

Guidelines for Applicants

WALD Innovation Facility



INTERNATIONAL UNION FOR CONSERVATION OF NATURE

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IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, Indigenous Peoples' Organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people's well-being.

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Guidelines for Applicants

WALD Innovation Facility



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Call for Concept Notes

The following guidelines are intended for the use of prospective project proponents for grants under the WALD Innovation Facility. They provide essential information to evaluate your eligibility for funding and outline the steps necessary to complete and submit a strong application to the Innovation Facility's Call for Concept Notes.

Please read them carefully before applying.

Table of Contents

Acronyms and abbreviations	v
1. INTRODUCING THE INNOVATION FACILITY	1
1.1. Background and overview	1
1.2. Objectives and key themes	2
1.2.1. Delivering nature positive impacts: Contribution to biodiversity	2
1.2.2. Leveraging the voluntary carbon market: Carbon components of the project	3
1.2.3. Advancing social inclusion, benefit sharing, and gender equality	3
1.2.4. Fostering innovation for impact: Innovativeness of the project	4
2. CALL FOR PROPOSALS	7
2.1. Expected outcomes during the grant funding period	7
2.2. Eligibility for Innovation Facility funding	9
2.2.1. Eligible categories	9
2.2.2. Eligible project proponents	12
2.2.3. Eligibility Criteria for projects	13
2.2.4. Exclusion list	14
2.3. Grant budget and project financing	15
2.3.1. Grant budget: Eligible costs for Innovation Facility grant funding	15
2.3.2. Project financing: Carbon-biodiversity project financing plan and scale-up	19
3. APPLICATION PROCESS AND DEADLINES	21
3.1. Step 1. Preparation of Concept Note	21
3.2. Step 2. Submission of Concept Note	22
3.3. Step 3. Eligibility check	23
3.4. Step 4. Technical and financial reviews and selection criteria	23
3.5. Step 5. Selection result announcement for Concept Note	24
3.6. Step 6. Full Proposal development and submission	24
3.7. Timeline overview	25

4. ENVIRONMENTAL AND SOCIAL SAFEGUARDS	27
5. DATA PROTECTION	29
ANNEXES	31
Annex 1. How to use the IUCN Grants Portal	32
Annex 2. WALD Innovation Facility Concept Note template	38
Annex 3. Stakeholder Analysis template	65
Annex 4. Documentation of Stakeholder Consultation template	66
Annex 5. GHG accounting spreadsheet	67
Annex 6. Grant budget template	68
Annex 7. Project financing template	69

List of tables

Table 1. Examples of carbon removal activities, focussed on forest-based restoration activities	9
Table 2. Examples of carbon removal activities focused on agroforestry activities	10
Table 3. Examples of carbon removal activities focused on inland wetlands (e.g. peatlands)	11
Table 4. Examples of carbon removal activities in coastal wetlands	12
Table 5. Innovation Facility budget categories and proportions	16
Table 6. Overview of mandatory and additional optional documents	22
Table 7. Innovation Facility application timeline	25

Acronyms and abbreviations

BMZ	German Federal Ministry for Economic Cooperation and Development
DAC	Development Assistance Committee
DD	Due diligence
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
EU	European Union
EUR	Euro currency
FPIC	Free, Prior, and Informed Consent
GHG	Greenhouse gases
GS	Gold Standard
IBAT	Integrated Biodiversity Assessment Tool
ILO	International Labour Organisation
IPCC	Intergovernmental Panel on Climate Change
IPs	Indigenous Peoples
IUCN	International Union for Conservation of Nature
KBAs	Key Biodiversity Areas
KfW	KfW Development Bank
KM-GBF	Kunming-Montreal Global Biodiversity Framework
KPIs	Key Performance Indicators
LCs	Local Communities
MRV	Measurement, reporting, and verification
NbS	Nature-based Solutions
NDCs	Nationally Determined Contributions
NGOs	Non-governmental organisations
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAC	Programme Advisory Committee
PDD	Project design document
SDGs	Sustainable Development Goals
SEP	Stakeholder Engagement Plan
STAR	Species Threat Abatement and Restoration metric
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market
VCS	Verified Carbon Standard
WALD	Worldwide Alliance for Landscape-based Decarbonisation
WB	World Bank



1. INTRODUCING THE INNOVATION FACILITY

1.1. Background and overview

The achievement of international and national climate and biodiversity targets is at risk due to insufficient financing for targets outlined in the Paris Agreement, Nationally Determined Contributions (NDCs), Sustainable Development Goals (SDG), and the Kunming-Montreal Global Biodiversity Framework (KM-GBF). To close the funding gap, it is essential to make climate and biodiversity protection more attractive for private sector investment. Voluntary carbon markets (VCMs) provide a critical tool to mobilise private finance for nature-based solutions. Also, they hold significant potential to address several interconnected challenges: reducing greenhouse gas (GHG) emissions to mitigate climate change, conserving biodiversity, and supporting socio-economic development.

However, this market currently faces challenges, including a lack of innovation, insufficient early-stage risk-takers, and a limited supply of high-quality, investment-ready projects. Additionally, biodiversity, local community engagement, and other ecosystem services are often considered secondary co-benefits rather than core objectives of typical carbon projects, with the primary focus remaining on climate mitigation.

The Innovation Facility is a grant-making facility designed to support the development and scaling of innovative carbon projects. In doing so, it seeks to play a catalytic role in mobilising private capital for high-quality, nature-based carbon projects that contribute to both climate change mitigation and biodiversity conservation while delivering positive social impacts.

Seeded with a EUR 9 million financial contribution from the German Federal Ministry for Economic Cooperation and Development (BMZ) provided via KfW Development Bank, the Innovation Facility is managed by the International Union for Conservation of Nature (IUCN). The Facility seeks to identify innovative carbon projects through an open call for proposals to support them with grant funding for the further elaboration and initial implementation of their project activities. Funding will range from EUR 750,000 to EUR 1.5 million and will be provided for a maximum period of 24 months and no longer than mid-2027.

The Innovation Facility focuses on mitigation action geared towards nature-based carbon dioxide (CO₂) removals. Projects are expected to use the funding from the Facility to implement first concrete restoration measures and to conduct activities that will lead up to the registration with a leading carbon standard. Based on this ramp-up support, the project is intended to attract further finance that allows the implementation of on-the-ground restoration activities and community development at a larger scale.

Given the limited duration of the grant, project proponents will be expected to further implement their projects without the support of the Innovation Facility once the grant funding period ends. It is assumed that by the end of the grant funding period, project proponents will have leveraged sufficient private capital to continue and scale their projects.

The Facility focuses on promoting projects that have reached a level of maturity that ensures the feasibility of their proposed outcomes and the ability to ramp up additional financing. First implementation and actual operational activities should be ready to start upon signing a grant agreement with IUCN. Therefore, projects must have already passed the initial design phase of

carbon asset development (feasibility studies, GHG emissions removal estimates, etc.) so that they are well prepared to achieve registration with a carbon standard within the grant funding period. Projects must clearly demonstrate the financial viability of their carbon removal activities while meeting rigorous environmental and social criteria.

1.2. Objectives and key themes

The Innovation Facility focuses on three interconnected objectives, recognising that conserving biodiversity, addressing climate change, and promoting social inclusion are fundamental to creating sustainable, impactful, and scalable solutions. Each objective contributes to a broader vision of aligning environmental conservation with social equity and economic feasibility. In addition, the Innovation Facility particularly emphasises innovation as a fourth core objective, focusing on pioneering solutions and technologies that integrate environmental, social, and economic priorities.

This multidimensional approach aims to address systemic challenges, foster transformative change, and redefine sustainability practices to align with global goals. To enhance transparency and accountability across all objectives, the Facility promotes the implementation of advanced methods to measure biodiversity, carbon removals, and social outcomes. Integrating structured monitoring and reporting throughout each project supports the generation of learning and facilitates the effective replication of successful, innovative solutions in other contexts.

The alignment of the proposed project with the four core objectives of the Innovation Facility will be assessed in Section C of the Concept Note (Annex 2). Further details on each of the four objectives are described in the following sections below.

1.2.1. Delivering nature positive impacts: Contribution to biodiversity

Biodiversity underpins the health of ecosystems, which in turn support climate stability, water cycles, and human livelihoods. Effective conservation of biodiversity is critical for maintaining ecosystem resilience and ensuring long-term sustainability of natural resources.

The Innovation Facility supports projects that focus on measurable and positive contributions to biodiversity. These projects should aim to enhance local ecosystems, ranging from terrestrial, freshwater, marine, and subterranean, while integrating innovative methods to quantify and verify biodiversity gains.

The Innovation Facility places a particular emphasis on areas of high ecological importance and will therefore support projects that are located in or near Key Biodiversity Areas (KBAs), which are globally recognised for their critical role in maintaining biodiversity. The directory of KBAs is available at <https://www.keybiodiversityareas.org> with interactive maps and reports for commercial use available through the Integrated Biodiversity Assessment Tool (IBAT), accessible at: <https://www.ibat-alliance.org>. The Facility encourages the integration of biodiversity conservation as a core objective rather than a secondary benefit, enhancing the environmental and social value of supported nature-based carbon projects.

The contribution of the proposed project to biodiversity conservation will be assessed in Section C, Part 1 of the Concept Note (Annex 2).

1.2.2. **Leveraging the voluntary carbon market: Carbon components of the project**

Responsibly designed, high-integrity carbon projects in forests, wetlands, and coastal ecosystems can deliver substantial benefits, including measurable climate change mitigation, biodiversity gains, and improved livelihoods. High-integrity projects ensure carbon credits represent real, additional, and measurable GHG removals and reductions.

By funding restoration activities and covering costs associated with the VCM project cycle, the Innovation Facility enables projects to become investment-ready. It prioritises projects developed under leading standards such as the Gold Standard (GS), and the Verified Carbon Standard (VCS), while also considering other standards on a case-by-case basis.

As the Facility will foster the generation of high-integrity carbon credits, project proponents are expected to develop activities to align the project with Art. 6¹ of the Paris Agreement and seek authorisation of the project and future carbon credits from the government of the host country. Activities should be developed on a best-effort level and taken forward as far as possible under national circumstances. The carbon component of the proposed project will be assessed in Section C, Part 2 of the Concept Note (Annex 2).

1.2.3. **Advancing social inclusion, benefit sharing, and gender equality**

Sustainable environmental projects succeed when they meaningfully engage Local Communities (LCs) and ensure equitable benefit sharing. Inclusivity fosters social buy-in and strengthens long-term conservation efforts. The Facility's focus on inclusion ensures tangible benefits, improved livelihoods, and equitable resource access through three pillars: social inclusion, benefit sharing, and gender equality.

Social Inclusion and Stakeholder Engagement

The Innovation Facility mandates funded projects to involve local stakeholders in the development and implementation of project activities. Stakeholders include individuals or groups interested in, influenced by, or impacted by a project - LCs, Indigenous Peoples (IPs), women, youth, vulnerable or marginalised groups, civil society, governments, private companies, and researchers. Engagement must be meaningful, gender-responsive, and non-discriminatory, fostering transparency, accountability, and shared ownership. During project design, it helps to identify stakeholder views, flag gaps and opportunities, build constructive relationships, and enable shared ownership of projects. Projects are encouraged to prioritise community engagement to promote social inclusion, particularly for LCs and IPs, who conserve biodiverse, carbon-rich ecosystems. Women's empowerment is a key focus requiring thoughtful strategies. Consulting affected communities is further fundamental to identifying and mitigating environmental or social risks.

Engagement spans governance roles, advisory inputs, benefit-sharing agreements, project monitoring, or less intensive participation, like information sharing.

Benefit Sharing

Equitable benefit sharing is central to the Innovation Facility's social dimension. Relevant mechanisms ensure that LCs, particularly those directly impacted, receive fair social and economic advantages. Such mechanisms foster fairness, inclusion, and a sense of ownership among communities, aligning their interests with project goals. Benefit sharing therefore enhances sustainability, social acceptance, and overall project impact.

¹ Precisely, this refers to Art. 6.2 as host countries may use VCM standards to authorise future ITMOS according to Art. 6.2. At the contrary, Article 6.4. under direct UNFCCC oversight and approved at COP 29 is considered to take longer to be operational for nature-based projects than envisioned project start dates under the Innovation Facility would allow. In future Call for Proposals, Art 6.4 is likely to be considered. Note that the Innovation Facility will also establish best practice on the claims related to the use of carbon credits.

Gender Dimension

Gender equality and women's empowerment are essential for sustainable development, reducing climate impacts, and conserving biodiversity. Women's participation in decision-making strengthens policies, ecosystems, and resilience. Ignoring gender dynamics undermines conservation and exacerbates inequalities. A gender-responsive approach identifies how women and men interact with natural resources and contribute to conservation differently.

The social dimension of the proposed project will be assessed in Section C, Part 3 of the Concept Note (Annex 2).

1.2.4. Fostering innovation for impact: Innovativeness of the project

Innovation is a critical component in addressing the interconnected challenges of climate change, biodiversity loss, and sustainable livelihoods. The Innovation Facility supports projects that leverage cutting-edge approaches to carbon sequestration, biodiversity conservation, and Measurement, Reporting, and Verification (MRV), recognising

their potential to redefine nature-based solutions within carbon markets.

By fostering innovation, the Facility aims to unlock transformative solutions that are scalable, impactful, and aligned with global sustainability goals. Novel approaches in data collection, biodiversity management, and climate mitigation enable projects to deliver measurable outcomes with high integrity. These innovative methods also enhance transparency and accountability, building confidence in the carbon market while ensuring that ecological and social benefits are maintained.

The emphasis on innovation is driven by the need for scalable models that address challenges in and around KBAs. By prioritising new approaches and sustainable designs, the Facility ensures that projects not only advance carbon removals but also conserve ecosystems and support communities. This approach accelerates systemic change, setting a higher standard for nature-based carbon projects for climate mitigation globally.

The level of innovativeness of the proposed project will be assessed in Section C, Part 4 of the Concept Note (Annex 2).





2. CALL FOR PROPOSALS

Through an open call for proposals, the Facility seeks to identify projects that align with its objectives to promote biodiversity, climate mitigation, and support community development through social inclusion, benefit sharing, and gender equality. This Call for Proposals follows a two-stage approach. Project proponents are first asked to submit a Concept Note, after which, shortlisted candidates will be invited to submit a Full Proposal.

Following the review of their Full Proposal, successful project proponents will receive grants ranging from EUR 750,000 to EUR 1.5 million. Selected projects are required to contribute at least an additional 25% of the grant amount accruing in the grant funding period as match funding. The grant will be provided for a maximum period of 24 months (in the following referred to as “the grant funding period” vs. “the project lifetime” which refers to the entire duration of the proposed carbon project i.e., 40+ years). During this timeframe, the supported projects are intended to implement initial restoration activities and achieve registration of their project with a leading carbon standard. This approach shall allow further private

sector engagement and the implementation of the nature-based carbon project via the VCM. Thus, following the completion of the grant funding period, projects are expected to continue with the implementation of project activities without the support of the Innovation Facility.

This document is designed to guide project proponents through the process of preparing a Concept Note. The Full Proposal will require the submission of additional and more detailed information. Short-listed candidates will receive additional instructions for the development of their full proposal.

Potential project proponents are organisations involved in the design, development, and implementation of high-quality, nature-based projects for carbon markets. Applications will be accepted from a wide range of stakeholders, including non-governmental organisations (NGOs), IPs, LCs, startups, companies, cooperatives, and other actors with demonstrated on-the-ground capacity and expertise in managing successful conservation, restoration, or nature-based carbon projects.

2.1. Expected outcomes during the grant funding period

The Innovation Facility aims to support projects that in the longer term contribute to the objectives listed in Chapter 1.2 (contribution to biodiversity, leveraging the VCM, social benefits, and innovation). In terms of the outcomes to be achieved during the grant funding period, the Facility has defined the (minimum) expectations listed further below. During the grant funding period, successful project proponents will be asked to regularly report on progress towards achievement of these outcomes, using a set of Key

Performance Indicators (KPIs) that will be shared by IUCN at a later stage.

1. Mobilisation of private finance

It is expected that projects supported by the Innovation Facility will be able to mobilise private sector investments and reach financial closure for the nature-based carbon project. Proponents will have to demonstrate the overall economic sustainability and scalability of their project and

engage in the attraction of private investments. These should be reached no later than the end of the grant funding period.

II. Project validation and registration

Projects must be able to achieve project validation and registration with an eligible carbon standard (e.g. GS or VCS) within the grant funding period.

III. Enhanced practices for carbon sequestration and biodiversity conservation

In parallel to building their investment readiness and completing registration, it is expected that projects supported by the Innovation Facility will be mature enough to start with the implementation of activities on the ground, in particular concerning restoration activities that will sequester CO₂ and benefit biodiversity. In terms of carbon sequestration, during the grant funding period, projects must develop prognostics for the amount of CO₂/year that will be sequestered. Whilst for biodiversity conservation, projects are expected to begin implementation of biodiversity-positive activities, measured in hectares under restoration (in the eligible categories of forest / peatland / mangroves / saltmarsh / kelp, see Chapter 2.2.1).

IV. Improved livelihoods

Within the grant funding period, project proponents are expected to develop and start implementing a stakeholder engagement plan, a benefit-sharing plan as well as a gender analysis and a gender action plan, as follows:

- **Stakeholder engagement and inclusion of vulnerable populations:** the development and implementation of comprehensive strategies

summarised in a corresponding engagement plan, to ensure active and meaningful participation of LCs, IPs, women, youth, and other stakeholders in project development, governance, and implementation. The focus should be on the inclusion of particularly vulnerable groups.

- **Equitable benefit-sharing mechanisms:** development of a benefit-sharing plan, ensuring social and economic advantages for directly impacted communities, and specifically addressing the inclusion of vulnerable populations, particularly women, youth, and IPs. The plan should state how the project aims to reduce existing inequalities and contribute to the well-being of women and men from LCs. Project proponents will need to demonstrate how many people will directly and indirectly benefit from the project.
- **Gender responsiveness:** projects must have a gender analysis that identifies gender inequalities and risks, and a gender action plan to ensure a gender-responsive approach is integrated and adequately budgeted for.

Capacity building and community empowerment through planning and first implementation of training and empowerment initiatives for stakeholders will be transversally important for the activities indicated above and will contribute towards enhancing roles in environmental management and decision-making.

V. Environmental and Social Risk Mitigation:

Projects must develop detailed plans to identify, address, and mitigate environmental and social risks, ensuring community inclusion in risk management processes.

2.2. Eligibility for Innovation Facility funding

The eligibility of the proposed project for Innovation Facility funding will be assessed in Section B “Project Description and Eligibility for Innovation Facility Funding” of the Concept Note (Annex 2).

2.2.1. Eligible categories

Supporting nature-based carbon projects across a variation of ecosystems is crucial for enhancing climate resilience, protecting species, and promoting ecological balance. The Innovation Facility will provide grant funding for a maximum period of 24 months to innovative projects that fall within one (or more) of the following three categories: **forests, wetlands, and blue carbon**.

- **Forests:** This category includes activities on inland forest 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:** This 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:** This 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.

Projects should focus on generating carbon removals. Corresponding methodologies should be used. **REDD projects are excluded.**

Eligible activities per category are further described below.

Forest-based activities that focus on removals of CO₂

Forest-based ecosystems are essential for climate mitigation, serving as powerful carbon sinks that regulate global carbon cycles and support biodiversity. However, without targeted intervention, these ecosystems risk degradation, potentially transforming into significant carbon sources and exacerbating climate change.

Restoration and **agroforestry** are key activities in this category, offering solutions to enhance carbon sequestration, restore ecosystem health, and improve land productivity.

Restoration refers to the recovery of degraded or deforested land and ecosystems, as well as the recovery of associated biodiversity and ecosystem functions. The corresponding baseline is the degraded or deforested state of the land, where carbon stocks are low or decreasing. In this baseline scenario, CO₂ sequestration is minimal, and further degradation could release additional carbon.

Types of action under restoration that are funded under the Innovation Facility may include:

Table 1. Examples of carbon removal activities, focussed on forest-based restoration activities

Restoration activity	Examples
Natural regeneration	Allowing forests and forest landscapes to regenerate, e.g. by preventing unsustainable grazing or logging.
Assisted natural regeneration	Providing support to help forests recover and regrow, e.g. by fences or controlling fire.
Planting native species	Reintroducing or increasing the number of native species to accelerate recovery and carbon sequestration.

Agroforestry is the integration of trees into agricultural systems, combining crops and/or livestock with forestry to enhance both carbon sequestration and land productivity. Well-designed and implemented agroforestry systems promote biodiversity, soil health, and carbon capture.

The corresponding baseline is traditional agricultural land without significant tree cover,

where carbon stocks are generally low, and soil integrity and function are compromised. Degraded soils release carbon and are unable to sequester carbon effectively.

Types of actions that are eligible for Innovation Facility funding and would contribute to carbon removals under agroforestry systems include:

Table 2. Examples of carbon removal activities focused on agroforestry activities

Agroforestry activity	Examples
<i>Silvo-arable systems</i>	Growing crops alongside trees, where the trees sequester carbon while providing additional income (e.g., fruits, timber).
<i>Silvopastoral systems</i>	Integrating livestock with tree planting, where trees provide shade and fodder for livestock, and improve soil health, resulting in increased carbon sequestration in both biomass and soils.
<i>Agro-silvicultural systems</i>	Integrating a mix of crops, trees, and livestock to create a productive landscape capable of storing carbon in multiple layers (trees, crops, and soil).

Note: As there are already some existing experiences from (restoration and agroforestry) nature-based carbon projects – while recognising e.g. geographic differences among countries and regions – the Facility places a special focus on innovation in the selection of the projects to be financed in this category (see Section C, part 4 of the Concept Note template on Innovativeness).

Inland wetland-based activities that focus on removals of CO₂

Wetlands, particularly peatlands, store vast amounts of carbon in the form of partially decayed organic matter, and they play a crucial role in climate regulation. The protection and restoration of these ecosystems can avoid emissions and enhance carbon removals.

Projects under this category should focus predominantly on carbon removals. However, avoided emissions may also be considered as part of the overall project. Key targeted activities are described below:

Carbon removals from peatlands involve the restoration of degraded peatlands, allowing them to reestablish their natural water-logged state and resume the slow accumulation of organic matter, which sequesters carbon.

The baseline for carbon removals is a degraded or drained peatland, where carbon emissions exceed sequestration, making such a peatland a net carbon source.

Table 3 below includes types of actions that are eligible for Innovation Facility funding and that would contribute to carbon removals from peatlands:

Table 3. Examples of carbon removal activities focused on inland wetlands (e.g. peatlands)

Carbon removals from peatland activities	Examples
Rewetting	Restoring natural water levels in degraded or drained peatlands and reestablishing anaerobic conditions, slows down decomposition and allows the peatland to accumulate carbon again
Revegetation	Reintroducing native wetland (peatland) species, such as sphagnum mosses, which play a crucial role in peat formation and CO ₂ removal and storage
Restoring hydrology	Reintroducing natural water flows, such as by blocking artificial drainage channels or removing artificial barriers that disrupt the water table, allows the peatland to function again as a functioning carbon sink.

Typically, it is expected that these activities will be implemented in a combined and integral manner.

Coastal wetland activities that focus on removals of CO₂

Oceans and coastal ecosystems buffer much human-induced climate change. The main coastal ecosystems that are eligible for active climate mitigation policies are mangroves, salt marshes, kelp, and seagrass beds.

Blue Carbon refers to the carbon stored in these ecosystems, which all play a crucial role in both avoided emissions and carbon removals. They sequester CO₂ from the atmosphere and store it in both biomass and the sediment beneath them.

The eligible activities of this category are briefly described below:

Carbon removals from Blue Carbon ecosystems refer to actions that restore or enhance the carbon sequestration potential of these ecosystems, allowing them to absorb and store more CO₂. The baseline scenario involves degraded or lost blue carbon ecosystems that are no longer effectively capturing or storing CO₂. For example, a degraded mangrove forest or seagrass bed may

have reduced carbon sequestration capacity or be releasing stored carbon from the sediment. In the baseline, carbon sequestration is minimal, and the area may even be a source of emissions due to ongoing degradation.

Baseline and monitoring methodologies may only be partially available for some of the sub-categories of Blue Carbon projects indicated above. The Innovation Facility will focus on financing projects that are well-advanced in their preparation – and thus the Facility will normally not finance the development of a new methodology. However, in this project category, the Facility may divert partially from this guiding principle to foster innovation and allow e.g. seagrass or kelp projects to become part of the Innovation Facility. Corresponding projects could be included in the Innovation Facility if they can demonstrate a) an alternative and conservative approach to the estimation of carbon impacts (including baseline and monitoring), as well as b) a concrete perspective for leveraging further private sector finance for a scale-up of the activities.

Table 4 below includes types of actions that are eligible for Innovation Facility funding, by contributing to carbon removals from Blue Carbon ecosystems:

Table 4. Examples of carbon removal activities in coastal wetlands

Carbon Removal from Blue Carbon activities	Examples
<i>Mangrove restoration</i>	Replanting mangroves on appropriate sites. This enhances carbon sequestration as the mangroves grow and store carbon in their biomass and sediment.
<i>Seagrass bed restoration</i>	Restoring or assisted natural regeneration (ANR) of seagrass beds. Healthy seagrass beds not only sequester carbon but also trap organic material, contributing to carbon storage in the sediment.
<i>Kelp forest restoration</i>	Restoring kelp forests through replanting, reducing stressors (e.g., overexploitation of species that maintain ecosystem balance), or managing water quality. Kelp forests can grow rapidly, absorbing large amounts of CO ₂ and storing it in their biomass.
<i>Salt marsh restoration</i>	Rehabilitating degraded salt marshes through techniques such as replanting native vegetation, enhancing tidal flow, or sediment addition. Restored salt marshes sequester carbon in their biomass while trapping and storing organic carbon in their waterlogged soils, creating long-term carbon storage reservoirs.

2.2.2. Eligible project proponents

The Innovation Facility will focus on sufficiently mature projects that have already addressed start-up requirements, such as first environmental and regulatory approvals, baseline studies and GHG emissions and removals estimations, stakeholder mapping, and initial financial structuring. As such, the Facility seeks to support projects that are ready to initiate their carbon projects upon grant signature with IUCN.

The Call is intended for organisations involved in the design, development, and implementation of high-quality nature-based projects for carbon markets. This includes project owners and developers of nature-based projects, with on-the-ground capacity, such as

- Local or international NGOs;
- IPs, and LC organisations;
- Private project developers;
- Forestry and agricultural companies; including innovative start-ups;
- Cooperatives;
- Other entities with the respective expertise.

In addition, in order to be eligible, project proponents must:

- Be directly responsible for the preparation and implementation of the grant project and not act as an intermediary for a third party;
- Have a bank account in the name of the organisation;
- Be willing and able to work closely with national stakeholders, IPs, and LCs, and with the consent and all required authorisations from the government, and traditional authorities when working with IPs.

Further:

- If the project proponent is not a national/local organisation, the engagement of local staff should be ensured and demonstrated in the application (Annex 3 and Annex 4).
- The project proponent can be based and registered in an ineligible country if the project is implemented in an eligible location.

The project proponent may act individually or with other partners. If awarded a grant, the lead partner will become the beneficiary identified as the “Grantee” in the grant contract with IUCN. The Grantee is the main interlocutor of the Innovation Facility. The Grantee represents and acts on behalf of any other partners (if any, a representation letter needs to be submitted to the Innovation Facility Secretariat at Concept Note stage) and coordinates the design and implementation of the grant. The Grantee will bear full responsibility for the technical and financial implementation of the project.

A project proponent can submit **only one** project proposal as the lead partner but can be a partner organisation in any number of applications. An organisation can only be awarded one grant as a lead partner.

The project proponent must demonstrate competence as well as technical and financial capacities relevant to the proposed project and have a track record of managing comparable projects to achieve measurable carbon and conservation outcomes. Project proponents must also have prior experience in the application of robust environmental and social safeguard policies during the implementation of projects.

Conflict of interest and ineligibility of project proponents

Project proponents cannot have a conflict of interest in applying for this Call. A conflict of interest may arise as a result of economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest.

Project proponents cannot be current employees of IUCN / KfW, or close relatives (i.e. immediate family) of IUCN / KfW employees.

2.2.3. Eligibility Criteria for projects

The Innovation Facility supports innovative carbon projects that align with critical environmental and social criteria to maximise their impact on biodiversity conservation, climate resilience, and community development. Eligible projects

must fall within specific ecological categories, comply with international and local regulations, and demonstrate alignment with high-priority conservation areas.

Projects to be funded by the Facility hence must comply with the following eligibility criteria:

Eligibility criteria 1: Project categories:

Only projects falling within one or more of the three project categories listed in Chapter 2.2.1 of these Guidelines are eligible for Innovation Facility funding.

Eligibility criteria 2: ODA-eligible countries:

Projects funded by the Innovation Facility must be implemented in countries eligible for Official Development Assistance ([ODA](#)), as defined by the OECD Development Assistance Committee (DAC) list. To be eligible, these countries must:

- Be on the [OECD DAC list](#) of ODA recipients, and;
- Not be subject to international sanctions: Countries subject to international sanctions or other restrictions imposed by the United Nations (UN), European Union (EU), the Federal Republic of Germany or Switzerland, and any sanctions by organisations where these countries are members, are ineligible for Innovation Facility funding. If the applicable sanction regulations are violated, the full grant can be reclaimed.

Eligibility criteria 3: KBAs:

Projects should be located in or near [KBAs](#), which represent areas of high ecological significance, and where investment in conservation can deliver measurable benefits for both biodiversity and climate resilience. Projects located near KBAs are expected to directly contribute to the protection, restoration, and sustainable management of these critical sites.

Eligibility criteria 4: Regulatory additionality:

The proposed carbon-related activities funded by the Facility should not be required by the law of the country hosting the project. If the activities

are required by law, then project proponents must demonstrate that the laws are not systematically enforced.

Eligibility criteria 5: Land-use history.

The site or area where the project is implemented should not have undergone land-use change (e.g., deforestation, conversion of other ecosystems to other land uses) in the last ten years. Projects on land that have been in the last ten years deforested or degraded are not eligible for Innovation Facility funding.

2.2.4. Exclusion list

The Call for Concept Notes excludes funding for activities that do not align with the objectives of the Innovation Facility. These include activities that pose significant risks, such as environmental degradation, social displacement, or violations of human rights.

Exclusions due to environmental and social risks:

- i. Activities that would result in involuntary resettlement (physical displacement) or forced evictions of people from their homes, or territories including customary and ancestral domains.²
- ii. Activities that would cause significant livelihood impacts due to access restrictions (economic displacement)³ unless specific project proponent capacity and experience to effectively manage related risks and impacts (i.e. past projects, E&S safeguard instruments, etc.) can be demonstrated, resulting in an implementation that brings risks and impacts to an acceptable level of risk categorisation. Project proponents would need to demonstrate with evidence in the Concept Note (Section E) that they: i) have identified project-affected groups and assessed respective livelihood impacts from restrictions; ii) are planning to provide effective mitigation strategies as part of project design; iii) have

started a process of obtaining Free, Prior and Informed Consent (FPIC) from affected groups.

- iii. Activities that infringe on human rights, including the rights of IPs and LCs, for example, where their FPIC to activities affecting their lands, livelihoods, and cultural identity cannot be established.
- iv. Activities that result in the exploitation of or access to outsiders to the lands and territories of IPs living in voluntary isolation and in initial contact.
- v. Activities that negatively affect tangible cultural resources such as the removal or altering of any physical cultural property (including sites having archaeological, paleontological, historical, religious, or unique natural values) or intangible cultural heritage (e.g. oral traditions, cultural practices, rituals, etc.).
- vi. Actions that exacerbate or maintain harmful cultural norms that support gender inequalities such as gender-based violence.
- vii. Activities that involve harmful or exploitative forms of forced labour or harmful child labour in line with the International Labour Organisation (ILO) core labour standards.
- viii. Projects located in or near areas that are legally protected or officially proposed for protection (incl. reserves according to IUCN Protected Area Management Categories I - VI, UNESCO Natural World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Convention on Wetlands) **and** which might involve risks of causing adverse impacts to biodiversity and the integrity of the ecosystems, even inadvertently, e.g. through infrastructure and equipment.
- ix. Activities that involve goods, technology, and systems that serve military purposes including infrastructure that would be considered

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

3 See ESMS Standard on Involuntary Resettlement and Access Restrictions for definition of access restriction / economic displacement, available at: <https://iucn.org/sites/default/files/2022-05/iucn-esms-standard-inv-resettlement-access-restrictions.pdf>.

defence dual-use investments that could be used for both conservation and military purposes.

- x. Projects involving the production, storage, or disposal of hazardous waste, including nuclear waste, that are not in compliance with international safety standards.
- xi. Procurement, handling, storage, and use of pesticides/herbicides or other substances deemed illegal under host country laws or regulations, subject to national or international phase-out or prohibition, or that are banned

in international conventions and agreements, such as the Rotterdam Convention and Stockholm Convention.

- xii. The Call for Concepts will further not fund the following activities:
- xiii. Funding cannot be used solely for research activities.
- xiv. International conferences, workshops, study tours, and advanced training as stand-alone activities.

2.3. Grant budget and project financing

A robust and well-structured project financing plan is critical to ensuring the feasibility, scalability, and sustainability of innovative projects. By requiring detailed financial projections and clarity on both secured and targeted funding sources, the Innovation Facility emphasises the importance of sound financial management and strategic resource allocation throughout the entire project lifetime (project financing) as well as the Innovation Facility grant funding period (grant budget).

Information on the Grant budget and long-term project financing must be provided in Section D of the Concept Note (Annex 2). This section requires the submission of completed versions of Annex 6 and Annex 7.

2.3.1. Grant budget: Eligible costs for Innovation Facility grant funding

The Innovation Facility offers grants in the amount of EUR 750,000 to EUR 1.5 million to be spent within the grant funding period (a maximum of 24 months, ending by June 30, 2027). Submitted proposals must have a level of maturity that allows the execution of the entire grant funds within the grant funding period to avoid a possible termination of the grant contract. The grant funds shall be used for further preparation and

initial implementation of the submitted project, in particular, to achieve the outcomes listed in Chapter 2.1. above.

Only eligible costs will be supported by the Innovation Facility. Eligible costs must be:

- i. Necessary for the implementation of the project activities.
- ii. Services and supplies directly associated with the project.
- iii. Reasonable, justified, and consistent with the principles of sound financial management.
- iv. Cost-effective and justifiable value for money, and in particular be recorded in the accounting records, and determined according to the accounting standards and the usual cost accounting practices applicable.
- v. Expenses projected to be incurred during the grant funding period (costs incurred before and after the grant funding period are not eligible).
- vi. Identifiable and verifiable, and
 - compliant with the requirements of the relevant tax and social legislations

in countries where the project sites are located;

- compliant with [KfW](#) and [IUCN Procurement policies](#), where applicable.

All project costs are subject to verification, whether through spot checks or project audits.

Categories of eligible costs from Innovation Facility funding

Eligible costs must be aligned with the budget categories in Table 5. At least 60-70% of the budget is required to contribute to direct restoration activities (e.g. land preparation, seedlings, planting, etc., see item 1 in Table 5). The remaining 30-40% can be allocated as needed to the remaining budget categories (items 2-7 in Table 5). Project proponents will be required to provide a completed overview at the Concept Note stage, using the grant budget template (Annex 6). Where necessary, budget lines can be added.

Table 5. Innovation Facility budget categories and proportions

No.	Budget categories	Example activities
1	Restoration activities (minimum 60% of total grant budget)	To be adjusted according to project restoration activities, e.g.: <ul style="list-style-type: none"> • land preparation • plantings • ...
2	Preparation of the nature-based carbon project	<ul style="list-style-type: none"> • Finalising project design document (PDD) • Finalising feasibility studies & surveys • Audit (validation) • Standard costs (registration) • ...
3	Monitoring	<ul style="list-style-type: none"> • Carbon monitoring costs • Biodiversity monitoring costs • Monitoring tools, technology & equipment • ...
4	Livelihoods/community development activities	<ul style="list-style-type: none"> • Planning and implementation costs for social and environmental (E&S) safeguards • Planning and implementation costs for gender equality • Planning and implementation costs for benefit-sharing • ...
5	Securing project promotion and additional funding	<ul style="list-style-type: none"> • Awareness raising & communication • Private sector engagement activities • ...
6	Staff Costs	<ul style="list-style-type: none"> • Staff time • Staff travel • ...
7	Others	<ul style="list-style-type: none"> • Legal costs (i.e., land tenure, contracts, finance agreements) • Financial audit • ...
8	Indirect Costs	<ul style="list-style-type: none"> • Office rental, telecom, office services, electricity, interests, insurances, fees, etc.

The budget categories are explained below:

1. Restoration activities (minimum 60% of total grant budget)

This category includes the direct costs associated with the implementation of forest-based, and inland and coastal wetland on-the-ground restoration activities (e.g., land preparation, seedlings, planting). Since the Innovation Facility emphasises first concrete restoration action and the piloting of new techniques as part of the preparation of the project, at least 60-70% of the budget should be directed towards tangible, on-the-ground implementation efforts that generate measurable climate, biodiversity, and social outcomes.

Examples include labour costs – and other forms of compensation that are contractual and/or required by local legislation - directly associated with on-the-ground restoration activities. Materials and labour for agroforestry or wetland restoration, and equipment for blue carbon projects.

This category also includes expenditure associated with equipment and transport, i.e. leasing or renting of assets or transportation services related to the project activities.

2. Preparation of the nature-based carbon project

This category covers costs associated with the finalisation of the project design description (PDD). This category includes expenses directly related to the finalisation of feasibility studies and surveys, including research activities, baseline surveys, impact assessments as well as other services and evaluations, that provide necessary data to support project innovation.

Audit (validation) and standard (registration) costs should also be budgeted under this category.

The costs for consulting services, i.e. engaging external experts or organisations to provide services such as specialised studies, assessments, and professional advice necessary to fulfil the tasks described above, are also to be considered in this category.

3. Monitoring

This category includes costs related to the monitoring of the project's climate, biodiversity, and social impacts. This is essential for tracking progress, ensuring transparency, and demonstrating measurable outcomes.

Given the importance of demonstrating high-quality, verifiable results in carbon markets and biodiversity outcomes, a portion of the budget must be allocated to ensure robust monitoring processes. Examples include carbon and biodiversity assessments, necessary data collection tools, technology as well as costs for documentation.

Examples of potentially necessary equipment and transport include field equipment for monitoring and patrolling (camera traps, binoculars, GPS, trackers, GIS, etc.), transport, car/boat rentals, etc.

4. Community development activities

This category includes the costs associated with the aspects and implementation of objectives mentioned in Chapter 2.1 item (iv) regarding livelihoods. This includes empowering LCs, IPs, and stakeholders to actively participate in and benefit from the design, implementation, and ongoing management of the project. Activities under this category focus on promoting sustainable livelihoods, enhancing knowledge and skills, and fostering meaningful stakeholder involvement to ensure long-term project sustainability and alignment with local needs. These efforts ensure that local stakeholders are equipped and involved in ways that promote sustainable project outcomes, scalability, and community ownership.

Examples include expenditures for developing benefit-sharing plans, conducting community engagement and consultation workshops, and ensuring FPIC processes. Costs associated with capacity-building activities such as training programmes on innovative techniques (e.g., assisted natural regeneration, biodiversity monitoring, carbon tracking), enabling community members and local organisations to replicate successful approaches, will also be included. Costs of community consultation workshops and participatory planning sessions, engagement

campaigns to raise awareness of conservation and restoration efforts may also be included in this category. Additional examples include costs for infrastructure to support community-driven initiatives, such as ecotourism facilities, solar panels, or processing centres, as well as travel and meeting expenses related to workshops and stakeholder collaboration.

5. Securing project promotion and additional funding

This category includes costs referring to activities aimed at raising awareness and disseminating information as well as activities to directly engage with the private sector and potential investors.

Examples include activities, materials, and products related to project communications and visibility and especially activities and costs related to the required fundraising to foster private sector engagement in the project (e.g. preparing investment pitches, road shows, also virtually, investment materials).

6. Staff Costs

The payment of expenses related to Grantee, and/or Sub-grantees personnel involved in the implementation of the project should be included in this category. As should staff travel expenses, which refer to the costs related to the movement of personnel involved in the project. Examples of staff travel include travel for field and project site visits, attending meetings, workshops, or seminars, engaging with communities, coordinating with partners, as well as for presenting and reporting project findings.

7. Others

Other costs and expenditures that are essential for the overall functioning of the organisation and support of the project activities can be listed in this category.

For instance, legal fees and costs related to compliance with environmental and social standards, as well as the costs of obtaining land access rights should be included in this category.

8. Indirect costs

This category includes costs related to general overhead costs incurred by the lead implementing organisation. While overhead costs are necessary, the Innovation Facility encourages projects to keep these expenses lean to ensure most of the grant goes toward on-the-ground impact. Nonetheless, effective project management is crucial to the successful implementation of innovative approaches.

Examples of costs associated with indirect costs include assets and consumable supplies relevant to the project implementation including, for example, office rental costs, electricity, computers, printers, photocopiers, projectors, communication devices, furniture, stationery, software licenses, backup systems, insurances, etc.

Ineligible costs under the Innovation Facility

Ineligible costs that cannot be covered by the grant funds provided by the Innovation Facility include:

- i. Debts and debt service charges (interest),
- ii. Provisions for losses or potential future liabilities,
- iii. Costs for purchases of land and water rights,
- iv. Custom duties,
- v. Costs incurred on entities or individuals included in any of the following sanction lists:
 - [EU Sanctions list](#)
 - [UN Security Council Sanctions list](#)
 - [US Office of Foreign Assets Control Sanctions list](#)
- vi. Taxes:

The grant recipient shall bear all taxes and other public charges accruing in connection with the conclusion and execution of the grant agreement, as well as all transfer and conversion costs accruing in connection with the disbursement of the grant. Taxes and other public charges to be borne by the recipient and import duties shall not be financed in this grant.

Match funding and related requirements

Grant size can vary from a minimum of EUR 750,000 to a maximum of EUR 1.5 million. Grantees are required to contribute an additional funding of at least 25% of the grant amount (on top of the grant amount) as match funding. Co-financing demonstrates the proponent's commitment to the project and ensures alignment with private sector interests.

Whilst in-kind contributions (e.g., staff time, equipment) are welcome, the 25% match funding should come from other financing sources secured by the proponent, such as private sector investors or government programmes.

At the end of the Innovation Facility grant funding period, the lead partner must submit a letter to the IUCN confirming the matching funds that have been contributed. While budgeting, it is critical to be realistic about what can be accomplished with the available funds and within the grant funding period.

2.3.2. Project financing: Carbon-biodiversity project financing plan and scale-up

The Innovation Facility requires projects to demonstrate financial viability to assess the

feasibility and long-term sustainability of projects over the entire project lifetime. Project proponents are therefore required to provide an overview of (i) cost projections; (ii) estimated revenues; (iii) available financing, and; (iv) financing that is yet to be secured. Project proponents can use the project financing spreadsheet template provided in Annex 7 of these Guidelines for Applicants.

Additionally, the funding from the Innovation Facility is meant to support a range of project activities, with an emphasis on restoration efforts and activities that lead to scale-up and leverage additional funding from other investors or donors. Where funding is yet to be secured, project proponents will be required to provide the following information at the Concept Note stage:

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



3. APPLICATION PROCESS AND DEADLINES

The Innovation Facility application process ensures a structured and transparent approach for prospective project proponents, starting with the submission of Concept Notes via the [IUCN Grants Portal](#). Project proponents are encouraged to prepare thoroughly by familiarising themselves with the guidelines, templates, and timelines provided to streamline their submissions and enhance their chances of success.

The application process consists of the following steps:

3.1. Step 1. Preparation of Concept Note

To complete and submit their Concept Note, project proponents need to create an account on the IUCN Grants Portal. For guidance on how to use the IUCN Grants Portal, please refer to Annex 1. Questions should be submitted to innovationfacility@iucn.org. The IUCN Grants Portal will be open for submissions approximately two weeks after the launch of the Call for Concepts. Project proponents will be informed about the possibility of starting their online submissions in the Grants Portal via the website (<https://speciesgrants.iucn.org/>).

In the meantime, project proponents are encouraged to familiarise themselves with the guidelines and to gather necessary information using the [Concept Note template](#), provided in Annex 2. **This template mirrors the structure and content of the application form on the IUCN Grants Portal**, in which project proponents are asked to provide information about their project to assess the eligibility of the project for Innovation Facility funding. Please note that the Concept Note template enables offline access to the application form for preparatory purposes only. A direct upload of the template to the portal will not be possible. To complete the application, project proponents must insert the content

of the Concept Note into the correspondingly structured form on the IUCN Grants Portal. The transformation of this content will take some time and effort. Note that **only applications submitted online through the IUCN Grants Portal will be considered**. We strongly encourage project proponents to familiarise themselves with the IUCN Grants Portal well ahead of the submission deadline, to avoid underestimating the time required to complete the application.

The Concept Note must indicate how the project will be structured, developed, and managed. Project proponents must demonstrate capacity to implement successful projects, and to start implementation of activities upon signature of the grant contract with IUCN.

Following the launch of the Call for Concept Notes, the Innovation Facility Secretariat will organise a 90-minute information session for all prospective project proponents who wish to obtain a comprehensive understanding of the Guidelines and seek clarification on any funding-related inquiries. A first information session will be held on **Tuesday 17 December 2024 at 14:00 (2 pm) Central European Time (CET)**. To register for the information session, please send an email to the

Innovation Facility Secretariat (innovationfacility@iucn.org). Questions posed by interested project proponents will be published at regular intervals on the IUCN Grants Portal, providing a concise and organised resource that addresses common inquiries, concerns, or issues related to the

application process. A second information session, focused on the use of the IUCN Grants Portal, and responding to any additional questions will be held on **Thursday 16 January 2025 at 14:00 (2 pm) CET**.

3.2. Step 2. Submission of Concept Note

The deadline for the submission of Concept Notes is **Thursday 13 February 2025 at 17:00 (5 pm) CET**. Only complete applications, submitted through the IUCN Grants Portal with all the mandatory documents (*Table 6*), will be considered for review.

Applications must be submitted in English. All supporting documents that are not in English must be accompanied by an English translation.

Clarification questions on the Call for Concept Notes should be sent by email to the Innovation

Facility Secretariat (innovationfacility@iucn.org) no later than 7 days before the deadline for the submission of the Concept Notes. The clarification questions and their answers will be published in the Frequently Asked Questions (FAQ) document available on the IUCN Grants Portal, which will be updated regularly.

The following table provides an overview of both the mandatory and the additional optional documents to be submitted together with the Concept Note through the Grants Portal.

Table 6. Overview of mandatory and additional optional documents

Section in the Concept Note	Approval dimension	Mandatory documents
A	General information on project proponent	Statute or similar founding document
		Representation letter identifying a lead organisation in case of a consortium project [Conditionally mandatory]
B	Project description and eligibility	Current project location map, shape files (e.g., .shp, .kml) of the project area
		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)
		Copies of relevant studies and assessments describing the current state of the project

C	Contribution to biodiversity	IBAT STAR report generated for the project
		Data demonstrating the suitability of biodiversity monitoring system [Optional]
	Carbon components of the project	GHG calculation spreadsheet template (<i>Annex 5</i>)
		Additional data on GHG emissions and removals, incl. georeferenced maps of the project area, stratification, and project activities. [Optional]
	Social inclusion, gender equality, and benefit-sharing	Stakeholder analysis template (<i>Annex 3</i>)
		Documentation Stakeholder Consultation template (<i>Annex 4</i>)
D	Grant budget and project financing	Grant Budget template (<i>Annex 6</i>)
		Project Financing template (<i>Annex 7</i>)
E	Environmental and social safeguards	Relevant feasibility studies and assessments, permits, and other project documents, including previous reports of environmental and social impacts assessment (ESIA)

3.3. Step 3. Eligibility check

An eligibility check will be carried out by the Innovation Facility Secretariat to ensure that the Concept Note satisfies all the eligibility criteria specified in Chapter 2.2. of this document. Non-compliance with any of the eligibility criteria will lead to the rejection of the submitted Concept Note. In addition, applications will be screened

for their completeness, which will involve a check on whether all the documents indicated as mandatory have been submitted (*Table 6* above). If any of the requested documents are missing, the Concept Note will be rejected on that sole basis and will not be evaluated further.

3.4. Step 4. Technical and financial reviews and selection criteria

The Concept Notes that pass the eligibility check will undergo a technical review by the designated Project Advisory Committee (PAC), which leverages the expertise of the IUCN Secretariat as well as that of external experts with either thematic or regional experience. Each application will be reviewed by at least two reviewers. The reviewers will evaluate the quality of information/responses provided in the different components of

the concept notes and the selection criteria will be based on a qualitative score.

Below is a list of components that will be evaluated in the technical review:

1. Delivering nature positive impacts:
Contribution to biodiversity

2. Leveraging the voluntary carbon market: Carbon components of the project
3. Advancing social inclusion, benefit sharing, and gender equality
4. Fostering innovation for impact: Innovativeness of the project.

Next to the named components, the review also includes a preliminary environmental and social screening which involves the identification of adverse environmental and social impacts that may be caused by project activities and the

establishment of a tentative environmental and social risk categorisation (see Chapter 4).

The financial review, including the due diligence (DD) assessment, will be conducted by IUCN Finance Staff to verify the Innovation Facility grant budget and cost eligibility as specified in Chapter 2.3.1. (Categories of eligible Costs).

As part of the technical and financial review processes, the Innovation Facility Secretariat may contact the project proponent to request further information and clarifications, as required.

3.5. Step 5. Selection result announcement for Concept Note

Shortlisted project proponents will be informed via email by the Innovation Facility Secretariat about the results of the evaluation of their Concept Note. Project proponents are encouraged to contact the Innovation Facility Secretariat at innovationfacility@iucn.org if they have additional questions about the decision.

Shortlisted project proponents will be invited to submit a Full Proposal considering the recommendations provided by the reviewers (Step 3). An information session will be held to support the development of the Full Proposal.

3.6. Step 6. Full Proposal development and submission

Each shortlisted project proponent should submit a Full Project proposal using a template that will be provided at a later stage, and which follows in substance the project Concept Note format, but will ask for additional 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). To ensure that identified environmental and social impacts and risks are appropriately addressed in the Full Proposal, the Innovation Facility Secretariat will hold a

collaborative session with each project proponent to jointly finalise the Environmental and Social Management System (ESMS) screening and agree on adequate risk assessments and safeguard instruments to be carried out / developed during the Full Project proposal stage. See Chapter 4 for further information.

Applications that also successfully pass the Full Proposal stage will be asked to sign a grant agreement with IUCN.

3.7. Timeline overview

The entire process, including Concept Note and Full Proposal submissions, and relevant deadlines, is provided in *Table 7*. Fast-track movers who

complete their submissions in a shorter period may be considered for grant signing outside of the timeline listed below.

Table 7. Innovation Facility application timeline

Application steps	Timeframe / Deadlines
Launch of the Call for Concept Notes	Wednesday 11 December 2024 at 14:00 (2 pm) Central European Time (CET)
Information session 1	Tuesday 17 December 2024 at 14:00 (2 pm) Central European Time (CET)
Information session 2	Thursday 16 January 2025 at 14:00 (2 pm) Central European Time (CET)
Deadline for submission of Concept Notes	Thursday 13 February 2025 at 17:00 (5 pm) Central European Time (CET)
Notification of project proponents of the review process	Friday 28 March 2025 at 17:00 (5 pm) Central European Time (CET)
Information session for the shortlisted Concept Notes	Thursday 3 April 2025 at 14:00 (2 pm) Central European Time (CET)
Collaborative ESMS Screening	07 April – 17 April 2025
Submission of draft Full Proposal including preliminary safeguard instruments	Monday 26 May 2025 at 17:00 (5 pm) Central European Time (CET)
Financial due diligence and budget assessment of Full Proposals	27 May – 17 June 2025
Submission of Full Proposals / safeguard instruments	Friday 25 July 2025 at 17:00 (5 pm) Central European Time (CET)
Signature of Grant Agreements and start of projects	July – 31 August 2025



4. ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Selected projects will be guided by an Environmental and Social Management System (ESMS) developed specifically for the Innovation Facility to ensure that environmental and social (E&S) risks and impacts are managed in line with international best practices and E&S standards. The ESMS is based on the IUCN Environmental and Social Management Policy⁴ and the [KfW's Sustainability Guideline \(2024\)](#)⁵ and the applicable Standards therein, namely the [World Bank Environmental and Social Standards \(WB ESS\)](#), as a mandatory reference framework. In addition to these guiding frameworks, projects funded by the Facility must also be compliant with provisions of the legal framework of the host country(ies) where the project is being implemented, including national environmental, social, occupational health and safety, and labour laws, as well as other E&S obligations (e.g. construction and operation permits, etc.).

The ESMS provides a systematic process and procedures for identifying, assessing, managing, and monitoring E&S risks and potential adverse impacts, in line with the applicable E&S standards and guidelines. Adhering to these procedures will safeguard projects funded by the Innovation Facility against potentially adverse environmental and social impacts to assure that potential negative impacts are avoided or minimised to the maximum extent possible. Project proponents will therefore need to demonstrate their capability and commitment to avoid and manage E&S risks effectively.

The E&S requirements of the Innovation Facility are published and further described in form of a dedicated Innovation Facility ESMS Manual, which is anticipated to be published by January 31, 2025. In *Figure 1* below, please find a synthesis of the main ESMS actions and decision points throughout the grant funding period. The actions outlined in red are assumed by the Innovation Facility Secretariat, and the boxes outlined in blue show the responsibility of the project proponents.

Preliminary E&S screening at the Concept Note stage

The Concept Note template includes a list of E&S questions about the proposed project (See Section E of the Concept Note template, Annex 2 of these Guidelines for Applicants). Answers to these will enable the Innovation Facility Secretariat to conduct a preliminary ESMS Screening at the Concept stage. This includes the identification of adverse E&S impacts and risks potentially caused by the project and the establishment of a tentative risk category for the project. While it is acknowledged that some information about the project and potential environmental and social risks may still be lacking as this will only be defined during the development of the Full Proposal, the Innovation Facility aims at having a first approximation of the potential risk at Concept Note stage already. Note that the Innovation Facility will not consider projects for funding categorised as high risk (cf. the exclusion list contained in Chapter 2.2.4 of these Guidelines for Applicants).

4 As established in the ESMS Manual and the ESMS Standards, available at: www.iucn.org/esms

5 https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Nachhaltigkeitsrichtlinie_EN.pdf and <https://projects.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>

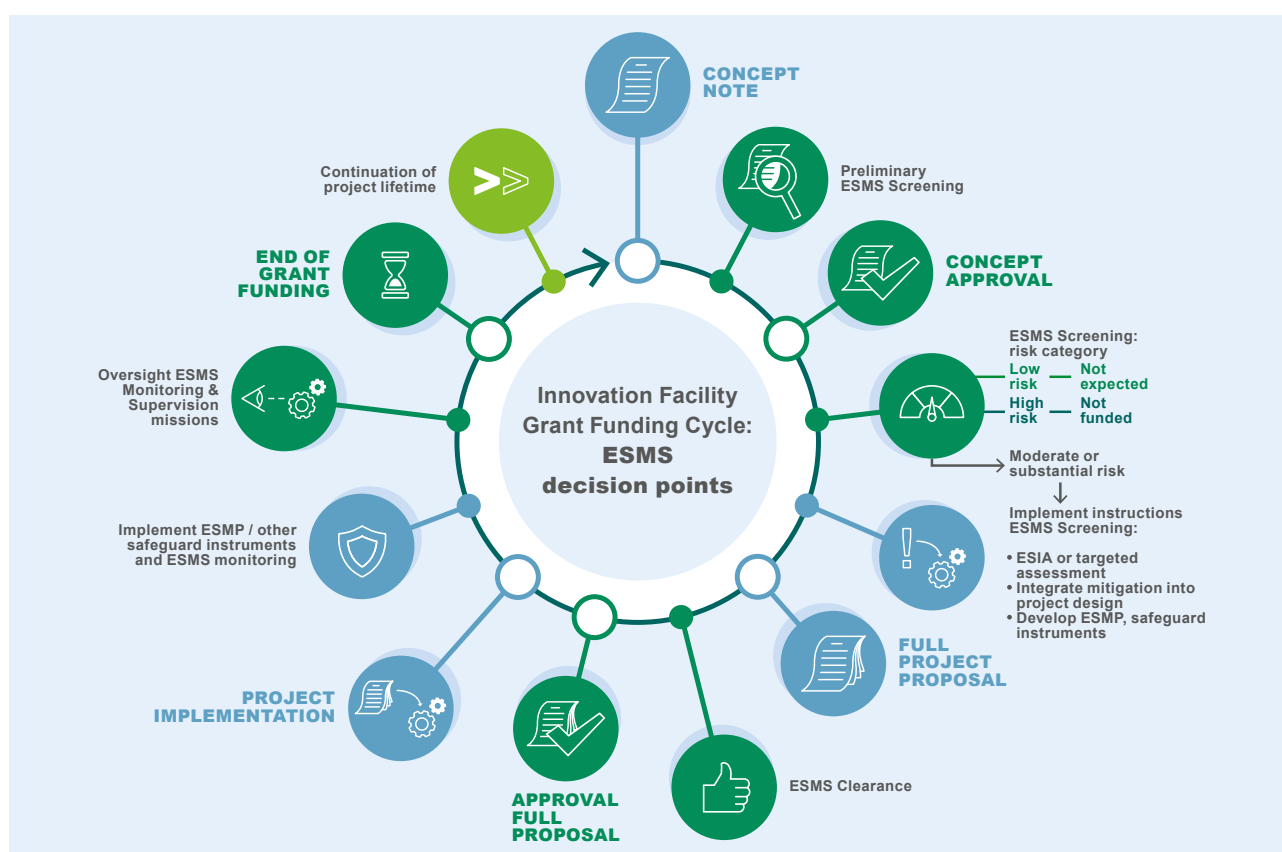


Figure 1 shows a schematic diagram of the environmental and social decision points and processes followed in the *grant funding cycle*.

Full Proposal stage: Final ESMS screening and potential safeguard instruments

At the beginning of the Full Proposal stage, each shortlisted project proponent will be invited by the Innovation Facility for a collaborative session to jointly review the preliminary ESMS Screening, discuss risk issues, and appropriate measures for risk avoidance, minimisation, and mitigation. In alignment with the four core objectives of the Innovation Facility, projects funded by the Facility need to demonstrate how social inclusion and gender equality are promoted and are required to develop a benefit-sharing plan ensuring social and economic advantages for directly impacted communities, and specifically addressing the inclusion of vulnerable populations, particularly women, youth, and IPs. It is therefore expected that – to a substantial extent – adverse social impacts will already be avoided and addressed by project design.

However, the ESMS Screening might identify gaps that need to be addressed through targeted E&S risk assessments or the development of specific

mitigation measures (e.g. safeguard instruments). In such a case, the proponent needs to assess the identified risks, develop relevant safeguard instruments during the Full Proposal stage and implement the instruments during the Grant Funding Cycle (as visualised in Figure 1). Overall, this work should not be extensive given the social dimensions of project design, as described above.

Where safeguard instruments are required, they need to be annexed to the Full Proposal and will be appraised as part of the ESMS Clearance step. Full Proposals that do not include the safeguard instruments established by the ESMS Screening report, or that do not provide evidence of the operationalisation of the safeguard instruments (e.g. lack of budget or capacity/trained staff), cannot be considered for Facility funding.

It is also important to note that projects that are preparing for carbon certification, have or will be required to develop safeguard instruments as part of the safeguard policy of the respective Carbon Standard, which are expected to be in strong alignment with the Facility's ESMS.

5. DATA PROTECTION

IUCN takes data protection and management seriously and is dedicated to safeguarding and protecting the data of private individuals and organisations. The Innovation Facility is governed by the [IUCN Data Protection Policy](#).



ANNEXES

Annex 1. How to use the IUCN Grants Portal	32
Annex 2. WALD Innovation Facility Concept Note template	38
Annex 3. Stakeholder Analysis template	65
Annex 4. Documentation of Stakeholder Consultation template.....	66
Annex 5. GHG accounting spreadsheet.....	67
Annex 6. Grant budget template	68
Annex 7. Project financing template.....	69

Annex 1. How to use the IUCN Grants Portal

Applications must be submitted through the **IUCN Grants Portal**, which can be accessed at <https://speciesgrants.iucn.org/>

Applicants must submit applications in **English**.

The reference Concept Note template can be found in **Annex 2** of the *Guidelines for Applicants*. Please note that this template is a helpful reference and to enable offline access to the forms, but **ONLY applications submitted online through the IUCN Grants Portal will be considered.**

Kindly take into consideration the appropriate time required to complete your application.

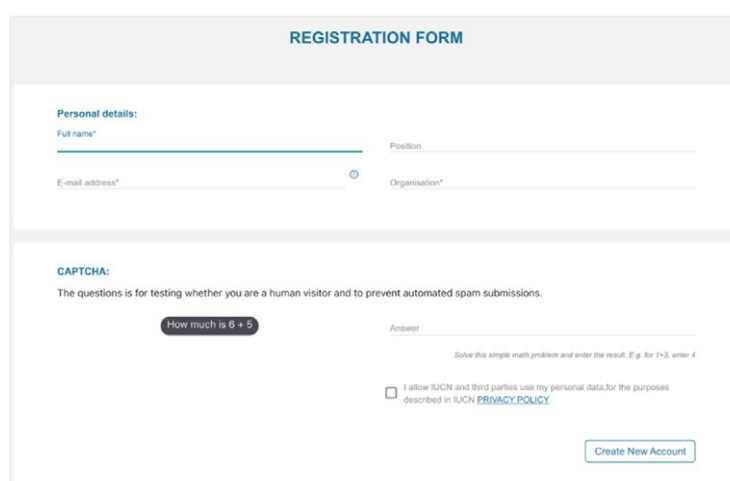
We strongly encourage applicants to familiarise themselves with the IUCN Grants Portal, consult reference templates, and run through the whole application process on the portal to avoid underestimating the time required to complete the application, prepare mandatory documents, as well as to allow enough time to inquire about any potential issues encountered during the portal use.

The IUCN Grants Portal will be open for submissions approximately two weeks after the launch of the Call for Concepts. Project proponents will be informed about the possibility of starting their online submissions in the Grants Portal via the website (<https://speciesgrants.iucn.org/>).

1. REGISTER

Before you can access the Grants Portal, you will be required to register as a new user by providing basic information such as your email, first name, last name, and password. The steps are detailed below. Once you have entered your information, the Grants Portal will send a confirmation email to your nominated email address with login credentials. If you do not receive the email within a few moments, look in your junk email folder as the email may have been blocked by spam filters.

Below is a screenshot of the User Registration Form:



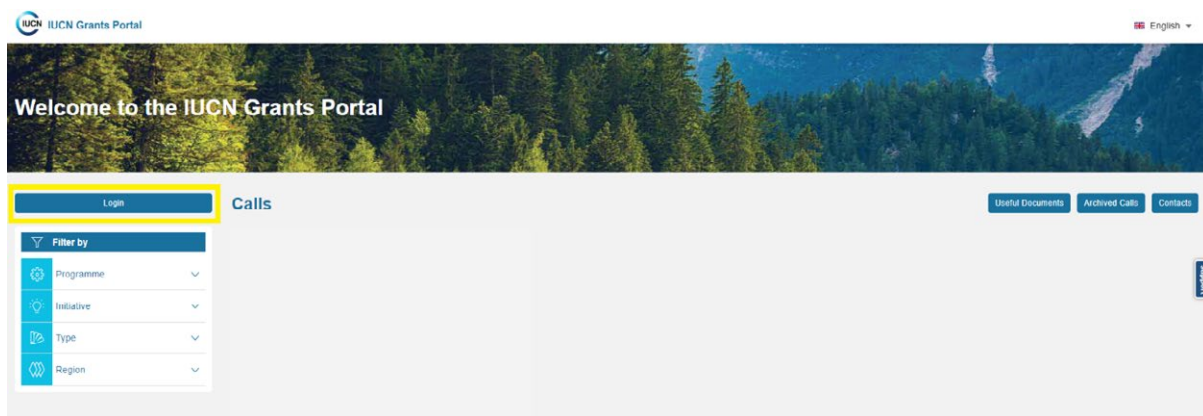
Notes: How to register

- Applicants can self-register a new account with Full Name, Position, E-mail address, and Organisation information and perform the Captcha verification.
- After successful registration, the User will get an email with the password and login link.

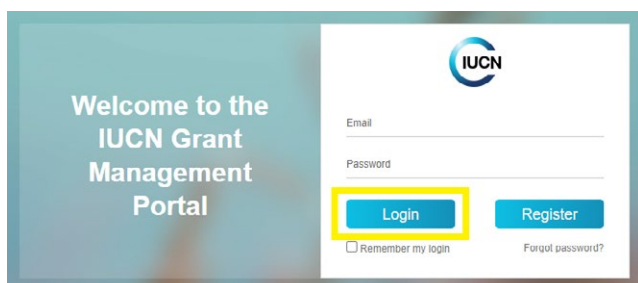
- On clicking the link, it will be redirected to the login screen.
- The login screen will request for the Email ID and Password from the user registration email.
- In the edit profile screen, the users must update the password with a new one.
- If the user gives the correct inputs, then it will redirect to the application.

2. LOGIN

Applicants need to log into the IUCN Grant Portal by clicking on **LOGIN** (on the left side of the IUCN Grants Portal homepage).



Insert your Email and Password and click on **LOGIN**. Please use the same credentials you used to complete your Concept Note.



To log into the application, do the following:

- Enter the Email in the text box.
- Enter the Password.
- Click Login to log into the application.
- Click the IUCN logo to go back to the public page.

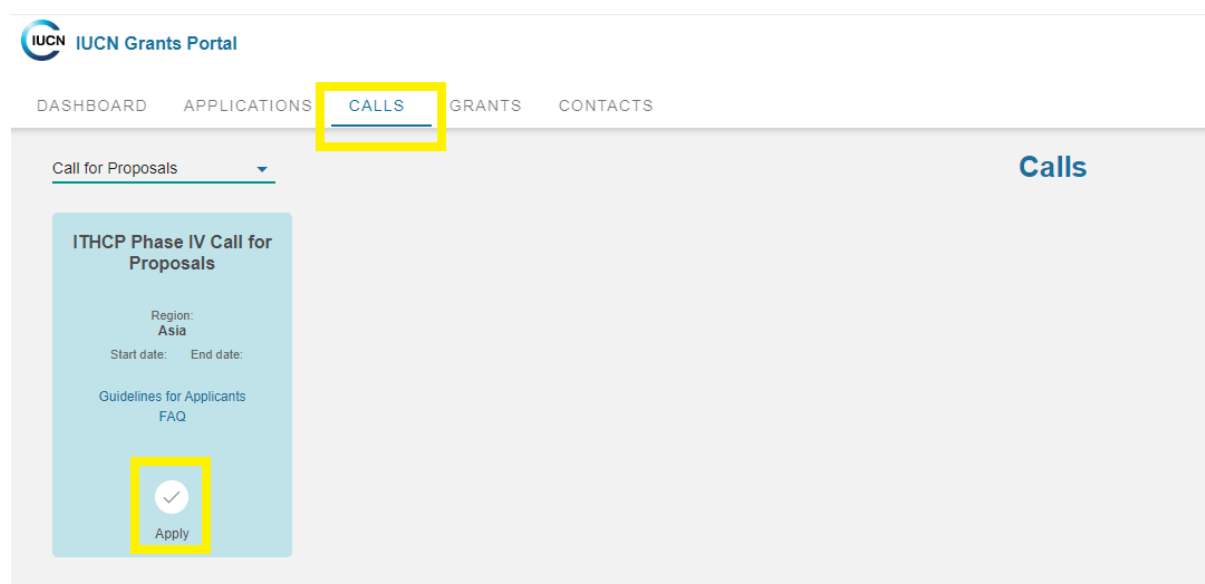
If you have forgotten your credentials, you can request a new password by clicking on “Forgot password?”. The new password will be sent in a separate email.

3. CREATING AN APPLICATION

Once logged in, in order to prepare your Full Proposal, please go to the **CALLS** section, select “Call for Proposals” from the drop-down menu, and click on “**APPLY**” on the **WALD Innovation Facility: Call for Proposals** card.

The Portal will navigate you through the application process. Please note that although the Portal will autosave as you progress through the application, it is recommended that you manually save the application at intervals to ensure information is not lost. You will be able to access your application and make changes right up until you complete the declaration and submit the application.

Note that the images below only function as examples and originate from a different call for proposals called “ITHCP Phase IV”.

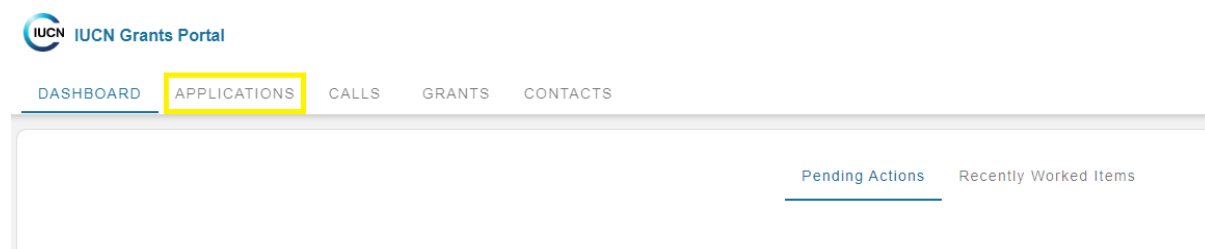


Throughout the application you will be asked to answer the following sections:

1. Section A: Project proponent and project participants
2. 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
3. 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
4. Section D: Grant budget and project financing
5. Section E: Environmental and Social Safeguards
6. Section F: Due Diligence and Financial Capacity Questionnaire

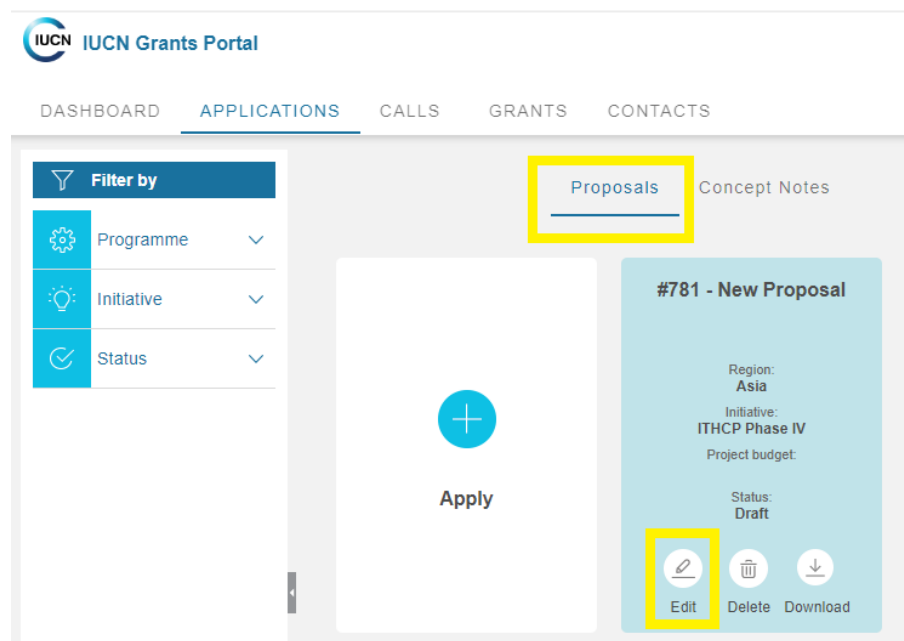
You can work on your application in no particular order regarding the individual sections, and save your progress as you work, and/or when moving on to another section (your work is saved anytime you click on “**Previous**” or “**Continue**”).

You can also save your work, log out, and come back to your application later to continue. To retrieve your work, you must **LOGIN**. Once on your dashboard, click on “**APPLICATIONS**”.



Please note that if you are already logged in on the IUCN Grants Portal homepage, but cannot find the Applications section, you can access it by **clicking on the IUCN logo at the top left corner of the screen**.

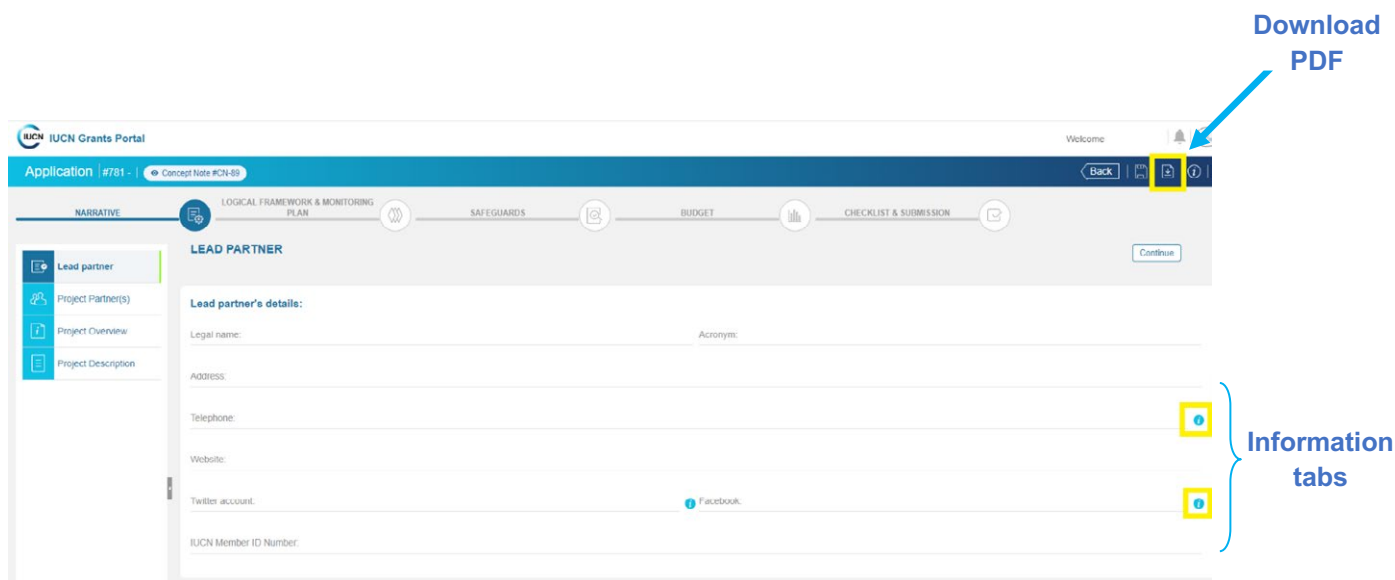
In the Application section, you will find your draft application under the **PROPOSALS** tab. To pursue your work, click on “**EDIT**”.



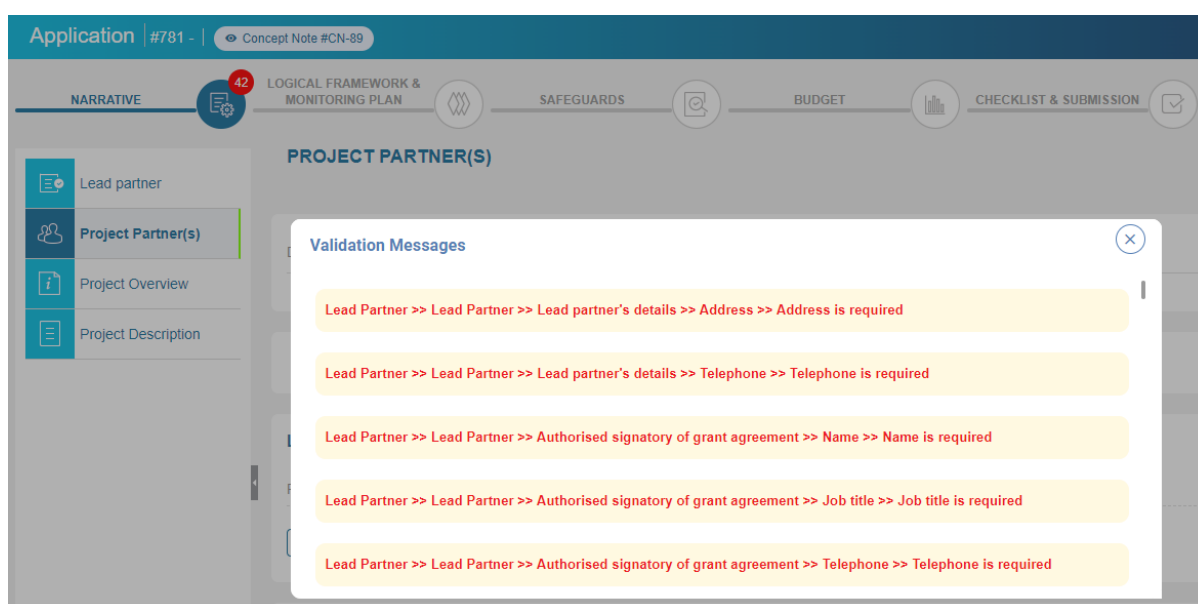
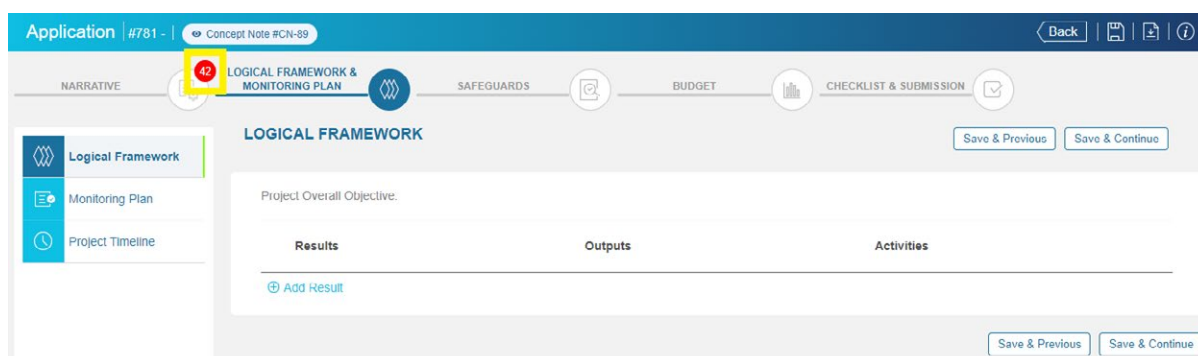
Applications can also be deleted by clicking on the “**DELETE**” button, if the applicant desires to do so, or downloaded in PDF form by clicking on the “**DOWNLOAD**” button.

Note that you can **download a PDF version** of your application at any time if you want to review your progress offline.

Throughout the application, there are also instructions in the form of **information tabs** to provide you guidance on answering some of the questions.



When you move forward without completing all mandatory questions, a red bubble will appear on the top of the screen, indicating the number of questions that you still need to complete. If you click on the bubble, validation messages will appear to indicate to you which questions you still need to complete.

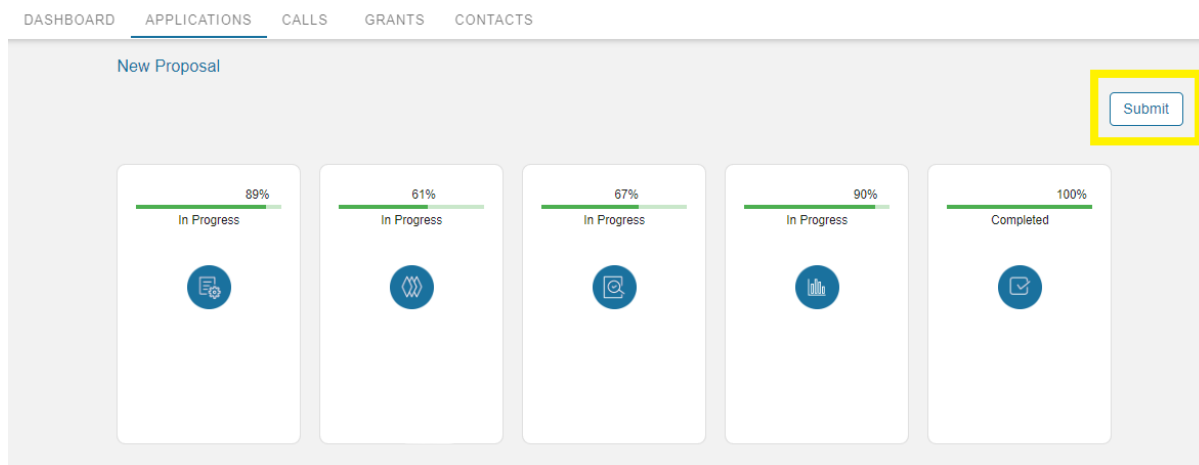


Additional documents can be uploaded using the **Additional Documents** upload button.

4. SUBMISSION

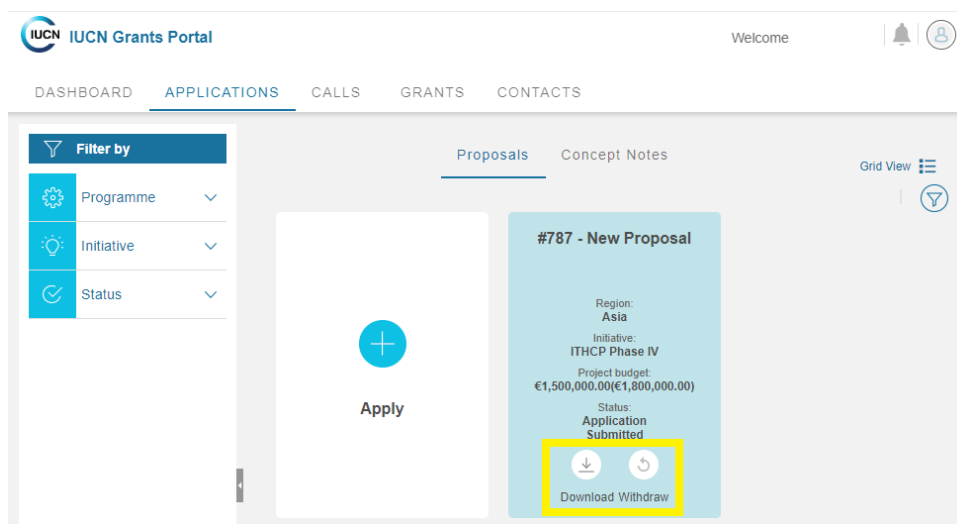
Before submitting your application, you should ensure that you have entered all the requested information and that all the mandatory / applicable documents have been uploaded successfully. If some of the mandatory questions have not been answered, an error message will appear indicating the missing information to be completed.

Once completed, click on “**SUBMIT**” to submit your application (either at the bottom of the checklist or in the summary section of your application).



Please note that the percentages indicated in the screen above are indicative and you will be able to submit your Full Proposal even if 100% is not marked in all sections, as long as you have responded to all the mandatory questions.

Once the submission is completed, you can click on “**DOWNLOAD**” to download a PDF of your application, or “**WITHDRAW**” to withdraw your application, in order to make further edits and resubmit, or delete it.



However, please note that once the deadline of the Call for Proposals has passed, **submitted applications cannot be modified** in any way, although all the information provided, and the files uploaded will remain available for download.

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

^{xij)} 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**).

xij) 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:

- | | |
|---|---|
| <input type="checkbox"/> For profit | <input type="checkbox"/> Incorporated company |
| <input type="checkbox"/> Not-for-profit / NGO | <input type="checkbox"/> Limited liability company |
| <input type="checkbox"/> Government agency | <input type="checkbox"/> Sole proprietary company |
| | <input type="checkbox"/> Partnership |
| | <input type="checkbox"/> Registered charity |
| | <input type="checkbox"/> Community Network |
| | <input type="checkbox"/> 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:

--

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:

Annex 3. Stakeholder Analysis template

https://www.innovationfacility.org/wp-content/uploads/2024/12/Annex_3_Stakeholder_Analysis_template.xlsx

Stakeholder Analysis				
Stakeholder (SH)	SH's role, main activities and capacity/ expertise in areas related to the project	Potential influence of the SH on the project	Potential impact of the project on the SH	Importance from 1 (low) to 5
Government agencies (at different levels)				
List relevant government agencies at the respective levels (national, regional, local levels – as relevant)				
Local stakeholders				
List relevant stakeholder groups that are present in the project site and the wider area of influence (including indicating their location and proximity to the project sites). The list should be disaggregated where relevant (e.g. smallholders, micro business, resource users, cooperatives, women, youth, traditional leaders, displaced people, vulnerable or marginalized groups, etc.); the entries should be as concrete as possible reflecting the specific context on the ground.				
Civil Society Organizations				
Private Sector				
International organizations				
Research & universities				
Etc.				

Annex 4. Documentation of Stakeholder Consultation template

https://www.innovationfacility.org/wp-content/uploads/2024/12/Annex_4_Documentation_Stakeholder_Consultation_template.xlsx

[illegible]

Annex 5. GHG accounting spreadsheet

https://www.innovationfacility.org/wp-content/uploads/2024/12/Annex_5_GHG_accounting_template.xlsx

Annex 6. Grant budget template

https://www.innovationfacility.org/wp-content/uploads/2024/12/Annex_6_Grant_budget_template.xlsx

Annex 7. Project financing template

https://www.innovationfacility.org/wp-content/uploads/2024/12/Annex_7_Project_financing_template.xlsx





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