

Fast-track Accreditation Programme

This document captures the policies and guidance required for fast-track accreditation as adopted by the Board in decision B.08/03, paragraphs (b), (e), (f), and (g). The policy was sent to the Board for consideration at B.08 in document GCF/B.08/03 titled "Assessment of Institutions Accredited by Other Relevant Funds and Their Potential for Fast-track Accreditation".

All decisions and documents adopted at B.08 can be found in document GCF/B.08/45 titled "Decisions of the Board – Eighth Meeting of the Board, 14-17 October 2014".



Annex II: Assessment of institutions accredited by other relevant funds and their potential for fast-track accreditation

I. Introduction

1. All entities, including subnational, national, regional and international entities, can apply for accreditation to the Green Climate Fund. The accreditation of an entity for the Fund requires that the fiduciary standards and the ESS are met by the entity. Entities or groups of entities who meet other fiduciary and environmental and social principles and standards that are comparable to the fiduciary standards and ESS of the Fund may be eligible for the fast-track accreditation process whereby the assessment process required to determine accreditation may be shortened. Recognizing the importance of gender considerations, entities will be required to comply with the Fund's Gender Policy.¹

II. Process for assessment, including a gap analysis

2. The assessment and gap analysis compares the accreditation processes and fiduciary standards and environmental and social (E&S) of the Global Environment Facility (GEF), Adaptation Fund (AF), and the Directorate-General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO)² to the Fund's accreditation processes and basic fiduciary standards and specialized fiduciary standards³ as well as the Fund's environmental and social safeguards (ESS), including the institutional capacities to manage the E&S risks and impacts.

3. The gap analysis was conducted at the relevant fund level by comparing the Fund's fiduciary standards and ESS to the fiduciary and environmental and social standards of the other relevant funds. If the other relevant funds' fiduciary and ESS at a minimum meet the Fund's fiduciary standards and ESS (i.e. there is no significant gap), then it can be accepted that the entities accredited by the other relevant funds also meet the Fund's fiduciary standards and ESS.

4. The specific criteria by which the Fund's standards and accreditation process were compared with the GEF, AF, and EU DEVCO's standards and processes included:

- (a) The other relevant funds' accreditation process; and
- (b) The other relevant funds' requirements compared to the Fund's requirements.

III. Global Environment Facility

5. The GEF has a three-stage accreditation process that evaluates fiduciary, social, and environmental standards.⁴ As of September 2014, the GEF has 14 agencies, 4 of which were accredited under a pilot programme for the expansion of GEF agencies that includes direct access provisions. The other 10 agencies were required to demonstrate compliance with the GEF's Minimum Fiduciary Standards and have since fully met the standards.⁵ The GEF's accreditation process evaluates all of the same standards as the Fund's basic fiduciary criteria

¹ To be considered by the Fund as contained in Annex II to document GCF/B.08/19.

² These funds were identified as other relevant funds.

³ Decision B.05/08 (b).

⁴ See http://www.thegef.org/gef/agencies_accreditation.

⁵ See http://www.thegef.org/gef/sites/thegef.org/files/documents/GEF.C.46.Inf_05%20Agency%20Progress%20on%20Meeting%20the%20GEF%20Fiduciary%20Standards_April%2025%202014.pdf.

and the specialized fiduciary criterion for project management, and have been found to be no less stringent or have no significant gaps, with the exception of one gap related to the basic fiduciary criteria (scope of anti-money laundering and anti-terrorist financing for the purpose of evaluating transparency and accountability). Further details of the gap analysis are contained in Annex III.

6. The GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards (hereinafter referred to as Policy) was updated on 12 September 2013. This Policy states the principles with regard to social and environmental safeguards that the GEF shall apply to the operations that it finances. Table 1 in Annex IV contains the results of the gap analysis comparing the GEF Policy against the Fund's ESS. The only gaps identified between the Policy dated 12 September 2013 that are relevant to the Fund's accreditation process is for entities to develop an E&S policy and implement an external communications system at the institutional level.

IV. Adaptation Fund

7. The AF accredits national implementing entities, multilateral implementing entities, and regional implementing entities to carry out adaptation projects up to US\$ 10 million, through an iterative accreditation process that applies to all types of entities.⁶ The AF's accreditation process evaluates all of the same standards as the Fund's basic fiduciary criteria and the specialized fiduciary criterion for project management, and have been found to be no less stringent or only have insignificant gaps, with the exception of the following gaps (see paragraphs. 7 (a)–(c) below) related to the Fund's basic fiduciary criteria on transparency and accountability (refer to Annex III for more details):

- (a) Scope of investigations for the purpose of evaluating transparency and accountability: Publicly available terms of reference;
- (b) Scope of investigations for the purpose of evaluating transparency and accountability: Headed by an officer at an adequate level; and
- (c) Scope of investigations for the purpose of evaluating transparency and accountability: Published guidelines for processing cases.

8. The AF Environmental and Social Policy (ESP) was approved by the Board in November 2013 and is designed to assist implementing entities (IEs) in identifying and managing the environmental and social risks of their activities by assessing potential environmental and social impacts and then by identifying and implementing steps to avoid and minimize impacts. The ESP is not applied retroactively, however, all applications for project/activity funding submitted from 4 August 2014 are required to demonstrate compliance with the ESP at project/activity level during the Fund's initial proposal review process. The AF is not conducting a review of the IE's institutional environmental and social management system (ESMS) capacity (equivalent to Fund's accreditation step). Therefore, AF accredited entities will need to comply with the Fund's ESS. AF IEs that have been through the AF project/activities) review process on or after 4 August 2014 will benefit from this exercise when approaching the Fund's initial proposal review process. Even so, an illustrative gap analysis was completed, comparing the AF ESP against the Fund's ESS for information purposes. Table 2 in Annex IV contains the result of this gap analysis.

V. EU DEVCO

⁶ See <https://www.adaptation-fund.org/page/accreditation-process>.

9. EU DEVCO conducts a six-pillar assessment for potentially eligible partners for indirect centralized management.⁷ As of September 2014, 24 national public-sector bodies or bodies governed by private law with a public-service mission and one international organization passed the six-pillar assessment successfully. EU DEVCO's accreditation process evaluates all of the same standards as the Fund's basic fiduciary criteria and the specialized fiduciary criterion for grant award and/or funding allocation mechanisms, and have been found to be no less stringent or have no significant gaps, with the exception of one gap related to the basic fiduciary criteria (scope of anti-money laundering and anti-terrorist financing for the purpose of evaluating transparency and accountability). Annex III contains further details of the gap analysis between EU DEVCO's fiduciary standards and the Fund's fiduciary standards. The Fund was unable to identify any information on EU DEVCO ESS requirements. Therefore, EU DEVCO accredited entities will need to comply with the Fund's ESS.

VI. Fast-track accreditation process

10. At a minimum, an entity must meet both the Fund's basic fiduciary standards and ESS in order to be eligible for accreditation, whether it is under the accreditation process or fast-track accreditation process. An entity may additionally apply for accreditation of the specialized fiduciary standards.

11. Entities or groups of entities who meet other fiduciary and environmental and social principles and standards that are found to be comparable to the Fund's fiduciary standards and ESS are eligible for the fast-track accreditation process. The fast-track accreditation process is understood to be a part of the accreditation process whereby the assessment process required to determine accreditation may be shortened. The fast-track accreditation process does not mean automatic accreditation. A decision by the Board on the application for accreditation by an entity (Step 2 of Stage II) and the Final Validation and Arrangement (Stage III) are still required in order for the entity to become accredited for the Fund.

12. Under the fast-track accreditation process:

- (a) If the fiduciary and environmental and social principles and standards of the other funds or institutions and their accreditation or due diligence processes are found to be comparable to the Fund's fiduciary standards and ESS (i.e. no or no significant gaps), then the Accreditation Review (Step 1 of Stage II for entities under direct access or international access) will be shortened where the review is considered complete because of the comparability in standards, and no further review of the application is required for those comparable standards; and
- (b) If gaps are identified between the fiduciary and environmental and social principles and standards of the other funds or institutions and the fiduciary standards and ESS of the Fund, then the Accreditation Review will be shortened where the part of the review related to the standards that are comparable is considered complete, and the remaining part of the review focuses on assessing how the entity addresses the identified gaps between the other principles or standards and the Fund's fiduciary standards and ESS.

13. The figure below identifies the steps of the accreditation process that may be shortened under the fast-track accreditation process:

⁷ See http://www.oecd.org/callsfortenders/annex2-assessment-questionnaire-criteria_en.pdf.

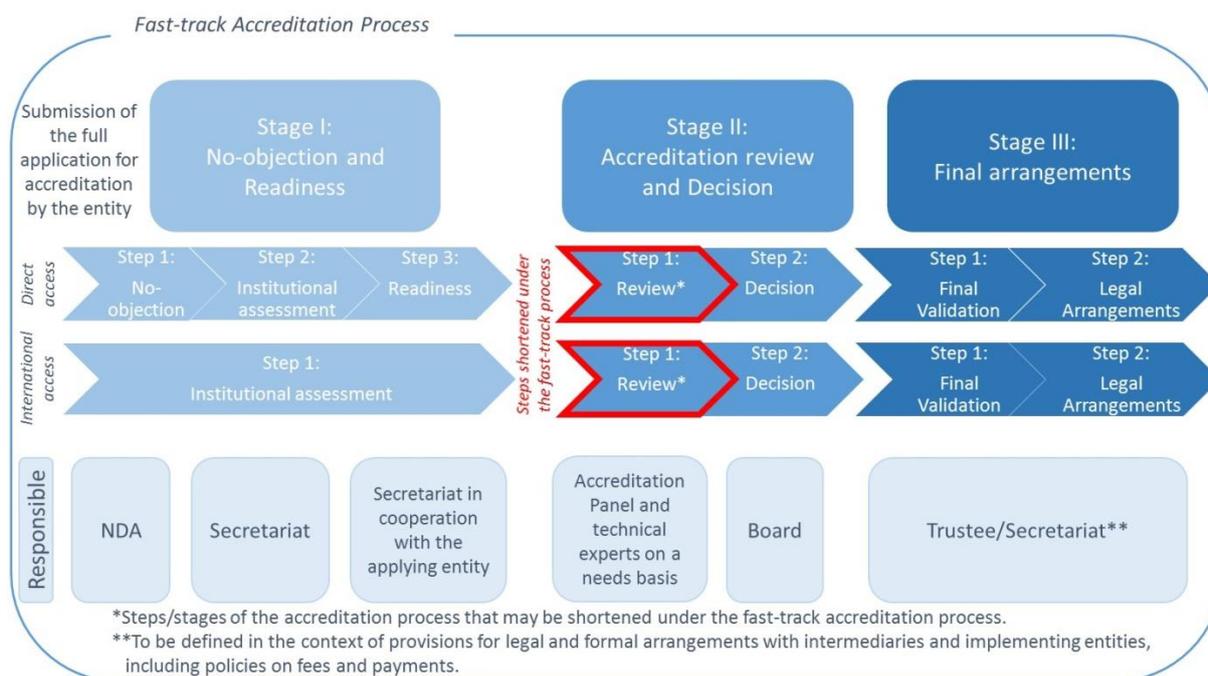


Figure 1: Overview of the fast-track accreditation process

14. It is expected that the accreditation process will generally be completed within six months after submission of all the required documentation. It is expected that the fast-track accreditation process will generally be completed within three months after submission of all the required documentation. The Fund will work on continuously improving its efficiency in order to reduce this timeframe.

VII. Recommended scope of fast-tracking and conclusions

15. Based on the gap analysis and recognizing that a decision by the Board is required to accredit an entity even if the entity is eligible and applies for accreditation under the fast-track accreditation process:

- (a) Entities accredited by GEF up to the time of the Board decision and in full compliance with GEF's Minimum Fiduciary Standards and Minimum Standards on Environmental and Social Safeguards, are eligible to apply under the fast-track accreditation process for the Fund's basic fiduciary standards, the specialized fiduciary standard for project management, and ESS. The assessment for accreditation will focus on the following gaps (refer to Accreditation Gaps identified in Annex III and Table 1 of Annex IV), insofar as they are relevant to the entity's intended activities, which are to be addressed by the entity. The entity will be assigned a risk category⁸ for funding proposals for projects and activities commensurate with its track record if and when the entity is approved for accreditation. Table 1 in Annex V includes a list of entities accredited by GEF as of 15 October 2014:
- (i) Fiduciary gap: Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability); and

⁸ Risk categories are identified in Annex I of document GCF/B.07/11. Risk categories include Category A / Intermediation 1 (high), Category B / Intermediation 2 (medium), and Category C / Intermediation 3 (low).

- (ii) ESS gap: Have the capacity to assess and manage relevant elements of Performance Standards 1-4 and 6 environmental and social risks and impacts, per Table 1 in Annex IV, in line with the Fund's ESS through an ESMS.
- (b) Entities accredited by the AF up to the time of the Board decision and in full compliance with the AF's fiduciary standards are eligible to apply under the fast-track accreditation process for the Fund's basic fiduciary standards, the specialized fiduciary standard for project management and ESS. The assessment for accreditation will focus on the following gaps (for fiduciary Accreditation Gaps refer to Annex III) pertaining to transparency and accountability, insofar as they are relevant to the entity's intended activities, which are to be addressed by the entity. The entity will be assigned a risk category⁹ for funding proposals for projects and activities commensurate with its track record if and when the entity is approved for accreditation. Tables 2 to 4 in Annex V include a list of entities accredited by the Adaptation Fund as of 15 October 2014:
 - (i) Fiduciary gap: Have publicly available terms of reference that outline the purpose, authority and accountability for the investigation function (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation);
 - (ii) Fiduciary gap: Ensure functional independence by having the investigations function headed by an officer who reports to a level of the organization that allows the investigation function to fulfil its responsibilities objectively (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation);
 - (iii) Fiduciary gap: Publish guidelines for processing cases, including standardized procedures for handling complaints received by the function and managing cases before, during and after the investigation process (basic fiduciary criteria for the purpose of transparency and accountability and scope of investigation);
 - (iv) ESS gap: Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS.
- (c) Entities accredited by EU DEVCO up to the time of the Board decision and in full compliance with EU DEVCO's fiduciary standards are eligible to apply under the fast-track accreditation process for the Fund's basic fiduciary standards, the specialized fiduciary standard for grant award and/or funding allocation mechanisms and ESS. The assessment for accreditation will focus on the following gaps (for fiduciary Accreditation Gaps refer to Annex III), insofar as they are relevant to the entity's intended activities, which are to be addressed by the entity. The entity will be assigned a risk category¹⁰ for funding proposals for projects and activities commensurate with its track record if and when the entity is approved for accreditation. Tables 5 and 6 in Annex V includes a list of entities accredited by EU DEVCO as of 15 October 2014:
 - (i) Fiduciary gap: Anti-money laundering and anti-terrorist financing (basic fiduciary criteria for the purpose of transparency and accountability);
 - (ii) ESS gap: Have the capacity to assess and manage relevant Performance Standards 1-8 environmental and social risks and impacts in line with the Fund's ESS through an ESMS.

⁹ Risk categories are identified in Annex I of document GCF/B.07/11. Risk categories include Category A/Intermediation 1 (high), Category B/Intermediation 2 (medium), and Category C/Intermediation 3 (low).

¹⁰ Risk categories are identified in Annex I of document GCF/B.07/11. Risk categories include Category A/Intermediation 1 (high), Category B/Intermediation 2 (medium), and Category C/Intermediation 3 (low).

16. Any entity accredited by more than one other relevant fund up to the time of the Board decision must address any remaining gaps identified in relation to those funds. The entity will be assigned a risk category¹¹ for funding proposals for projects and activities commensurate with its track record if and when the entity is approved for accreditation. Annex V includes a list of entities accredited by the GEF, AF and EU DEVCO as of 15 October 2014.
17. An entity can apply for accreditation for the basic fiduciary standards and/or specialized fiduciary standards and ESS under the normal accreditation process at any time.

VIII. Additional considerations

18. Other entities applying fiduciary and environmental and social principles or standards found to be comparable with the Fund's fiduciary standards and ESS will be proposed to the Board for consideration for eligibility for the fast-track accreditation process.
19. The Board may wish to consider, in the context of the Policies and Procedures for the Initial Allocation of the Fund's Resources, the possibility of establishing and assigning allocation targets for public and private entities, particularly in the context of direct access.
20. Entities accredited by the GEF, AF and EU DEVCO eligible for the fast-track accreditation process and applying under the direct access modality may request and be eligible to receive readiness and preparatory support.

¹¹ Risk categories are identified in Annex I of document GCF/B.07/11. Risk categories include Category A / Intermediation 1 (high), Category B / Intermediation 2 (medium), and Category C / Intermediation 3 (low).

Annex III: Gap analysis of fiduciary standards of relevant funds and the Fund’s fiduciary standards

Table 1: Gap analysis of the relevant fiduciary standards for the Global Environment Facility (GEF), Adaptation Fund (AF), and EU DEVCO and the Fund’s fiduciary standards

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
Basic fiduciary criteria	Key administrative and financial capacities	General management and administrative capacities	Definition of the main “corporate governance” actors	Yes, requested if not provided	Yes, Audit Committee, ICF, and oversight of procurement and ethics	Yes, pillar 1.1
			Adequate internal oversight bodies and transparent rules	No significant gaps identified.	Yes, Audit Committee, ICF, and oversight of procurement and ethics	Yes, pillar 1.1
			Organization chart	Yes, requested if not provided	Yes, requested if not provided	Yes, pillar 1.1
			Process to set in line with mission of the entity	Yes, stage I	Yes, long term business plan	Yes, pillar 1.2
			Indicators to measure defined objectives	No significant gaps identified.	No significant gaps identified. Evaluated on the project-level.	Yes, pillar 1.2
			Management plan with processes to monitor and report	Yes, requested if not provided	Yes, long term business plan	Yes, pillar 1.2

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
		Financial management and accounting	Financial statements follow GAAP in accordance with recognized accounting standards	Yes, section A.1	Yes, demonstration of accounting packages	Yes, pillar 2.1
			Clear and complete set of financial statements	Yes, section A.1	Yes, financial statements	Yes, pillar 2.1
			Financial statements are reported periodically	Yes, but this is assessed through the external audit function	Yes, financial statements	Yes, pillar 2.1
			Accounting and financial information systems based on the accounting principles and procedures	No significant gaps identified. Evaluated through the process.	Yes, financial statements and accounting procedures	Yes, pillar 2.1
			Transparent and consistent payment and disbursement systems are in place with documented procedures and clear allocation of responsibilities	Yes, section A.2	Yes, demonstration of proven payment and disbursement system	Yes, pillar 2.3
			Track record in the preparation and transparent use of business plans, financial projections and budgets	Yes, section A.2	Yes, long-term business plans	Yes, pillar 2.2
			Resources, systems and procedures are in place that	Yes, section A.2	Yes, ability to monitor against budgets	Yes, pillar 2.3

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
			ensure proper financial reporting			
		Internal and external audit	Independent audit committee	Yes, section A.1	Yes, Audit Committee ToRs	No significant gaps defined. Pillar 1.1
			Internal audit	Yes, section A.4	Yes, internal audit policy and reports	No significant gaps defined. Pillars 1.1 and 1.6
			External audit	Yes, section A.1	Yes, external auditor reports	Yes, pillar 3
		Control frameworks	Measure achievement of objectives in 12 categories outlined by COSO	Yes, section A.2	No significant gaps identified. ICF reviewed	Yes, pillar 1
		Procurement	Formal internal guidelines and a procurement policy	Yes, section B.2	Yes, procurement policy	Yes, pillar 4.1
			Specific procurement guidelines differentiated by type of procurement	Yes, section B.2	Yes, detailed procedures	Yes, pillar 4.3
			Specific procedures, guidelines and methodologies, as well as adequate organizational resources for overseeing, assessing and reviewing the procurement procedures of beneficiary institutions, executing entities or project sponsors	Yes, section B.2	Yes, provisions for oversight including executing agencies	Yes, pillar 4.3

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard	
			Procurement performance for the Fund’s approved proposals would be monitored at periodic intervals	Yes, section B.2	Yes, must be consistent with international practice	Maybe	
			Procurement records are easily accessible	Yes, section B.2	Yes, must be consistent with international practice	Yes, pillar 4.2	
			Evidence of transparent and fair procurement policies and procedures	Yes, section B.2	Yes, must be consistent with international practice	Yes, pillar 4.3	
	Transparency and accountability	Disclosure of conflicts of interest		Disclosure policy, or equivalent administrative provisions	Yes, section A.3	Yes	No significant gaps identified. Yes, in context of procurement
				Policy that specifies prohibited personal financial interests and principles under which conflicts of interests are reviewed and resolved	Yes, section A.3, A.5	Yes, as part of overall conflict of interest policies and practices	Yes, pillar 1.1, 1.4
		Code of ethics		Documented code of ethics or set of clear and formal management policies and provisions	Yes, section A.3	Yes	Yes, pillar 1.1
				Relevant individuals made aware of code of ethics	Yes, section A.3	Yes	Yes, pillar 1.1
				Ethics Committee or allocated such functions	Yes, section A.3	Yes	Maybe

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
		Capacity to prevent or deal with financial mismanagement and other forms of malpractice	Experience and track record in accessing financial resources from national and international sources	Yes, stage I and Stage II Section A.1	Yes, legal status	Maybe
			Policy of zero tolerance for fraud	No significant gaps identified. Ethics policy is evaluated.	Yes	No significant gaps identified.
			Avenues and tools for reporting suspected ethics violations, misconduct, and any kind of malpractice	Yes, section C.2	Yes	Yes, pillar 1.4
			Evidence of an objective investigation function	Yes, section C.1	Yes	Yes, pillar 1.4
			Organizational culture that is conducive to fairness, accountability and full transparency		Yes, covered in the first part of transparency requirements	Yes, pillar 1.1
		Investigations	Publicly available terms of reference	Yes, section C.1	Accreditation Gap: not required by AF	No significant gaps identified.
			Headed by an officer at adequate level	Yes, section C.1	Accreditation Gap: not required by AF	No significant gaps identified.
			Published guidelines for processing cases	Yes, section C.1	Accreditation Gap: not required by AF	Yes, pillar 1.4
			Defined process for periodically reporting case trends	Yes, section C.1	Yes	Yes, pillar 1.4

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
		Anti-money laundering and anti-terrorist financing	Evidence that organization does have anti-money laundering and anti-terrorist financing provisions in place	Accreditation Gap: not required by GEF	Yes	Accreditation Gap: not required by EU DEVCO
Specialized fiduciary criteria	Project management	Project preparation and appraisal (from concept to full funding proposal)	Track record of capability and experience	Yes, stage I	Yes	N/A
			Capacity to clearly state project objectives and outcomes	Yes, Section B.1	Yes	N/A
			Ability to examine and incorporate technical, financial, economic and legal aspects as well as possible environmental, social and climate change aspects	Yes, Section B.1	Yes, appraisal procedures	N/A
			Appropriate fiduciary oversight procedures in place	Yes, Section B.1	Yes, demonstration of availability of/access to resources, financial management and procurement capabilities	N/A
		Project oversight and control	Yes, Section B.1	Yes, operational manual evaluated, quality at entry	N/A	

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
			Operational capacity and organizational arrangements to continuously oversee the implementation of the approved funding proposal	Yes, Section B.1	Yes, through monitoring procedures	N/A
			Appropriate reporting capabilities and capacities	No significant gaps identified.	Yes, through M&E system	N/A
			Operational systems and overall capacity to conduct necessary activities relating to project closure	Yes, but under evaluative requirement	Yes, but under evaluative requirement	N/A
		Monitoring and evaluation	Monitoring: organizational and operational resources, roles and responsibilities articulated, tools available and published	Yes, section B.3	Yes, policies and detailed procedures	N/A
			Evaluation: independent evaluations undertaken, evaluation function procedures and independence, evaluation disclosure policy	Yes, section B.4	Yes, policies and detailed procedures	N/A
		Project-at-risk systems and related project risk management capabilities	A process or system in place to flag early on when a project has developed problems	Yes, section B.3	Yes, procedures evaluated	N/A
			Availability of an independent risk management function	Yes, section B.3	Yes, policy and procedures	N/A
			Risk assessment	Yes, section B.3	Yes, policy and procedures	N/A

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
	Grant award and/or funding allocation mechanisms	Transparent eligibility criteria and evaluation	Mechanism is organized in a fully transparent manner that guarantees impartiality and equal treatment to all applicants	N/A	N/A	Yes, pillar 5.1
Evaluation process is based solely on the criteria for exclusion, eligibility, selection and award pre-announced in the call for proposals			N/A	N/A	Yes, pillar 5.1	
Eligibility evaluation performed on the basis of the criteria stated in the call for proposals			N/A	N/A	Yes, pillar 5.1	
All stages are formally documented through standardized checklists and forms			N/A	N/A	Yes, pillar 5.1	
Evaluation Committee exists that evaluates applications and works with formal rules of procedure			N/A	N/A	Yes, pillar 5.2	
Grant award decision and procedures		Decision is taken by the legally authorized person or body	N/A	N/A	Yes, pillar 5.3	
		Decision is based on the grant award proposal prepared by the evaluation committee	N/A	N/A	Yes, pillar 5.2	

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
			Any departing decisions adequately justified and documented	N/A	N/A	Yes, pillar 5.3
			Grant decision states subject/amount, name of beneficiaries, decisions, and others.	N/A	N/A	Yes, pillar 5.3
			Checks undertaken to guarantee one and the same activity only results in the award	N/A	N/A	Yes, pillar 5.3
			No grant is awarded retrospectively	N/A	N/A	Yes, pillar 5.3
			All applicants are notified in writing of grant award outcome	N/A	N/A	Yes, pillar 5.3
			Rejected applications result in rejected applicants receiving reason(s) for rejection	N/A	N/A	Yes, pillar 5.3
		Public access to information on beneficiaries and results	Grant-awarding entity makes the grant award results public	N/A	N/A	Yes, pillar 5.3
			Results made public within a reasonable timeframe	N/A	N/A	Yes, pillar 5.3
			Information to be made available: name, address, nation of beneficiary, purpose of grant, grant amount	N/A	N/A	Yes, pillar 5.3

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
		Transparent allocation and implementation of financial resources	System in place to provide assurance on the reality and eligibility of activities	N/A	N/A	Yes, pillar 5.4
			System in place to recover funds unduly paid	N/A	N/A	Yes, pillar 5.4
			System in place to prevent irregularities and fraud	N/A	N/A	Yes, pillar 5.4
			Grant-awarding entity monitors the implementation of funded programme activities	N/A	N/A	Yes, pillar 5.4
			Sufficient possibilities for the beneficiary to contact the grant-awarding entity	N/A	N/A	Yes, pillar 5.4
			Grant-awarding entity carries out on-site monitoring visits	N/A	N/A	Yes, pillar 5.4
			On-site visits are used to support the beneficiary, gather and disseminate best practices and establish/maintain good relations	N/A	N/A	Yes, pillar 5.4
			Clear procedures about procurement rules	N/A	N/A	Yes, pillar 5.4
			Amount of the grant is finalized only after the grant-accepting entity has accepted	N/A	N/A	Yes, pillar 5.4

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
			Procedures in place for the suspension, reduction, or termination of the grant	N/A	N/A	Yes, pillar 5.4
		Good standing with regard to multilateral funding		N/A	N/A	No significant gaps identified.
	On-lending and/or blending	Appropriate registration and/or licensing by a financial oversight body or regulator in the country and/or internationally, as applicable		N/A	N/A	N/A
		Track record, institutional experience and existing arrangements and capacities for on-lending and blending with resources from other international or multilateral sources		N/A	N/A	N/A
		Creditworthiness		N/A	N/A	N/A

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
		Due diligence policies, processes and procedures		N/A	N/A	N/A
		Financial resource management, including analysis of the lending portfolio of the intermediary		N/A	N/A	N/A
		Public access to information on beneficiaries and results		N/A	N/A	N/A
		Investment management, policies and systems, including in relation to portfolio management		N/A	N/A	N/A
		Capacity to channel funds transparently and effectively, and to transfer the Fund's funding advantages to final beneficiaries		N/A	N/A	N/A

Level (Fund)	Purpose (Fund)	Scope (Fund)	Specific requirements (Fund)	Relevant GEF standard	Relevant AF standard	Relevant EU DEVCO standard
		Financial risk management, including asset liability management		N/A	N/A	N/A
		Governance and organizational arrangements, including relationships between the treasury function and the operational side (front desk)		N/A	N/A	N/A

Annex IV: Gap analysis of the Fund ESS¹ and Other Relevant Funds' Environmental and Social Safeguard Standards²

Table 1: Gap analysis of the Global Environment Facility Minimum Standards on Environmental and Social Safeguards (12 September 2013)

Key Topic/Issue	Green Climate Fund Environmental and Social Safeguards ³	GEF Minimum Environmental and Social Safeguard Standards	Key Safeguard Difference
Assessment and Management	<p>PS 1: Assessment and Management of Environmental and Social Risks and Impacts requires that entities develop a system to consistently assess and manage E&S risks and impacts. This E&S Management System (ESMS) should include:</p> <ul style="list-style-type: none"> • A policy which includes: an overarching definition of E&S objectives and requirements to ensure sound E&S performance, a commitment to comply with applicable law, a commitment to be consistent with the principles of the Performance Standards, a clear indication who will ensure conformance with the policy and be responsible for execution; • An assessment process, tailored to the scale and complexity of the project, that identifies and assesses direct and indirect E&S risks and impacts from the activity including associated facilities, cumulative impacts and trans-boundary impacts; assesses measures to avoid, or where avoidance is not possible, 	<p>Minimum Standard 1: Environmental and Social Impact Assessment requires an equivalent level and scope of:</p> <ul style="list-style-type: none"> • E&S impact assessment, including direct, indirect, cumulative and associated impacts; assessment of measures to avoid adverse impacts, and if avoidance is not feasible then, minimize, mitigate and offset impacts; • Management of mitigation measures,; • Monitoring of impacts and mitigation; • Institutional capacity development and training, an 	<p>Accreditation Gaps at the institutional ESMS level include:</p> <ul style="list-style-type: none"> • Developing a policy which provides an overarching definition of E&S objectives and requirements to ensure sound E&S performance, a commitment to comply with applicable law, a commitment to be consistent with the principles of the Performance Standards, a clear indication who will ensure conformance with

¹ The Fund's ESS is utilizing the IFC Performance Standards (PS), 2012, until specific Fund standards are developed.

² This table identifies the key differences but does not identify every difference between the Fund's Environmental and Social Safeguards and the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards, 12 September, 2013. It should be noted that there are various ways to address, avoid or eliminate issues, e.g. through a strategy, a linked policy or an ESIA process, even if they are not identified in the safeguard standard.

	<p>minimize, and where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment;</p> <ul style="list-style-type: none"> • Management programmes that describe the mitigation and actions that address the identified E&S risks and impacts; • An organizational structure that includes the appropriate capacity and competency to implement the ESMS; • An emergency preparedness and response system, where there is the potential to cause harm to people and/or the environment (project/programme specific element); • A system to monitor and measure the effectiveness of the management program; • A stakeholder engagement process, scaled to the project risks and impacts and development stage, which includes consultation, a project level grievance mechanism, disclosure of information, and on-going reporting to affected communities (project/programme specific element); • An external institutional communications mechanism. 	<p>implementation schedule, and costs;</p> <ul style="list-style-type: none"> • A stakeholder engagement process, including disclosure of information. • The GEF Policy requires demonstration that Partner Agency has relevant policies and systems in place including institutional capacity. • Minimum Standard 8: Accountability and Grievance Systems includes requirements for an accountability system or measures that are designed to ensure enforcement or E&S requirements and to have a system for the timely receipt and response to complaints from parties affected by the project. 	<p>the policy and be responsible for execution;</p> <ul style="list-style-type: none"> • Developing and implementing an external communications system at an institutional level, not just at the project level. <p>Gaps at the specific projects/programmes level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • On-going reporting to affected communities; • Emergency preparedness and response system.
<p>Labour and Working Conditions</p>	<p>PS 2: Labor and Working Conditions applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the type of employment relationship. Requirements may include developing and implementing:</p> <ul style="list-style-type: none"> • Human resources policies and procedures; • Working conditions and terms of employment; 	<p>No requirements for labour and working conditions.</p>	<p>Gaps at the specific projects/programmes level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p>

	<ul style="list-style-type: none"> • The respect of national law for workers to form and join workers’ organizations and to bargain collectively or, where national law is silent, to not restrict workers from developing alternative mechanisms; • Fair treatment, non-discrimination and equal opportunity of workers; • Retrenchment analysis and planning; • Grievance mechanism for workers; • The protection of workers by providing a safe and healthy work environment (with links to the WB EHS industry Guidelines), including vulnerable categories such as children, migrant workers, workers’ engagement by third parties, and workers in the clients’ supply chain. 		<ul style="list-style-type: none"> • Labour and working conditions requirements contained in PS2.
<p>Resource Efficiency and Pollution Prevention</p>	<p>PS 3: Resource Efficiency and Pollution Prevention applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the ambient conditions and the scale and type of project. Requirements may include:</p> <ul style="list-style-type: none"> • Implementing technically and financially feasible and cost effective measures for improving resource efficiency including energy, water and other resources and material inputs; • Implementing technically and financially feasible and cost effective measures to reduce GHGs; • Minimizing release of pollutants including wastes, hazardous materials and pesticides. 	<p>Minimum Standard 5: Pest Management is equivalent to and exceeds the PS 3 requirement to manage and minimize the release of pesticides.</p> <p>The other elements of PS3 are not addressed.</p>	<p>Gaps at the specific projects/programmes level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures for improving resource efficiency including energy, water and other resources and material inputs;

			<ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures to reduce GHGs; • Minimization of release of pollutants including wastes and hazardous materials.
Community Health, Safety, and Security	<p>PS 4: Community Health, Safety and Security applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to the Affected Communities from project activities. Requirements may include protecting Affected Communities from risks and impacts associated with:</p> <ul style="list-style-type: none"> • Infrastructure and equipment design and safety; • Hazardous materials and management and safety; • Priority provisioning and regulating ecosystem services; • Community exposure to disease; • Emergency response and preparedness collaboration; • Retaining direct or contracted workers to provide security to safeguard personnel and property. 	<p>Minimum Standard 7: Safety of Dams includes requirements to ensure quality and safety in the design and construction and rehabilitation of dams.</p> <p>Minimum Standard 1: Environmental and Social Impact Assessment includes requirement that activities shall be assessed, designed and implemented in a way that avoids potentially significant negative impacts on public health and safety.</p>	<p>Gaps at the specific projects/ activities level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Infrastructure and equipment design and safety beyond dam safety; • Hazardous materials and management safety; • Protection of priority provisioning and regulating ecosystem services; • Community exposure to disease; • Emergency response and preparedness collaboration with communities; • Security force management.

<p>Land Acquisition and Involuntary Resettlement</p>	<p>PS 5: Land Acquisition and Involuntary Resettlement applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application is related to physical (relocation or loss of shelter) and/or economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition that is involuntary. Requirements may include:</p> <ul style="list-style-type: none"> • Alternative project design to avoid or minimize displacement; • If avoidance is not possible, an economic baseline survey, a Resettlement Action Plan or Livelihood Restoration Plan, compensation and benefits for displaced persons, monitoring and evaluation on effectiveness of plans; • Community engagement on decision-making processes related to resettlement and livelihood restoration options and alternatives; • Grievance mechanism for affected households. 	<p>Minimum Standard 3: Involuntary Resettlement is largely equivalent to PS5.</p>	<p>No gaps identified.</p>
<p>Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the project has direct management control or significant influence; or (iii) that include the production of living natural</p>	<p>Minimum Standard 2: Protection of Natural Habitats is equivalent to PS 6 requirements for biodiversity protection and sustainable management of living natural resources.</p>	<p>Gaps at the specific projects/ activities level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Avoid purchasing primary production from supply chain sources that are

	<p>resources (e.g. agriculture, animal husbandry, fisheries, forestry). Requirements may include:</p> <ul style="list-style-type: none"> • Applying the mitigation hierarchy to protect and conserve biodiversity; • Applying extra protection in legally protected or internationally recognized areas; • Avoiding intentional or accidental introduction of alien, or non-native, species; • Avoiding adverse impact to priority ecosystem services; • Where possible, locating land-based agribusiness and forestry projects on land already converted and implementing sustainable management practices; • Avoiding the purchase of primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats. 		<p>contributing to significant conversion of natural and/or critical habitats.</p>
<p>Indigenous Peoples</p>	<p>PS 7: Indigenous Peoples applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the project activities with potentially adverse impacts on communities or groups of Indigenous Peoples. Requirements may include:</p> <ul style="list-style-type: none"> • Avoiding impacts where possible, or when not possible, minimizing and/or compensating for impacts; 	<p>Minimum Standard 4: Indigenous Peoples is largely equivalent to PS7.</p>	<p>No significant gaps identified.</p>

	<ul style="list-style-type: none"> Establishing and maintaining an on-going relationship based on Informed Consultation and Participation (ICP); Ensuring Free, Prior, and Informed Consent is obtained in the following situations: (i) adverse impact on lands traditionally owned by, or under customary use, (ii) physical relocation from communally held lands and natural resources subject to traditional ownership or under customary use, (iii) significant impact on critical cultural heritage or commercialization of cultural heritage. 		
Cultural Heritage	<p>PS 8: Cultural Heritage applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impact on cultural heritage which includes (i) tangible forms of cultural heritage, (ii) unique natural features or tangible objects that embody cultural values, and (iii) intangible forms of culture to be used for commercial purposes. Requirements may include:</p> <ul style="list-style-type: none"> Avoiding impact on cultural heritage but, if not possible, retaining a competent professional to assist with identification, protection and removal, and consulting with Affected Communities; Developing a chance find plan if cultural heritage is likely to be found during construction or operations; Using elevated forms of consultation (ICP and Good Faith Negotiation) where cultural heritage will be used for commercial purposes. 	Minimum Standard 6: Physical Cultural Resources is largely equivalent to PS 8.	No significant gaps identified.

Table 2: Gap Analysis of the Adaptation Fund (AF) Environmental and Social Policy (November 2013)

Key Topic/Issue	Green Climate Fund Environmental and Social Safeguards ⁴	AF Environmental and Social Policy Statement	Key Safeguard Difference
<p>Assessment and Management</p>	<p>PS 1: Assessment and Management of Environmental and Social Risks and Impacts requires that entities develop a system to consistently assess and manage E&S risks and impacts. This E&S Management System (ESMS) should include:</p> <ul style="list-style-type: none"> • A policy which includes: an overarching definition of E&S objectives and requirements to ensure sound E&S performance, a commitment to comply with applicable law, a commitment to be consistent with the principles of the Performance Standards, a clear indication who will ensure conformance with the policy and be responsible for execution; • An assessment process, tailored to the scale and complexity of the project, that identifies and assesses direct and indirect E&S risks and impacts from the activity, including associated facilities, cumulative impacts and trans-boundary impacts; assesses measures to avoid, or where avoidance is not possible, minimize, and where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment; • Management programmes that describe the mitigation and actions that address the identified E&S risks and impacts; 	<p>The Policy Statement requires IE's to develop an ESMS commensurate in scope and ambition to the potential scope and severity of E&S risks inherent in the project/programme design.</p> <ul style="list-style-type: none"> • All projects will be screened to identify potential E&S risks and impacts; Category A & B projects require an environmental and social assessment against the principles. The assessment shall consider all potential direct, indirect, trans-boundary, and cumulative impacts and risks that could result from the activity; assess measures to avoid, minimize, or mitigate; • A management plan is required that identifies measures to 	<p>Accreditation Gaps at the institutional ESMS level include:</p> <ul style="list-style-type: none"> • Developing a policy; • Reporting to Senior Management on ESMS effectiveness; • Developing and implementing an external institutional communications system. <p>Gaps at the specific projects/activity level include:</p> <ul style="list-style-type: none"> • Developing and implementing an emergency preparedness and response system.

	<ul style="list-style-type: none"> • An organizational structure that includes the appropriate capacity and competency to implement the ESMS; • An emergency preparedness and response system, where there is the potential to cause harm to people and/or the environment (project/programme specific element); • A system to monitor and measure the effectiveness of the management program; • A stakeholder engagement process, scaled to the project risks and impacts and development stage, which includes consultation, a project level grievance mechanism, disclosure of information, and on-going reporting to affected communities (project/programme specific element); • An external institutional communications mechanism. 	<p>avoid, minimize or mitigate risks;</p> <ul style="list-style-type: none"> • Monitoring and evaluation shall address all E&S risks; reporting is required to the AF; • A stakeholder engagement program including consultation, disclosure of information, and a project level grievance mechanism are required. 	
<p>Labour and Working Conditions</p>	<p>PS2: Labor and Working Conditions is guided by the International Labour Organization (ILO) Conventions listed in FN2. PS 2 applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the type of employment relationship. Requirements may include developing and implementing:</p> <ul style="list-style-type: none"> • Human resources policies and procedures; • Working conditions and terms of employment; • The respect of national law for workers to form and join workers' organizations and to bargain collectively or, where national law is silent, to not restrict workers from developing alternative mechanisms; • Fair treatment, non-discrimination and equal opportunity of workers; 	<p>The E&S Principles require activities to meet the core labour standards as identified by the ILO.</p>	<p>The AF does not state actions needed to meet the core labour standards in the Principles while the PSs include actions; both standards rely on the ILO conventions so in principle there is no gap, but the Fund would need to verify that entities have met the specific requirements included in the PSs.</p> <p>Gaps that are not covered in principle at the specific projects/activity level</p>

	<ul style="list-style-type: none"> • Retrenchment analysis and plan; • Grievance mechanism for workers; • The protection of workers by providing a safe and healthy work environment (with links to the WB EHS industry Guidelines), including vulnerable categories such as children, migrant workers, workers' engagement by third parties, and workers in the clients' supply chain. 		<p>include:</p> <ul style="list-style-type: none"> • A retrenchment plan if significant retrenchment is planned; • A grievance mechanism for workers; • The provision of a safe and healthy working environment.
Resource Efficiency and Pollution Prevention	<p>PS 3: Resource Efficiency and Pollution Prevention applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the ambient conditions and the scale and type of project. Requirements may include:</p> <ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures for improving resource efficiency including energy, water and other resources and material inputs; • Implementation of technically and financially feasible and cost effective measures to reduce GHGs; • Minimization of release of pollutants including wastes, hazardous materials and pesticides. 	<p>Activities shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.</p>	<p>Gaps at the specific projects/activities level include:</p> <ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures for improving resource efficiency and minimization of release of pollutants.
Community Health, Safety, and Security	<p>PS 4: Community Health, Safety and Security applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to the Affected Communities from project activities. Requirements may include protecting Affected Communities from risks and impacts associated with:</p>	<p>Activities shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.</p>	<p>Gaps at the specific projects/activities level include:</p> <ul style="list-style-type: none"> • Protection of public safety and security – infrastructure and equipment design and safety;

	<ul style="list-style-type: none"> • Infrastructure and equipment design and safety; • Hazardous materials and management and safety; • Priority provisioning and regulating ecosystem services; • Community exposure to disease; • Emergency response and preparedness collaboration; • Retaining direct or contracted workers to provide security to safeguard personnel and property. 		<ul style="list-style-type: none"> • Hazardous materials and management and safety; • Priority provisioning and regulating ecosystem services; • Emergency response and preparedness collaboration; • Retaining direct or contracted workers to provide security to safeguard personnel and property.
<p>Land Acquisition and Involuntary Resettlement</p>	<p>PS 5: Land Acquisition and Involuntary Resettlement applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application is related to physical displacement (relocation or loss of shelter) and/or economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition that is involuntary. Requirements may include:</p> <ul style="list-style-type: none"> • Alternative project design to avoid or minimize displacement; • If avoidance is not possible, an economic baseline survey, a Resettlement Action Plan or Livelihood Restoration Plan, compensation and benefits for displaced persons, monitoring and evaluation of effectiveness of plans; • Community engagement on decision-making processes related to resettlement and livelihood restoration 	<p>Activities shall be designed and implemented to:</p> <ul style="list-style-type: none"> • Avoid or minimize the need for involuntary resettlement; • When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons are informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation. 	<p>Gaps at the specific projects/activities level include:</p> <ul style="list-style-type: none"> • Requirement for an economic baseline survey; • Resettlement Action Plan or Livelihood Restoration Plan and monitoring and evaluation on effectiveness of plans; • Benefits for displaced persons; • Grievance mechanism for affected households.

	<p>options and alternatives;</p> <ul style="list-style-type: none"> • Grievance mechanism for affected households. 		
<p>Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the project has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g. agriculture, animal husbandry, fisheries, forestry). Requirements may include:</p> <ul style="list-style-type: none"> • Applying the mitigation hierarchy to protect and conserve biodiversity; • Applying extra protection in legally protected or internationally recognized areas; • Avoiding intentional or accidental introduction of alien, or non-native, species; • Avoiding adverse impact on priority ecosystem services; • Where possible, locating land-based agribusiness and forestry projects on land already converted and implementing sustainable management practices; • Avoiding the purchase of primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats. 	<p>Activities shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of invasive species.</p> <p>The AF does not support activities that would involve unjustified conversion or degradation of critical natural habitats, including:</p> <ul style="list-style-type: none"> • Legally protected areas; • Those proposed for protection; • Areas recognized for high conservation value; • Areas recognized or protected by traditional or indigenous local communities. <p>Activities should:</p> <ul style="list-style-type: none"> • Promote soil conservation; • Avoid degradation or conversion of productive lands; • Avoid degradation or 	<p>Gaps at the specific projects/ activities level include:</p> <ul style="list-style-type: none"> • Protection measures for modified or natural habitat; • Avoidance of the purchase of primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats.

		conversion of land that provides valuable ecosystem services.	
Indigenous Peoples	<p>PS 7: Indigenous Peoples applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the project activities with potentially adverse impacts on communities or groups of Indigenous Peoples. Requirements may include:</p> <ul style="list-style-type: none"> • Avoiding impacts where possible, or when not possible to minimizing and/or compensating for impacts; • Establishing and maintaining an on-going relationship based on Informed Consultation and Participation (ICP); • Developing proposed actions with the ICP of the Affected Communities and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples; • Ensuring Free, Prior, and Informed Consent is obtained in the following situations: (i) adverse impacts on lands traditionally owned by, or under customary use, (ii) physical relocation from communally held lands and natural resources subject to traditional ownership or under customary use, (iii) significant impacts on critical cultural heritage or commercialization of cultural heritage. 	<p>The AF will not support activities that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.</p> <p>Activities shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups including indigenous people and tribal groups.</p>	<p>Gaps at the specific projects/programmes level include:</p> <ul style="list-style-type: none"> • Proposed actions will be developed with the ICP of the Affected Communities and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples.
Cultural Heritage	<p>PS 8: Cultural Heritage applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts on cultural</p>	<p>Activities shall be designed and implemented in a way that:</p> <ul style="list-style-type: none"> • Avoids the alteration, damage, or removal of any 	<p>Gaps at the specific projects/ activities level include:</p> <ul style="list-style-type: none"> • Developing a chance find plan if cultural heritage is

	<p>heritage which includes (i) tangible forms of cultural heritage, (ii) unique natural features or tangible objects that embody cultural values, and (iii) intangible forms of culture to be used for commercial purposes. Requirements may include:</p> <ul style="list-style-type: none"> • Avoiding impacts on cultural heritage but if not possible retaining a competent professional to assist with identification, protection and removal, and consulting with Affected Communities; • Developing a chance find plan if cultural heritage is likely to be found during construction or operations; • Using elevated forms of consultation (ICP and Good Faith Negotiation) where cultural heritage will be used for commercial purposes. 	<p>physical cultural resources, cultural sites with unique natural values;</p> <ul style="list-style-type: none"> • Does not interfere with existing access and use of such physical and cultural resources. 	<p>likely to be found during construction or operations;</p> <ul style="list-style-type: none"> • Using elevated forms of consultation (ICP and Good Faith Negotiation) where cultural heritage will be used for commercial purposes.
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