**KPI FRAMEWORK - Tier B – Compilation of KPIs and OPIs**

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| **Document content** | This document is the compilation of Tier B for all KPIs.  Tier B documents: Publicly available in annual reports (**1 page**): more detail and description, including key assumptions. This will be included as a standard Annex in Annual Reports, and may be made available on the &Green website. |
| **Document links** | Links to:  ESMS Manual  KPI Framework Overview  Tiers (A, B, C and D as applicable) of each of the KPIs. |
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Introduction

The monitoring and reporting of &Green’s impacts covers seven (7) groups and includes Key Performance Indicators and Operational Performance Indicators. Some groups do not have KPIs.

The groups and their KPIs are:

* Strategic;
  + KPI1: Progress toward Transformational Change
* Forest and Climate;
  + KPI2: #ha of Forest Protected
  + KPI3: #tCO2e of Climate Benefits
* Production;
  + KPI4: # ha of ecosystems with improved resilience
* People;
  + KPI5: # people with increased resilience
  + KPI6: # of People Benefiting
* Financial;
  + KPI7: USD of Capital Mobilised
* Partnership and Support;
  + OPIs only
* Compliance
  + OPIs only.

Refer to the document ‘*KPI Framework Overview’* for more information.

This document uses terms with specific meanings:

**Client**: the ‘Client’ refers to the company, organisation or business that is the recipient of an &Green loan and support services. The terms Borrower or Investee may be used with the same intent in other contexts.

**Transaction**: the loan, technical assistant and other support services provided by &Green to the Client. The terms intervention, deal or investment may be used in other contexts.

**&Green**: refers to the &Green Fund and it’s operations. Where the grammar is clear, this may be simply ‘the Fund’.

Summary of KPIs (Tier A)

**KPI1: Progress toward Transformational Change**

A qualitative metric that assesses progress toward the Transformational Changes set out in investment rationales, that support the &Green mission. It is judged by monitoring evidence of progress against milestones relating to System Change, Scale, and Durability of the Transformation.

**KPI2: #ha of Forest Protected**

Monitors the area of identifiable forest *conserved* plus forest *restored,* plus peatland conserved or rehabilitated[[1]](#footnote-2). ‘Forest’ uses national definitions relating to crown cover, minimum area, land use type, and excludes plantation forests. Any reversals are deducted.

**KPI3: #tCO2e of Climate Benefits**

Monitors the mitigation benefits in tonnes of Carbon Dioxide equivalent (tCO2e) from emissions *reductions* plus emissions *sequestration*. Emissions reductions are generated from changes in farm management practices. Emissions sequestration results from regrowth and densification in degraded forests that are conserved, and from tree growth and establishment in forest restoration areas. Any reversals (and hence emissions) are deducted.

**KPI4:** **# ha of ecosystems with improved resilience**

Monitors the area of land rehabilitated, restored or protected, made up of the: area of forest protected (KPI2); plus area of non-forest ecosystems restored or improved; plus areas of degraded land restored through regenerative agriculture, silvo-pastoral agriculture or agroforestry.

**KPI5: # people with increased resilience**

Monitors and conservatively assesses the number of people where a benefit or service is provided or made possible to improve the resilience of livelihoods.

**KPI6: # of People Benefiting**

Monitors the number of individuals benefitting from &Green's transactions, and is the sum of: number of producers reached; community services provided to individuals; individuals benefiting from secured land tenure agreements; and jobs supported.

**KPI7: USD of Capital Mobilised**

Monitors the ability to attract and direct capital towards supporting and implementing &Green’s investment principles.

STRATEGIC: KPI 1 – Transformational Change

The Transformational Change (TC) KPI is qualitatively different from the other 6 KPIs in that it is assessed by &Green using monitored proxies, rather than directly monitoring activity outcomes. KPI1 directly informs project and portfolio results relative to the &Green vision, but do not form part of the contractually binding Environmental Returns (ERs). Assessment of KPI1 per investment links implementation progress with the TC as described in the investment rationale.

Tier A KPI definition:

**KPI1: Progress toward Transformational Change**

A qualitative metric that assesses progress toward the Transformational Changes set out in investment rationales, that support the &Green mission. It is judged by monitoring evidence of progress against milestones relating to System Change, Scale, and Durability of the Transformation.

The &Green TC is shown in Figure 1, with main dimensions (System Change, Scale and Durability) and proxies (green boxes) taken from best practice approaches and amended to be &Green specific.



Figure &Green Transformational Change pathway

The TC KPI assesses ‘progress toward transformation’, NOT whether or not TC has been achieved. Each dimension of TC is an OPI and is assessed (directly or by proxies) and results aggregated on a simple scale:

0 Transformation judged unlikely

1 Evidence not yet available (too soon) OR conflicting evidence for & against TC progress

2 Early or tentative evidence suggests Transformation possible

3 Clear evidence of change – Transformation judged likely

The purpose of the TC KPI is to monitor progress AND to embed and reinforce thinking about the overall objective of TC, and to move away from focus on incremental change. An assessed transaction is reported in two parts: the assessed score (e.g.: 1.7), and a narrative describing how that assessment was reached.

The metrics monitored are selected based on their pertinence to the dimensions and proxies. To minimise transaction costs, metrics are drawn from OPIs (and possibly KPIs) and other data from transaction reporting and LPPs. Additional example metrics, and further guidance can be found in the (Tier D) document: *Transformational Change - &Green KPI approach.*

|  |  |  |
| --- | --- | --- |
| Dimension Definition | Proxy definition | Example Metrics |
| **Relevance**  High-level political buy-in and broad support from societies, cultures, and interest groups enable widespread changes | The &Green Jurisdictional Eligibility Criteria Assessment (JECA). | JECA approved and valid for investment: Y/N |
| **Effective System Change**  &Green investments enhance local capacity to change from the dominant paradigm | Change business practice  Where wider and sustained change comes from innovative business models that demonstrate better ways of doing things. | * **% compliance with IFC PS** * **% implementation of NDPE** * #ha (or %) of traceable NDPE productive farms * #ha (or %) sustainably intensified * Amount &/or % increase in productivity (in t product/ha or %) * % increase productivity compared to relevant industry/sector average |
| Catalytic knowledge  Where approaches proven successful by &Green are disseminated widely, & lessons learnt are credible. | * # smallholder farmers adopting Good Agricultural Practice (GAP) * # activities (e.g. workshops, key publications, farm open-days, etc) delivered to disseminate NDPE experience, with evidence of take-up |
| Catalytic capacity  Where the target landscape and communities have the capacities and capabilities necessary to bring about the change | * #smallholder farms (or #ha) provided with capacity to sustainably intensify production * # farmers completing relevant training/receiving inputs enabling capacity * # intermediaries building capacity to promote & facilitate NDPE/low carbon farming, energy efficiency, etc. |
| Catalytic finance  Where different financial models enable changing BaU | * # supplier farms with stable/long-term contracts &/or credit lines * US$ in credit provided to smallholders for farm intensification/GAP |
| **Scale**  &Green investments have sufficient reach to become significant market share and are familiar in the geography or sector. Investment approach achieves ‘mainstream’ status &/or drives down the costs of adoption | Replicable  Where good ideas demonstrated by &Green investments are replicated by others in the same jurisdiction, sector, & more widely | * # and/or value of &Green approaches being copied by others * % of peer farmers able to access improved practice or genome; * % farmers adopting climate resilient, intensified &/or low-carbon practices |
| Market share  Proportion of commodity sold in supply shed | * % commodity produced (eg: soy) by &Green model sold in supply shed (eg: Mato Grosso) * % of market as certified NDPE &/or ‘sustainable’ (e.g. RSPO, FSC etc) |
| ‘Blue-printed’  Where the costs and barriers to adoption of NDPE arereduced to the point that adopting NDPE is a sensible decision for commercial firms and smallholders | * % of NDPE commodity sold at higher productivity or profitability than industry average * # (or %) transactions incorporating forest protection with commodity production in supply shed |
| Leverage  Location & context-specific assessment of resources mobilised relative to the desired change. | * Amount of co-financing attracted to &Green transaction * Amount of public co-finance leveraged * Amount of private co-finance leveraged |
| Incentives  &Green investments are creating incentives for others to act | * #farms (or #ha) adopting NDPE in order to participate in supply chain * # peer producers (or % market share) adopting NDPE to ‘keep up’ with &Green transaction |
| **Durability**  New approaches are likely to continue beyond &Green investment | Finance  &Green finance model emulated and mainstreamed | * % of annual lending for NDPE operations at favourable conditions (eg: below market rate) * Target community assumes responsibility for management of sustainably intensified land |
| Markets  Sufficient demand for NDPE commodities | * % of NDPE produced commodity meeting RSPO (or other certification) requirements * % of NDPE produced commodity sold at or above market price (indicating demand) |
| Government policies and Regulations  &Green investments spur changes to policies & laws to support TC | * # Legislative or regulatory changes that discourage/restrict deforestation * # policies and regulations introduced to support, enable and encourage shift to NDPE |
| Social licence to operate  &Green investments spur changes to policies & norms to support TC | * # industry association policies introduced in support of NDPE (e.g. soy moratorium) * Increase in # buyers (or $ value or # tonnes) of commodities requiring NDPE |

The TC KPI is a weighted average of the OPIs monitoring each dimension (System, Scale, Durability). Investments may have different focus in TC, and OPIs may be differently weighted reflecting their relative importance. Default is for equal OPI weighting (ie: 0.33 each), but an investment with a primary focus on ‘blue-printing’ may choose a higher weighing for OPI1.2 Scale. The maximum weighting per OPI is 0.5. The metrics for each OPI should be determined at the baseline, but may be amended (with justification) when circumstances change.

## OPI1.1 System Change

This monitors how changes from BaU are implemented at the system, investment or installation level. This is the level at which &Green has the most direct influence. The metrics should at minimum include:

* % compliance with IFC PS
* % implementation of NDPE

Initial successful IFC PS or NDPE implementation in supply chains (eg: in year 1) that are associated with deforestation &/or exploitation should be assessed as 1 or 2.

Ongoing successful and consistent implementation of IFC PS and NDPE (eg: at least 2 years) in supply chains should be assessed as ‘3’*.*

Other metrics taken from the ESAP may be included and assessed (on 0-3) as relevant.

The OPI1.1 assessment is the average of the two (or more) metrics.

## OPI1.2 Scale

This monitors how &Green investments progress toward widespread application – either through the scale of the &Green investment, or through the replication and dissemination of the approach.

At least 2 metrics should be defined at baselining and assessed annually. These metrics can be selected from the table above (or supporting Tier D document) or established for the investment using sector or location specific information.

In the baseline year, the assessment would likely be 0 or 1 (on 0-3 scale), and progression to 3 would not be expected until later in the loan tenor.

The OPI1.2 assessment is the average of the two (or more) metrics.

## OPI1.3 Durability

This monitors how the &Green TC is likely to continue beyond &Green investment. At least 2 metrics should be defined at baselining and assessed annually. These metrics can be selected from the table above (or supporting Tier D document) or established for the sector using location or market specific information.

In the baseline year, the assessment would likely be 0 or 1 (on 0-3 scale), and progression to 3 would not be expected until later in the loan tenor.

The OPI1.3 assessment is the average of the two (or more) metrics.

FOREST AND CLIMATE: KPI 2 – Forest Protected

KPI2: #ha of Forest Protected Monitors the area of identifiable forest *conserved* plus forest *restored,* plus peatland conserved or rehabilitated[[2]](#footnote-3). ‘Forest’ uses national definitions relating to crown cover, minimum area, land use type, and excludes plantation forests. Any reversals are deducted.

KPI2 is the sum of OPI2.1 Forest conserved and OPI2.2 Forest restored in a given year. This is quantified per investment, and for the portfolio[[3]](#footnote-4).

Forest Protected is not cumulative: results for year 2 do not add to year 1 results. The #ha may increase from year to year due to expansion of forests protected, but maintaining forest area, and reporting the same area of ‘forest protected’ each year is success: forest has been protected[[4]](#footnote-5).

OPI2.1 Forest Conserved

# ha forest conserved.

* *assessment of area that meets national forest definitions of land use and crown cover*.

Quantification is a straightforward monitoring (in #ha) of Areas of Influence that meet the relevant national forest definition. Data is extracted from investment LPPs, supplemented by satellite monitoring.

To be included under ‘forest conserved’, areas must:

* be known and traceable if they are within the control of the investment;
* be clearly identifiable forest areas in the ‘proximate’/landscape area;
* meet national definitions (particularly crown cover) of forest; and
* demonstrate management control and/or effective protection.

Where this assurance cannot be provided, areas are excluded from quantification.

Reversals resulting from natural disturbance (such as wind storms) or human interventions (such as fire or logging) are subtracted from the reported number of hectares.

OPI2.2 Forest Restored

# ha forest restored

* *assessment of area under restoration management where crown cover is being increased with the intention to meet national forest definition over time.*

This OPI includes:

* land that is *being* restored but has not yet met the forest definition; and
* land that *has been* restored to meet the forest definition, and continues to be regenerated toward a ‘natural forest’ state.

Quantification is by monitoring Areas of Influence that are managed to regenerate (actively through plantings or through natural regeneration) toward being ‘forest restored’. That is, regrowing trees and other biomass toward the end goal of ‘forest’.

Data is extracted from investment LPPs and annual reports, and may be supplemented by satellite monitoring where technically feasible. The number of hectares reported under OPI2.2 will be much smaller than OPI2.1 at the &Green portfolio level.

Reversals are different for OPI2.2 compared to OPI2.1. Where a natural disturbance or human intervention removes or reduces biomass and/or crown cover, the area is further from the end goal of ‘forest’, nonetheless it is still in the process of restoration. The number of hectares included under OPI2.2 will thus remain the same after a reversal. Reversals are only subtracted from OPI2.2 if the reversal is permanent, for example, a forest restoration area is converted to agriculture.

Nonetheless, reversals are an important input for calculating carbon sequestration and emissions, and they must therefore be clearly and transparently reported. The area of reversal (in ha) shall be recorded in &Green’s data capture system.

Illustration of key concepts:

A ha is either ‘forest’ or ‘not forest’ based on national definitions and regulations, with % crown cover as the primary determinant[[5]](#footnote-6) (see Figure 2). Plantation forests are excluded from &Green forest definitions. The Areas of Influence, Level of Assurance and attribution of actions are illustrated in Figure 3.

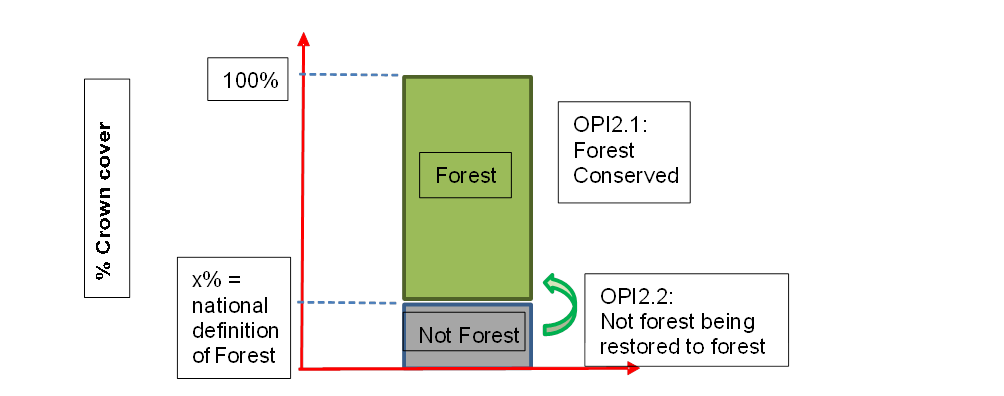
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Figure : Illustration of OPI2.1 and 2.2 in relation to forest definitions

Chart, radar chart

Description automatically generated

Figure : Illustration of &Green Areas of Influence, Level of Assurance and Attribution

FOREST AND CLIMATE: KPI 3 - CLIMATE BENEFITS

KPI3: #tCO2e of Climate Benefitsmonitors the mitigation benefits in tonnes of Carbon Dioxide equivalent (tCO2e) from emissions *reductions* plus emissions *sequestration*. Emissions reductions are generated from changes in farm management practices. Emissions sequestration results from regrowth and densification in degraded forests that are conserved, and from tree growth and establishment in forest restoration areas. Any reversals (and hence emissions) are deducted.

KPI3 is the sum of OPI3.1 emissions reductions and OPI3.2 Emissions sequestration in a given year. This is quantified per investment, and for the portfolio.

Climate Benefits monitors the mitigation benefits in tonnes of Carbon Dioxide equivalent (tCO2e) from emissions reductions plus emissions sequestration. Emissions reductions are generated from changes in farm management practices. Emissions sequestration results from regrowth and densification in degraded forests that are conserved, and from tree growth and establishment in forest restoration areas. Any reversals (and hence emissions) are deducted.

Climate benefits are reported with the following OPIs:

* 3.1 Emissions reductions
* 3.2 Emissions sequestration
* 3.3 Emissions stored

KPI 3 is the annual sum of OPI3.1 and OPI3.2.

OPI 3.1 Emissions reductions

#tCO2e reduced or avoided from low Carbon productivity (i.e. reduced on-farm emissions)

OPI3.1 is calculated by:

* Change in Farm inventory
* Change in emissions intensity (farm specific compared to industry average)

The target transactions do not typically have comprehensive emissions inventories. More work is needed to establish baseline inventories and subsequent change in inventories, thus change in farm inventory is not (yet) used to assess OPI 3.1.

Quantification of OPI 3.1 is thus through change in emissions intensity and compared to relevant industry averages or standards. That is, the difference in emissions intensity between the farm and industry average (in tCO2e/tonne of commodity produced) multiplied by amount of increased commodity production on farm.

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| farm commodity production (tonnes) increase over industry average | X | farm emissions intensity – industry average emissions intensity |

This approach is appropriate where the emissions profile of the commodity is well understood, and supply shed-specific data is available. This is the case for the target commodities of rubber, soy, palm oil and cattle (depending on supply shed).

Since industry average productivity is gradually improving, the assessment must be updated annually. A lack of data in &Green transactions somewhat limits applicability, and productivity gains of +/- 5% may be lost in data noise & inter-annual variability, so this approach is applied only for significant intensification gains, over large areas.

This approach quantifies emissions reductions compared to peer producers. This does not necessarily result in an absolute reduction in emissions within the farm boundary: emissions intensity may substantially decrease, but absolute emissions may increase. This approach does, however, reflect emissions reductions within the supply shed of that commodity, and is typical practice for land use impact assessment[[6]](#footnote-7).

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| Data pointS | Metric | Data source | Owner |
| Productivity (in tonnes commodity/ha), see also OPI4.1b and OPI4.5  and  emission intensity (tCO2e/ha or tCO2e/t commodity) | tCO2e | Client productivity records,  industry average | Client, government, or other public and credible databases |

OPI 3.2 Emissions sequestration

#tCO2e emissions sequestered in protected forest areas (from OPI2.1 & 2.2).

OPI 3.2 is calculated using the same approach as national inventories[[7]](#footnote-8) [[8]](#footnote-9) under the UNFCCC: a calculation of area multiplied by appropriate IPCC emissions factors[[9]](#footnote-10).

IPCC factors are selected to the highest degree of geographical and location specificity available (ie: higher IPCC Tiers, generally Tier 2 or 3) for biomass growth, R, and Carbon Fraction. These factors are further compared with recent relevant published research for regrowth in degraded forests when available.

These factors are multiplied by #ha protected as assessed for OPI2.1 and OPI2.2. The factors are differentiated for forest conservation (forest densification) and forest restoration (reforestation).

There are two key assumptions[[10]](#footnote-11) for this approach:

• forests are degraded to some degree (not pristine) at the time of protection.

• forest areas protected will halt or greatly reduce biomass extraction from those areas.

On concessions and within farm boundaries these assumptions can be demonstrated, but in proximate areas this is harder to assure. Conservative values are selected for all parameters, but substantially more conservative values (that is, lower bounds of uncertainty from IPCC factors) are used for proximate areas to give a conservative estimate of carbon sequestration. Where minimum assurance cannot be provided, these areas are excluded from quantification.

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| Data pointS | Metric | Data source | Owner |
| OPI 2.1 & OPI2.2 (in ha)  Sequestration factors (in tCO2e/ha/year) | tCO2e | Client  IPCC and other peer reviewed research | Client  IPCC/&Green |

OPI 3.3 Emissions stored

#tCO2e stock in protected forest areas (from OPI 3.1 & 3.2)

OPI 3.3 reflects the Carbon stock held in protected forests, and is a proxy for forest quality, since higher carbon stock forests are typically more biodiverse, with greater species and age profile diversity. OPI 3.3 represents ‘stock’ and is NOT summed with OPI 3.2 which represents ‘flux’.

OPI 3.3 is quantified using IPCC factors[[11]](#footnote-12) appropriately selected for biomass and carbon storage in protected forests, conservatively assessed[[12]](#footnote-13). A hectare of degraded but protected and recovering forest might initially store 400-700tCO2e/ha, while that same hectare might typically sequester 10-30tCO2e/ha/year.

OPI3.3 is cumulative: with the annual sequestration (per ha) added to the storage (per ha). For example, if a hectare of forest is assessed as having 500tCO2e stock in the baseline year (when the forest is protected), and 20tCO2e/ha/year sequestration rate, OPI3.3 for that hectare will be reported[[13]](#footnote-14) as: year 1 (baseline) – 500tCO2e; year 2 – 520tCO2e; year 3 – 540tCO2e; etcetera.

Any reversals are reported and deducted from total Carbon stock.

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| Data pointS | Metric | Data source | Owner |
| OPI 2.1 & OPI2.2 (in ha)  Carbon storage factors for baseline (in tCO2e/ha)  Sequestration factors from OPI3.2 (in tCO2e/ha/year) | tCO2e | Client  IPCC and other peer reviewed research | Client  IPCC/&Green |

PRODUCTION: KPI 4 - ECOSYSTEMS WITH IMPROVED RESILIENCE

KPI4: #ha of Ecosystems with improved resilience monitors the area in hectares of land rehabilitated, restored and/or protected, made up of the: area of forest protected (KPI2); plus, area of non-forest ecosystems restored or improved (OPI4.5a); plus, areas of degraded land restored through regenerative agriculture, silvo-pastoral agriculture or agroforestry (OPI4.5b).

That is, KPI4 in #ha = KPI2 + OPI4.5a + OPI4.5b.

Production OPIs are important for cross-checks and may be proxy indicators for KPI 1: Transformational Change, particularly OPI1.2 Scale. The suite of Production OPIs include:

* 4.1a Increase in yield
* 4.1b Yield gap over sector average
* 4.2 Avoided deforestation in supply shed
* 4.3 Avoided emissions
* 4.4 Agricultural land under cultivation
* 4.5a Land Sustainably Intensified
* 4.5b Land restored to productive

OPI 4.1a Increase in yield

% increase in yield (for brownfield projects)

OPI4.1a quantifies the increase in equivalent commodity production yield to the baseline yield. It is reported as % difference between baseline and year of measurement.

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| Data point | Metric | Data source | Owner |
| Productivity in relevant units of commodity production intensification (eg: tonnes/ha, #head/ha etc) | Percentage | Client productivity records | Client |

During due diligence, independent consultants assess and clarify thresholds that reasonably qualify as material increases in yield, separate from data noise and interannual variability.

OPI 4.1b Yield gap over sector average

% yield gap over sector average in the region (for greenfield projects).

OPI4.1b quantifies the % difference between the client’s productivity yield and that of the relevant equivalent sector average in the year of assessment[[14]](#footnote-15).

Average sector yields will be assessed during due diligence and updated during annual reporting. This data point is then compared to the client’s productivity of same year, to report the % of yield gap over the sector.

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| Data point | Metric | Data source | Owner |
| Productivity in relevant units of commodity production (eg: tonnes/ha, #head/ha etc) | Percentage | Client productivity records and sectoral data | Client, sectoral organizations, government, etc. |

OPI 4.2 Avoided deforestation in supply shed

#ha of avoided deforestation or peatland degradation in the supply shed

OPI 4.2 assesses the area of extensification[[15]](#footnote-16) in the supply shed avoided by increased productivity.

Avoided deforestation, with its inherent subjectivity and risk of non-permanence, is considered as an ‘indirect’ impact in the market supply shed. OPI 4.2 is NOT reported as part of KPI2 Forest protected. It is quantified to convey the market impact, but the results are NOT attributed to &Green.

OPI 4.2 is estimated by the ‘Marginal Production’ approach and is applicable to the Market and Supply Shed (indirect) Area of Influence, with a low Level of Assurance, and without attribution to &Green, see Figure 3.

Avoided deforestation benefits arise from intensifying production of commodities in existing farm areas. Higher production from intensification takes market share within the supply shed, that would otherwise (in part) be produced by extensification and deforestation.

The supply shed is defined per project to reflect the sphere of influence of the commodity, typically aligned with &Green’s jurisdictional eligibility. Supply shed definitions are influenced by data availability, and industry recognised standards and practices.

Data to establish OPI4.2 is drawn from OPI4.1a and/or OPI4.1b for commodity production intensification, and from independent, publicly available market information sources to assess extensification and deforestation. These external sources include published market information and government statistics on total commodity production and land area under cultivation. This is combined with publicly available information from non-profit organisations such as Global Forest Watch and national statistics on forest cover and loss (including national UNFCCC FRL submissions) to determine forest loss by commodity.

This approach is aligned with the emerging best practice and increasingly standardised approaches to corporate Scope 3 corporate emissions accounting, such as the Gold Standard’s Value Change methodology and the Science Based Targets Initiative[[16]](#footnote-17).

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| Data point | Metric | Data source | Owner |
| Productivity metrics from OPI4.1a and 4.1b  National and supply shed deforestation rates and attribution of drivers of deforestation | Hectares | Client productivity records (OPI4.1) National statistics, UNFCCC submissions, independent organisations | Client, sectoral organizations, government, Global Forest Watch, etc. |

OPI 4.3 Avoided emissions

#tCO2e avoided emissions from avoided deforestation in supply sheds.

OPI4.3 quantifies the avoided emissions from avoided deforestation estimated by OPI 4.2.

As with OPI4.2, OPI4.3 has a qualitatively different (lower) Level of Assurance and can NOT be summed with other OPIs. It is used to convey market impact, and is not attributed to &Green.

OPI 4.3 is calculated using the avoided deforestation area (from OPI4.2) multiplied by a relevant emissions factor for carbon emitted due to the Land Use Change (LUC). Emissions factors are derived from IPCC carbon stock factors[[17]](#footnote-18) in the forest Land Use (defining forest type and degree of degradation) to the carbon stock in the agriculture Land Use. For example, LUC from moderately degraded dry montagne forest to pasture land for cattle raising. These values are compared to LUC values directly drawn from credible public information sources and national or sub-national specific published studies on carbon stocks and emissions per hectare of deforestation. There are multiple sources of data for deforestation emissions, several are assessed, and the more conservative values are used.

Estimated avoided emissions are lower (i.e., more conservative) when correlating with assessed carbon stock per ha (OPI3.3 Carbon Storage) and with estimated emissions from a hectare of deforestation in comparable REDD+ project calculations.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Avoided deforestation area from OPI4.2  National and supply shed factors for change in carbon storage with LUC | tCO2e | &Green derived and  Supply shed specific sectoral and land use data | &Green, sectoral organizations, government, etc. |

OPI 4.4 Agricultural land under cultivation

#ha of agricultural land under cultivation by the Client and their suppliers.

OPI4.4 is used to understand the scale of &Green transactions, and as relevant cross-check data against OPI4.1a and b, 4.5 and 4.6. Client should provide clear records or GIS datasets that show total area under cultivation.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Area under cultivation | Hectares | GIS dataset or records of area cultivated | Client |

OPI 4.5a Land Sustainably Intensified

#ha of agricultural land under cultivation that has increased production/yield compared to BaU.

OPI4.5a is derived from 4.1a, 4.1b and/or 4.5b, cross-checked with OPI4.4 to reflect area in hectares under cultivation that has an increase in yield. The sustainability of intensification is assured through compliance with IFC PS.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| 4.1a, 4.1b, 4.4 &/or 4.5b | Hectares | GIS dataset or records of area cultivated plus yield records | Client |

OPI 4.5b Land restored to productive

#ha of land previously degraded or non-productive returned to agricultural cultivation.

OPI4.5b is similar to OPI4.5a, but to be included under this indicator, the previous land use was non-productive, such as bare or degraded land. Productivity of areas under OPI4.5b do not report against 4.1a[[18]](#footnote-19), and may be less than industry averages (a negative result for 4.1b).

OPI4.5b is derived from 4.1b with additional evidence of the prior or baseline condition of the land, which may be cross-checked with satellite data.

The OPI4.5b land may be restored through regenerative agriculture, silvo-pastoral agriculture, agroforestry or other relevant processes.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| 4.1b &/or 4.4 | Hectares | GIS dataset or records of area cultivated plus yield records | Client |

Note that the sum of OPI4.5a and 4.5b cannot exceed that reported for OPI4.4 in any given year.

PEOPLE: KPI 5 - PEOPLE WITH INCREASED RESILIENCE

**KPI5: # people with increased resilience** monitors and conservatively assesses the number of people where a benefit or service is provided or made possible to improve the resilience of livelihoods.

The KPI is used to match best practice approaches, notably the Green Climate Fund Integrated Results Management Framework, and will be used for *Core Indicator 2: Direct and indirect beneficiaries reached*, where a beneficiary is a person whose climate resilience has increased. This GCF Framework, and the related GCF Progam Manual[[19]](#footnote-20) provide context and guidance for the selection of beneficiaries to include in KPI5.

For each transaction, a subset of KPI 6 is defined for inclusion in KPI 5, selecting those benefits that are ongoing or permanent and that impact the climate resilience of livelihoods[[20]](#footnote-21). This may include services that enhance agricultural outputs, local micro-climates, water and food supply, financial stability, education and job security.

KPI5 = OPI6.4 + OPI6.5 + selection from OPI6.1 + selection from OPI6.2a + transaction-defined where not included under other OPIs.

Each transaction has it’s own actions relating to social inclusion and resilience building. Some guidance on selection of data from OPIs under KPI6 is provided here.

OPI6.4 – Producers reached – monitors direct and indirect suppliers compliant with NDPE and sustainability commitments. A producer that reaches this compliance meets important sustainability values (including IFC PS) that protect ecosystems, drive greater diversity (human and biological) resulting in higher resilience. OPI6.4 is directly included, and may be considered equivalent to GCF’s:

*Supplementary indicator 2.1: # Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options*

Where the adopted livelihood is one of higher agricultural productivity and zero deforestation, connected to global supply chains.

OPI6.5 – People with improved land tenure security. Securing land tenure reduces uncertainty for the future, enabling adoption of longer term planning and investment, adopting new techniques and innovations that are essential for building resilience, including social resilence through stable networks and social support structures.

OPI6.1 – people receiving community services. Results from this OPI are included when it is an ongoing, or stable service that can reasonably show a stable improvement in livelihoods. For example, access to ongoing education and/or health services increases resilience, while a single health clinic visit or once-only training course may not.

OPI6.2a – Jobs supported (direct)

FTEs from seasonal work or intermittent contract labour benefit people financially, but if wages are not predictable, individuals are less able to take risks on innovative approaches and may not make longer term investments that will imrove their resilience, such as education, savings, or crop diversification. Accordingly, the subset of OPI6.5a to be included is only those jobs (and people) that are ongoing and stable (‘permanent employment’)[[21]](#footnote-22).

Transaction-specific benefits that may not be included under other OPIs can be included. The GCF set of supplementary indicators, with &Green existing or possible future transaction examples, include:

*Supplementary indicator 2.2 Beneficiaries (female/male) with improved food security*

Transactions may include explicit outreach programs to supply-chain farmers supplying seeds, seedlings and training to promote diversification from cash crops only, to include supplementary consumption crops (such as tapioca) and co-planting fruit, nut or fuelwood trees on farms to improve individual household reliance on purchased foodstuffs.

*Supplementary indicator 2.3 Beneficiaries (female/male) with more climate-resilient water security*

Transactions may include improved water supply or treatment services (boreholes, chlorine tablets).

*Supplementary indicator 2.4 Beneficiaries (female/male) covered by new or improved early warning systems*

Agronomic outreach services include weather notifications by text to supply chain farmers, that may include early warnings against extreme weather events.

*Supplementary indicator 2.5: # Beneficiaries (female/male) adopting innovations that strengthen climate change resilience*

Clients make available new genomes, such as heat tolerant cattle, to supply chain farmers.

*Supplementary indicator 2.6 Beneficiaries (female/male) living in buildings that have increased resilience against climate hazards*

Where workers are housed on concessions or farms, improved building stock provide resilience against climate hazards.

*Supplementary indicator 2.7 Change in expected losses of lives due to the impact of extreme climate-related disasters in the geographic area of the GCF intervention*

Improved flood management systems and drainage (combined with warning systems), as well as prohibition of cultivation of steep slopes (to reduce landslides) may reduce loss of life in extreme rainfall events exacerbated by climate change.

PEOPLE: KPI 6 – PEOPLE BENEFITTING

**KPI6: # of People Benefiting** monitors the number of people annually benefitting from &Green transactions, and is the sum of: the number of people receiving community services; receiving NDPE training; and number of jobs supported[[22]](#footnote-23).

That is, KPI6 in # people = OPI6.1 + OPI6.2a + OPI6.2b + OPI6.3.

People Benefiting OPIs convey the impact that &Green’s transactions have on peoples’ lives, as well as assessing contributions to KPI5: # people with increased resilience. Benefits include both permanent changes, such as producers reached with NDPE commitments (OPI6.4) and land tenure security (OPI6.5); and people benefiting from on-going (such as access to health services) or once-only (such as provision of training) actions. The suite of People Benefiting OPIs comprises annual services:

* 6.1 People receiving community services
* 6.2a Jobs supported (direct)
* [6.2b Jobs supported (indirect)]
* 6.3 Producers receiving NDPE training

And actions or services that result in permanent changes and improvements to livelihoods:

* 6.4 Producers reached
* 6.5 People with improved land tenure security

The people counted in KPI 6 are not unique, as one individual may benefit from multiple services. This approach is compatible with the approach of &Green’s peers in the ESG space & public sector funders including the GCF.

KPI 6 and OPIs 6.1, 6.2a, 6.3, 6.4 and 6.5 are disaggregated by gender[[23]](#footnote-24).

OPI 6.1 People receiving community services

# people whose livelihoods directly benefit from services provided or made possible by the transaction.

OPI6.1 monitors the people meaningfully reached with a variety of transaction-specific actions and services, including services directly provided, or provided by a third party funded by the Client in full or through a substantial contribution.

&Green adopts the IAF and RSPO definition of livelihoods:

“A person’s or a group’s way of making a living, from the environment or in the economy— including provisions for basic needs and assurance of access to food, clean water, health, education, housing, and the materials needed for their life and comfort—either through their own direct use of natural resources or through exchange, barter, trade, or engagement in the market. It encompasses the capabilities, assets, and activities required to secure the necessities of life.”

Each &Green transaction’s LPP will include a variety of communities, stakeholders and Action Plans. This prevents a universal specification of data points under OPI6.1. The OPIs indicator count is ‘# people benefiting’, but the ways in which they benefit will vary. Data collected is therefore defined by each transaction. Services to be included shall be assessed based on materiality and relevance of those services to the Transformational Change narrative of the transaction. The services to be included are listed in the LPP and ESAP and can be revised/expanded by mutual agreement with the Client.

OPI 6.1 is disaggregated by gender, collecting data on men and women benefitting.

OPI 6.2a Jobs supported (direct)

**# direct jobs supported in full-time equivalents (FTE).**

The number of FTE is recorded at the end of the reporting period, for that period.

&Green adopts the IRIS Framework definition[[24]](#footnote-25) of FTE:

“A full-time equivalent (FTE) job is the equivalent of one person working full time as defined by local laws. FTE is equal to the number of full-time employees plus the number of employees on part-time schedules converted to a full-time basis. In most instances this should include seasonal, contractual, part-time, and full-time employees hired directly by the financed enterprise or through third-party agencies.”[[25]](#footnote-26)

OPI 6.2a is disaggregated by gender, collecting data on men and women with direct jobs.

OPI 6.2b Jobs supported (indirect)

**# indirect jobs supported in full-time equivalents (FTE).**

Indirect jobs are defined as head count employed by the Client’s direct and indirect suppliers. This is quantified using the Joint Impact Model (JIM)[[26]](#footnote-27). The number of indirect jobs supported has not yet been assessed in &Green’s portfolio. This OPI is expected to be included in &Green’s monitoring framework when deemed relevant and feasible.

OPI 6.3 Producers receiving NDPE training

# producers **and stakeholders** that receive training to become compliant with the relevant NDPE and sustainability commitments

&Green adopts the International Accountability Framework’s (IAF) definition of a Producer[[27]](#footnote-28):

“The owner or manager of a farm, estate, plantation, or ranch used to produce agricultural products, or of a forest that is managed at least in part for the harvest of forest products. This includes smallholders, producer groups, and production systems owned or managed by communities”.

To include producers, they must receive sufficient training, appropriately delivered, to provide them with the capacity to comply with the NDPE and sustainability commitments.

Producers that receive training without being suppliers to the Client may be included in OPI6.3 if they form part of the supply shed.

Stakeholders that are not Producers may be included in OPI6.3 where they contribute to achieving NDPE and sustainability commitment compliance. For example, providing training on the rights and access to redress for vulnerable populations, such as female itinerant workers, Indigenous Peoples, or immigrant workers.

OPI 6.3 is disaggregated by gender, collecting data on male and female producers.

OPI 6.4 Producers Reached

# direct and indirect suppliers compliant with relevant NDPE and sustainability commitments.

OPI6.4 monitors the extent of suppliers reached and achieving sustainability in supply chains. &Green adopts the International Accountability Framework’s (IAF) definition of supplier[[28]](#footnote-29):

“A producer or company that supplies raw materials, processed materials, or finished products to a buyer.

* Suppliers can include producers, processors, traders, and manufacturers. For instance, farms or processing mills supply raw or processed materials to traders, while manufacturers supply consumer products to retailers.
* A given company can be both a supplier and a buyer.
* A supplier may either be a direct supplier (selling directly to the buyer) or an indirect supplier (selling to an intermediary that is one or more steps removed from the buyer).”

Relevant NDPE and sustainability commitments are those included in the transaction: the NDPE commitment, compliance with IFC PS, and any commitments made in the LPP and ESAP.

Compliance with the project’s NDPE is classified as full compliance, which includes public commitments, traceability, training, and monitoring. Compliance must be demonstrated thorough monitoring mechanisms, verified annually in an external ESG review.

OPI 6.4 is disaggregated by gender, collecting data on male and female suppliers.

OPI 6.5 Land tenure

**# people with improved land tenure security.**

&Green uses the UN Habitat[[29]](#footnote-30) definition of land tenure security:

* The degree of confidence that land users will not be arbitrarily deprived of the rights they enjoy over land and the economic benefits that flow from it;
* the certainty that an individual’s rights to land will be recognized by others and protected in cases of specific challenges; or, more specifically,
* the right of all individuals and groups to effective government protection against forced evictions.

The contribution to improved land tenure security will differ between &Green transactions. Data points may be added based on relevance per transaction, provided they can justify material improvement against the UN Habitat land tenure security definition areas. Some examples of likely data points include:

* Number of people benefiting from signed land tenure agreements between the Client and a land claimant;
* Number of people benefiting from signed land tenure agreements between a land claimant on or directly linked to the Client’s operations, and the relevant government department, supported by the Client;
* Number of people benefitting from signed community land governance agreements, supported by the Client.

Number of people benefiting from ‘Agreements signed’ is calculated through reasonable (and justified) assumptions relating to the signatories. For example, the number of people benefiting from a signed agreement by a smallholder family farm can be calculated based on the regionally specific census average number of household occupants.

OPI 6.5 is disaggregated by gender, collecting data on men and women benefiting where possible.

FINANCIAL - KPI 7 - CAPITAL MOBILISED

**KPI7: USD of capital mobilised** monitors the ability to attract and direct capital towards supporting and implementing &Green’s investment principles.

The Capital Mobilised through the operations of &Green is a financial KPI of the Fund that measures the aggregate of the capital committed to &Green transactions: the capital mobilised for investment in, and technical assistance (TA) for, its Clients.

The financial OPIs provide context to KPI7 and include capital disbursed by &Green, aggregate Client revenues, taxes paid and equity value and investors.

KPI 7 is a direct sum of two OPIs:

* 7.4a Fund capital committed; and
* 8.2c Technical Assistance budget mobilized.

The following OPIs provide more detailed context:

* 7.1 Taxes paid by Clients
* 7.2 Revenue of Clients
* 7.3 Fund Net Asset Value (NAV)
* 7.4b Fund capital disbursed
* 7.5 Non-Performing loans (NPLs)
* 7.6a Non-Fund capital catalysed for Clients
* 7.6b Syndication partners mobilized (#Co-investors)
* 7.7 Leverage ratio

OPI 7.1 Taxes paid by Clients

USD of taxes paid.

This OPI provides insight into contributions to public finance by the Clients of &Green transactions. Aggregate of all Client tax paid, ascertained from the audited annual financial statements of Clients.

|  |  |  |  |
| --- | --- | --- | --- |
| Data points | Metric | Data sources | Owner |
| Income and other taxes paid by each Client | USD | Each Client’s audited annual financial statements | Clients |

OPI 7.2 Revenue of Clients

USD annual net revenue of Clients.

Aggregate of all Client’s annual net revenues ascertained from income statements and audited annual financial statements of Clients.

|  |  |  |  |
| --- | --- | --- | --- |
| Data points | Metric | Data sources | Owner |
| Revenue received by each Client | USD | Each Client’s audited annual financial statements | Clients |

OPI 7.3 Fund Net Asset Value (NAV)

USD Fund Net Asset Value during the time &Green is operational.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Total Net Assets | USD | &Green unaudited quarterly reports and audited annual financial statements | Intertrust |

OPI 7.4a Fund capital committed

USD Contributions committed to &Green since inception.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Funded and unfunded contributions | USD | &Green unaudited quarterly reports and audited annual financial statements | Intertrust |

OPI 7.4b Fund capital disbursed

USD of capital disbursed since inception.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Financial assets | USD | &Green unaudited quarterly reports and audited annual financial statements | Intertrust |

OPI 7.5 Non-Performing Loans (NPLs)

Fund transactions that are non-performing loans.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Non-Performing loans | Percentage | &Green unaudited quarterly reports and audited annual financial statements | Intertrust |

The percentage is calculated as the value of the NPL (in USD) divided by the Fund capital disbursed (OPI7.4b) at the time of reporting.

OPI 7.6a Non-Fund capital catalysed for Clients

USD aggregate value of third-party capital leveraged by &Green for its Clients

|  |  |  |  |
| --- | --- | --- | --- |
| Data points | Metric | Data source | Owner |
| Estimated total project expenditure and Equity  and  Liability values on each Client’s financial statements | USD | Credit Applications  Each Client’s audited annual financial statements | Sail Ventures |
| Liability values on each Co-Investors financial statements (where available) | *USD*[[30]](#footnote-31) | Each Co-investors audited annual financial statements | Co-investors |

Not all Co-investors will publicly disclose their investments. Where available, Co-investor financial statements are used as a cross-check against Credit Applications and Client’s statements.

OPI 7.6b Syndication partners mobilized (#Co-investors)

# syndication partners mobilized by &Green.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | Metric | Data source | Owner |
| Co-Investors | # | Credit Applications | Sail Ventures |

OPI 7.7 Leverage ratio

Ratio between 7.6a Non-fund capital catalysed for Clients and OPI 7.4b Fund capital disbursed.

|  |  |  |  |
| --- | --- | --- | --- |
| Data pointS | Metric | Data source | Owner |
| OPI 7.4b and 7.6a | Ratio | Credit Applications, &Green and Sail reports | &Green / Sail Ventures |

PARTNERSHIP AND SUPPORT

There is no KPI for partnerships and support. Four OPIs provide context:

* 8.1 Partner institutions
* 8.2a Technical Assistance budget
* 8.2b Technical Assistance budget allocated
* 8.2c Technical Assistance budget mobilised

OPI 8.1 Partner institutions

# organisations with which &Green has a formal partnership to protect and restore tropical forests.

OPI8.1 reports all formal partnerships &Green has established to pursue its operations, with private sector, public sector, NGOs, and other organisations. To be included as a *formal* partnership, &Green must have a signed legal agreement (for example: MoU, LoI, partnership agreement, etc.) which may be binding or non-binding.

This indicator excludes contractual agreements with: investors in &Green; Clients; and specific service providers (i.e. consultancies).

This is a cumulative indicator for the portfolio and related management of the Fund. It includes partnerships that have ‘expired’, that is, a partnership remains included even after the expiry date of the agreement.

|  |  |  |  |
| --- | --- | --- | --- |
| Data pointS | METRIC | Data source | Owner |
| Organisations which have signed a formal agreement with &Green. | #  (cumulative) | Legal database | &Green |

OPI 8.2a Technical Assistance budget

USD of Technical Assistance resources available to &Green operations

OPI8.2a reports all funding that can be made available for TA projects within the &Green TA account. TA funding is preserved in a separate bank account managed by &Green, and can only be spent on projects eligible as per &Green’s TA guidelines.

The funds available for TA is the sum of all funding available in the TA account, *minus* the TA funds that have been contracted and are therefore expected to be spent, *plus* the TA funds that have been contracted as reimbursable grants, and which are confirmed as receivables.

|  |  |  |  |
| --- | --- | --- | --- |
| Data pointS | METRIC | Data source | Owner |
| Funds available in the TA account of &Green | USD | Bank statement of &Green TA account | SAIL Ventures |
| TA funding contracted | (USD)[[31]](#footnote-32) | TA tracking sheet | SAIL Ventures |
| TA funding contracted as reimbursable grants, confirmed as receivables. | USD | TA tracking sheet | SAIL Ventures |
| Funding available for TA | **USD** | TA tracking sheet |  |

OPI 8.2b Technical Assistance budget allocated

USD of Technical Assistance resources allocated, by &Green or by third parties, to technical assistance (TA) projects to support &Green’s operations.

OPI8.2b relates to all funding allocated to TA: completed, on-going or future TA projects, at the &Green fund level. This indicator is cumulative over time.

Projects can be categorised as TA projects provided they fit the ‘TA scope’as defined in the TA guidelines, whether they are funded by &Green or by third parties.

For completed projects financed by &Green, funds allocated are recorded as funds *disbursed* through the &Green TA account. This may vary from contracted amounts.

For on-going or expected projects financed by &Green, a TA contract must be signed, formally committing the funds to a specific project. The amount recorded as TA allocated is the contracted amount.

For projects supported by third parties, funds allocated funds that have been reported as *contracted or disbursed* by either the third party financier or by &Green’s Client that is supported by the project, see OPI8.2c below.

|  |  |  |  |
| --- | --- | --- | --- |
| Data pointS | METRIC | Data source | Owner |
| Funding disbursed by &Green to finance TA projects | USD | TA tracking sheet | Sail Ventures |
| Funding contractually committed by &Green to TA projects | USD | TA tracking sheet | SAIL Ventures |
| Funds committed by third parties to support TA projects directly contributing to implementing &Green transactions | USD | 3rd party funds or by the Client | SAIL Ventures |
| TA budget allocated | **USD** |  |  |

OPI 8.2c Technical Assistance budget mobilized

USDof funding allocated by third parties to technical assistance (TA) projects to support &Green’s operations.

OPI8.2c relates to the funding allocated by third parties to completed or on-going TA projects, at the &Green fund level.

Projects are categorised as TA projects if they fit the ‘TA scope’ as per TA guidelines. TA budgets supported by third parties relate to funds that have been reported as *contracted or disbursed* by either the third party financier or by &Green’s Client supported by the project.

|  |  |  |  |
| --- | --- | --- | --- |
| Data point | METRIC | Data source | Owner |
| Funding committed by third parties to support TA projects that directly contribute to implementing &Green investments | USD | 3rd party funds or by the Client | Sail Ventures |
| TA budget mobilised | USD |  |  |

COMPLIANCE

There is no KPI for Compliance. Four OPIs provide context:

* 9.1 Total targets met
* 9.2 IFC PS compliance
* 9.3 E&S Action Plan targets met
* 9.4 NDPE compliance

Each &Green transaction has Client specific Environmental and Social Action Plans (ESAPs). The NDPE and IFC PS compliance are requirements for all transactions, but the targets and milestones on the journey to compliance may vary between Clients. These OPIs uniformly report proportion (%) of targets and compliance met, while the targets and compliance milestones themselves are transaction-specific.

The portfolio of &Green transactions are assessed against compliance annually. Each transaction is assessed individually against their targets. The portfolio results are aggregated for OPIs 9.2, 9.3 and 9.4 as simple (non-weighted) averages of transactions.

OPI 9.1: Total targets met

% of targets met.

OPI9.1 is a simplified summation of the proportion (%) of targets met under OPI 9.2, 9.3 and 9.4.

It is an annual overall status that can increase or decrease (as progress is made in transactions, and as new transactions enter the portfolio respectively). The relative importance of IFC PS compliance, ESAP targets and NDPE compliance are assumed as equal, recognising the importance of each will vary with each transaction.

OPI9.1 is a simple (unweighted) average of OPI 9.2, 9.3 and 9.4.

OPI 9.2: IFC PS compliance

% of transactions’ compliance with IFC Performance Standards.

OPI9.2 summarizes the number of transactions that have reached and remain in compliance with IFC standards.

Every IFC PS must be addressed in every transaction. The importance and relevance of individual IFC PSs will vary between transactions, and different parameters may be monitored to assess PS compliance. In aggregating PS compliance within a transaction, the default is equal weighting per PS. Weightings may vary to reflect the relevance of each PS, when one or more PSs are disproportionately important (or, alternately, less significant) for the transaction. The assessment of compliance per PS and aggregation of PSs is defined in each transaction’s ESAP.

Aggregation of transactions to OPI9.2 is a simple (unweighted) average.

OPI 9.3: E&S Action Plan targets met

% of ESAP targets met on time.

Each transaction has specific milestones, targets and timelines in its Environmental and Social Action Plan (ESAP). OPI9.3 summarizes the proportion (as a %) of ESAP targets met on time. This is assessed during the E&S transaction, and for each &Green annual report.

Aggregations within and between transactions are unweighted.

OPI 9.4: NDPE Compliance

% progress in implementing the &Green NDPE policy.

This indicator monitors Clients’ progress in implementing their NDPE commitments from the time of approval.

Progress is assessed against a matrix that defines milestones ranging from 0 to 100% (on 20%-point intervals), validated through a checklist of criteria.

Progress milestones reflect stages of implementation of the &Green NDPE policy: 0% reflects implementation of minimum requirements as per the NDPE (i.e. an NDPE has been published online at group level). 100% reflects the implementation of all requirements included in the NDPE policy.

A baseline must be established by &Green before contracting, using the NDPE progress matrix. The baseline is set to coincide with the impact assessment base year: the calendar year prior to the year of signing an investment.

Progress against the matrix milestones is assessed annually by Sail Ventures.

By monitoring all transactions against the same matrix and milestones, benchmarks can be established for &Green’s Clients, as well as an aggregation of the status of all transactions in the &Green portfolio.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Data point | Baseline | Progress | Data source | Owner |
| Assessment of progress against (pre-defined) NDPE implementation milestones | % | % | NDPE progress assessment tool | Sail Ventures |

1. The Forest KPIs include protection of peatlands. They are not mentioned in the indicators for brevity of communication. [↑](#footnote-ref-2)
2. The Forest KPIs include protection of peatlands. They are not mentioned in the indicators for brevity of communication. [↑](#footnote-ref-3)
3. This KPI and OPIs includes peatland conservation and/or rehabilitation where relevant. [↑](#footnote-ref-4)
4. For more detail refer to the Tier C guidance document titled: *KPI2 ForestProtect TierC SOP Final 1Apr22.* [↑](#footnote-ref-5)
5. Forests are defined by each national government on 4 criteria: crown cover, tree height, area and predominant land use. The FAO (and UNFCCC) definition is: *Forest includes natural forests and forest plantations. It is used to refer to land with a tree canopy cover of more than 10%, height of more than 5m and area of more than 0.5 ha. Forests are determined both by the presence of trees and the absence of other predominant land uses.*  From: FAO (2006): [www.fao.org/forestry/fra2005](http://www.fao.org/forestry/fra2005). [↑](#footnote-ref-6)
6. This approach is compatible with the calculation of emissions reductions compared to ‘Business as Usual’ scenarios, the approach for more than half of countries’ Nationally Determined Contribution commitments under the Paris Agreement. [↑](#footnote-ref-7)
7. As well as Forest Reference Emissions Levels (FRELs) under the Paris Agreement. [↑](#footnote-ref-8)
8. Within REDD+ approaches OPI 3.2 reflects ‘enhanced sequestration’ when a forest is protected. [↑](#footnote-ref-9)
9. UNFCCC: United Nations Framework Convention on Climate Change. IPCC: Intergovernmental Panel on Climate Change. [↑](#footnote-ref-10)
10. The same assumptions are taken in national inventory assessments and FRELs. There will be circumstances where these assumptions do not hold, however, averaged over the targeted (large) areas, these assumptions are valid. [↑](#footnote-ref-11)
11. As for OPI2.2, IPCC Tier 2 or 3 factors are used, conservatively selected, assuming initially significantly degraded forests. [↑](#footnote-ref-12)
12. Without the use of a hypothetical BaU scenario required by REDD+ methodologies, OPI 3.3 is related to avoided deforestation & OPI4.2, recognising a conserved forest is (in part) avoided deforestation when forests are under threat. [↑](#footnote-ref-13)
13. Provided there are no reversals or changes in circumstances. [↑](#footnote-ref-14)
14. Note this indicator is also used as an input to OPI3.1. [↑](#footnote-ref-15)
15. That is, expansion of agricultural land and Land Use Change from forest to agriculture. [↑](#footnote-ref-16)
16. See: <https://www.goldstandard.org/articles/value-change> & <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture> [↑](#footnote-ref-17)
17. As for OPI3.2 and 3.3, IPCC Tier 2 and 3 factors are used. [↑](#footnote-ref-18)
18. Since any yield over previous zero yield returns an ‘infinite’ % result, which distorts portfolio reporting. [↑](#footnote-ref-19)
19. See: <https://www.greenclimate.fund/document/integrated-results-management-framework> and <https://www.greenclimate.fund/sites/default/files/document/gcf-programming-manual.pdf> [↑](#footnote-ref-20)
20. See OPI6.1 for definition of livelihood. [↑](#footnote-ref-21)
21. OPI6.5b indirect jobs supported is not yet included. When available it will be included on the same basis as OPI6.5a. [↑](#footnote-ref-22)
22. Note that indirect jobs supported (OPI6.5b) is not (yet) included in calculations. [↑](#footnote-ref-23)
23. Where possible, gender data is collected directly through transactions. Where this is not (yet) possible, best available data, such as location specific credible censuses, are used to estimate gender disaggregation. [↑](#footnote-ref-24)
24. <https://iris.thegiin.org/glossary/> [↑](#footnote-ref-25)
25. <https://iris.thegiin.org/metric/5.0/pi3687/> [↑](#footnote-ref-26)
26. <https://www.jointimpactmodel.org/> [↑](#footnote-ref-27)
27. https://accountability-framework.org/the-framework/contents/definitions/ [↑](#footnote-ref-28)
28. https://accountability-framework.org/the-framework/contents/definitions/ [↑](#footnote-ref-29)
29. <https://unhabitat.org/secure-land-rights-for-all> [↑](#footnote-ref-30)
30. This is a cross-check data point, and is not additive to the Client’s data. [↑](#footnote-ref-31)
31. Entered as a negative value. [↑](#footnote-ref-32)