

Annex 2. WALD Innovation Facility Concept Note template

This Concept Note template is designed for applicants of the Innovation Facility to present required information about their proposed projects for consideration for Innovation Facility grant funding. Its purpose is to furnish, in a first step, pertinent information about the eligibility of the proposed project. Successful candidates will be requested, in a second step, to prepare and submit a Full Proposal. Information needed to submit a Full Proposal follows closely the information requested in the context of a Concept Note. However, a Full Proposal will require the sharing of more detailed information on various points (e.g. carbon and biodiversity assessments, a stakeholder engagement plan, a gender analysis and gender action plan, and a draft benefit sharing plan). Depending on the result of the safeguard screening, the applicant might also need to include a (targeted) environmental and/or social impact assessment report, and respective safeguard instruments (where applicable).

Please refer to the *WALD Innovation Facility – Call for Concept Notes – Guidelines for Applicants* for detailed information about the Innovation Facility, and eligibility of projects for the Facility.

Please note: The funding from the Innovation Facility will be available to successful applicants from the date of grant approval up to June 30, 2027 (**“the grant funding period”**). The funding (**“the grant”**) is aimed at supporting carbon and biodiversity projects to obtain validation and registration with a carbon standard, scale it, and leverage additional financing. As part of this Concept Note template, applicants are asked to provide information on activities to be implemented throughout the longer-term nature-based carbon project (**“the project”**), also clearly indicating which activities will be conducted during the grant funding period of the Innovation Facility. Additionally, applicants are expected to provide information on the expected project outcomes throughout the entire lifetime of the project (**“the project lifetime”**, e.g., 40 years).

This application template is for preparation purposes only. **All applications must be submitted through the IUCN online application system.** We do not accept mailed or emailed applications. You can prepare your answers offline and visit the IUCN Grants Portal <https://speciesgrants.iucn.org/>, when you are ready to submit the information of your Concept Note. You can also prepare your Concept Note directly on the portal through the online application system. Please note that you will first need to register and create an IUCN Grants Portal account. Kindly refer to **Annex 1. How to use IUCN Grants Portal** in the Guidelines for Applicants for instructions.

Applications steps:

In the online application you will be asked to enter the following information about your project:

Section A: Project proponent and project participants

Section B: Project description and eligibility for Innovation Facility funding

1: Project description

2: Eligibility criteria

3: Status of the nature-based carbon project and timelines

Section C: Focus of the Innovation Facility

1: Delivering nature positive impacts: Contribution to biodiversity

2: Leveraging the voluntary carbon market: Carbon component of the project

3: Advancing social inclusion, benefit sharing, and gender equality

4: Fostering innovation for impact: Innovativeness of the project

Section D: Grant budget and project financing

Section E: Environmental and social safeguards

Section F: Due Diligence and Financial Capacity Questionnaire

Please submit the following supplementary documents (SD) along with your application through the IUCN Grants Portal:

Section A:

- SD1 Statute or similar founding document
- SD2 Representation letter identifying a lead organisation in case of a consortium [Conditionally Mandatory]

Section B:

- SD3 Current project location map, shape files (e.g., .shp, .kml) of the project area
- SD4 Land-use change maps, shape files (e.g., .shp, .kml) showing land-use change over, at minimum, the ten years before the project start date. Preferred resolution is 30x30m or higher (i.e., <30m)
- SD5 Copies of relevant studies and assessments describing the current state of the project

Section C:

- SD6 IBAT STAR report generated for the project
- SD7 Data demonstrating suitability of biodiversity monitoring system **[OPTIONAL]**
- SD8 GHG calculation spreadsheet template (Annex 5 of the Guidelines for Applicants)
- SD9 Additional data on GHG emissions and removals, incl. georeferenced maps of the project area, stratification, and project activities. **[OPTIONAL]**
- SD10 Stakeholder analysis template (Annex 3 of the Guidelines for Applicants)
- SD11 Documentation Stakeholder Consultation template (Annex 4 of the Guidelines for Applicants)

Section D:

- SD12 Grant Budget template (Annex 6 of the Guidelines for Applicants)
- SD13 Project Financing template (Annex 7 of the Guidelines for Applicants)

Section E:

- SD14 Relevant feasibility studies and assessments, permits, and other project documents, including previous reports of environmental and social impacts assessment (ESIA)

Section A: PROJECT PROPONENT AND PROJECT PARTICIPANTS

i) Name and details of the project proponent

Indicate the full name, contact and legal details of the entity making this application, its legal form (e.g. for-profit company / NGO / government agency / community-based organisation / cooperative / others), registration number, and name of the lead representative.

It is expected that the project proponent is the grant receiving entity and responsible for the project implementation. Please provide articles, registration, statutes or other relevant founding documents as annexes to your application (**SD1**)

Legal name:	Acronym:
Legal form:	
Address:	
Telephone:	
Email:	
Website:	
Registration number:	

ii) Project proponent lead contact

Name:	Job title:
Telephone:	Email:

iii) Experience and track record of the proponent

Please briefly describe relevant experience and track record specific to the proposed project and capacity to undertake implementation of the proposed activities. Please include links to relevant sources, as applicable.

(Word limit: max. 500 words)

iv) Name and details of consortium partner(s)

Please indicate if the project proponent is a consortium and if the project is implemented by several entities, each of which executes pre-determined shares of the grant funding budget.

A consortium partner is an entity that is directly involved in the project, contributing their expertise, resources, or other forms of support to ensure the success of the project, and who independently takes responsibility for part(s) of the project, versus a subcontractor that executes certain project activities under supervision of a partner.

Is this application submitted by a consortium?

☐ Yes

☐ No

Only relevant if the application is submitted by a consortium.

Please complete the following sections, listing all partners involved in the consortium, and their respective roles in the project. Indicate the name and full contact details of the other consortium partner(s), and their representatives.

Add as many rows as needed.

Name of consortium partner:	Acronym:
Name of lead representative:	
Address:	
Telephone:	
Email:	
Website:	
Role of the consortium partner in the project: (Word limit: max. 100 words)	

In the case the project proponent is part of consortium, it is expected, that the project proponent represents and acts on behalf of other partners. In this case a representation letter needs to be submitted with this Concept Note **(SD2, conditionally mandatory)**.

For more information see Chapter 2.2.2. Eligible project proponents of the Guidelines for Applicants.

v) Experience and track record of the consortium partner(s)

Only relevant if the project proponent is a consortium and the project is implemented by several entities.

Please briefly describe the role of each partner in the consortium, their relevant track records, and their capacity to undertake implementation of the proposed project activities.

(Word limit: max. 250 words per partner)

vi) Ownership of the project site

Is the project proponent the owner of the project site?

☐ Yes

☐ No

If No, does the project proponent have the right to manage and control the land/project site (e.g., concession, lease agreement).

☐ Yes

☐ No

If No, describe how the project proponent will obtain the right to manage and control the land/project site (e.g. via a concession, lease agreement). Please provide an explanation where only partial rights to manage and control have been secured.

(Word limit: max. 250 words)

During the Full Proposal stage, relevant legal documents in the form of contracts, concessions, and titles will be required to provide evidence of ownership or management rights over the project site.

vii) Carbon rights

Is the project proponent the beneficial owner(s) of the emissions removals and reductions and the resulting carbon credits to be generated from the project?

☐ Yes

☐ No

If No, has the project proponent signed the necessary agreements to secure the title to carbon assets to be generated from the project?

☐ Yes

☐ No

If No, describe how the project proponent will secure the title to carbon assets to be generated from the project.

(Word limit: max. 250 words)

viii) Additional actors and roles

Provide a brief description and define the role of other project participants, relevant institutions, other state and non-state actors, and subcontractors involved in or driving the development of the proposed project.

(Word limit: max. 250 words)

Section B: PROJECT DESCRIPTION AND ELIGIBILITY FOR INNOVATION FACILITY FUNDING

Guiding information on the following section can be found in Chapter 2. “Call for proposals” of the Guidelines for Applicants.

1: PROJECT DESCRIPTION

i) Name of the proposed project

Please provide the name of the proposed project.

ii) Country(ies)

List the ODA country(ies) in which the project will be implemented.

Only activities in ODA countries not subject to international sanctions or other restrictions are eligible for Innovation Facility funding (incl. sanctions imposed by the United Nations, European Union, the Federal Republic of Germany or Switzerland, or by other organisations where these countries are members). [See Chapter 2.2.3 “Eligibility Criteria for projects” of Guidelines for Applicants]

iii) Executive summary

Please provide a summary of the proposed project, including the activities and objectives pursued both during the grant funding period and the proposed nature-based carbon project lifetime.

Please refer to Chapter 2. “Call for Proposals” of the Guidelines for Applicants, and question 3.iii) “Estimated start date and lifetime of the project” of this Section B. for further details on this distinction.

(Word limit: max. 1,000 words)

iv) Project area: Geographical location and characteristics

Indicate the geographical location and scope of the proposed project (region, biome, whole country, etc.). Please, provide:

- Approximate centroid for the project (latitude-longitude).
- A brief description of the project area characteristics, including:
 - Area extent (hectares)
 - Climate and topography
 - Land cover
 - Vicinity to transportation routes (e.g., roads and rivers)

(Word limit: max. 400 words)

Please submit shape files (e.g., .shp, .kml) of the project area with your application (**SD3**).

During the Full Proposal stage, final data on the project areas will be required, i.e., areas for tree planting, ecosystem restoration, agroforestry and other relevant project activities.

v) Long-term sustainability of the project

Describe how the positive outcomes of the project can be ensured beyond the project lifetime. Features that promote sustainability include (but are not limited to):

- Anchoring the project in the local economy
- Achieving additional SDGs
- Aligning the project with public policy priorities
- Integrating local and traditional knowledge

(Word limit: max. 400 words)

2: Eligibility Criteria

i) Project category

Select the eligible project category that the proposed project falls in.

- ☐ Forests: includes activities on inland land (that is not classified as wetland), such as forest restoration and agroforestry that enhance carbon storage while promoting biodiversity and livelihood outcomes.
- ☐ Inland wetlands: includes activities on land with organic or mineral wet soil (i.e., saturated by water for all or part of the year) which are vital for carbon sequestration and water regulation, such as wetland restoration, peat rewetting, enhanced sequestration of GHGs in vegetation biomass and soils.
- ☐ Coastal wetlands: includes activities in coastal and marine ecosystems (also referred to as “Blue Carbon”), such as ecosystem restoration in mangroves, tidal marshes, kelp or seagrass beds, which are significant carbon sinks and provide critical ecosystem services.

Activities not falling into one of the listed categories are not eligible for Innovation Facility funding. [Please see Chapter 2.2.1. “Eligible categories” of Guidelines for Applicants]

ii) Location in or near a KBA

The project must be located within or near a Key Biodiversity Area (KBA) to be eligible for Innovation Facility funding. KBAs are sites contributing significantly to the global persistence of biodiversity. To identify whether the project site is within or near a KBA, please refer to IUCN’s [Global Standard for Identification of Key Biodiversity Areas](#). For more information see Chapter 2.2.3 “Eligible Criteria for projects” of the Guidelines for Applicants.

Is the project site located within a Key Biodiversity Area (KBA)?

☐ Yes

☐ No

If Yes, name and describe the KBA(s), and the location of the project within the KBA(s).

If No, provide information on the KBA(s) in proximity of the project.

(Word limit: max. 200 words)

iii) Land-use history

The applicant must demonstrate that, in the last ten years, the project area has not been subject to land-use change (e.g. deforestation, conversion of other ecosystems to other land uses). Projects on land that has been deforested in the last ten years are not eligible for Innovation Facility funding. For more information see Chapter 2.2.3 “Eligible Criteria for projects” of the Guidelines for Applicants.

Please provide information substantiating the eligibility of the land for Innovation Facility funding as relates to land-use history:

- Reference sources of the data and method used to generate the maps (e.g., citation of peer-reviewed articles).
- Summary statistics of the share of the area (%) for each mapped land-use change class.

(Word limit: max. 400 words)

Please submit maps covering the entire project area showing land-use change over, at minimum, the ten years before the project start date with your application. Preferred resolution is 30x30m or higher (i.e., <30m) (**SD4**).

iv) Excluded activities

For this Call, the Innovation Facility has established an exclusion list (see Chapter 2.2.4. "Exclusion List" of the Guidelines for Applicants). Funding from the Innovation Facility is not available for activities falling under this list.

Please confirm that the exclusion list has been read and that the proposed activities do not fall under this list.

☐ Confirmed

☐ Not confirmed

3: Status of the project and timelines

i) Status of the project

Describe the **status and readiness of the nature-based carbon project** (e.g. status of feasibility study, assessments including on baselines, agreements, and other preparatory works). Provide a **summary of outstanding conditions and steps** to be met before the project can start to be implemented, e.g. permits, stakeholder consultations, free, prior and informed consent (FPIC), etc.

(Word limit: max. 400 words)

Please submit copies of relevant studies and assessments with your application (**SD5**).

During the Full Proposal stage, feasibility assessments and relevant agreements, in addition to updates on outstanding conditions, including stakeholder consultations and FPIC implementation will be required.

ii) Indicative timeline for the grant funding period

The funding from the Innovation Facility is intended to be used within the grant funding period (up to June 30, 2027) to conduct first concrete restoration activities as well as further activities that will lead to validation and registration of the project with an eligible carbon standard and mobilise additional funding.

Provide an initial schedule for the grant funding period with the main next steps from the current project status until validation or registration of the project by a carbon standard. Items to be covered in the schedule include the major milestones leading up to validation/registration (such as feasibility studies, data acquisition, obtaining necessary permits and approvals, submission of the project design document, etc.) plus those referring to the implementation of project activities, such as planting schedules, Measurement, Reporting and Verification (MRV), activities related to stakeholder engagement and benefit sharing, etc.

(Word limit: max. 400 words)

During the grant funding period, successful applicants will be required to periodically report on the progress of implementation.

iii) Estimated start date and lifetime of the project

State the intended start date of the proposed nature-based carbon project, and the expected lifetime of the proposed project.

Start: DD/MM/YYYY

Project lifetime: Years

- Provide the start date
- Provide the project lifetime (minimum 40 years)

Section C: FOCUS OF THE INNOVATION FACILITY

1: DELIVERING NATURE POSITIVE IMPACTS: CONTRIBUTION TO BIODIVERSITY

Note that the Innovation Facility requires project proponents to demonstrate a positive contribution to biodiversity conservation and/or restoration (see Chapter 1.2.1. “Delivering nature positive impacts: Contribution to biodiversity” of the Guidelines for Applicants).

For the Concept Note stage, the project proponent should carry out a rapid appraisal on threat abatement and restoration, outlining the nature-based carbon project's potential for biodiversity contribution through the implementation of new or enhanced practices that benefit biodiversity. This rapid appraisal should apply the [Species Threat Abatement and Restoration \(STAR\) Metric](#). STAR is a biodiversity metric based on The IUCN Red List of Threatened Species™. It combines data on species, the threats they face and their risk of extinction.

STAR measures the potential contribution of two kinds of action to reduce species extinction risk:

- threat abatement
- habitat restoration

The application of STAR makes it possible to identify actions to abate threats or undertake restoration that will yield benefits for threatened species, helping reduce species extinction risk and contributing to conservation goals.

For more information on calculation and interpretation of STAR, please refer to [Industry Briefing Note on STAR](#) and the [STAR Business User Guidance](#).

i) STAR_T and STAR_R values for the project area

Threat abatement (STAR_T) and restoration (STAR_R) scores can be generated for a user-defined Area of Interest (i.e., the project site), by generating a STAR report for the Area of Interest through the Integrated Biodiversity Assessment Tool (IBAT).

High threat abatement (STAR_T) scores indicate areas that currently contain relatively high numbers of threatened species, a large proportion of individual species' ranges, and/or species that are severely threatened. These are locations where positive interventions could make a large contribution to reducing the global species extinction risk, and where developments that increase threats to species should be mitigated.

High restoration (STAR_R) scores indicate areas that previously supported relatively high numbers of threatened species, a large proportion of individual species' ranges, and/or species that are severely threatened. These are locations where restoration activities could make a relatively large contribution to reducing species extinction risk.

Please include the IBAT STAR report generated for the project site as an attachment when submitting this form (SD6). If you require assistance with generating your STAR reports or require access to IBAT for the purpose of generating the report as part of your submission, please submit an email to innovationfacility@iucn.org.

Please enter your Estimated STAR score for the project site, for both threat abatement (STAR_T) and restoration (STAR_R).

STAR_T:

STAR_R:

Provide the preliminary assessment of threats, including identification of most important threats to biodiversity.

The threats to biodiversity in the Area of Interest can be found in the STAR_T CSV file generated as part of the Estimated STAR report.

(Word limit: max. 250 words)

During the Full Proposal stage, proponents will need to provide more sophisticated assessments of their expected contribution to biodiversity conservation and uplifts. One approach is to calculate Calibrated STAR

scores for projects and then monitor progress towards commensurate extinction risk reduction as Realised STAR. This is the recommended approach, but projects that have developed alternative approaches to measurement and monitoring of biodiversity will also be considered.

ii) Biodiversity management plan

Provide a qualitative overview of a preliminary management plan, including approach and activities to mitigate threats to biodiversity. Include reasoning to demonstrate that the proposed threat reduction measures in the management plan are suitable to address the identified threat(s) and meet the established target(s).

As outlined in the [STAR Business User Guidance](#), project proponents should work with stakeholders to identify specific conservation actions to mitigate threats, and achieve the project's STAR biodiversity target.

(Word limit: max. 400 words)

iii) Monitoring biodiversity

Provide preliminary monitoring plan. Provide reasoning, and where available data (**SD7, optional**), to demonstrate that the project monitoring system meets industry good practice standards and is suitable to measure the reduced species threat and positive contributions to biodiversity.

Note: In case that STAR is applied during the Full Proposal stage, project proponents will need to provide targets for threat level reduction, based on knowledge of the specific character of the threat(s), and an estimate of the resources and effort required to reduce threat levels. Each identified target should be linked to a corresponding index measure that can be monitored over time. The Targeted STAR_T score(s) can be calculated according to the Targeted STAR_T methodology.

(Word limit: max. 250 words)

2: LEVERAGING THE VOLUNTARY CARBON MARKET: CARBON COMPONENT OF THE PROJECT

Note that the Innovation Facility requires project proponents to demonstrate a project that is capable to produce real, measurable GHG removals and the ambition to register the project under a leading voluntary carbon standard. This should include the pursuit of an authorisation according to Article 6 of the Paris Agreement (see Chapter 1.2.2. "Leveraging the voluntary carbon market: Carbon components of the project").

i) Status of the carbon component of the project

Describe the status of the development of the carbon component of the project (GHG estimates, baselines calculation, ongoing project activities, MRV, etc.).

(Word limit: max. 800 words)

ii) Estimated timeline till project registration

Describe outstanding steps and an expected timeline for the development of the carbon component of the project up to the time of registration with a carbon standard.

(Word limit: max. 300 words)

iii) GHG and carbon pools

Please indicate the GHG and carbon pools considered. Please also describe the expected GHG covered by the proposed activities, and how the proposed project activities in the long-term will result in GHG removals throughout the project lifetime (and, if relevant, GHG emission reductions).

(Word limit: max. 200 words)

iv) Carbon standard and methodology

Please indicate under which carbon standard and methodology the proponent intends to register the project.

Standard:

Methodology:

Please note: The Innovation Facility will give preference to projects developed under Gold Standard and Verra VCS methodologies. Projects developed under other standards will be considered on a case-by-case basis.

v) Baseline scenario

Describe the expected land cover and land use conditions, as well as the respective agents, under the baseline scenario(s), i.e., what would happen if the project was not implemented.

Land-use conditions include:

- Land cover
- Land-use activities and management practices
- Land-use change and its drivers/agents

If the project area involves a set of distinct baseline scenarios, please describe the above aspects for each baseline scenario (e.g. lands that would remain degraded vs. lands that would experience some vegetation growth in the baseline).

(Word limit: max. 200 words)

vi) Additionality

Explain why carbon finance is essential for a successful project implementation:

- Describe the financial, technological, and/or cultural barriers that prevent the project to be implemented.
- Describe how carbon finance would help overcome these barriers.

(Word limit: max. 250 words)

Are the proposed project activities required by law?

☐ Yes.

☐ No

If Yes, demonstrate that there is no enforcement (and provide any qualitative or quantitative evidence, if any).

(Word limit: max. 250 words)

vii) Project scenario

Describe project activities and their purposes and impacts, including:

- What species mix the project proponent plans to establish for the different baseline scenarios, as applicable.
- If applicable, why and to what extent the project proponent plans to plant non-native species.
- What management practices will be applied to the project area (e.g., fertilisation, fire).

In the description of the project scenario please describe the project activities during the grant funding period as well as during the project lifetime.

(Word limit: max. 200 words.)

viii) Permanence

Provide a description of:

(1) non-permanence risk related to (a) natural (e.g. pests, storms) and (b) human-related (e.g., project design, land tenure, conflicting land use interests, lack of monitoring mechanisms) risks that could lead to the discontinuation or poor execution of the project and result in reversal of removals achieved by the project;

(2) mitigation measures that the project will implement to reduce non-permanence risks identified. Examples include establishing systems that are resilient, long-term land ownership, management and monitoring agreements.

(Word limit: max. 300 words)

ix) Leakage

Describe how the project plans to mitigate the risk of leakage (e.g. displacing baseline land-use activities and associated emissions outside the project area).

(Word limit: max. 150 words)

x) Quantification of GHG emissions and removals

Describe the stratification of project area according to land-use types and activities, as necessary for the GHG quantification. Estimate carbon emissions and removals generated by the project using conservative and science-based assumptions. Ex-ante estimates of GHG removals must be calculated using reliable models and parameter data sources. All projects are required to implement the following steps, unless indicated as "optional":

Step 1: Use the land-use change matrix and GHG calculation spreadsheet template provided in Annex 6 of the Guidelines for Applicants to conduct a preliminary ex-ante estimation of the net GHG removals per land-use and forest stratum assumed in the baseline and project scenarios. Please report results including at minimum: baseline, project emission removals, leakage, net emission removals, non-permanence risk buffer, and total expected crediting volume in both tCO₂-eq and tons of CO₂-eq per hectare and per year (tCO₂-eq/ha/yr).

Submit the GHG calculation spreadsheet together with the Concept Note (**SD8, Annex 5**). Additional clarifications can be added here.

(Optional) In case the project proponents have already developed their own calculations, relevant spreadsheets or tools can be provided as an additional annex. In this case, please also explain the most salient differences between the two calculation approaches in step 2),

Step 2: Describe the procedure used to quantify GHG removals below, including all relevant equations and units of measurements. Where applicable, describe project area stratification. Where data from literature is used, this should be clearly referenced, as well as cross-validated using multiple sources, including peer-reviewed literature. Where data were obtained from pre-project inventories, describe the methods used for data collection.

(Word limit: max. 400 words)

If available, provide georeferenced maps of the project area, stratification, and project activities (**SD9, optional**).

xii) **Alignment with Art. 6 Paris Agreement**

Applicants are encouraged to align their projects with Article 6.2 of the Paris Agreement, particularly, to engage the governments of countries hosting the project to obtain authorisation of the carbon credits generated by the project. At the Full Proposal stage an update on host government engagement on Article 6.2 should be provided.

Indicate if there have been any discussions or engagement with government on the potential of obtaining authorisation of the carbon assets generated from the project.

☐ Yes

☐ No

If "Yes", please provide details on the engagements and if there are any approvals or letters issued by government.

(Word limit: max. 150 words)

If "No", explain if there are plans to engage the government and provide a pathway of planned engagement with the government to potentially obtain authorisation of carbon assets generated from the project.

(Word limit: max. 200 words)

xii) **Monitoring carbon**

Please provide an explanation of the monitoring system and the key parameters to be monitored.

Please discuss the applicant's prior experience and current capabilities to successfully develop and operate a carbon monitoring system.

(Word limit: max. 400 words)

3: ADVANCING SOCIAL INCLUSION, BENEFIT SHARING, AND GENDER EQUALITY

Note that the Innovation Facility requires project proponents to demonstrate meaningful engagement with local communities, ensure equitable benefit sharing, and gender equality (see Chapter 1.2.3. “Advancing social inclusion, benefit sharing, and gender equality”).

i) Stakeholder engagement

Provide a summary of the main stakeholders identified and of the main stakeholder consultations carried out to date (Annex 3 and Annex 4 of the Guidelines for Applicants, respectively)

Please use the template in Annex 3 of the Guidelines to prepare a draft stakeholder analysis and submit the completed template together with the Concept Note (**SD10**). The list of stakeholders should include in particular local stakeholders such as Indigenous Peoples and local communities present in the project site and the wider project area of influence as well as stakeholders likely to be affected (positively or negatively) by the project. For local stakeholders, it is essential that the stakeholder analysis specifies their location and how it relates to the project area.

Please also demonstrate that first consultations have been carried out to ensure meaningful and informed participation of relevant stakeholders in an early stage of project design. This should include, but not be limited to, local stakeholders and stakeholders likely to be impacted by the project. Document the stakeholder consultations carried out thus far using the template provided in Annex 4 of the Guidelines for Applicants and submit together with the Concept Note (**SD11**).

(Word limit: max. 400 words)

During the Full Proposal stage, proponents will need to update the stakeholder analysis, intensify the engagement with stakeholders and develop a stakeholder engagement plan to establish how stakeholders will continue to be engaged during the grant funding period.

ii) Benefit sharing arrangements

Describe the main aspects of the intended benefit sharing arrangements.

To the extent available, provide information on:

- **Process for identifying rights** (tenure, access, and others) to the project area and resources by stakeholders, including supporting evidence.
- **Potential beneficiaries** and the process used for their identification. Describe how transparency and fairness has been / will be ensured in the identification of beneficiaries (e.g., proportional to losses and needs, especially for the poor and vulnerable). Include a brief description of the beneficiary population (to the extent possible at this stage), with potential numbers of direct and indirect beneficiaries for each stakeholder group.
 - **Direct beneficiaries:** Individuals receiving focused assistance (services/products) from the project.
 - **Indirect beneficiaries:** Individuals experiencing positive outcomes from the project but not directly involved.
- **Benefit sharing plan:** Explain how you plan to distribute benefits to identified beneficiaries. Include both monetary (e.g., cash payments) and non-monetary benefits (e.g., activities supporting socio-economic needs or enabling sustainable revenue streams like training in agroforestry, sustainable agriculture, or non-timber product marketing).
- Explain how you intend to engage stakeholders in developing and implementing the benefit sharing plan, with attention to cultural and social contexts.

During the Full Proposal stage, proponents will need to provide an update on all of the above aspects and provide a draft of the benefit sharing plan.

(Word limit: max. 350 words)

iii) Assessment of gender dynamics

Describe the gender dynamics of the population within or likely to be affected by the project implementation. This includes a preliminary description of:

- the gender dynamics and power relationships of the population within or those likely to be affected by the project.
- how the project might impact women and men of different social groups differently (in positive and negative ways).
- the gender differentiated risks and main barriers identified that may limit women's and men's participation.
- the opportunities to address gender gaps and promote the empowerment of women that may be relevant to the proposed activities.

During the Full Proposal stage, proponents will need to provide an update on all aspects by developing a gender analysis and gender action plan that will be implemented to reduce gender gaps.

(Word limit: max. 250 words)

iv) Proposals on addressing gender issues

Provide a preliminary description how the relevant gender issues identified above have been or will be addressed by the project, as per [IUCN's Gender Equality and Women's Empowerment Policy](#).

(Word limit: max. 200 words)

4: FOSTERING INNOVATION FOR IMPACT: INNOVATIVENESS OF THE PROJECT

The Innovation Facility will make special consideration of first-of-its kind or otherwise innovative projects (see Chapter 1.2.4. "Fostering innovation for impact: Innovativeness of the project" of the Guidelines for Applicants). In this section, applicants are requested to show how their project is innovative. Examples of innovativeness include overcoming implementation barriers faced by such projects, raising the impact of climate action and biodiversity conservation in the host country, being a first-of-its-kind project within the country hosting the project introducing innovative features related to MRV and data collection, and other aspects such as innovative financing instruments, etc. The points listed below are indicative only. Please include any other information not matching the below suggestions in the "Other" section.

i) First-of-its-kind

Will the project help overcome implementation barriers that have impeded such projects to date?

☐ Yes

☐ No

If Yes, please describe how the project overcomes or helps to overcome implementation barriers that have been impeding such projects previously.

(Word limit: max. 200 words)

ii) Raised climate and biodiversity impact and contribution to SDGs

Does the project raise climate and/or biodiversity ambition?

☐ Yes

☐ No

If Yes, please describe how the project will contribute to climate and/or biodiversity ambition. If the project makes a quantitative contribution to other Sustainable Development Goals (SDGs) besides climate action and biodiversity, those contributions can also be listed.

(Word limit: max. 200 words)

iii) MRV and data collection

Does the project contemplate innovative features related to MRV, and data collection?

☐ Yes

☐ No

If Yes, please describe potential innovative project features related to MRV and data collection.

Examples of relevant innovative features include (but are not limited to):

- *relying, testing or promoting innovative monitoring technologies*
- *adding to science by leveraging and publishing additional data*
- *involving Indigenous Peoples and local communities*
- *linking carbon and biodiversity monitoring*
- *developing new methodologies / protocols*

(Word limit: max. 250 words)

iv) Other

Does the project include additional innovative features that do not fit in the previous categories, including through innovative financing sources or instruments?

☐ Yes

☐ No

If Yes, please describe any other innovative project features.

(Word limit: max. 250 words)

Section D: GRANT BUDGET & PROJECT FINANCING

i) Requested grant amount and secured funding

Indicate the amount of funding the project intends to request from the Innovation Facility.

Requested funding: €

Use Annex 6 (Grant budget template) of the Guidelines for Applicants to provide an overview of the proposed cost breakdown of the grant funding. Submit the completed Grant budget & together with the Concept Note (SD12).

Budgets for Innovation Facility grants should be submitted in EUR. Please add rows as needed to detail the estimated costs for each budget category. The cost breakdown should be aligned with the budget categories under Chapter 2.3.1. "Grant budget: Eligible costs for Innovation Facility grant funding" of the Guidelines for Applicants. At least 60-70% of the grant budget should be allocated to direct costs associated with the implementation of restoration activities (e.g. land preparation, planting seedlings, etc.).

At Full Proposal stage, applicants will be required to provide a detailed budget with a cost breakdown of how the Innovation Facility funding plus the requested match funding (an additional 25% of the grant amount) will be utilised.

ii) Project financing plan

Use Annex 7 (Project financing template) of the Guidelines for Applicants to provide an overview of the cost projections, income and available financing and financing to be secured (see Chapter 2.3.2. "Project financing: Carbon-biodiversity project financing plan and scale up" of the Guidelines for Applicants).

- *Estimated costs: Project development costs (fixed, variable, financing).*
- *Revenue: Carbon revenue, other income streams and sources of revenue.*
- *Financing: Secured financing (grants, equity, loans).*
- *Financing required; yet to be secured.*

Submit the completed Project financing template together with the Concept Note (SD13).

iii) Financing to scale

Funding from the Innovation Facility is meant to support projects to scale up and leverage additional funding from other investors or donors. (See Chapter 1.1. "Background and overview" and Chapter 2.2.3. "Project financing: Carbon-biodiversity project financing plan and scale up" of the Guidance for Applicants).

For financing yet to be secured for project implementation and further scaling, please describe:

- *The financing sources and the amount of funding that is targeted*
- *How the financing requested from Innovation Facility would support the securing of finance required*
- *The timelines for securing the required financing*
- *The level of confidence in securing required financing*

(Word limit: max. 250 words)

At the Full Proposal stage, the applicant will be required to update any information on the above points.

Section E: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

The purpose of this section is to provide data that will be used by the Innovation Facility for conducting a preliminary screening on adverse environmental and social impacts that might be caused by the proposed project (see Chapter 4 “Environmental and social safeguards” of the Guidelines for Applicants). The section therefore asks for safeguard specific baseline data as well as for specific social and environmental risks typical for carbon projects.

During the Full Proposal stage a comprehensive safeguard screening will be conducted as described in the Guidelines for Applicants.

1: CONSULTATIONS

i) Consultation with communities affected by the project (positive/negative)

Has the project proponent conducted any consultations with local communities or other stakeholders regarding the project and potential negative impacts?

☐ Yes

☐ No

If Yes, were there any concerns raised by stakeholders and how will they be addressed by the project?

If No, please provide details on a consultation plan and associated schedule.

(Word limit: max. 300 words)

2: SOCIAL CONTEXT AND RISKS

i) Social context

Describe the socio-economic context of the project sites and of the wider project area of influence, including size of population, number of villages / settlements and demographic trends (where relevant). If possible, indicate villages / settlements on the project location map.

(Word limit: max. 300 words)

ii) Social groups

Characterise the main social groups present in and around the project site and in the wider project area of influence (e.g. by ethnicity, social class, etc.), and describe their main economic activities and livelihood patterns, social issues and risks, and, where relevant, their dependence on natural resources.

(Word limit: max. 400 words)

iii) Vulnerable groups

Describe social groups present in and around the project site, and in the wider project area of influence, that are considered vulnerable (e.g. landless persons, widows, marginalised groups or displaced people, etc.). Describe for each group what the main issues and risks are. Is there a risk that these issues might be aggravated by the project?

(Word limit: max. 300 words)

iv) Conflicts, crime and fragility

Is the project site prone to conflict or post-conflict (civil war, inter-ethnic conflict, etc.), organised crime (poaching, drug cultivation or trafficking, human trafficking, illegal migration etc.) or features of violence and fragility?

☐ Yes

☐ No

If Yes, please describe the issues and provide detail on how to mitigate any project risks related to the listed issues.

(Word limit: max. 300 words)

v) Indigenous Peoples

Does your project overlap with lands or territories that are under traditional ownership, under customary use or occupation or that are claimed by indigenous, tribal or traditional peoples?¹

☐ Yes

☐ No

If Yes, answer the following questions:

Name the groups; distinguish, if applicable, the geographical areas of their presence and how these relate to the project's area of influence. What are the key characteristics that qualify the identified groups as indigenous groups? Do these groups identify themselves as indigenous?

(Word limit: max. 250 words)

Does the project include activities led by or implemented by Indigenous Peoples? Are opportunities considered to provide benefits for Indigenous Peoples? Does the project intend to promote the use of Indigenous Peoples' traditional knowledge?

(Word limit: max. 250 words)

Is there a risk that the project might affect Indigenous Peoples' rights and/or livelihoods? Please explain the possible issues/impacts. How will the project address these?

(Word limit: max. 250 words)

Please describe any previous conflicts or unresolved issues (relevant to the project sites and activities) regarding Indigenous Peoples' land rights or claims (relevant to the project sites and activities).

(Word limit: max. 250 words)

Has a process of obtaining FPIC been implemented or started with the indigenous communities related to projects activities that affect them (positively/negatively)? If yes, please describe.

☐ Yes

☐ No

If No, please explain the implications/expectations in case FPIC hasn't been conducted yet and how the project will address these.

(Word limit: max. 400 words, more detail is expected to be provided at the Full Proposal stage)

¹ As per IUCN Standard coverage of Indigenous Peoples includes: "(i) peoples who identify themselves as "indigenous" in strict sense; (ii) tribal peoples whose social, cultural, and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations; and (iii) traditional peoples not necessarily called indigenous or tribal but who share the same characteristics of social, cultural, and economic conditions that distinguish them from other sections of the national community, whose status is regulated wholly or partially by their own customs or traditions, and whose livelihoods are closely connected to ecosystems and their goods and services". Other characteristics include: Collective and close attachment to a geographically distinct area or ancestral territory, a distinct language or dialect, often different from the official language; a state of subjugation, marginalisation, dispossession, exclusion, or discrimination because these peoples have different cultures, ways of life or mode of production than the national hegemonic and dominant model".

vi) Resettlement / physical displacement

As social risks caused by resettlement are potentially significant, this Call will not fund any projects that involve physical resettlement (see Chapter 2.2.4 "Exclusion List" in the Guidelines for Applicants).

Can you as project proponent confirm that the project will NOT include any activities that involve the physical resettling of individuals / groups / communities? Please refer to the definition of resettlement provided in the IUCN ESMS Standard.²

☐ Yes

☐ No*

**In case of "No", the application is not considered eligible.*

vii) Access restrictions/ economic displacement

Does your project overlap with land or natural resources that local communities depend on and is there a risk that the project might affect the way individuals / groups / communities are accessing and using this land and resources?

☐ Yes

☐ No

If Yes, answer the following questions³

Describe project activities that involve restrictions, the respective resources (likely) to be restricted and identify individuals and groups who are likely to be affected (women, indigenous peoples, vulnerable groups, etc.).

(Word limit: max. 300 words)

Describe the land rights situation of these project affected peoples. Explain whether individuals / groups / communities (i) have formal legal rights to own or use land, (ii) have customary rights that are recognised under national law or (iii) have no recognisable rights or claim to the land/resource they occupy.

(Word limit: max. 250 words)

Have you analysed expected livelihood impacts from restrictions (please provide results below, by groups)? Have affected communities raised any concerns about access restrictions during stakeholder consultation?

(Word limit: max. 200 words)

Does the project plan to provide effective strategies to avoid impacts from restrictions or mitigate the impacts? If so, please describe.

(Word limit: max. 250 words)

Has a process of obtaining FPIC been implemented or at least started with the groups affected by restrictions?

☐ Yes

☐ No

If Yes, please describe the process implemented so far (by groups).

(Word limit: max. 300 words, more detail is expected to be provided at the Full Proposal stage)

² ESMS Standard on Involuntary Resettlement and Access Restrictions, available at: <https://iucn.org/sites/default/files/2022-05/iucn-esms-standard-inv-resettlement-access-restrictions.pdf>.

³ Please note that this Call will not fund any projects that cause livelihood impacts from access restrictions unless specific applicant capacity and experience to effectively manage related risks and impacts (i.e.: past projects, E&S safeguard instruments, knowledge management etc.) can be demonstrated resulting in implementation that brings risks and impacts to an acceptable level of risk categorisation.

3: ENVIRONMENTAL RISKS

i) Impacts on areas of high biodiversity value or critical habitats

Please describe whether there is a risk that projects, which are expected to be located in or near KBAs, may cause adverse impacts to biodiversity and the integrity of the near-by ecosystems, even inadvertently (e.g. through infrastructure works, etc.), and how the project will address these.

(Word limit: max. 250 words)

ii) Invasive species

If the project uses non-native species (flora) (see question Section C, 2. vi) 1. (i) above): is there any risk that these have the potential to become invasive? Consider pathways created by the project inadvertently that might lead to the spread of invasive species (e.g. through creation of corridors, import of plant materials etc.)?

☐ Yes

☐ No

If yes, explain how the risk of the species developing invasive characteristics is managed.

(Word limit: max. 250 words)

iii) Impact on water cycle and quality

Is there a risk that the project negatively affects water dynamics through extraction, diversion or containment of surface or ground water (i.e.: through reservoirs, canals, levees, groundwater extraction etc.) or through reforestation activities and as such affects the hydrological cycle, alters existing stream flow and/or reduces seasonal availability of water resources? Is there a risk that water quality might be affected?

☐ Yes

☐ No

If Yes, explain how the risks are managed.

(Word limit: max. 250 words)

4: LAW ENFORCEMENT AND SECURITY RISKS

i) Security arrangements and law enforcement

Are there any security arrangements in the project area, including the presence of public or private security, or will the proposed project require such arrangements for environmental law enforcement?

☐ Yes

☐ No

If Yes, what is the level of ethnic, religious, linguistic and gender diversity among security personnel or in the security apparatus and has it posed or could pose potential risks (i.e.: past or existing imbalances affecting stability)?

(Word limit: max. 250 words)

ii) Past tensions or incidents

For projects requiring security arrangements or involving environmental law enforcement, have there been tensions or incidents in the past related to enforcement of law?

☐ Yes

☐ No

If Yes, answer the following questions:

Do we observe discrimination, marginalisation or favouritism of one group over another in the application of the law, competition for resources etc.?

(Word limit: max. 250 words)

What are existing means of recourse for the local community with respect to complaints (formal or informal) on such matters?

(Word limit: max. 250 words)

5: NATIONAL LAWS / ENVIRONMENTAL AND SOCIAL IMPACTS ASSESSMENT

i) Required assessment(s) or permitting procedures

Is the proposed project subject to Environmental and Social Impacts Assessment (ESIA), or any other assessment, or to environmental permitting, under the laws of the country hosting the project?

☐ Yes

☐ No

If Yes, please explain.

(Word limit: max. 100 words)

Has an ESIA already been conducted?

(Word limit: max. 100 words)

☐ Yes

☐ No

If Yes, please outline the main elements and findings and provide a copy (SD14).

(Word limit: max. 100 words)

6: PROPONENT CAPACITY / ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

i) Risk management capacity

Describe the capacity of the proponent (i.e.: staffing, expertise, and resources) to effectively manage environmental and social risks.

(Word limit: max. 250 words)

ii) Risk management experience

Describe briefly the level of experience the project proponent's organisation has with E&S risk management. Please refer to past projects and explain the respective funding agencies and E&S systems and standards applied.

(Word limit: max. 250 words)

Section F: DUE DILIGENCE AND FINANCIAL CAPACITY

The Due Diligence section should be completed on the IUCN Grants Portal online application. The Due Diligence and Financial Capacity Questionnaire below is provided for reference only.

In order that IUCN may ascertain your capacity to administer funds received, you are kindly requested to complete all questions contained within this due diligence and financial capacity questionnaire.

All information you submit will be treated confidentially and will not be disclosed to any third parties unless required by law. IUCN will keep the information you provide in this Questionnaire for five years and will use it exclusively to determine your organisation's capacity and eligibility to receive grant funding from IUCN.

If your organisation is a public body, please ignore questions marked with an asterisk (*).

1. ORGANISATION INFORMATION

a. Official name of organisation

b. Type of organisation:

Please tick most appropriate option in each column below:

- ☐ For profit
☐ Not-for-profit / NGO
☐ Government agency

- ☐ Incorporated company
☐ Limited liability company
☐ Sole proprietary company
☐ Partnership
☐ Registered charity
☐ Community Network
☐ Other (please specify below)

c. Founding documents:

- i. In what country is your organisation constituted by an appropriate instrument of national law? Please provide copy of statutes or similar founding document, for example a decree for public bodies.

Country	Title of founding document

- ii. Please confirm that you are able to operate in the country/-ies of the project and provide supporting documentation (e.g. MoU or letter of endorsement from a relevant government agency)⁴

Country	Title of founding document

d. Ownership details (applicable to "For Profit" organisations only).

Please indicate names of owners and percentage (%) ownership below:

⁴ Please note that if you expect to be working with IUCN on other projects than the current one, you may wish to add countries not relating to this project, and the relevant documentation, in order to avoid having to update the form each time.

2. GOVERNANCE*

a. Governing Body:

Please indicate whether the organisation is governed by:

- | | |
|--|--|
| <input type="checkbox"/> Board of Directors | <input type="checkbox"/> Executive Committee |
| <input type="checkbox"/> Other
(please specify below) | <input type="checkbox"/> No governing body |

b. Is the Governing Body responsible for financial oversight of the organisation?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

3. LEGAL*

Regulatory filings:

Is the organisation currently fully compliant and up-to-date with all tax, registration and social security obligations?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

If no, please provide details below:

NOTE: If the proposed contract is with one of the following IUCN offices, please provide certification of tax and social security compliance:

ORMACC – Regional Office for Mexico, Central America and the Caribbean;
SUR – Regional Office for South America

4. FINANCIAL

a. Audit:

Does the organisation have an annual audit performed by an independent external auditor or by internal auditor for public bodies?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

If yes, please provide a copy of the latest auditor's annual report and management letter. *If the audit report does not relate to the most recent financial year please explain why.*

If you do not have an independent annual audit, or if your independent audit report does not include your Financial Statements:

i. Does the organisation prepare annual financial statements?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

If no, please provide explanation below:

ii. Please provide a copy of the organisation's annual financial statements covering the past two years.

b. Financial principles and systems:

i. What computerized accounting software system does the organisation use?

ii. Does the organisation's accounting system separately record and track income and expenditure for each individual project, grant, or contract?

☐ Yes ☐ No

iii. Does the organisation have written policies for the following – please provide copies or web link:

Accounting	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Procurement	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Code of conduct, ethics, bribery & corruption (including coverage of conflict of interest)	<input type="checkbox"/> Yes	<input type="checkbox"/> No

c. **Debt:***

Does the organization have any debt relating to:

Bank loans	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Bank overdraft	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other debt	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If yes, please provide details below:

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d. **Insurance:***

Please tick the insurance policies and the level of coverage the organisation has below:

Third party liability	<input type="checkbox"/>	Amount
Office building	<input type="checkbox"/>	Amount
Vehicles	<input type="checkbox"/>	Amount
Other insurance	<input type="checkbox"/>	Please provide details:

e. **Bank accounts and funds control:***

i. Does the organisation have any bank accounts held in the name of individuals (instead of the name of the organisation)?

☐ Yes ☐ No

If yes, please provide details below:

--

ii. Are at least 2 authorized bank signatories required on all payments above a certain value as determined by organisational policy?

☐ Yes ☐ No

Please provide details below, including of any alternative bank and/or payment controls:

--

iii. Will any grant funds be kept outside a bank account?

☐ Yes ☐ No

If yes, please explain the amount of cash to be kept and the name and position/title of the person responsible for safeguarding cash.

--

f. **Financial Capacity:**

i. State below the operating budget for the past two financial years, and the estimate for the current year in your organisation's reporting currency.

	Currency	Operating Budget
This year		
Last year		
Two years ago		

ii. Has your organisation received funding from governments or multi-lateral institutions in the past two years?*

☐ Yes ☐ No

iii. What percentage of the organisation's annual income is provided by grant funding?*

☐ 0-50% ☐ 76-95%
☐ 51-75% ☐ >95%

iv. Please list your main donors for the past two years:* (amounts and for how long.)

--

5. MANAGEMENT and PERSONNEL

a. Financial personnel:

Are the organisation's financial transactions recorded into the company's financial system and overseen by:

☐ Qualified full-time finance personnel ☐ Non-finance personnel
☐ Qualified part-time finance personnel ☐ Other than staff (external)

b. Please indicate the total number of full-time staff employed by the organisation.

☐ >50 ☐ 1-5
☐ 6-50 ☐ 0

c. Personnel time management recordkeeping:

Does the organisation have a staff timesheet recordkeeping system?

☐ Yes ☐ No

If yes, please provide a copy of your organisation's timesheet form.

6. INTERNAL CONTROLS and RECORDS KEEPING

a. Do you have established prior approval procedures for major purchases?

☐ Yes ☐ No

b. Do you keep invoices and vouchers for all payments made out of grants funds?

☐ Yes ☐ No

c. Will your organisation be able to keep accounting records including invoices, vouchers and timesheets for at least ten years after the final financial report is submitted?

☐ Yes ☐ No

d. Briefly describe your organisation's system for filing and keeping supporting documentation.

--

e. Does your organisation have adequate segregation of duties?

i. Does the person who makes entries into the accounting system also prepare the payments?

☐ Yes ☐ No

ii. Does the person who makes entries into the accounting system also approve the payments and is he or she a bank account signatory?

☐ Yes ☐ No

iii. Is the person who manages a procurement process sometimes also the recipient of the goods/services?

☐ Yes ☐ No

If your answer is 'yes' to any of the above, please provide an explanation of how your organisation mitigates the associated risks.

7. RELATIONSHIPS AND CONFLICT OF INTEREST

a. **Is the organisation a member of IUCN?**

☐ Yes ☐ No

b. **Has the organisation previously worked with IUCN?**

☐ Yes ☐ No

If yes, please provide details below:

c. **Please list any significant grants, contracts, or MoU's the organisation currently has with other organisations:**

d. **Does the organisation or any of its owners, directors, officers, management or their family members have any business or personal association, interest, or financial relationship with IUCN or any of its officers or management?**

☐ Yes ☐ No

If yes, please provide details below:

e. **Has the organisation or any of its directors, officers, or management been directly involved in the IUCN selection process regarding the grant the organisation is hereby applying for?**

☐ Yes ☐ No

If yes, please provide details below: