

## RECOMMENDATIONS FROM THE INDEPENDENT EVALUATION OF THE GCF'S ENVIRONMENTAL AND SOCIAL SAFEGUARDS MANAGEMENT SYSTEM

### BACKGROUND

A key element of the Independent Evaluation Unit's (IEU) 2019 workplan was to conduct an evaluation of the Green Climate Fund's (GCF) Environmental and Social Safeguards and the Environmental and Social Management System.

The GCF is required to manage all potential environmental and social risks associated with its climate change activities.

To achieve this, the GCF has an Environmental and Social Management System, comprising the GCF Environmental and Social Policy and a set of interim environmental and social safeguards standards.

### KEY QUESTIONS

The IEU's evaluation of the GCF's Environmental and Social Safeguards and its Environmental and Social Management System addressed three questions:

- To what extent does the GCF **prevent, mitigate and manage** the potential adverse environmental and social impacts of GCF-funded projects?
- Is the GCF effectively **promoting environmental and social performance and co-benefits**?
- How well is the GCF **monitoring and reporting** environmental and social adverse impacts and co-benefits?

*IEU'S Joseph Mutunga and a representative from Paraguay's national designated authority discuss the use of environmental and social safeguards in the GCF-funded 'Poverty, Reforestation, Energy and Climate Change Project.' The project aims to replace the use of kiln-fired charcoal burning and other practices associated with deforestation.*



## KEY RECOMMENDATIONS

The key recommendations from the evaluation include:

- The GCF's current environmental and social management system and safeguards are *not* customized or relevant to the GCF's overall mandate. **The GCF needs to urgently develop and adopt a new set of policies that reflect positive environmental, social and climate value in its actions and investments.** Specifically, it needs to *address gaps* found in the interim standards related to climate value, human rights, gender equity and consent, among others. The GCF also needs to develop *tailored operational guidelines* and develop a *strategy around impact investing*.
- The GCF needs to *design* its processes and operations, (accreditation, the Readiness and Preparatory Support Programme and the Project Preparation Facility) to accommodate the focus on environmental and social **performance and co-benefits**. It also needs to better define its sustainable development criterion and make *equity* a salient consideration.
- The GCF needs to **operationalize its monitoring and accountability framework and assign roles and responsibilities** in the Secretariat for designing, monitoring, reporting and realizing environmental and social safeguards, performance and co-benefits. It also needs to better *track ESS related covenants* in its reporting framework and consider building capacity for *responsible investing* among its stakeholders.

The **Project Preparation Facility** has the potential to be an important modality. It is not meeting its objectives currently. Its strategy needs to be reset so the Facility can focus on supporting the preparation of promising and innovative projects.

- Members of civil society organizations are

important GCF stakeholders. The GCF needs to consider processes that **resolve civil society concerns and develop a policy on stakeholder engagement** (GCF already has guidelines). Greater awareness is required for grievance redress mechanisms in countries at project, national and GCF level. This is especially important as the GCF portfolio grows.

## METHODS

The IEU conducted the evaluation from April to December 2019. The evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System used a mixed-methods approach that combined quantitative and qualitative methods and data.

The evaluation employed the following methods:

- An extensive review of Board decisions and other GCF documents, as well as relevant external literature and independent evaluations of environmental and social safeguards by other climate funds.
- An extensive portfolio analysis that extracted and used quantitative and qualitative data.
- Semi-structured interviews focus group consultations and a perception survey.
- A benchmarking exercise of other climate funds.
- In-depth country analyses in Morocco, Peru, Paraguay, Zambia, Sri Lanka, Samoa and Kazakhstan.

The IEU conducted the evaluation from April to December 2019. All data included here, unless otherwise noted, are valid up to 8 July 2019.

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