2000.

identified through stakeholder engagements during the funding proposal stage. Otherwise, EEs must provide the CI-GCF Agency with a grantee justification form to provide a clear rationale for why a competitive process was not used. This process positions CI well for future GCF-funded competitive grant award/allocation mechanisms.

80. CI's track record with non-GCF funding is further demonstrated by the CI-GEF Agency partnering with IUCN on the GEF-funded Inclusive Conservation Initiative,⁹ which implemented a grant award mechanism via an Expression of Interest (EOI) process launched globally to select indigenous organizations; 10 organizations were selected from an application pool of over 400 EOIs.

81. Regarding public disclosure of project and beneficiary information, the CI-GCF Agency project website¹⁰ provides up-to-date, basic information to stakeholders and the public on GCF funding, including projects under implementation, PPFs and concept notes. While current GCF projects (FP026 and FP158) are managed directly by CI and stakeholders and do not involve competitive grant award mechanisms, the website information is limited to project headlines, the original funding proposal and environmental and social management plans (ESMPs).

82. The AE indicated that generally its knowledge management processes are based on publishing terminal evaluations unless donors require disclosure of project and beneficiary information during the project cycle. Links to the GCF website for project summary documents are also provided by the AE on its project web pages.

83. Regarding disclosure of grant award results, the CEPF website, administered by CI in its secretariat role, provides comprehensive information on CEPF grantees and their projects, CEPF management processes including procedures, cascaded policies and templates, the grant application process and information on projects. An example of a call for proposals within the CEPF¹¹ demonstrates good practice in disclosing information on the selection and award process.

84. The AE has maintained its capacity to implement GCF-funded grant awards and has the competency to publish additional detailed information on the results of competitive grant award processes.

85. Regarding the transparent use of financial resources, the AE's grants and contracts procedures generally incorporate donor-specific compliance requirements and include pre-award financial and technical risk assessments of sub-recipients and, during the award, monitoring of implementation. Suspension and termination clauses are included, as are closeout processes.

86. In this regard, the AE shared spreadsheet templates for conducting capacity assessments on EEs and on sub-recipients with grants valued at greater than USD 1 million. The templates feature prescriptive due diligence and checks on structure, funding, financial management (controls and budgeting), audit, procurement, project management, sub-granting and human resources and safeguarding. Completed capacity assessments, including time-bound actions, for current non-GCF funded projects were shared, as were field monitoring/support visit reports by programmatic (technical) staff and financial (grant management) staff for FP026.

87. The AE shared an example of a completed financial risk assessment for GCF and GEF-funded projects and confirmed that no grants to sub-recipients had been suspended or terminated to date. The AE's systems, procedures, templates and capacity for the transparent

⁹ <https://www.inclusiveconservationinitiative.org>.

¹⁰ <https://www.conservation.org/gcf/projects>.

¹¹ Call for Letters of Inquiry: Caribbean Islands Biodiversity Hotspot – Small and Large Grants (Dominican Republic and Jamaica).

allocation of financial resources, due diligence and monitoring are consistent with GCF fiduciary standards.

88. Web-training materials provided to grantee staff on topics including financial risk assessments, budgeting, financial reporting, environmental and social safeguards, prohibited practices and procurement were shared, further demonstrating good practice in the transparent allocation and monitoring of financial resources.

89. The procedures, tools and evidence of track record shared by the AE demonstrate a compliance-oriented monitoring framework that, at the same time, provides training, support and mentoring to grantees and their staff. The same framework can be applicable to GCF-funded projects with grant awards in the future.

90. The AE indicated that it significantly increased its funding from bi/multilateral donors between financial years 2020 and 2021 (inclusive of CEPF funding) and demonstrated its good standing with donors through the accreditation period.

91. As described in paragraph 41, CI's self-assessment, validated by the GEF's independent third-party expert, confirmed CI's compliance with the GEF minimum fiduciary standards. It was noted that in several areas under project/activity processes and oversight criteria (i.e. project appraisal and evaluation function) and under governance framework criteria (i.e. oversight of executing entities), the AE's compliance was specific to GEF projects and not to institutional compliance.

92. In addition, the AE shared an assessment of its performance in implementing one of two PPF grants administered by UNOPS with a given rating of 4.93 out of a maximum of 5.

93. 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 award and funding allocation mechanisms.

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

94. The AE did not apply for accreditation for this standard at this time.

3.2 Environmental and social safeguards

95. CI did not have any conditions with regard to the GCF interim ESS recommended by the AP for the first accreditation term with the accreditation scope of a maximum E&S risk category C/intermediation 3, nor for the upgrade for a maximum E&S risk category B/intermediation 2.

3.2.1 **Environmental and social policy**

96. CI has updated its Environmental and Social Management Framework (ESMF), approved by senior management on 16 November 2020. The objectives of the ESMF are to: (i) strengthen the quality of programming by ensuring a principled approach; (ii) avoid adverse impacts to people and the environment; (iii) minimize, mitigate and manage adverse impacts where avoidance is not possible; (iv) strengthen CI and partner capacities for managing social and environmental risks; and (v) ensure full and effective stakeholder engagement, including a mechanism to respond to complaints from project-affected people.

97. The ESMF consists of four distinct policies: Policy 1: Environmental and Social Safeguards; Policy 2: Gender Mainstreaming; Policy 3: Stakeholder Engagement; and Policy 4: Accountability and Grievance Mechanisms. Policy 1 incorporates the International Finance Corporation Performance Standards (PS) 1–8, adopts mitigation hierarchy as a key principle

and explicitly commits to assessing cumulative and associated facilities impacts and applying a mitigation hierarchy to manage impacts.

98. Regarding PS 7 on indigenous peoples, CI adopted Standard 4, which states that CI respects indigenous peoples' individual and collective rights and the instruments that protect them, including, but not limited to, the International Labour Organization's Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples. CI has provided a sample of two cases where it has demonstrated its capacity to implement this standard on indigenous peoples: In Angola, the indigenous peoples' standard has been triggered, meaning that the Global Wildlife Program Angola Child Project (concerning climate resilience and biodiversity management in conservation areas) followed the free, prior and informed consent (FPIC) process and an ESMP was developed; and in Botswana, CI, along with the Government of Botswana and through stakeholder consultations, developed an indigenous peoples plan for the 'Ecosystem-Based Adaptation and Mitigation in Botswana's Communal Rangelands' project.

99. The Director of the Environmental and Social Management System at the CI-GEFGCF Agency is responsible for the implementation of the E&S policy, under the supervision of the Senior Director for GEF Policy and Portfolio Management and the Director for GCF Project Development and Implementation.

100. The current CI portfolio does not contain carbon-intensive projects. The applicant also confirmed that it has not invested in any fossil fuel portfolio since its accreditation by the GCF nor does it intend to invest in fossil fuel portfolios in the future.

101. The AP finds that the AE's environmental and social management system (ESMS), comprising the ESMF, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1-8.

3.2.2 Identification of environmental and social risks and impacts

102. To ensure that all public funded projects are environmentally and socially sound and sustainable and avoid/mitigate unintentional negative impacts, CI adopted an ESS system (CI Safeguard System (CISS)) to provide CI staff and project teams with procedures to avoid (or minimize) adverse environmental and social impacts and enhance positive impacts to the maximum extent possible throughout the project cycle. CISS promotes human rights by seeking to reduce equity gaps and facilitating the enhancement of social and environmental sustainability. These commitments expand on existing safeguard policies and procedures already in place for some public funding at CI.

103. CI implements a safeguard screening process for all GEF and GCF-funded projects so as to screen projects against the risk classifications similar to IFC PS and sexual exploitation, sexual abuse and sexual harassment (SEAH) risks. By July 2022, CISS will apply to all public and private project and programme funding.

104. Five types of project activities that may result in adverse environmental and social impacts that may be associated with CI/GEF and CI/GCF projects have been pre-identified by CI: (i) protected area creation, expansion or management improvement; (ii) investment in business or livelihood development; (iii) civil works; (iv) occupational health and safety; and (v) pest management. The CI-GEFGCF Agency may nonetheless decide to support projects that may create these types of impacts on the condition that the impacts will be limited in time and space and can therefore be effectively mitigated, and that benefits brought by the project activities surpass the costs.

105. The CI-GCF Agency also screens for SEAH risks as part of its environmental and social safeguard screening. SEAH mitigation measures are incorporated into project ESMFs and monitored throughout project execution. The AE provided ESS screening forms with relevant

SEAH screening criteria highlighted, as well as an example of an environmental and social impact assessment (ESIA) and ESMP that assesses SEAH risks and risk mitigation measures.

106. Suitable evidence relating to the E&S risks and impact identification has been provided by CI, along with a list including 18 projects screened against ESS 1–10. The list consists of projects in Africa and Latin America as well as global projects; 16 out of these 18 projects were grants. Only 1 project was categorized as risk category B; all others were categorized as C. The category B project in the list is “Ecosystem-Based Adaptation and Mitigation in Botswana’s Communal Rangelands” (FP158), an 8.5-year, USD 97.7 million grant under implementation, which triggered PS 1, PS 2, PS 4, PS 6 and PS 7 during the screening process.

107. CI also provided evidence of its staff’s technical skills and competencies to perform assessment and risk management. The staff has required capacities to conduct environmental impact assessment activities and to implement/monitor the ESMP, in compliance with the criteria defined in the Environment Code.

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

3.2.3 Environmental and social management programme

109. CI’s ESMF incorporates a system to manage E&S risks and impacts throughout the project cycle, including a process for conducting ESIA’s with specific roles and responsibilities related to implementing the institutional process.

110. Two (2) sample reports showing a track record of managing E&S risk and impact mitigation measures and actions stemming from the E&S identification process, including experience with PS 2 to 8, were provided: one (1) for Category B project “Ecosystem-Based Adaptation and Mitigation in Botswana’s Communal Rangelands”; and one (1) for Category C project “Safeguarding biodiversity in the Galapagos Islands by enhancing biosecurity and creating the enabling environment for the restoration of Galapagos Island ecosystems” in Ecuador.

111. The CI’s GEF/GCF Project Agency has the overall responsibility for ensuring that environmental and social issues are adequately addressed within the project cycle and will be ultimately responsible for the review and supervision of the implementation of safeguards.

112. The applicant informed the AP that an external, independent audit of CI’s ESMF to review the effectiveness and performance of its ESMF will commence by the end of calendar year 2022, with results and an action plan to implement recommended changes to be reported to CI’s leadership in the first half of 2023. At the project level, a terminal evaluation report on E&S effectiveness has been provided, in relation to CBIT project Strengthening the Capacity of Institutions in Uganda to Comply with the Transparency Requirements of the Paris Agreement.

113. Documented operational procedures and practices to manage E&S risk and impact mitigation measures and actions stemming from the E&S risk identification process in a systematic way are shown in the quarterly progress reports provided.

114. Financial institutions and direct investees are required by CI to develop and maintain, in the form of an ESMS, effective environmental and social systems, procedures and capacity for assessing, managing and monitoring risks and impacts of subprojects, as well as managing overall portfolio risk in a responsible manner. CI does an initial capacity screening of its EEs during due diligence risk assessment.

115. The AP finds that the AE’s E&S management programme, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent

applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1–8.

3.2.4 **Monitoring and review**

116. A system to monitor E&S performance in projects and programmes is in place. CI provided a procedure to monitor and evaluate activities in relation to ESS and a procedure to follow-up on any E&S recommendation. Monitoring is done on a quarterly and annual basis. Supervision and training are done throughout the project design and implementation phases. Templates for project performance annual workplan and supervision checklists for safeguards were provided by the applicant.

117. Ample evidence has been provided showing the applicant's capacity to implement these procedures. Quarterly and annual project monitoring reports as well as midterm evaluation reviews and project implementation reports were provided, including one for a category B project. CI also organizes periodic supervision field missions, including interviews with communities, extensions, local government units and local project staff, to ensure that relevant risk mitigation measures are implemented. CI provided a sample technical oversight mission report with monitoring and evaluation results for the Sustainable Landscapes in Eastern Madagascar project, which contained provisions for mitigation measures and related improvements at project level.

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

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

119. CI publicly discloses documents related to all CI-GEF/CI-GCF ESS standards and associated policies (as outlined in the ESMF), subject to the exclusion of proprietary, confidential and personal information, on its websites.¹² The website lists contact information where interested stakeholders can seek further information or documentation and raise their concerns or recommendations to CI-GEF/CI-GCF. The CI-GEF/GCF Project Agency will be responsible for ensuring appropriate response. In relation to projects, CI provided a report¹³ on ESS safeguards relating to FP158 and pursuant to paragraph 17 of the Information Disclosure Policy of the Green Climate Fund.

120. CI adopted a specific policy on stakeholder engagement (Policy 3 of its ESMF), which requires that stakeholder engagement be included in all its supported projects/programmes and throughout their respective project/financing cycles.

121. CI has enacted a specific policy on accountability and grievance (Policy 4 of its ESMF) to provide for the receipt of and timely response to resolution of complaints from parties affected by CI-GEF/CI-GCF funded projects. Accordingly, CI requires that all projects have a form of an independent, transparent and effective project-level accountability and grievance mechanism. Alternatively, grievants may file a claim with the Director of Risk Management & Compliance, who is responsible for CI's Accountability and Grievance Mechanism. CI has not received any E&S grievances in the past three years.

122. Projects requiring FPIC or triggering an indigenous peoples plan also include local conflict resolution and grievance redress mechanisms (GRMs) in the respective safeguard documents, which are developed with the participation of the affected communities in culturally

¹² <http://www.conservation.org/GEF> or <https://www.conservation.org/gcf>.

¹³ <https://www.greenclimate.fund/sites/default/files/document/fp158-ci-botswana.pdf>.

appropriate ways and ensure adequate representation from vulnerable or marginalized groups and sub-groups, such as women and youth.

123. SEAH complaints may be filed through the project-level grievance mechanism. In addition to the project-level grievance mechanism, stakeholders are provided with information on and access to CI's Ethics Hotline to register a complaint or grievance. Any CI staff or delivery partner who suspects, experiences, observes or becomes aware of conduct that violates CI's SEAH policy is obligated to report the possible violation immediately through CI's established grievance reporting mechanisms as outlined in CI's Conflict Resolution and Formal Complaints Policy.¹⁴ Specific training on the SEAH policy has been rolled out in March 2021. CI's SEAH training is designed to be a "training for trainers" to be conducted annually and/or as required for project implementation.

124. At the institutional level, the GCO is CI's independent GRM. CI's Senior Director of Risk Management & Compliance under the GCO oversees the GRM at the entity level. To implement the Accountability and Grievance Mechanism, CI uses an Ethics Hotline, managed by NAVEX's EthicsPoint. The Ethics Hotline is Safe Harbor Certified through the United States Department of Commerce and is available worldwide. CI reported no E&S grievances in the past three years.

125. Regarding track record, sample evidence was provided regarding FP158 (Ecosystem-based Adaptation and Mitigation in Botswana's Communal Rangelands project) on the disclosure of the ESIA during the preparation phase, in line with GCF requirements. The 30-day requirement is stipulated in the safeguard screening analysis report to AEs/EEs.

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

3.2.6 Organizational capacity and competency

127. The AE provided its organizational chart indicating where the designated staff members responsible for making E&S risk categorization decisions (ESS and gender expertise team) are located in the organization and their reporting lines.

128. At the AE level, E&S impact is monitored by a unit responsible for the implementation of safeguards and gender at CI, under the project monitoring and delivery team. That division is overseen by a Vice-President. The CI-GEF/CI-GCF Agency is overseen by a Senior Vice President, which reports directly to the Executive Vice President of Conservation Partnerships, who then reports to the Chief Executive Officer (CEO). The ESMF director reports to the Senior Director of GCF Project Development and Oversight, who in turns reports to the Senior Vice President of the CI-GEF/CI-GCF Agency. E&S incidents are disclosed and managed by the CI-GEF/CI-GCF Agency and reported up the organizational chart. Grievances are managed by the GCO, and the CI-GEF/CI-GCF Agency is included in the process by GCO unless there is a conflict of interest in the nature of the grievance. The GCO reports directly to the CEO. The Senior Director of Risk Management and Compliance, who oversees the GRM, reports directly to the GCO. In addition to the formal organizational structure, the CI Safeguards Working Group is a team of teams that strategizes, guides, advises, learns and coordinates the implementation of safeguards to measurably improve outcomes for people and nature.

129. The AE provided a list of staff responsible for environmental and social matters and further evidence that 109 staff members have received online training on the ESMF in 2021.

¹⁴ <https://www.conservation.org/about/our-policies/reporting-illegal-or-unethical-conduct-statement>.

130. Regarding financial intermediaries, the CI-GEF/CI-GCF Agency follows the same approach supervising grantees and financial intermediaries that benefit from a GEF/GCF grant or non-grant instrument. The Director of Safeguards reviews quarterly progress and the annual project implementation reports that are submitted to the GEF for grant and non-grant instruments. Due to the pandemic, the reviews have been done remotely.

131. The AP finds that the AE's organizational capacity and competency to implement the ESMS, supported by evidence of its track record, fully meet the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1-8.

3.3 Gender

132. CI did not have any conditions with regard to gender recommended by the AP for the first accreditation term.

133. The AE has adopted an overarching commitment to gender equity and a gender policy, both of which have been published on its online portal.¹⁵ The policy aims to guide projects in having specific gender-related results such as closing gender gaps in access to and control over resources, improving participation and decision-making of women in natural resource governance, and promoting equitable socioeconomic project benefits.

134. At the project-level, a gender mainstreaming plan (GMP) is required for category A/high-risk, category B/medium-risk and category C/low-risk projects funded by CI. A GMP template was shared by the applicant. Each GMP includes a budget for implementing activities. A gender action plan¹⁶ and a gender assessment¹⁷ were provided by the AE for the FP158 "Strengthening the Capacity of Institutions in Rwanda to implement the Transparency Requirements of the Paris Agreement" project. The AE also indicated that each GEF and GCF project undergoes an independent evaluation that assesses and reports on the implementation of gender activities at the project level; a sample project terminal evaluation for the CBIT project in Uganda was provided. Gender and SEAH requirements are passed down to EEs via CI's subsidiary agreements.

135. At the entity level, CI is in the process of finalizing its global diversity, equity and inclusion strategic plan, which will embrace a gender action plan covering the period from 2023 to 2027. CI shared with the AP a draft version, which includes four goals and several corresponding activities and indicators aimed at enhancing the implementation of CI's gender policy at the institutional level. The gender action plan also provides for a gender-sensitive grievance mechanism.

136. CI is also forming a Global Grievance Committee to provide technical and subject matter expertise to review and support grievance resolution at the entity level. The formation of the Global Grievance Committee was presented at the CI Board of Directors Meeting in October 2021 and is expected to roll out in calendar year 2022. The Global Grievance Committee will support CI's Senior Director of Risk Management and Compliance in the review and resolution of global grievances submitted through CI's GRM. The Global Grievance Committee will have representation across the organization with subject matter experts in human resources, rights-based approaches, ESS, gender, and legal affairs, who will be called upon to join the committee

¹⁵ See <https://www.conservation.org/priorities/gender-equality> and https://www.conservation.org/docs/default-source/publication-pdfs/integrating-gender-and-social-equity-into-conservation-programming-2019.pdf?sfvrsn=6b8e5c33_2.

¹⁶ See <https://www.greenclimate.fund/document/gender-action-plan-fp158-ecosystem-based-adaptation-and-mitigation-botswana-s-communal>.

¹⁷ See <https://www.greenclimate.fund/sites/default/files/document/fp158-gender-assessment.pdf>.

to review and support grievance resolution that requires a specific subject-matter expertise. The Committee will address grievances in a gender-sensitive and gender-responsive manner.

137. Regarding the current organizational structure, the AE has two full-time dedicated Director-level staff charged with overseeing the implementation of CI's Gender Policies, whereas 16 staff have related responsibilities. The CI's Gender Working Group comprises staff trained or working on gender issues across the institution and provides a platform for learning and sharing gender knowledge.

138. Regarding track record, CI has provided evidence of various gender initiatives, particularly at the project level. However, the AE demonstrates limited experience with gender mainstreaming at the institutional level and lacks a specific institutional Gender Mainstreaming Action Plan. The CI-GEF/CI-GCF Agency is currently doing an internal review of gender across the GEF portfolio and has planned an audit of its ESMF, including the effectiveness of its gender policies, which will commence by the end of the calendar year 2022, with results reported to the CI-GEF/CI-GCF Agency in the first half of 2023. The results of this audit will be disseminated to CI senior leadership.

139. The AE provided examples highlighting linkages between gender mainstreaming and climate change impacts, including the terminal evaluation report for the project "Maintaining and Increasing Carbon Stocks in Agro-silvopastoral Systems in Rural Communities of the Selva Zoque - Sumidero Canyon Complex as a Climate Change Mitigation Strategy". This project was rated 'highly satisfactory' in terms of both gender and ESS safeguards, as it demonstrated that both women and men have benefited from this climate change project. Further evidence has been made available through the FP026 APR, which includes references to gender-sensitive participatory activities aimed at strengthening climate change resilience.

140. The AP finds that the AE's gender policy, procedures, capacities and competencies, supported by evidence of its track record, fully meet the Updated Gender Policy and Gender Action Plan 2020–2023 to the extent applicable to accreditation.

IV. Conclusions and recommendation

4.1 Conclusions

141. Following its assessment, the Secretariat concludes the following regarding the application with respect to the potential to continue in the role of an AE and to support the mandate and objectives of GCF: The AE can continue to contribute to GCF in implementing its 2020–2023 Strategic Plan with respect to:

- (a) The alignment of the AE's indicative pipeline with country programming priorities of the countries of operations;
- (b) Its contribution to the adaptation and mitigation balance in the GCF portfolio since the AE is able to bring adaptation and cross-cutting activities for GCF finance, and its support of diversity in GCF results areas such as; livelihoods of people and communities; forests and land use; and ecosystems and ecosystem services;
- (c) Mobilizing climate finance at scale since the AE is being recommended for re-accreditation in the maximum size category Medium;
- (d) Promoting financial innovations in using available financial instruments and, where possible, leveraging these instruments to enable and catalyse private sector investment and design sustainable value chains; and
- (e) Addressing interests of particularly vulnerable groups.

142. Following its assessment, the AP concludes the following regarding the application with respect to the AE's ability to meet the GCF accreditation standards and GCF policies relevant for accreditation for which it is seeking re-accreditation:

- (a) The AE meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy, the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The AE completed an independently reviewed self-assessment process that reinforced its continued compliance with GEF minimum fiduciary standards and has enhanced its systems, policies, procedures and competencies in several areas of GCF fiduciary standards for transparency and accountability and grant award/allocation mechanisms during its first accreditation period;
- (b) The AE meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the medium E&S risk (category B/I-2); and
- (c) The AE fully meets the Updated Gender Policy and Gender Action Plan 2020–2023. Furthermore, the AE has demonstrated that it has the experience and track record in implementing its gender policy at the institutional level.

4.2 Recommendation on re-accreditation

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

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** medium (including micro and small);¹⁸
 - (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-3)).¹⁹
- (b) **Conditions:** none.

¹⁸ 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."

¹⁹ As per the Revised Environmental and Social Policy adopted in decision B.BM-2021/18, 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."

144. The AE has been informed of the recommendation for accreditation, including the accreditation type, as identified in paragraph 143 above, and agrees to the recommendation.

4.3 Remarks

145. The AE has already scheduled the next periodic review of its policies to commence in September 2022 and is encouraged, in its policy framework, to use consistent terminology when referring to policies, procedures and guidelines for information, awareness and transparency for individuals and entities collaborating with or seeking to collaborate with CI, and to consider publishing, in full on its external website, all key policies that apply to individuals and entities beyond its own staff.

146. The AE is encouraged to publish, in addition to currently available summary information available on its website, further details of the terms of reference outlining the purpose, authority and accountability of the investigation function, and the guidelines for processing and managing cases during and after the investigation process.

147. The AE is encouraged to provide accessible summaries of progress reports on its project-specific websites, in addition to its current practice of publishing links to GCF APRs and project videography.

148. The AE is encouraged to provide the status of implementation of its gender action plan at the entity level in the future annual self-assessments to the GCF.