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INDEPENDENT
EVALUATION
OF THE GREEN
CLIMATE FUND'S
ENVIRONMENTAL
AND SOCIAL
SAFEGUARDS AND
THE ENVIRONMENTAL
AND SOCIAL
MANAGEMENT
SYSTEM

July 2019

Benchmarking study

GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Independent evaluation of the GCF's Environmental and Social Safeguards and the Environmental and Social Management System

BENCHMARKING STUDY

July 2019

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ABBREVIATIONS

ACHM	Adaptation Fund Ad-hoc Complaint Handling Mechanism
ADB	Asian Development Bank
AE	accredited entity
AF	Adaptation Fund
AfDB	African Development Bank
AP	Accreditation Panel
APR	Annual Performance Reports
BA	biennial assessment
CAT	Convention against Torture
CBD	Convention of Biological Diversity
CED	Convention on Enforced Disappearances
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CIF	Climate Investment Funds
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMS	Convention on the Conservation of Migratory Species of Wild Animals
CMW	Convention on Migrant Workers
COP	Conference of the Parties
CRC	Convention on the Rights of the Child
CRC	GEF Conflict Resolution Commissioner
CRPD	Convention on the Rights of Persons with Disabilities
CSICH	Convention for the Safeguarding of Intangible Cultural Heritage
CSO	Civil Society Organization
DAs	designated authorities
EE	executing entities
ES	environmental and social
ESF	Environmental Social Framework of World Bank
ESIA	Environmental and Social Impact Assessments
ESMP	Environmental and Social Management Plan
ESMS	environmental and social management system
ESP	Environmental and Social Policy of Adaptation Fund
ESS	environmental and social safeguards
FIP	Forest Investment Program
FMO	Netherlands Development Finance Company
FPIC	free, prior and informed consent
GCF	Green Climate Fund
GEF	Global Environment Facility

GP	Gender Policy of Adaptation Fund
HR	human rights
IADB	Inter-American Development Bank
ICCPR	International Covenant on Civil and Political Rights
ICERD	International Convention on the Elimination of All Forms of Racial Discrimination
ICESCR	International Covenant on Economic, Social and Cultural Rights
IE	implementing entities
IFC	International Financial Corporation
IFIs	international financial institutions
ILO	International Labour Organization
IP	indigenous peoples
IPCC	Intergovernmental Panel on Climate Change
IPP	Indigenous Peoples Policy
IRM	Independent Redress Mechanism of Green Climate Fund
LDCF	Least Developed Countries Fund
MDBs	Multilateral Development Banks
MEA	Multilateral Environmental Agreements
MOU	memorandum of understanding
MTR	mid-term reviews
NAP	national adaptation plan
NDA	national designated authorities
NDC	nationally determined contributions
NIEs	national implementing entities
OP	operational policies
PIF	project identification form
PIR	project implementation reports
PPCR	Pilot Program for Climate Resilience
PS	performance standard
RAP	Resettlement Action Plan
REDD-plus	Reducing Emissions from Deforestation and forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
SBI	Subsidiary Body for Implementation
SCCF	Special Climate Change Fund
SCF	Standing Committee on Finance
SMT	Senior Management Team
SNSC	Safeguards and Compliance Department
SREP	Scaling-Up Renewable Energy in Low Income Countries Program
TE	terminal evaluation
TOR	terms of reference

UN	United Nations
UNDP	United Nations Development Programme
UNDRIP	United Nations Declaration on Indigenous Peoples Rights
UNFCCC	United Nations Framework Convention on Climate Change

A. BACKGROUND AND OBJECTIVES

1. BACKGROUND

a. The Financial Mechanism of the United Nations Convention on Climate Change and Paris Agreement

The United Nations Convention on Climate Change (UNFCCC), under its Article 11, states that the operation of the Financial Mechanism is entrusted to one or more existing international entities.

The Global Environment Facility (GEF) has served as an operating entity of the Financial Mechanism since the Convention's entry into force in 1994. At the Conference of the Parties (COP) 16, in 2010, parties established the Green Climate Fund (GCF) and in 2011 also designated it as an operating entity of the Financial Mechanism. The Financial Mechanism is accountable to the COP, which decides on its policies, programme priorities and eligibility criteria for funding.

In addition, the parties have established two special funds – the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), both managed by the GEF – and the Adaptation Fund (AF) established under the Kyoto Protocol in 2001.

These “climate funds”¹ operate according to standards and systems designed to ensure that they adhere to rules set for them by their respective boards and UNFCCC decisions (if applicable). As operating entities of the Financial Mechanism of the Convention, the GEF and GCF must report annually to the COP and receive guidance on their policies, programme priorities and eligibility criteria (UNFCCC 1992, Article 11). The LDCF and SCCF also operate under the guidance of the COP (UNFCCC 2001, decision 7/ CP.7). The AF operates under the guidance of the CMP (UNFCCC 2001, decision 10/CP.7).

At the Paris Climate Change Conference in 2015, the parties agreed that the operating entities of the Financial Mechanism – GCF and GEF – as well as the SCCF and the LDCF shall serve the Paris Agreement.

One of the three overall aims of the Paris Agreement is “making finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development” (UNFCCC 2015a, Article 2.1c). To support this transformation, these climate funds as operating entities of the Financial Mechanism of the UNFCCC have an explicit mandate to focus on climate change, and play a role in helping to ensure that the global costs of climate change mitigation and adaptation are met.

The climate funds have a key role in stimulating the necessary shifts in investments by other public and private finance institutions. The Paris Agreement also established the objective of making finance flows “consistent with a pathway towards low greenhouse gas emissions and climate-resilient development” (UNFCCC 2015a, Article 2.1c). This objective sends a strong signal to all financial institutions and investors – public and private – to align their investments with the Paris Agreement's goals. It will require a rapid shift in investments away from fossil fuels and other high-emission activities and toward clean energy, green infrastructure and climate resilience.

In addition to seeking complementarity between the operating entities, paragraph 2(a) of decision 11/CP.1 states that consistency should be sought and maintained between the policies, programme

¹ The term “climate funds” as used in this report refers to the international entities that operate according to standards and systems designed to ensure that they adhere to rules set for them by their respective boards and UNFCCC decisions.

priorities and eligibility criteria for activities established by the COP, and the climate change activities beyond the framework of the Financial Mechanism.

The relationship of the climate funds to the UNFCCC is illustrated in Figure A-1.

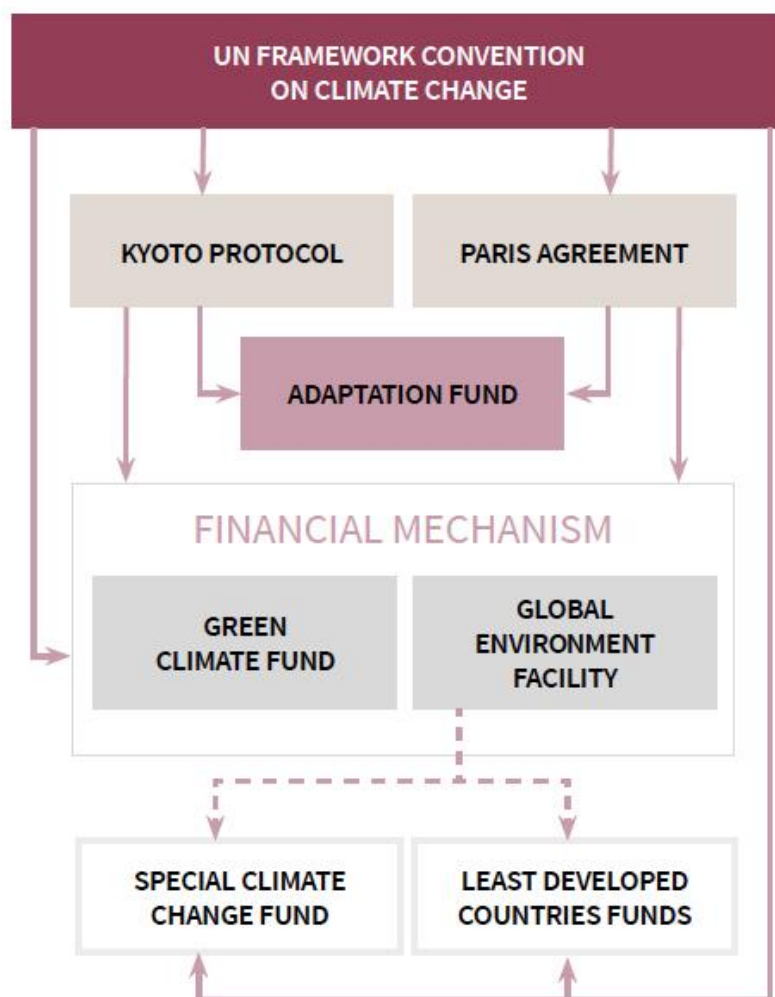


Figure A - 1. Relationship of the climate funds to the UNFCCC

b. The UNFCCC and Paris Agreement's specific principles and provisions on environmental and social safeguards

There is no universally agreed-upon definition of “safeguards”. However, safeguards have been traditionally used by financial institutions such as the World Bank as measures to prevent and mitigate undue harm from investment or development activities (McDermont, 2012). In this case, safeguards are most commonly associated with a “risk-based approach”, which involves prioritising risks according to a logic of economically efficient “risk management” (McDermont, 2012). In contrast, the wording of the UNFCCC and Paris Agreement principles and provisions focuses on the obligations created by international instruments, many of which grant substantive rights (including the rights of indigenous peoples and local communities), rather than focusing on financial conditionalities.

It is widely understood that climate change mitigation and adaptation actions, if ill-designed, entail the potential to cause harm to people or the environment. For example, low-greenhouse gas (GHG)

energy technologies, including wind and concentrating solar power, may require land use changes that impact on local communities. With regard to mitigation measures, agro-fuel production is one example of how mitigation measures may have adverse secondary effects on human rights – especially the right to food – and could encroach on the rights of indigenous peoples to their traditional lands and culture (International Council on Human Rights Policy, 2008). Consequently, the UNFCCC commits States parties to minimise adverse economic, social and environmental impacts that may result from the implementation of measures taken to mitigate or adapt to climate change impacts (“response measures”).²

Similarly, Paragraph 7 of the Paris Agreement restates the above, noting that measures to combat climate change, through these so-called response measures, may have impacts on parties, and it thereby calls for attention to be paid to these when implementing the Agreement.³

Considering the above, the Paris Agreement adopted several principles and provisions on environmental and social safeguards (ESS) in its preambular text, which need to be considered by the GCF and other climate funds. These are categorised as follows:

i. Impacts on climate change and measures; interlinkages with sustainable development; eradication of poverty; food security; just transition of the workforce; and sustainable lifestyles (paragraphs 8-10 and 16)

Preambular paragraphs 8–10 contain particular forms of expressing the various interlinkages between climate change and sustainable development.

Paragraph 8 regarding equitable access to sustainable development and eradication of poverty, emphasises the intricacy of the relation between climate change actions and impacts on the one hand, and “equitable access to sustainable development and the eradication of poverty” on the other. The specific concept of equitable access to sustainable development is quite unique to the United Nations (UN) climate change context.⁴ The broader concept of sustainable development provides, together with the goal of poverty eradication, the context for action in many of the operational provisions of the Agreement, such as articles 2.1, 4.1 and 6.8.⁵

Paragraph 9 points to the intrinsically related challenges of avoiding adverse effects on the agricultural sectors that some climate change mitigation measures may have, and of accelerating both mitigation and adaptation so as to avert detrimental climate change impacts on food security.

Paragraphs 10 and 16 focus on the need of “ensuring a just transition of the workforce and the creation of decent work and quality jobs”. It confirms the recognition of parties that the transition toward low-emission, climate resilient development will involve a radical departure from the economic model of today, and entail implications and potential conflict with international and national legal labour provisions (Sean, 2010).

ii. Climate change and human rights (paragraph 11)

Paragraph 11 sets out that States parties “should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and

² UNFCCC, Article 4, para. 8

³ Paris Agreement, Article 4.15. UNFCCC, articles 4.8 and 4.10.

⁴ This appears as part of the “shared vision” in the three main decisions under the Bali Action Plan. See decision 1/CP.16 para. 6, decision 2/CP.17 paras. 2 and 4, and decision 2/CP.18 paras. 2 and 3.

⁵ All referring to the “context of sustainable development and the eradication of poverty”.

people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity”.⁶

The paragraph makes explicit reference to specific human rights: the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations, as well as to the right to development. In the last phrase of the preambular text it considers obligations with regard to gender equality, empowerment of women and intergenerational equity.

While other Multilateral Environmental Agreements (MEA) preambles have clauses to ensure mutual supportiveness of different regimes,⁷ the Paris Agreement goes beyond such mutual supportiveness towards a true incorporation of human rights into the Paris Agreement. Paragraph 11 aims not only to prevent problems regarding impairment of human rights through mitigation or adaptation projects, such as some that have arisen in the past (Morten 2013), but moreover to mainstream such human rights considerations when designing and implementing climate actions.

iii. Conservation, ecosystem integrity and the protection of biodiversity (paragraphs 12–13)

These two preambular paragraphs take up the issues of sustainable development with a focus on environmental conservation. Paragraph 12 reaffirms the importance of conserving and enhancing sinks and reservoirs, which is linked to the operative provisions of the Agreement (Article 5).

Paragraph 13 integrates the terms “Mother Earth”, “climate justice” and “integrity of all ecosystems”, as well as the specific mentioning of oceans and the protection of biodiversity. This responds to long-standing concerns that biodiversity and ecosystem integrity risks are not sufficiently considered by parties when taking climate action.

iv. Procedural duties, including access to information and participation (paragraph 14)

Paragraph 14 affirms the importance of education, training, public awareness, public participation and public access to information when taking action to address climate change. This is implemented by paragraphs 71 to 83 of decision 1/CP.21. In particular, public access to information and public participation and access to justice are well established procedural obligations under international environmental law.⁸

c. The objectives and guiding principles of the climate funds

As noted above, the Paris Agreement adopted several principles and provisions on ESS in its preambular paragraphs, that need to be considered by the GCF and other climate funds when channelling funding to support parties achieving global objectives under the Paris Agreement. Below we present the specific provisions of each of these climate funds that require them to be guided by the principles and provisions of the UNFCCC and the Paris Agreement.

i. The Green Climate Fund

According to its Governing Instrument, the GCF will contribute to the achievement of the ultimate objective of the UNFCCC. In the context of sustainable development, the GCF will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing

⁶ Preamble, Paris Agreement.

⁷ For example, see Cartagena Protocol on Biosafety to the Convention on Biological Diversity preambular clauses 9–11.

⁸ See Rio Declaration principle 10.

support to developing countries to limit or reduce their GHG emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.

The GCF will be guided by the principles and provisions of the Convention and will strive to maximise the impact of its funding for adaptation and mitigation, and to seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.

ii. The Adaptation Fund

The COP, at its seventh session, agreed to the establishment of the AF.

Through decisions [13/CMA.1](#) and [1/CMP.14](#), it was decided that the AF shall serve the Paris Agreement under the “Conference of the Parties serving as the meeting of the Parties to the Paris Agreement” (CMA), with respect to all Paris Agreement matters, effective from 1 January 2019.

iii. The GEF

The relationship between the COP to the UNFCCC and the GEF Council was agreed in a memorandum of understanding (MOU) contained in [decision 12/CP.2](#) and [decision 12/CP.3](#). As outlined in the MOU and pursuant to Article 11.1 of the Convention, the COP provides regular guidance to the GEF, as an entity entrusted with the Financial Mechanism of the Convention, on policies, programme priorities and eligibility criteria for funding. The Paris Agreement and the related decision 1/CP.21 affirmed the role and contributions of the GEF to address climate change as part of the Financial Mechanism of the Convention.

National Adaptation Plans

In 2016, the Kazakh Government began the process of developing a National Adaptation Plan (NAP) to provide sector-specific guidance for the greater integration of climate change adaptation into policies and programmes. This plan is projected to address previously outlined critiques of Kazakh policy, and to involve stakeholders including government institutions, financial and technical partners, local civil society, academia, the private sector, and international and national non-governmental organisations (NGOs), while taking into account women and vulnerable groups.

2. OBJECTIVE, SCOPE AND STRUCTURE OF THE REPORT

The Governing Instrument of the GCF requires the adoption of “best practice environmental and social safeguards”.⁹ We note “best practice” does not equate to the “latest”, “newest” or “most prominently used” ESS policies and practices.

To ensure GCF funds are used in accordance with global principles, standards and practices for social and environmental protection, it is important that GCF funding reflects international best practice in these areas and that it be aligned with the principles and provisions set out by the UNFCCC and the Paris Agreement. Such standards and practices are embodied in international environmental and human rights agreements, and in the lessons of other climate funds and the UNFCCC itself.

The main purpose of the benchmarking exercise is to evaluate the degree to which the GCF ESS standards and its environmental and social management system (ESMS, currently under development) are aligned with international best practice in these areas, and with the principles and

⁹ GCF Governing Instrument, para. 65.

provisions set out by the UNFCCC and Paris Agreement. We consider the track record with regard to ESS implementation,¹⁰ and not just what is stated in the ESS policies.

Additionally, our objective is to offer insights into the challenges and opportunities identified by these climate funds that are useful to the GCF in the adoption of its own ESS.¹¹

We restate that this benchmarking exercise focuses on the climate funds that serve as operating entities of the Financial Mechanism of the UNFCCC. This is imperative given that, in contrast to MDBs and other international development finance institutions, the GCF serves the Paris Agreement as an operating entity of its Financial Mechanism, and therefore must be guided by the principles and provisions of the Convention that are not applicable to traditional development finance.

As noted in the background section, five funds are explicitly part of the institutional framework of the UNFCCC and the main focus of this benchmarking exercise: the GEF, the GCF, the LDCF, the SCCF and the AF.

However, noting that these climate funds are not the only sources of finance for climate change mitigation and adaptation, and that lessons can also be drawn from traditional development finance, this report also examines and outlines the emerging lessons of multilateral development banks (MDBs), including the World Bank, Climate Investment Funds (CIFs), African Development Bank, Asian Development Bank, Inter-American Development Bank, United Nations Development Programme (UNDP), and Netherlands Development Finance Company (FMO) **that are relevant to the mandate and current business model of the GCF**. Note that the CIFs operate outside of UNFCCC governance, are not accountable to the UNFCCC and as such do not report to the COP or receive its guidance. This is why they are only examined with regard to their emerging lessons relevant to the GCF.

To achieve the above-stated objective, the report is structured as follows:

- Section I: examines the climate funds' safeguard standards and policies, monitoring and reporting systems, and accountability and mechanisms for avoiding conflicts of interest;
- Section II: examines the similarities and differences between the climate funds. This section offers an analysis of the extent of coverage of their safeguards in relation to international best practices, and alignment with the Paris Agreement principles and provisions; and
- Section III: identifies the emerging lessons relevant to the GCF mandate and business model from traditional development funding, including CIFs, MDBs, UNDP and FMO.

3. METHODOLOGY

a. Link to the evaluation matrix

The benchmarking exercise focuses on the coherence evaluation criteria of the evaluation matrix, and will specifically address key evaluation question 1:

¹⁰ Examining relevant reports from independent evaluation units or independent accountability mechanisms or existing institutions, as areas of non-compliance in those investigations, may provide insights on where policies could be improved. For example, an extensive audit conducted by the International Finance Corporation (IFC) Compliance Advisor Ombudsman (CAO) of IFC Investments in Financial Intermediaries (FI), and its ability to ensure that its own performance standards are complied with in intermediated IFC investments. The CAO FI audit is available at <http://www.cao-ombudsman.org/newsroom/documents/FIAUDIT.htm>

¹¹ GCF/B.07/11, section IV.

“To what degree do the GCF’s ESP, ESMS and standards operate together to achieve their objectives, and are they aligned with relevant international best safeguard standards and practices?”

Relevant sub-questions considered include:

- To what extent are the GCF’s interim ESP/standards coherent with global commitments and international law principles on human rights and environmental obligations, notably access to information, indigenous peoples, gender, and biodiversity?
- To what extent are the GCF’s ESP and standards coherent with ESPs and standards applied in the climate change landscape?
- How coherent are the GCF’s ESP and standards with other GCF policies and strategic goals and the GCF institutional structure?

b. Methodology

Our research comprises an extensive literature review of funds’ annual reports, performance reports, independent evaluations of safeguard systems of climate funds, UNFCCC reviews, and academic and civil society research. We supplemented this secondary research with in-person or telephone interviews with key stakeholders, conducted between June and August 2019.

Interviewees included the following stakeholders:

Representatives from developing country institutions responsible for receiving climate finance;

The GCF Secretariat;

Representatives of international entities that have been accredited as implementing entities to one or more of the climate funds; and

Representatives of civil society organisations that engage with the funds.

Table A-1 provides a set of interview questions.

Table A - 1. Interview questions

CATEGORY	QUESTIONS
Recipient countries	<ul style="list-style-type: none"> • How easy is it to access funding from multilateral climate funds? What are the most important challenges/key issues you have faced when seeking access to funding? • Has your country made use of direct access modalities? What was your experience? If not, is this something you are considering?
Fund secretariat	<ul style="list-style-type: none"> • How do you see your fund’s role in the broad climate finance architecture? • Has your institution’s approach to ESS arrangements changed over time, or has it stayed constant? If it has changed, what were the main drivers or considerations? • What would you say are the emerging issues with regard to ESS? • What would you say are the main implementation challenges/key issues with regard to ESS? For example, monitoring and grievances? • Questions on ESS staffing <ul style="list-style-type: none"> – Could you explain how ES staff are positioned within your institution? For example, are they situated in a central “environmental and social safeguards department”, and/or are they embedded within operations departments?

CATEGORY	QUESTIONS
	<ul style="list-style-type: none"> – Who do your ES staff report to? – Could you provide us with an ES staff organisation chart and an indication of numbers for ES staff across your institution? – Do you employ dedicated ES staff, and/or are these functions carried out by other staff (such as Task Team Leaders/bankers/engineers, etc.)? – Do you hire consultants? If so, what are the different roles that they play in supporting ESS work? – Are your ES staff predominantly based in headquarters, or are they out-posted to countries/regions? • Questions on ESS operations <ul style="list-style-type: none"> – To what extent do safeguards staff handle both environmental and social safeguard issues? – What is the scope of ESS evaluation during accreditation? – What is the scope of your ESS due diligence process? – What role do ES staff play in project decision-making? At what point in the project cycle do they become involved? – Who is responsible for reporting on safeguards compliance to management? – What percentage of time would an ES staff member spend on post-approval project monitoring, as against project preparation? What linkages do ESS operations have with the independent redress mechanism?
Civil society and private sector	<ul style="list-style-type: none"> • How responsive are the different multilateral climate funds to civil society/private sector input?

B. CLIMATE FUNDS' SAFEGUARDS SYSTEMS AND THEIR SOCIAL AND ENVIRONMENTAL STANDARDS AND POLICIES

This section examines the climate funds' overall safeguards systems, including their:

- Social and environmental safeguards and policies; and how these are operationalised at the fund level at two key stages: during the process of accrediting implementing entities, and during the process of project and programme review;
- Monitoring and reporting systems; and
- Mechanisms for dealing with conflicts and grievances.

Table A-2 illustrates the standards and policies of each climate fund, along with monitoring systems and grievance mechanisms.

We start by examining the legal mandate and policy commitment of these climate funds to offer context and background for this section.

When the UNFCCC was adopted in 1992 it designated the GEF, which had been established the year before, as the first operating entity of its Financial Mechanism (UNFCCC 1992, Article 11). In 2001, at the seventh session of the Conference of the Parties to the UNFCCC (COP 7), the LDCF and the SCCF were created specifically to serve the Convention (UNFCCC 2001, decision 7/CP.7).

These two funds are operated by the GEF. The AF was established in the same year under the Kyoto Protocol (UNFCCC 2001, decision 10/ CP.7), but did not become operational until 2009.

In 2008, developed countries and the MDBs established the CIFs as an interim means of ramping up public financial flows for climate action (World Bank, 2005). The CIFs comprise two trust funds – the Clean Technology Fund and the Strategic Climate Fund – the latter of which has three programmes: the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP) and the Scaling-Up Renewable Energy in Low Income Countries Program (SREP). Several developing-country and civil society stakeholders raised concerns about the CIFs operating outside of UNFCCC governance, and thus potentially not reflecting multilaterally agreed priorities on climate change (Bretton Woods Project 2008; Müller and Winkler 2008). The CIFs sought to address this at their foundation by writing a “sunset clause” into their governance frameworks so as “not to prejudice the on-going UNFCCC deliberations regarding the future of the climate change regime, including its financial architecture”. To this end, they include an undertaking to “take necessary steps to conclude [their] operations once a new financial architecture is effective” (CIFs 2011 and 2014).

Most recently, in 2010, the GCF was established as the second operating entity of the UNFCCC Financial Mechanism, alongside the GEF (GCF 2011). The 2015 Paris Agreement took steps to clarify and expand the mandates of the multilateral climate funds. The existing Financial Mechanism of the UNFCCC (comprising the GEF and GCF) will serve as the Financial Mechanism of the new agreement (UNFCCC 2015a, Article 9.8). The LDCF and SCCF will also serve the agreement (UNFCCC 2015b, decision 1/CP.21 paragraph 58). Countries also decided that the AF, created under the Kyoto Protocol, should serve the Paris Agreement, subject to addressing questions about its governance and institutional arrangements, safeguards and operating modalities (UNFCCC 2016, decision 1/CMA.1). Further, the GEF has a discrete mandate to support capacity building for transparency under the Paris Agreement (UNFCCC 2015b, decision 1/CP.21 paragraph 86). However, questions remain over which funds should perform which roles, and how they should “enhance the coordination and delivery of resources” as urged by the COP (UNFCCC 2015b, decision 1/CP.21 paragraph 64).

To achieve the Paris Agreement’s climate goals, a systemic transformation to low-emission and climate-resilient economies is needed. Climate funds are expected to think strategically about how their direct project support and mobilisation efforts support systemic change. Both the CIFs and GCF were designed with this in mind; their governing documents include an aim to support “transformation” and “paradigm shift,” respectively (CIFs 2014a; GCF 2011).

Table A - 2. Safeguard standards and policies, monitoring systems and grievance mechanisms used by each fund

FUND	SAFEGUARD STANDARDS AND POLICIES	MONITORING SYSTEMS	GRIEVANCE MECHANISMS
Global Environment Facility (and Least Developed Countries Fund/ Special Climate Change Fund)	<ul style="list-style-type: none"> Environmental and Social Policy¹² Nine environmental and social safeguard standards (1. Environmental and Social Assessment, Management and Monitoring; 2. Accountability, Grievance and Conflict Resolution; 3. Biodiversity Conservation and the Sustainable Management of Living Natural Resources; 4. Restrictions on Land Use and Involuntary Resettlement; 5. Indigenous Peoples; 6. Cultural Heritage; 7. Resource Efficiency and Pollution Prevention; 8. Labour and Working Conditions; and 9. Community Health, Safety and Security) Policy on Gender Equality Policy on Stakeholder Engagement Principles and Guidelines for Engagement of Indigenous Peoples (separate from the environmental and social policy) Guidelines for assessing GEF agencies' compliance with GEF policies on ESS, gender equality, and stakeholder engagement 	<ul style="list-style-type: none"> Policy on Monitoring Agencies' Compliance with GEF safeguards, fiduciary standards, and gender policies. Periodical self-assessment and reporting by agencies combined with a risk-based review by the Secretariat, although it does not, however, address the need for project-level monitoring and reporting. At the portfolio level, the GEF does not systematically track potential environmental and social. 	Conflict Resolution Commissioner within the secretariat, works with complainants, partner entity, and recipient country to resolve concerns.
Adaptation Fund	<ul style="list-style-type: none"> Environmental and Social Policy 15 Environmental and Social Principles Gender Policy and Action Plan 	<ul style="list-style-type: none"> The AF has three results frameworks. The Strategic Results Framework, the Effectiveness and Efficiency Results 	Secretariat can receive complaints. The AF has an Ad-hoc Complaint Handling Mechanism (ACHM).

¹² The GEF has recently updated the Minimum Standards on Environmental and Social Safeguards and the social and environmental policy in line with good international practice. New areas addressed in the policy include, inter alia, labour and working conditions; community health, safety, and security; climate and disaster risks; disability inclusion; disadvantaged or vulnerable individuals or groups; and adverse gender-related impacts, including gender-based violence and sexual exploitation and abuse. The policy also strengthens protections for indigenous peoples.

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FUND	SAFEGUARD STANDARDS AND POLICIES	MONITORING SYSTEMS	GRIEVANCE MECHANISMS
	<ul style="list-style-type: none"> Guidance document for Implementing Entities on compliance with the Adaptation Fund Gender Policy Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy 	<p>Framework, and the Results Framework (or log frame), which is developed by each project or programme. Progress on the Results Framework is monitored through the Adaptation Fund Results Tracker.¹³</p> <ul style="list-style-type: none"> Annual project performance reports from AEs, which must flag critical risks (those with a 50 per cent or greater chance of impeding progress), describe risk mitigation measures adopted during the reporting period, and their effectiveness.¹⁴ These reports are publicly disclosed and made available for effective and timely public consultation with directly affected communities. Guidelines for ongoing reporting on safeguard-related issues during project implementation Midterm and terminal evaluation reports¹⁵ Guidelines for undertaking terminal evaluations Detailed templates for annual reporting by AEs, which track identified risks and steps to mitigate them 	

¹³ Adaptation Fund, Results Tracking, 2013, See http://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.EFC_13.4%20Results%20Tracking.pdf

¹⁴ Adaptation Fund, “Project Performance Report Template”. Available at <https://www.adaptation-fund.org/projects-programmes/projectperformance>.

¹⁵ Adaptation Fund, Environmental and Social Policy, para. 32

FUND	SAFEGUARD STANDARDS AND POLICIES	MONITORING SYSTEMS	GRIEVANCE MECHANISMS
Green Climate Fund	<ul style="list-style-type: none"> Environmental and social policy, which lays out 18 guiding principles for how the GCF will implement the ESMS Interim safeguards (applies the International Finance Corporation's Performance Standards) – see Box III-1 Gender policy and action plan Indigenous Peoples policy <p>The evaluation team recognizes that the GCF has a “Sustainability Guidance Note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects,”¹⁶ but no related policy.</p>	<ul style="list-style-type: none"> The GCF has a monitoring and accountability framework designed to ensure AEs comply with their accreditation standards over time as well as ensure the effective implementation of each GCF-funded project and programme. Accreditation: Annual self-reporting on systems compliance with standards and safeguards. During the project/programme implementation period, reporting requirements to the GCF mainly include the following: annual performance reports, an interim evaluation report, and a final evaluation report for each funded activity. 	<p>Independent redress mechanism (IRM) consists of two units. One deals with concerns over rejected proposals and the other with community grievances relating to funded projects. Handling rejected proposals is a new mandate for a redress mechanism.</p>

¹⁶Green Climate Fund, “Sustainability Guidance Note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects”. Available at <https://www.greenclimate.fund/documents/meaningful-stakeholder-engagement>.

1. THE GLOBAL ENVIRONMENT FACILITY (AND LEAST DEVELOPED COUNTRIES FUND/SPECIAL CLIMATE CHANGE FUND)

a. Background

The GEF was established to support “the protection of the global environment and promote thereby environmentally sound and sustainable economic development”. The instrument also provides for “consultation with, and participation as appropriate of, major groups and local communities throughout the project cycle”.¹⁷

In accordance with the purpose of the GEF and the relevant provisions of the instrument, in November 2011, the 41st GEF Council adopted its Agency Minimum Standards on Environmental and Social Safeguards (GEF Safeguards), to ensure a minimum level of consistency across the GEF partnership in addressing environmental and social risks associated with GEF-supported operations.¹⁸

As a result of the 2017 evaluation of the GEF safeguards system (GEF 2018a), the GEF Council approved a new Environmental and Social Policy in 2018. This included a new set of Minimum Standards. In addition to this new Environmental and Social Policy, the approach of the GEF to identifying and addressing relevant Environmental and Social Risks and Impacts is supported by the Policy on Stakeholder Engagement,¹⁹ the Policy on Gender Equality,²⁰ and the Principles and Guidelines for Engagement with Indigenous Peoples.²¹

Note the operational policies, procedures and governance structure of the GEF are applied to LDCF and SCCF, unless COP guidance and the Council decide otherwise.

b. Policy on Environmental and Social Safeguards

Objectives

The purpose of the GEF Policy on Environmental and Social Safeguards is to support environmentally sustainable development by ensuring that the GEF and its Partner Agencies undertake sufficient efforts to avoid, minimise, mitigate, and where appropriate, offset any adverse impacts to people and the environment from GEF-financed operations.

This purpose is accomplished in two ways:

Setting out the key principles of ‘do not finance’ conditions for GEF resources

The GEF shall not finance activities that degrade or convert critical natural habitats, construct or rehabilitate large or complex dams, introduce invasive alien species, cover the costs of physical relocation or the displacement of people, nor use any substances listed under the Stockholm Convention on Persistent Organic Pollutants.

Setting out nine minimum environmental and social safeguard standards that all GEF partner agencies shall be expected to meet in order to implement GEF-financed projects

¹⁷ Instrument for the Establishment of the Restructured Global Environment Facility. Available at <http://www.thegef.org/sites/default/files/documents/GEF_Instrument-Interior-March23.2015.pdf>

¹⁸ Council Document GEF/C.41/10/Rev.1.

¹⁹ SD/PL/01. Available at <https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.05.Rev_01_Stakeholder_Policy_4.pdf>

²⁰ SD/PL/02. Available at <http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf>

²¹ Available at <https://www.thegef.org/sites/default/files/publications/GEF_IP_Part_1_Guidelines_r7.pdf>

The Minimum Standards seek to ensure that GEF-financed operations avoid and, where avoidance is not possible, minimise and mitigate adverse environmental and social impacts associated with GEF-financed operations.

Application

This policy applies to the GEF agencies, GEF project agency applicants, the GEF secretariat and to all new GEF-financed projects and programmes submitted on or after the date of effectiveness of 1 July 2019. For GEF-financed projects and programmes under implementation, the policy applies to all mid-term reviews and terminal evaluations submitted up to one year after the date of effectiveness.

Scope

The Policy on Environmental and Social Safeguards sets out the following nine Minimum Standards for agency policies, procedures, systems and capabilities related to identifying and addressing environmental and social risks and impacts in projects and programmes:

1. Environmental and Social Assessment, Management and Monitoring;
2. Accountability, Grievance and Conflict Resolution;
3. Biodiversity Conservation and the Sustainable Management of Living Natural Resources;
4. Restrictions on Land Use and Involuntary Resettlement;
5. Indigenous Peoples;
6. Cultural Heritage;
7. Resource Efficiency and Pollution Prevention;
8. Labour and Working Conditions; and
9. Community Health, Safety and Security.

See Table A-3 for a brief overview of their scope.

Table A - 3. Summary of key provisions of the GEF Minimum Standards

STANDARDS	SUMMARY OF KEY PROVISIONS
1. Environmental and social assessment, management and monitoring	<ul style="list-style-type: none"> • Screen project to identify environmental and social risks and potential impacts and to determine appropriate type of Environmental and Social Impact Assessment (ESIA). • Projects are classified based on the level of risk, considering whether impacts were: direct, indirect, cumulative and transboundary (and considering the risks and impacts of associated facilities); if they are physical, biological, socio-economic, other social (social organisation, health and human safety), and cultural. • Apply mitigation hierarchy and consider environmental and social risks and impacts in project design and implementation to prevent, minimise, mitigate and manage these impacts, and to provide compensation when that is not possible. • Assess potential risks and impacts based on recent environmental and social baseline data at an appropriate level of detail, recognising periodicity and considering variabilities over time. • Management plans to address the findings of environmental and social assessment should be properly budgeted and developed following the mitigation hierarchy. Plans should be monitored throughout the process and adaptive management should ensure that arising problems are properly addressed. Involve stakeholders to ensure that their views and concerns are taken into account. Have third-party monitors and assess Environmental Systems Research Institute mitigation objectives. Audits are conducted where appropriate. • All the above steps are documented, and relevant documents are disclosed to provide stakeholders with timely, relevant and understandable information, to allow for stakeholder participation in Meaningful Consultations throughout the lifecycle of the project. • The screening assessment and planning takes climate change risks into consideration and addresses potential impacts. • Vulnerable and disadvantaged groups affected by the project are identified as early as possible and differentiated mitigation measures are incorporated as appropriate. Ensure that these groups are not discriminated against. Their needs are addressed in the environmental and social management plan (ESMP) or equivalent. • The needs and risks for persons with disability are addressed during the screening to ensure non-discrimination and to provide opportunities for participation • Gender-based risks are identified and reflected in safeguard instruments, differentiated where relevant. Consideration should be given to gender equality (to avoid discrimination on these basis), gender-based violence and sexual exploitation and abuse (to establish reporting and response protocols and redress services for survivors).
2. Accountability, grievance and conflict resolution	<ul style="list-style-type: none"> • Put in place an accountability system to identify breaches of policies and procedures. This system must be independent, accessible, transparent in providing information on progress. It also must maintain records of all cases and take measures to minimise risk of retaliation to complainants.

STANDARDS	SUMMARY OF KEY PROVISIONS
	<ul style="list-style-type: none"> • Have a grievance and conflict resolution system to receive and address complaints, that includes contact information made available on the agency's website, and which works with complainants to resolve the complaints and disputes. It must be neutral and independent, keep complainants abreast of progress and minimise the risk of retaliation against complainants. The system includes a locally-available, culturally appropriate and confidential option readily accessible at the programme level.
3. Biodiversity conservation and the sustainable management of living natural resources	<ul style="list-style-type: none"> • Programmes do not involve impacts on critical habitats, except when such impacts are on a limited scale and result from conservation actions that achieve a net gain of biodiversity levels. • Programmes should never constitute a breach of international environmental treaties. • Programmes should never involve the introduction or use of potentially invasive species. • Agencies have policies and procedures to ensure that potential adverse impacts on biodiversity and habitats are identified and a precautionary approach is applied which considers the significance of such habitats as protected areas, their significance to local communities and the relevant threats to biodiversity, and current or projected effects of climate change and other hazards on such habitats. • Agencies must minimise, mitigate, manage or (last resort) offset impacts that cannot be prevented. Where modified habitats are affected, projects should proceed only after mitigation measures are put in place. Where natural habitats are affected, mitigation measures should be put in place to achieve no net loss (preferably a net gain) of biodiversity levels, and a long-term biodiversity action plan. Offsets should be used as a last resort and in specific instances. • Agencies must avoid procuring natural resource commodities that may contribute to the degradation of natural habitats. • Agencies must ensure project-supported production of natural resources is consistent with sustainable management practices and industry-specific standards. • Agencies must ensure that projects involving forest restoration maintain/enhance biodiversity and ecosystem functionality, are environmentally appropriate, socially beneficial and economically viable. • Agencies must ensure project-supported activities conform to frameworks of access and benefit sharing.
4. Restrictions on land use and involuntary resettlement	<ul style="list-style-type: none"> • Agencies must assess all viable alternatives to avoid economic displacement, physical displacement, restrictions on land use and involuntary resettlement. • Where such alternatives do not exist, agencies must minimise, manage and compensate adverse impacts from such displacement. Particular attention should be paid to disadvantaged or vulnerable individuals/groups. • Make good faith efforts to secure negotiated settlements. • Where involuntary resettlement occurs, agencies must develop a Resettlement Action Plan (RAP). This should include: a baseline assessment of socio-economic conditions, legal tenure, and rights of the affected people; a definition of people eligible for assistance that includes <i>both</i> people with formal and informal rights to land/assets; a budget; and sustainable resettlement activities.

STANDARDS	SUMMARY OF KEY PROVISIONS
	<ul style="list-style-type: none"> • Where economic and physical displacement occurs, affected persons should be consulted. They should be informed of their rights and the grievance resolution systems available; provided with resettlement alternatives; given the opportunity to participate in the RAP; and included in discussions when determining the compensation to be given to them. • Where physical displacement occurs, persons with formal title/claims to land must be given resettlement options that are equal to their existing claims. They should be given replacement housing and/or cash compensation, access to services, resources to maintain social cohesion, relocation assistance, and helped to improve their living standards to pre-displacement levels. • Where economic displacement occurs, persons with formal title/claims to land must be given prompt, adequate compensation for the loss of assets/access to assets. They should receive assistance to improve their living standards to pre-displacement levels, and support in this transition. • Where economic or physical displacement occurs, persons without formal legal rights to land should get resettlement assistance in lieu of compensation for land. This should improve, or at least restore, their livelihoods. In cases of physical resettlement, persons should be helped to obtain adequate housing with security of tenure, and compensation for assets other than land. • No forced eviction without providing persons legal and other forms of protection. • Timely provision of compensation, assistance and benefits to affected persons. This should be before project activities begin on the land.
5. Indigenous peoples	<ul style="list-style-type: none"> • Screen early to determine presence of indigenous peoples (IPs). • Receive the free, prior, informed consent of IPs when the project foresees impacts on land and resources subject to traditional occupation/ownership; relocation of IPs from land subject to traditional occupation/ownership; impacts on IPs' cultural heritage or their commercial use. • Assess potential impacts and risks on IPs and identify measures to avoid, minimise, and/or mitigate whilst soliciting IPs' full and effective participation in their identification. • When adverse impacts are unavoidable, minimisation, mitigation and compensation for the risks should be culturally appropriate and proportionate to the IPs' vulnerability and the impact scale. • Provide platforms for meaningful consultations with affected IPs to ensure their involvement in the development, implementation and monitoring of the mitigation and compensation plans, ESMPs, and equivalent programmes. • The participatory process should be gender/intergenerationally inclusive and should provide enough time for their decision-making process. • Establish culturally appropriate grievance and conflict resolution systems that are available in local languages and accessible for IPs, which consider the existence of customary dispute resolution processes. • Support the legal recognition of customary or traditional land tenure and management systems and collective rights, where projects involve acquisition of lands.

STANDARDS	SUMMARY OF KEY PROVISIONS
	<ul style="list-style-type: none"> • When land, natural resources or cultural heritage central to IPs is commercially developed, IPs are informed of their rights, nature of use and potential impacts. • Enable IPs to share equitably the benefits from commercial development. When entitled to benefits, provide IPs with meaningful consultations and negotiation opportunities for benefit sharing. • If access restrictions to parks and protected areas are established, ensure affected IPs fully and effectively participate in all aspects of management plans. • If IPs in voluntary isolation are affected, take measures to protect their land, environment, health and culture and avoid all undesired contact.
6. Cultural heritage	<ul style="list-style-type: none"> • Screen early to discover relevant cultural heritages and ensure they are appropriately preserved throughout the project. • Consult qualified experts, locals and relevant stakeholders to assess the extent of potential damage and heritage significance and discuss the avoidance, minimisation and mitigation of risks and impacts; and to determine whether disclosure of information is appropriate. • Measures to minimise or mitigate potential damage should be developed through meaningful consultations. • Consult stakeholders to allow, when possible, access to cultural heritage, when this may be restricted by the project. • Where there is commercial use of cultural heritage, inform affected parties of their rights, the use, and potential impacts and facilitate arrangements for benefit sharing. • Chance finds should be reported to relevant authorities and protected from disturbance and managed through meaningful consultation of stakeholders.
7. Resource efficiency and pollution prevention	<ul style="list-style-type: none"> • Not to use GEF resources to promote the use of substances listed under the Stockholm Convention on Persistent Organic Pollutants or other international restrictions due to high toxicity to life, environmental persistence, bioaccumulation or ozone depletion. • Screen for environmental and social risks and impacts related to pollution and resource use, pesticides and hazardous materials, the generation of wastes, and emissions of climate pollutants. • When identified, avoid the release of pollutants where feasible, or minimise and control the intensity, concentration and mass flow of their release. Avoid or minimise project GHG emissions and black carbon. • Apply control measures and performance levels consistent with applicable laws and good international industry practice. • Avoid where feasible and otherwise minimise the generation of hazardous and non-hazardous waste. Reuse, recycle and recover in a safe manner, and treat and dispose in an environmentally sound way. • Treat hazardous waste in line with whatever is most stringent of national and international law or good international industry practice.

STANDARDS	SUMMARY OF KEY PROVISIONS
	<ul style="list-style-type: none"> • Avoid, where feasible, or minimise the use and release of hazardous materials. Control the use and release of such materials across the project. • Where there is pest management, if feasible, apply integrated pest management or integrated management of vectors and immediate hosts. • Ensure pesticides used do not contain active ingredients that are restricted under international treaties or meet the criteria of carcinogenicity, mutagenicity or reproductive toxicity set out by international agencies. • Use pesticides with adequate restrictions, skills, equipment and facilities to ensure safe use. • Avoid where feasible or minimise the use of pesticides which damage non-target species, the natural environment, or contribute to the development of resistance in pests and vectors. • Promote efficient energy and resource use. Avoid or reduce significant water use and its impacts.
8. Labour and working conditions	<ul style="list-style-type: none"> • Agencies agree not to promote the trade, or use, of any substance appearing under the Stockholm Convention on Persistent Organic Pollutants, or any other chemical or material subject to international bans, restrictions or phaseouts due to environmental harms. Agencies demonstrate they can ensure that projects will be checked for environmental and social risks. Where risks are identified, measures will be taken to: avoid or minimise the release of pollutants, greenhouse gases and hazardous waste; control performance in line with good international industry practice; and treat and dispose of hazardous materials and waste in line with the more strict requirements of applicable international law, or good international industry practice. • When projects involve pest management, integrated pest management is applied. • When pesticides are procured or used, these: do not contain banned, restricted or toxic ingredients; are used safely; and the environmental harms associated with their use are minimised. • Resources including energy and water are used efficiently, and significant adverse impacts on communities and the environment resulting from this use are minimised.
9. Community health, safety and security	<ul style="list-style-type: none"> • Agencies should not propose for or implement any project that involves the construction or rehabilitation of large or complex dams. • Where risks or potential impacts to the health, safety and security of communities are identified, agencies must carry out further assessments. These must consider: the potential exposure of communities to accidental and natural hazards or the potential injury caused by failure; the needs of disadvantaged or vulnerable groups or individuals; the risks present in a conflict or post-conflict context; any impacts on the community health and safety from project regulation or provision of ecosystem services; and the current or projected effects of climate change or other natural hazards. • Agencies must develop and monitor measures to prevent or avoid adverse impacts on community health, safety and security where feasible, or minimise or mitigate when avoidance or prevention are not feasible.

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STANDARDS	SUMMARY OF KEY PROVISIONS
	<ul style="list-style-type: none"> • When structural elements are in high-risk locations and their malfunction may threaten the safety of communities or projects, agencies must engage external experts, separate from those responsible for the design and construction, to conduct a review as early as possible and throughout the stages of the project design, construction, operation and decommissioning. • Where relevant, agencies must develop, implement and then monitor emergency preparedness plans in collaboration with stakeholders and relevant authorities. • Agencies must ensure that projects avoid or minimise the risk of community exposure to disease and other relevant health risks. • Security arrangements put in place to safeguard personnel or property must be proportional and consistent with applicable national laws and good industry practice.

Operationalisation

The policy is operationalised at the fund level during the process of accrediting IEs.

In order to meet each standard, GEF partner agencies will need to demonstrate that each has relevant policies and systems in place that can satisfy the minimum requirements that are listed under each standard. Moreover, the agency will also need to demonstrate that it has sufficient institutional capabilities to apply the standard to GEF-financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

If one of the existing GEF agencies does not meet a given standard, the GEF Council may agree for the agency to implement a time-bound action plan to come into compliance. During the implementation of the time-bound action plans, the GEF agency will continue to be eligible to put forward project proposals. If the agency fails to implement its time-bound action plan adequately, the Council may determine that the agency is ineligible for further GEF funding until it decides otherwise.

Once an agency has been found to meet all minimum standards, the agency and the secretariat carry out periodic reporting and monitoring of compliance using the modalities set out in the Policy on Monitoring Agencies' Compliance.

We note the GEF safeguards are not utilised as a project review standard, as is emphasised in the GEF safeguards guideline document: "The GEF Secretariat will not conduct a project-by-project review of the application of the minimum safeguard standards" (GEF 2015c).

c. Associated policies

i. Gender policy and guidance document

Objectives

The GEF Council approved a new GEF Policy on Gender Equality (GEF, 2017) in November 2017.

This policy sets out the guiding principles and mandatory requirements for mainstreaming gender across GEF governance and operations, with a view to promoting gender equality and the empowerment of women and girls in support of the GEF mandate to achieve global environmental benefits.

The GEF Policy on Gender Equality seeks to ensure equal opportunities for women and men to participate in, contribute to and benefit from GEF-financed activities. It further outlines the ambition of the GEF to shift from a gender-aware, "do no harm" approach to a gender-responsive, "do good" approach. The policy specifies gender-responsive actions, from design to implementation; and monitoring and evaluation to ensure that GEF programmes and projects are not only designed with a good understanding of relevant gender differences, roles and needs, but also that they actively pursue activities that contribute to equal access to and control over resources and decision-making while empowering women and girls.

Application

The policy applies to the Council, the fund and all GEF partner agencies, and to all GEF-financed activities.

The GEF Policy on Gender Equality outlines a set of mandatory requirements for mainstreaming gender throughout the GEF project cycle.

Scope

The guiding principles that form the basis for a gender responsive approach in GEF operations are:

1. Efforts to mainstream gender and promote gender equality and the empowerment of women are pursued in accordance with the decisions on gender under the Multilateral Environmental Agreements (MEAs) that the GEF serves, and in recognition of related international and national commitments to gender equality and human rights;
2. GEF-financed activities address and do not exacerbate existing gender-based inequalities;
3. Stakeholder engagement and analyses are conducted in an inclusive and gender responsive manner, so that the rights of women and men and the different knowledge, needs, roles and interests of women and men are recognised and addressed;
4. GEF-financed activities are conducted, designed and implemented in an inclusive manner so that women's participation and voice are, regardless of background, age, race, ethnicity or religion, reflected in decision-making, and that consultations with women's organisations, including indigenous women and local women's groups, are supported at all scales;
5. A gender-responsive approach is applied throughout the identification, design, implementation, monitoring and evaluation of GEF actions; and
6. Opportunities to address gender gaps and support the empowerment of women are seized in order to help achieve global environmental benefits.

Operationalisation

The policy is operationalised at the fund level during the process of accrediting IEs.

Agencies must demonstrate that they have in place the necessary policies, procedures and capabilities required to ensure that (paragraph 19): (a) Gender analyses, socio-economic assessments or the equivalent are applied to inform gender-responsive design, implementation, monitoring and evaluation, including budgeting and staffing, of agency activities; (b) Activities implemented by the agency do not exacerbate existing gender-related inequalities and, where relevant, they address

gender gaps; (c) Activities implemented by the agency strive to provide equal opportunities for women and men to benefit; (d) Women and men are provided equal opportunities in terms of participation and decision-making throughout the identification, design, implementation, monitoring and evaluation of activities implemented by the agency; (e) Collection of sex-disaggregated data and information on gender, and the use of gender-sensitive indicators, sex-disaggregated targets and results, as relevant, are regularly incorporated into the monitoring, evaluation and reporting of agency activities.

The fund is responsible for the assessment of agencies' compliance with the above requirements, for Council review and decision within 18 months of the date of effectiveness of this policy.

If an agency does not meet the requirements set out in paragraph 19, the agency, in consultation with the fund, develops a concrete, time-bound action plan to achieve compliance. The fund, on behalf of the agency, submits the action plan for review and approval by the Council. Unless the Council decides otherwise, the agency may continue to seek GEF financing while it implements the time-bound action plan.

Once an agency has been found to meet the requirements set out in paragraph 19, the agency and the fund carry out periodic reporting and monitoring of compliance using the modalities set out in the Policy on Monitoring Agencies' Compliance.

In the project identification stage, agencies must provide indicative information on gender considerations relevant to the proposed activity, and any measures to address these, including the process for collecting sex-disaggregated data and information on gender.

At or prior to CEO endorsement/approval, agencies must provide: (a) gender analysis or equivalent socio-economic assessment that identifies and describes any gender differences, gender differentiated impacts and risks, and opportunities to address gender gaps and promote the empowerment of women that may be relevant to the proposed activity; (b) any corresponding gender-responsive measures to address differences, identified impacts and risks, and opportunities through a gender action plan or equivalent; and (c) if gender-responsive measures have been identified, the results framework or logical framework must include actions, gender-sensitive indicators and sex-disaggregated targets.

The fund is responsible for assessing whether the documentation reflects the principles set out in the policy.

Additionally, the GEF requires GEF agencies to report on gender-responsive measures, as documented at the CEO endorsement/approval stage, and to provide information on progress and results, sex-disaggregated and gender-sensitive indicators in their annual project implementation reports (PIR), mid-term reviews (MTR) and terminal evaluations (TE).

ii. Policy on Stakeholder Engagement

Objectives

The objective of the GEF Policy on Stakeholder Engagement is to promote the inclusive and meaningful participation of stakeholders in the fund's governance and operations, in support of the GEF mandate to protect the global environment.

Application

This policy applies to the fund and all GEF agencies. The policy applies to all GEF-financed activities, including activities funded through all GEF-managed trust funds, unless decided otherwise by the LDCF/SCCF Council in response to guidance from the Conference of the Parties of the United Nations Framework Convention on Climate Change.

Scope

The policy sets minimum requirements for GEF agencies' policies, procedures and capabilities related to stakeholder engagement. In particular, agencies must demonstrate that they have in place the necessary policies, procedures and capabilities to ensure that:

- Stakeholders are identified and involved as early as possible in the identification and development of activities implemented by the agency, and that stakeholder engagement is sustained throughout the lifecycle of the activity;
- Stakeholders are engaged in meaningful consultations where they are able to express their views on project plans, benefits, risks, impacts and mitigation measures that may affect them;
- Such consultations are gender responsive; free of manipulation, interference, coercion, discrimination and intimidation; and responsive to the needs and interests of disadvantaged and vulnerable groups;

- A public record of stakeholder engagement throughout the project cycle is maintained and disclosed. In cases where confidentiality is necessary to protect stakeholders from harm, statistical information is recorded and made publicly available;
- Stakeholders have access to timely, relevant and understandable information about activities implemented by the agency, and clear procedures to request information; and
- Where GEF financing supports an activity implemented by the agency, such support is clearly identified, and related non-confidential information is made publicly available and easily accessible.

The policy also affirms that the GEF – in engaging with indigenous peoples – adheres to a standard of free, prior and informed consent (FPIC) in GEF-financed projects, for which FPIC is required by virtue of the relevant state's ratification of ILO Convention 169. For other projects, the GEF agencies "rely on their systems for consultation with Indigenous Peoples and will ensure that such consultations result in broad community support for the GEF-financed operation being proposed".²²

Operationalisation

The policy is operationalised at the fund level during the process of accrediting IEs.

Agencies must demonstrate that they have in place the necessary policies, procedures and capabilities to ensure that: (a) stakeholders are identified and involved as early as possible in the identification and development of activities implemented by the agency, and that stakeholder engagement is sustained throughout the life-cycle of the activity; (b) stakeholders are engaged in meaningful consultations where they are able to express their views on project plans, benefits, risks, impacts and mitigation measures that may affect them, (c) such consultations are gender responsive; free from manipulation, interference, coercion, discrimination and intimidation; and responsive to the needs and interests of disadvantaged and vulnerable groups; (d) a public record of stakeholder engagement throughout the project cycle is maintained and disclosed. In cases where confidentiality is necessary to protect stakeholders from harm, statistical information is recorded and made publicly available; and (e) stakeholders have access to timely, relevant and understandable information about activities implemented by the agency, and clear procedures to request information.

Agencies' compliance with this policy will be assessed drawing on the procedures established for assessing agencies' compliance with policies on ESS and gender mainstreaming.

In project identification, agencies must provide a description of any consultations conducted during project development, as well as information on how stakeholders will be engaged in the proposed activity and on means of engagement throughout the project/programme cycle.

At CEO endorsement/approval, agencies must present Stakeholder Engagement Plans or equivalent documentation, with information regarding stakeholders who have been and will be engaged, means of engagement, dissemination of information, roles and responsibilities in ensuring effective stakeholder engagement, resource requirements, and timing of engagement throughout the project/programme cycle.

The fund, in its review of requests for CEO endorsement/approval, is responsible for assessing whether adequate measures have been proposed, supported by an adequate allocation of resources, to ensure effective stakeholder engagement throughout the life-cycle of the activity, and whether such measures have been adequately documented.

²² SD/PL/03 – Para 7, page 5.

iii. Principles and guidelines for engagement with indigenous peoples

Objectives

The GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards includes, as one of its eight core criteria, a criterion and minimum standards related to indigenous peoples. Partner agencies of the GEF wishing to implement projects that engage with or affect indigenous peoples must meet this criterion in order to implement GEF projects. The standards further stipulate criteria and minimum requirements for projects where indigenous peoples are involved, as well as specific criteria relevant to indigenous peoples, including resettlement, physical cultural resources and accountability and grievance.

These guidelines provide additional information to explain or help implement the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards, as well as other GEF operational policies, principles and strategies related to indigenous peoples' participation.

Application

This policy applies to the fund and all GEF agencies. Partner agencies wishing to implement projects that engage with or affect indigenous peoples must meet this criterion in order to implement GEF projects.

Scope

The GEF and its agencies will ensure, consistent with domestic legislation or applicable international obligations:

- The full and effective participation of indigenous peoples in GEF policies, processes, programmes and projects that may positively or negatively impact them or infringe upon their rights and ability to sustain their way of life;
- The use of self-identification, among other factors, as an important criterion for determining indigenous status, as appropriate, for GEF-financed projects;
- That indigenous peoples, in their efforts to maintain ownership and access to their lands, territories and resources, are not undermined by GEF-financed projects;
- The avoidance of projects that can negatively impact indigenous peoples' traditional ownership and user rights on lands, territories, resources, livelihoods or cultures, and where avoidance is not possible, adequate mitigation measures should be taken; and
- The application of a standard of FPIC for GEF-financed projects in those countries where it is required by domestic legislation or other applicable international obligations.

Operationalisation

In the GEF project cycle, the development of the Project Identification Form (PIF) represents an important first step. In the PIF, project developers must comment on the roles and inclusion of indigenous peoples in the project. The formal PIF Preparation Guidelines of the GEF further clarify that applicants are expected to indicate how they will follow relevant GEF policies. A brief stakeholder engagement plan should also be incorporated into the document. The formal project review conducted by the GEF fund requires staff to ascertain whether indigenous peoples are affected by and have appropriately participated in project preparation.

For any GEF-financed project that is anticipated to adversely affect indigenous peoples, the GEF requires that its partner agencies prepare an appropriate plan (GEF 2018b). This plan should ideally be prepared at the earliest stages of project development and incorporate the elements set forth in the

GEF guidelines for engagement with indigenous peoples, articulated in paragraphs 36 and 39 to 44. The plan should be culturally appropriate and include information on the legal context; indigenous peoples screening; a baseline assessment; FPIC procedures; evaluation of land tenure; local participation mechanisms; capacity building; traditional knowledge; and monitoring and evaluation reporting.

d. Monitoring and reporting systems

The fund reports annually to the Council on the implementation of their ESP, including the type and level of environmental and social risks and impacts identified in GEF financed projects and programmes, the management of such risks and impacts during project implementation and at project completion, as well as cases reported to and addressed by agencies' accountability, grievance and conflict resolution mechanisms.

The GEF has a Policy on Monitoring Agency Compliance with GEF Policies (ME/PL/02). This policy sets out the rules and principles for monitoring agencies' compliance with relevant GEF policies. In particular, it sets out the following monitoring and reporting requirements and obligations:

Agencies must conduct self-assessment and reporting on compliance with GEF policies

Agencies will carry out periodic self-assessments of their compliance with relevant GEF policies and report their findings to the Council. Agencies perform self-assessment reports once per replenishment cycle, starting in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7).

Agency certification of compliance

Following a self-assessment, the agency completes a certification of compliance, addressing the following questions: (a) have there been any changes to the policies, procedures or capabilities on the basis of which the agency was found to be in compliance with relevant GEF policies?; and (b) if changes have occurred, does the agency remain in compliance with those policies? A designated representative of the agency must sign the certification.

In the event of changes to the policies, procedures or capabilities that formed the basis for the agency's compliance with relevant GEF policies, and if the agency concludes it remains in compliance, the agency presents relevant supporting information with its certification. Supporting information provided by the agency may include, inter alia, relevant policies, procedures and guidelines; project documentation that demonstrates how relevant policies have been applied; and terms of reference of staff charged with implementing relevant policies.

Risk-based, third-party review of agencies' compliance with GEF policies

An independent, risk-based, third-party review of agencies' compliance with relevant GEF policies will be carried out, taking into account agencies' periodic self-assessments and other information.

The secretariat, on behalf of the Council, contracts an independent expert or experts (hereafter 'reviewer') to review agencies' compliance on the basis of agencies' self-assessments and other information, once per replenishment cycle, starting in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7).

The reviewer considers cases where an agency reports changes to the policies, procedures or capabilities on the basis of which the agency was found to be in compliance with relevant GEF policies, and concludes it remains in compliance with those policies. The reviewer aims to verify whether – in light of the changes identified, the supporting information provided, and other relevant

information – the agency continues to have adequate policies, procedures, standards and guidelines in place, as well as sufficient, demonstrated project implementation capacity, to comply with relevant GEF policies.

In addition, the reviewer considers cases where the secretariat finds a risk of noncompliance by an agency with a relevant GEF policy, independently of the findings of the agency's self-assessment.

In determining whether there is a risk of non-compliance by an agency with a relevant GEF policy based on factors other than the agency's self-assessment, the secretariat considers, inter alia, the agency's track record of implementing the policies, procedures, standards and guidelines on the basis of which it was found to be in compliance with a GEF policy, as well as audits, evaluations and other external reports that provide information regarding the agency's compliance.

e. Mechanisms for dealing with conflicts and grievances

Addressing non-compliance

If an agency is found no longer compliant with GEF policies on environmental and social safeguards, gender or fiduciary standards, the agency, in consultation with the secretariat, develops a concrete, time-bound action plan to achieve compliance. The secretariat, on behalf of the agency, submits the action plan for review and approval by the Council. Unless the Council decides otherwise, the agency may continue to seek GEF financing while it implements the time-bound action plan, provided that its funding proposals would not require the application of policy standards with which it has yet to achieve compliance as per the Council's decision.

Mechanisms for dealing with conflicts and grievances

Standard 2 requires agencies to demonstrate that they have in place grievance and conflict resolution systems at the appropriate level that: (a) receive and address complaints related to the implementation of projects and programmes in a timely and culturally appropriate manner, while taking appropriate measures to minimise the risk of retaliation to complainants; (b) are readily accessible and broadly advertised to stakeholders; and (c) includes a locally-available option at the project or programme level that is established early, proportionate to the potential risks and impacts of the project or programme, readily accessible, culturally appropriate and with appropriate confidentiality protections.

Global Environment Facility policy also establishes the position of GEF Conflict Resolution Commissioner (CRC) in the GEF secretariat. The Commissioner's service is intended to complement the work of the grievance and accountability systems of individual GEF agencies. The Commissioner works directly with member countries, GEF agencies and affected stakeholders to facilitate actions to respond to complaints and other issues relevant to GEF operations, and reports directly to the GEF CEO. Through the Commissioner, the GEF aims to expand feedback and respond more quickly to issues and concerns that may arise in GEF-supported activities and operations. The procedure is as follows:

1. A person concerned about a GEF-financed project or operation may submit a complaint to a local or country-level dispute resolution system, a GEF partner agency or the GEF CRC at the address indicated on the website²³. Complaints submitted to agency grievance and accountability mechanisms directly should follow the guidelines for the relevant agency mechanism. Complaints submitted to the Commissioner should be in writing and can be in any language. They should provide at least a general description of the nature of the concerns, the

²³ Contact information of the GEF CRC can be accessed here: <https://www.thegef.org/conflict-resolution>

type of harm that may result, and (where relevant) the GEF-funded projects or programme at issue.

2. When a complaint is submitted to the Commissioner, the Commissioner will confirm receipt and be in touch with the complainant to seek any needed clarifications, review possible next steps, and answer any questions about the conflict resolution function. The Commissioner may also contact other interested parties to seek further information on the matter. These initial steps normally will be completed within three weeks of receipt of the initial complaint. The Commissioner will at all times respect requests for confidentiality and anonymity by persons submitting complaints. A key purpose of this initial review is to determine if the complaint falls within the mandate of the GEF conflict resolution function. Factors in this determination include: does the complaint relate to projects, programmes or activities funded by the GEF; and does it allege concerns about potential non-compliance with GEF policy, or other types of misconduct, mismanagement or shortcomings relating to GEF-funded projects, operations or other initiatives.
3. If so, the Commissioner identifies appropriate next steps to seek resolution of the conflict in dialogue with the parties involved. In cases where the complaint relates to a GEF-funded project or programme, the Commissioner would inform the complainants about how to contact directly the agency responsible for coordination of work with the GEF and its grievance and accountability mechanism. In addition, with the agreement of the complainants, the Commissioner may forward the complaint to the GEF agency implementing the project or programme for appropriate follow-up and action in response to the complaint. The Commissioner will request the agency and its grievance and accountability mechanism, where involved, to keep it informed of status and outcomes in response to the complaint.

For non-project related complaints determined to be within the scope of the Commissioner's function, steps may include facilitation of dialogue to resolve the issues, seeking appropriate responsive action by the responsible parties, conciliation or in some cases mediation and independent fact-finding. The Commissioner will keep the involved persons and parties informed of status and progress in resolving the conflict, in keeping with the conflict resolution mandate.

Key features of this approach are to facilitate dialogue and positive solutions among stakeholders, enhance the GEF climate of trust, transparency and accountability, improve project effectiveness and results, and to develop lessons to improve future operations. The GEF undertakes a systematic effort to raise awareness about the function of the Commissioner through the *Country Support Programme* and other suitable venues.

2. THE ADAPTATION FUND

a. Background

In 2013 and revised in March 2016, the AF adopted its Environmental and Social Policy (ESP) “to ensure that the fund’s mission of addressing adverse impacts of and risks posed by climate change, projects and programmes supported by the fund do not result in unnecessary environmental and social harms” (AF 2013a, paragraph 10). All implementing entities (IEs) are expected to “demonstrate commitment and ability to comply” with the ESP “throughout all the project/programme implementation phases, including design, execution, monitoring, and evaluation” (AF 2016b, paragraph 34).

b. The Environmental and Social Policy

Objective

The purpose of the AF ESP is to ensure that in furthering the fund's mission of addressing the adverse impacts of and risks posed by climate change, projects and programmes supported by the fund do not result in unnecessary environmental and social harms.

This purpose is accomplished through the application of key environmental and social principles that guide design and implementation of projects/programmes.

Application

Compliance with the ESP is an overall requirement for project/programme proposals submitted for funding by the fund.

This AF safeguard policy provides practical guidance to IEs on achieving and demonstrating compliance with the ESP in the project and programme cycle whenever project implementation has the potential to trigger environmental and/or social risks.

Scope

The AF ESP is structured around 15 succinct environmental and social principles that all AF-supported programmes and projects are expected to meet, although it is recognised that depending on the nature and scale of a project/programme, all of the principles may not be relevant to every project/programme. By design, the environmental social principles of the AF are broad, general statements reflecting key human rights and international environmental and social commitments. They are unique in that they generally do not include thematic-specific actions required to comply with the principles. An ESP guidance document provides interpretation of the principles for application in programmes and projects (AF 2016a and AF2016c).

Table A-4 summarises the key provisions of the AF ESP principles.

Table A - 4. Key provisions of the AF safeguard principles

PRINCIPLES	KEY PROVISIONS
Compliance with the law	Projects/programmes supported by the fund shall be in compliance with all applicable domestic and international law.
Access and equity	Projects/programmes supported by the fund shall provide fair and equitable access to benefits in a manner that is inclusive, and should not exacerbate existing inequities, particularly with respect to marginalised or vulnerable groups.
Marginalised and vulnerable groups	Projects/programmes supported by the fund shall avoid imposing any disproportionate adverse impacts on marginalised and vulnerable groups.
Human rights	Projects/programmes supported by the fund shall respect and where applicable promote international human rights.
Gender equality and women's empowerment	Projects/programmes supported by the fund shall be designed and implemented in such a way that both women and men have equal opportunities to participate and receive comparable social and economic benefits.
Core labour rights	Projects/programmes supported by the fund shall meet the core labour standards as identified by the International Labour Organization.
Indigenous peoples	The fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.
Involuntary resettlement	Projects/programmes supported by the fund shall be designed and implemented in a way that avoids or minimises the need for involuntary resettlement.
Protection of natural habitats	The fund shall not support projects/programmes that would involve unjustified conversion or degradation of critical natural habitats.
Conservation of biological diversity	Projects/programmes supported by the fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species.
Climate change	Projects/programmes supported by the fund shall not result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.
Pollution prevention and resource efficiency	Projects/programmes supported by the fund shall be designed and implemented in a way that meets applicable international standards for maximising energy efficiency and minimising material resource use, the production of wastes, and the release of pollutants.
Public health	Projects/programmes supported by the fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.

PRINCIPLES	KEY PROVISIONS
Physical and cultural heritage	Projects/programmes supported by the fund shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites and sites with unique natural values recognised as such at the community, national or international level.

Operationalization

The ESP is operationalised at the fund level at two key stages: during the process of accrediting IEs, and during the process of project and programme review, both at the IE and the Adaptation Fund Board (the Board) levels.

Of importance is the “Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy” (AF 2016c). This document is intended to provide supplemental information about the ESP and to support/guide IEs in screening, identifying and managing the environmental and social risks of projects/programmes under their supervision. Accordingly, by providing practical guidance to IEs on achieving and demonstrating compliance with the ESP in the project and programme cycle whenever project implementation has the potential to trigger environmental and/or social risks, the guidance document provides a clarification on how ESP principles should/could be translated into specific actions/considerations throughout the project/programme cycle.

At stage 1

As part of IE responsibilities for the project/programme, all IEs shall: (a) have an environmental and social management system that ensures environmental and social risks are identified and assessed at the earliest possible stage of project/programme design; (b) adopt measures to avoid – or where avoidance is impossible, to minimise or mitigate – those risks during implementation; and (c) monitor and report on the status of those measures during and at the end of implementation.

At stage 2

At the time of project/programme proposal review, it should be clear that:

1. The IE has the capacity and the commitment to comply with the ESP;
2. The IE has identified the environmental and social risks associated with the project/programme; and
3. The IE has, at least, initiated the process of managing these risks in a collaborative way, where possible, and has a clear prospect of success within a reasonable timeframe. Where the environmental and social assessment identifies environmental or social risks, the assessment shall be accompanied by an environmental and social management plan that identifies those measures necessary to avoid, minimise or mitigate the potential environmental and social risks.

The policy requires that all projects/programmes be screened for their environmental and social impacts, that those impacts be identified, and that the proposed project/programme be categorised according to its potential environmental and social impacts. Projects/programmes likely to have significant adverse environmental or social impacts that are, for example, diverse, widespread and irreversible should be categorised as category A. Projects/programmes with potential adverse impacts that are less adverse than category A projects/programmes, because for example they are fewer in number, smaller in scale, less widespread, reversible or easily mitigated should be categorised as category B. Those projects/programmes with no adverse environmental or social impacts should be categorised as category C. Regardless of the category in which a specific project/programme is placed, all environmental and social risks shall be adequately identified and assessed by the IE in an open and transparent manner with appropriate consultation. The policy is aimed at allowing for a variety of approaches. Implementing entities that use a different but functionally equivalent system of categorisation can continue to use that system and still meet the requirements of the policy.

Implementing entities' monitoring and evaluation of projects/programmes supported by the fund shall address all environmental and social risks identified by the IE during project/programme assessment, design and implementation. The annual project/programme performance reports of IEs shall include a section on the status of implementation of any environmental and social management plan, including those measures required to avoid, minimise or mitigate environmental and social risks. The reports shall also include, if necessary, a description of any corrective actions that are deemed necessary. The mid-term and terminal evaluation reports shall also include an evaluation of the project/programme performance with respect to environmental and social risks.

c. Other safeguard policies

i. Gender Policy

Objectives

The fund's Gender Policy (GP) has the following objectives:

- To ensure that the fund will achieve more effective, sustainable and equitable adaptation outcomes and impacts in a comprehensive manner in both its internal and external procedures;
- To provide women and men with an equal opportunity to build resilience, address their differentiated vulnerability, and increase their capability to adapt to climate change impacts; recognising the need for targeted efforts in order to ensure women's participation;
- To address and mitigate against assessed potential project/programme risks for women and men in relation to concrete adaptation actions financed by the fund;
- To contribute to addressing the knowledge and data gaps on gender-related vulnerabilities and to accelerate learning about effective gender-equal adaptation measures and strategies; and To consult with affected women and men actively, taking into account their experiences, capabilities and knowledge throughout fund processes.

Application

The fund applies its Gender Policy to all its adaptation activities irrespective of project/programme size, whether implemented by international, regional or national entities accredited to the fund.

Compliance with both the ESP and the GP of the AF is an overall requirement for project/programme proposals submitted for funding by the fund.

The ESP and the GP are interrelated and mutually reinforcing. Requirements for compliance of projects or programmes with the GP should be seen as complementing and strengthening the overall approach for environmental and social risk management, which is detailed in the AF ESP.

Scope

The policy integrates key principles elaborated in the fund's own ESP, especially the principles on access and equity, on consideration of marginalised and vulnerable groups and of human rights. It expands the principle of gender equity and women's empowerment – which is process-oriented and often subjectively contextualised – to the legal mandate of gender equality as the goal that the fund strives to attain through its processes.

Implementing entities will be required to undertake an initial gender assessment as per the ESP process, to select gender-responsive indicators and to design gender-responsive implementation and monitoring arrangements. Specifically, IEs are required to:

1. Conduct an initial gender analysis and assessment at the earliest stage of project/programme preparation to determine the different needs, capabilities, roles and knowledge resources of women and men and identify how changing gender dynamics might drive lasting change;
2. Estimate and allocate adequate resources in the project/programme budget for gender-responsive implementation;
3. Identify and design a variety of specific gender elements that could be included in adaptation projects/programmes financed by the AF; and
4. Pinpoint determinants for a gender-responsive stakeholder consultation process.

Operationalization

The policy will be implemented throughout the fund's operational processes in accordance with the guidelines (Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender Policy) issued by the fund for the benefit of the fund's external partners, designated authorities (DAs) and IEs.

All projects and programmes will be screened for gender responsiveness at various stages of the project preparation, appraisal, approval and monitoring process by the relevant fund bodies and external partners (the secretariat, the Project and Programme Review Committee, the Ethic and Finance Committee, DAs and IEs). Throughout, stakeholders should be meaningfully consulted in a gender-equal way.

Implementing entities shall identify a grievance mechanism, which can be pre-existing, national, local, or institution- or project-specific, able and competent to provide men and women affected by fund-supported projects and programmes with an accessible, transparent, fair and effective process for reviewing and addressing gender-related complaints and grievances.

In line with the fund evaluation framework, IEs are required to commission an independent evaluator selected by the IE to conduct terminal evaluations of regular completed projects and programmes that include an assessment of the project/programme's contribution to gender equality and women's empowerment. To that purpose, the IE should select an independent evaluator with adequate gender knowledge.

d. Monitoring and reporting system

The Adaptation Fund has three results frameworks. First is the Adaptation Fund Strategic Results Framework, which guides project design and monitoring and includes seven outcome areas, goals, impacts and objectives. The AF Board approved two impact-level results and five associated core indicators to track results in aggregate form and demonstrate project value. Project design and reporting must be aligned to the Adaptation Fund Strategic Results Framework and core indicators.

The second framework is the Effectiveness and Efficiency Results Framework, which looks at organisational indicators. This framework does not include any indicators on direct access, which is a key feature of the AF, although the AF does monitor basic indicators on national IEs' accreditation. The framework also does not integrate the results framework of the Readiness and Preparatory Support Programme, the knowledge management strategy, or align to the new Gender Policy of the AF.

The third results framework (or log frame) is developed by each project or programme. According to the operational policies and guidelines, each project/programme must embed relevant indicators from the Adaptation Fund Strategic Results Framework including at least one of the core outcome indicators.

Progress on the results framework is monitored through the Adaptation Fund Results Tracker. The Adaptation Fund Board (AFB) secretariat consolidates progress data and prepares annual performance reports (APRs) that are discussed before approval by the AFB.

e. Mechanisms for dealing with conflicts and grievances

Both the Environmental and Social Policy and the Gender Policy of the AF require the implementing entities to identify a grievance mechanism that can provide an accessible, transparent, fair and effective process for hearing complaints from communities alleging environmental or social harm.

The Environmental and Social Policy notes that complaints related to AF-funded projects can be filed with the secretariat.

In 2016, the AF adopted an Ad-hoc Complaint Handling Mechanism (ACHM) with specific procedures for addressing complaints from communities that may be adversely affected by the implementation of AF-supported programmes/projects.

3. THE GREEN CLIMATE FUND

a. Background

The 2011 Governing Instrument of the GCF states that its Board would “agree on and adopt best practice environmental and social safeguards, which shall be applied to all programs and projects financed using the resources of the Fund” (GCF 2011, paragraph 65). In 2014, the GCF adopted the International Finance Corporation (IFC) Performance Standards (PSs) on an interim basis to constitute the ESS, supported by guidance materials developed by IFC.²⁴ Once the GCF has built up a track record of experience implementing the interim safeguard standards, an in-depth multi-stakeholder review is to be undertaken in order to develop the ESS of the GCF.²⁵ Observations from the Independent Evaluation Unit (IEU) and the Independent Redress Mechanism (IRM) will be taken into account in the development of the fund’s own ESS.²⁶

The standards will be a core element of the fund’s future environmental and social management system (ESMS), which will provide an “overarching framework” of policies, processes, and procedures “for achieving improvements in environmental and social outcomes while addressing any unintended adverse impacts in all GCF-financed activities” (GCF 2017a).

In addition to the IFC performance standards, the GCF has an Environmental and Social Policy (GCF/B.19/06), which is an overarching policy linked with the relevant policies and practices of GCF, such as those related to accreditation, monitoring and accountability, the redress mechanism, information disclosure, gender, and others as appropriate, including those relevant policies that are still to be developed.

Additionally, the GCF has a Gender Policy and Action Plan (decision B.09/11), a draft Updated Gender Policy and Action Plan 2018-2020 (GCF/B.20/07) (yet to be adopted), and GCF-wide Indigenous People Policy (IPP) (decision B.15/01).

²⁴ GCF/B.07/11, GCF agenda item 6; annex I, section III; and annex III.

²⁵ Initially targeted to be developed within three years of GCF operationalisation. See GCF 2014, agenda item 6 and annex I, section IV.

²⁶ GCF/B.07/11, section IV.

b. The Environmental and Social Policy

Objectives

Through this policy, GCF presents its commitments and articulates the principles and standards through which it will effectively and equitably manage environmental and social risks and impacts, and improve environmental and social outcomes of all GCF-financed activities, the latter being a particular feature of the fund's ES policy. Under the Environmental and Social Policy, GCF will require that all GCF-supported activities commit to:

- Avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment;
- Enhance equitable access to development benefits; and
- Give due consideration to vulnerable and marginalised populations, groups and individuals, local communities, indigenous peoples and other marginalised groups of people and individuals that are affected or potentially affected by GCF-financed activities.

Application

The policy will apply to all GCF-financed activities and to both public and private sector entities. The activities supported by GCF may include programmes, projects and subprojects. The financial instruments may vary and may include grants, concessional loans, guarantees and equity investments.

Scope

The Environmental and Social Policy sets out:

1. Eighteen principles which guide the application of the policy. These are summarised in Table A-5;
2. The requirements for accredited entities working with GCF to establish and maintain robust, systematic, accountable, inclusive, gender-responsive, participatory and transparent systems to manage risks and impacts from GCF-financed activities, pursuant to this policy and the ESS standards adopted by GCF. These requirements complement the accreditation framework and are considered in the accreditation and reaccreditation processes; and
3. Establishes the requirements for environmental and social risk assessment and management to be aligned to GCF ESS standards ensuring that due diligence is undertaken for all GCF-financed activities, including subprojects financed from GCF-funded programmes or through financial intermediaries, regardless of the financial instruments used or whether these are solely supported by GCF or co-financed by other institutions. The ESS standards are summarised in Table A-6.

The ESS will be applied to all projects/programmes, as well as individual projects or activities within a programme, to be funded by GCF. The activities supported by the fund may include programmes, projects and subprojects.

Performance Standards 2 through 8 establish objectives and requirements to avoid and minimise and, where residual impacts remain, compensate/offset the risks and impacts to workers, affected communities and the environment.

While all relevant environmental and social risks and potential impacts should be considered as part of the assessment, Performance Standards 2 through 8 describe potential environmental and social risks and impacts that require particular attention. Performance Standards 2–8 will be utilised in a

modular way as needed. Where environmental or social risks and impacts are identified, the accredited entity is required to manage them in accordance with the fund's ESS through the relevant executing entity(ies).

Table A - 5. Summary of key principles in GCF provisions

PRINCIPLES	KEY PROVISIONS
1. Integration of environmental and social sustainability	An opportunity for GCF to incorporate environmental and social considerations in ways that not only include safeguard measures of “do no harm”, but also improve environmental and social outcomes and generate co-benefits for the environment and the communities, including indigenous peoples, that depend on it. Within the parameters of the ESMS, this is translated into the operations of GCF.
2. Transboundary risk and impact approach	In case of potential transboundary impacts of GCF-funded projects, all necessary consultations and due diligence processes, including prior notification and consultations with the relevant stakeholders, are conducted.
3. Scaled risk-based approach	The ESS standards will be implemented in a risk-based manner and not in a blunt, one-size-fits-all approach. This approach will require that ES requirements and processes are commensurate with the level of risk and meet the relevant ESS standards.
4. Fit-for-purpose approach	In the context of the GCF accreditation process, the approach recognises the roles of a wide range of entities, which can differ according to the scope and nature of the activities of the entities, and their capacity to manage environmental and social risks and impacts.
5. Equality and non-discrimination	In meeting the ESS standards, all activities financed by GCF will require that, where they are unavoidable, adverse impacts do not fall disproportionately on vulnerable and marginalised groups and individuals that are affected or potentially affected by GCF-financed activities, and avoid prejudice and discrimination in providing access to development resources and benefits.
6. Mitigation hierarchy	The GCF adheres to the mitigation hierarchy as an overall principle to managing environmental risks and impacts suitable for all instances of GCF-financed activities.
7. Coherence and links with relevant policies and practices of GCF	The Environmental and Social Policy is an overarching policy that is linked with the relevant policies and practices of GCF.
8. Continuous improvement and best practices	The ESMS will be continuously reviewed and updated and will also be consistently aligned with international best practices and applicable standards, reflecting the experiences and lessons learned by accredited entities and other relevant institutions, as well as including recommendations made by the GCF independent accountability units.
9. Stakeholder engagement and disclosure	The ESMS requires that there is broad multi-stakeholder support and participation throughout the lifecycle of GCF-financed activities, and that the process be inclusive, gender-responsive and culturally aware.
10. Gender-sensitive approach	GCF will require accredited entities to adequately assess the gender risks and impacts (as part of social risks and impacts assessments) and link the corresponding gender risk management measures to the activity-level gender action plans.
11. Knowledge-sharing	GCF will lead and promote the sharing of lessons and experiences in applying ESS and in implementing the ESMS among entities and stakeholders.

PRINCIPLES	KEY PROVISIONS
12. Harmonised application of environmental and social requirement	GCF will promote the harmonised application of environmental and social safeguards to reduce multiple and overlapping requirements for activities through the development of a common approach that considers the requirements of other co-financing institutions, while providing the highest level of environmental and social protection required among the parties, with at least the level of protection provided by GCF being required.
13. Compliance with applicable laws	GCF will not support activities that do not comply with applicable laws, including the national laws and/or obligations of the country directly applicable to the activities under relevant international treaties and agreements, whichever is the higher standard.
14. Consistency with the United Nations Framework Convention on Climate Change (UNFCCC) REDD-plus safeguards	The environmental and social requirements of GCF will be consistent with all relevant REDD-plus decisions under UNFCCC, and existing highest standards for the operationalisation of these decisions.
15. Labour and working conditions	All activities financed by GCF will promote decent work, fair treatment, non-discrimination and equal opportunity for workers, guided by the core labour standards of the International Labour Organization.
16. Indigenous peoples	<p>All GCF-financed activities will avoid adverse impacts on indigenous peoples, and when avoidance is not possible, will minimise, mitigate and/or compensate appropriately and equitably for such impacts.</p> <p>All GCF-financed activities will support the full and effective participation of indigenous peoples.</p> <p>The design and implementation of activities will be guided by the rights and responsibilities set forth in the United Nations Declaration on the Rights of Indigenous Peoples, including, of particular importance, the right to free, prior and informed consent, which will be required by GCF in applicable circumstances.</p>
17. Human rights	All activities supported by GCF will be designed and implemented in a manner that will promote, protect and fulfil universal respect for, and observance of, human rights for all recognised by the United Nations. GCF will require the application of robust environmental and social due diligence so that the supported activities do not cause, promote, contribute to, perpetuate, or exacerbate adverse human rights impacts.
18. Biodiversity	All GCF-financed activities will be designed and implemented in a manner that will protect and conserve biodiversity and critical habitats, ensure environmental flows of water, maintain the benefits of ecosystem services, and promote the sustainable use and management of living natural resources.

Table A - 6. Summary of key provisions of the GCF ESS (IFC PSs)

SAFEGUARD	SUMMARY OF KEY PROVISIONS
PS 1: Assessment and management of environmental and social risks and impacts	<p>This Performance Standard requires projects/programmes to:</p> <ul style="list-style-type: none"> • Identify a funding proposal's environmental and social risks and impacts; • Adopt mitigation hierarchy: anticipate, avoid; minimise; compensate or offset; • Improve performance through an environmental and social management system; and • Engage with affected communities or other stakeholders throughout the funding proposal cycle. This includes communications and grievance mechanisms.
PS 2: Labour and working conditions	<p>This Performance Standard requires projects/programmes to:</p> <ul style="list-style-type: none"> • Provide workers with clear and understandable information on their rights, including those related to hours of work, compensation and benefits; • Provide safe and healthy working conditions, taking into account inherent risks in the sector; • Not discriminate but instead hire, compensate, manage and lay off employees based on the principle of equal opportunity and fair treatment; • Not restrict workers from joining or forming workers' organisations or bargaining collectively, nor retaliate against workers who organise; • Create effective grievance mechanisms for employees; • Not employ children (under 18) in any manner that is economically exploitative or harmful to the child's health, education or social development; • Not employ forced labour or trafficked persons; • Make efforts to ensure that contracted workers employed by third parties are protected; and • Monitor primary supply chains to identify and reduce risks of child or forced labour, or significant safety concerns.
PS 3: Resource efficiency and pollution prevention	<p>This Performance Standard requires projects/programmes to:</p> <ul style="list-style-type: none"> • Avoid the release of air, water and land pollutants or, when avoidance is not feasible, minimise and/or control project-related pollution; • Avoid the generation of waste (both hazardous and non-hazardous), or where unavoidable, minimise and appropriately dispose of waste; • Replace hazardous materials with safer substances where feasible, and avoid the manufacture, trade and use of chemicals and hazardous materials subject to international bans or phase-outs; • Use integrated pest management and integrated vector management approaches to reduce the risks of pesticide use; • Efficiently use natural resources, including energy and water;

SAFEGUARD	SUMMARY OF KEY PROVISIONS
	<ul style="list-style-type: none"> • Account annually for GHG emissions for all projects anticipated to release over 25,000 tons of CO₂ equivalent emissions; and • Make an effort to reduce GHG emissions.
PS 4: Community health, safety and security	<p>This Performance Standard requires projects/programmes to:</p> <ul style="list-style-type: none"> • Assess and avoid (or if unavoidable, mitigate) adverse impacts on the health and safety of the affected community over the life of the project; • Assess and avoid (or if unavoidable, mitigate) adverse impacts on the health and safety of the affected community over the life of the project; • Avoid or minimise the potential for community exposure to diseases, including from hazardous waste, taking into consideration the higher sensitivity of certain vulnerable groups; • Assess safety risks that the project poses towards local communities and create a system to respond to emergency situations (including both project accidents and natural hazards); • Assess and mitigate risks posed by a project's security arrangements, such as use of private security, police or military personnel; and • Investigate all allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent recurrence, and report unlawful and abusive acts to public authorities.
PS 5: Land acquisition and involuntary resettlement	<p>This Performance Standard requires projects/programmes to:</p> <ul style="list-style-type: none"> • Avoid forced evictions, including the use of coercion and manipulation of communities; • Avoid and/or minimise physical displacement (moving people off land that they inhabit) and economic displacement (restricting people's access to use of land and/or natural resources); • Engage with affected communities throughout the resettlement process, including through the provision of a grievance mechanism for affected communities, beginning early in the project development phase; • Provide all displaced persons with fair and equitable compensation, such as replacement land, cash or in-kind replacement of lost assets, and restored access to natural resources; • Improve or restore the livelihoods and standards of living of those people who are displaced; • For people with a legal right to the land, offer the choice of replacement property of equal or higher value and security of tenure, or (if land is not possible) cash compensation; and • For people without formal land rights recognised by the government, offer adequate housing options with secure tenure and compensation for lost assets, such as buildings.
PS 6: Biodiversity conservation and	<p>This Performance Standard requires projects/programmes to:</p>

SAFEGUARD	SUMMARY OF KEY PROVISIONS
sustainable management of living natural resources	<ul style="list-style-type: none"> • Assess and avoid impacts on biodiversity and ecosystem services if possible, and otherwise implement measures to minimise and restore any impacts; • Apply protection measures to all impacted areas that have significant biodiversity value, even if they are habitats that have been modified by human activity; Assess the ecosystem services that the project is likely to impact and/or that the project will rely on, and avoid, minimise or mitigate any negative effects, including from alien species; • Not significantly convert or degrade a “natural habitat” unless: <ul style="list-style-type: none"> – There are no other feasible options; – Stakeholders have been consulted; – Mitigation measures are in place to achieve no net loss of biodiversity; • Not implement activities in a “critical habitat” unless: <ul style="list-style-type: none"> – There is no other alternative; – The activities do not lead to measurable negative impacts on key biodiversity and ecological processes or a net reduction in endangered species; – A monitoring plan is put in place; • Not implement activities in legally protected or internationally recognised areas unless: <ul style="list-style-type: none"> – The activity is legally permitted; – Adequate stakeholder participation is implemented; – Efforts are taken to enhance conservation in the area; • Ensure that activities involving the production of living natural resources (e.g. forestry, agriculture) adhere to the relevant globally, regionally, or nationally recognised standards of sustainable management; and • Monitor the institution’s primary supply chains to ensure that they are not contributing to the conversion of natural or critical habitats.
PS 7: Indigenous peoples	<p>The term “indigenous” is used here to refer to certain marginalised people that often have these characteristics:</p> <ul style="list-style-type: none"> • Self-identification; • Collective attachment to geographically distinct habitats or territories; • Customary cultural, economic, social or political institutions that are separate from those of the mainstream society or culture; or • A distinct language or dialect. <p>This Performance Standard requires projects/programmes to:</p>

SAFEGUARD	SUMMARY OF KEY PROVISI
	<ul style="list-style-type: none"> • Identify indigenous peoples (IPs) that may be affected by the project and the nature of that impact (economic, social, environmental etc.); • Avoid negative impacts on IPs where possible, and otherwise minimise, restore or compensate for these impacts in a culturally sensitive manner; • Design all measures related to IPs with their informed consultation and participation throughout the life of the project; • Not develop a project on land that is traditionally owned or used by IPs unless the risks are thoroughly assessed, IPs are informed of their rights, IPs continue to have access to resources if possible, appropriate compensation is offered and IPs are offered a fair and equitable sharing of project benefits; • Not relocate IPs from land or natural resources that they have traditionally owned or used unless their free, prior and informed consent is first obtained; • Not significantly impact critical cultural heritage unless free, prior and informed consent is first obtained from affected IPs; and • Not use the traditional knowledge or cultural heritage of IPs for commercial purposes without first obtaining their free, prior and informed consent and providing fair benefit-sharing arrangements.
PS 8: Cultural heritage	<p>This Performance Standard requires projects/programmes to:</p> <ul style="list-style-type: none"> • Identify and avoid significant adverse impacts on tangible cultural heritage (like archaeological or historical sites) or unique natural features that embody cultural values (like sacred rocks or waterfalls); • Consult with affected communities and relevant government agencies in order to identify cultural heritage of importance; • Put in place a system for protecting cultural heritage that is discovered during project implementation (so-called ‘chance find’ procedures); • Maintain community access to cultural heritage sites located on the project site; • Not remove, significantly alter, or damage critical cultural heritage (such as internationally recognised or legally protected heritage sites), except in exceptional circumstances and in collaboration with affected communities; and • Use intangible cultural heritage (like knowledge, innovations or practices) for commercial purposes only in collaboration with relevant communities.

Operationalisation

The policy is operationalised at the fund level at two key stages: during the process of accreditation; and during the process of project and programme review. The capacity and commitment of an implementing entity or intermediary to manage the execution of the fund's ESS at the institutional level will be assessed during the accreditation process, whereas the initial funding proposal approval process²⁷ will verify that the specific project or activity is consistent with the ESS (e.g. Performance Standards 2–8).

At stage 1

Institutions seeking to be accredited to the GCF need to be able to show that they can implement the ESS. However, not all institutions have to show that they can meet all the standards. The GCF decided to take a “fit-for-purpose” approach to accreditation. Fit for purpose in this context means that the GCF has different accreditation requirements depending on the size and type of activities that the institution intends to implement. The GCF decided to take a fit-for-purpose approach to accreditation in order to allow a broader set of institutions to become accredited, while simultaneously ensuring that only capable institutions receive funding for higher-risk projects.

The accreditation process will determine if the applicant entity possesses the institutional capacity and a management system for screening funding proposals in order to identify the potential environmental and social risks and/or impacts, and the capacity to implement the ESS in a manner commensurate with the scale and nature of the potential risks and impacts.²⁸

The Accreditation Panel will examine the track record and demonstrated capacity of an applicant entity to manage projects or activities of different risk categories. The Accreditation Panel may recommend to the Board that an entity be accredited with a restriction on the risk category of activities it can carry out, using the risk categories set out in Annex I to document GCF/B.07/11, commensurate with the track record and demonstrated capacity of the applicant entity.

In terms of environmental and social safeguards, there are three different accreditation categories. An institution can be accredited to implement:

- Lowest risk activities only. These activities are known as category C or I3 (more on this below);
- Lowest (category C or I3) and medium (category B or I2) only;
- All of the risk categories, including high risk projects, known as category A or I1.

Note that in addition to the risk categories, there are accreditation categories based on the size of the projects to be funded (micro, small, medium or large) and the type of finance that the institution aims to receive and provide. These are separate from risk categories and are covered in the fiduciary standards.

All institutions seeking accreditation to the GCF must have an ESMS. The strength of the ESMS can vary, though, depending on the accreditation category. To determine whether an institution's ESMS is adequate, the GCF uses elements laid out in the PS 1 of IFC, including:

1. Environmental and social policy;
2. Process for identifying risks and impacts;
3. Management programme;
4. Organisational capacity and competency;

²⁷ GCF/B.07/03.

²⁸ GCF/B.08/45.

5. Process for monitoring and evaluation; and
6. External communications.

Those seeking accreditation for low-risk projects only need to show that their ESMS enables them to identify risks, categorise projects by risk, and deal with unexpected challenges that arise. An institution does not need to have an environmental and social policy to become accredited to implement low-risk projects. Those seeking higher risk accreditation need to show a more complete risk management system covering the six ESMS elements.

Table A-7 gives an overview of the main ESMS requirements for different levels of accreditation.

Table A - 7. Overview of the main ESMS requirements for different levels of accreditation

ELEMENTS OF ESMS	LOW RISK	MEDIUM OR HIGH RISK
Policy	Not required, however, need to show that they have some form of policy commitment to support gender equity	Must be consistent with Performance Standards 1–8. Note that institutions do not necessarily need to be able to show that their policy (or equivalent) meets all of the elements of the IFC PSs. Institutions can indicate that they do not intend to implement projects that trigger a particular standard. (For example, they may indicate that they do not intend to implement any activities that would result in land acquisition or involuntary resettlement.) In such cases the institution may not need to show that it has policies relevant to those types of activities.
Identification of risks and impacts	Process to screen and categorise risk	Process and implementation track record consistent with PS 1–8
Management programme	Process to identify and manage risks	Process and track record for mitigating identified risk
Organisational capacity and competency	Staff members able to categorise activities by risks	Clear roles and authority for imple
Monitoring and review	Monitoring for unforeseen impacts or risks	Process for and track record for monitoring mitigation actions

Following the application review, the Accreditation Panel will recommend to the Board whether an entity should be accredited and assign a risk categorisation to the entity. Once an entity is accredited, it can submit funding proposals for projects or activities through the initial proposal approval process up to the risk level assigned when the entity was accredited. The risk category of the project or activity will be initially proposed by the entity and then reviewed and assigned by the secretariat.

In the case of an entity that meets the accreditation criteria in most respects, but has a limited track record of managing projects or funding of the type, scale and/or risk level that the entity intends to undertake, the Accreditation Panel may recommend to the Board that the entity be accredited, but have a more frequent reporting requirement, which would be lifted after the first two years of its accreditation, subject to satisfactory performance. The Accreditation Panel may also recommend a more frequent but smaller disbursement of funding tranches, subject to review after the first two years of the applicant's accreditation. The Accreditation Panel may further recommend placing conditions on the sectors of the projects or activities that the entity can undertake. The Accreditation

Panel will determine on a case-by case basis the appropriate recommendation or conditions that may apply to the entity in circumstances where there is a limited track record.

At stage 2

The GCF, pursuant to the ESS standards, requires accredited entities (AEs) – whether their role is as an implementing entity or an intermediary entity – to screen activities that include programmes, projects and subprojects, and following the result of the screening, to assign appropriate risk categories consistent with their environmental and social management systems and the GCF ESS standards.

The GCF has adopted the approach of the IFC to risk categorisation, which consists of three risk categories:

- Category A: Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible or unprecedented;
- Category B: Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively are few, generally site-specific, largely reversible and readily addressed through mitigation measures; and
- Category C: Activities with minimal or no adverse environmental and/or social risks and/or impacts.

When the institution will act as a financial intermediary, these categories are:

- High risk, I1: When an intermediary's existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible or unprecedented;
- Medium risk, I2: When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible and readily addressed through mitigation measures, and includes no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible or unprecedented; and
- Low risk, I3: When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and social impacts.

The scope and depth of the environmental and social assessment will be proportional to the level of risks and impacts determined in the screening, and by the specific requirements of the applicable environmental and social safeguards pursuant to the ESS standards of GCF and this policy. For category A activities that are anticipated to have significant environmental and social (including transboundary) risks and impacts, a full and comprehensive environmental and social impact assessment (ESIA) and environmental and social management plan (ESMP) will be required. For category B activities with limited impacts, a fit-for-purpose ESIA and an ESMP – with more limited focus as may be appropriate – that describes the potential impacts as well as appropriate mitigation, monitoring and reporting measures, will be required. Category C activities should have no expected significant environmental and social impacts and therefore may not require any assessments, although a pre-assessment or screening should confirm that the activities are indeed in category C.

Green Climate Fund will review the environmental and social screening of the activities proposed for GCF financing and confirm the environmental and social risk category assigned by the

accredited entity based on the screening. In reviewing, GCF will confirm that the risk category of the proposed activity is appropriate to the risk level at which the entities have been accredited, and consistent with the AEs' requirements and the GCF ESS standards. The GCF will conduct its environmental and social due diligence as part of its assessment of activities proposed for funding consideration, including through field visits as appropriate. The purpose of GCF due diligence is to understand and evaluate how the environmental and social – including transboundary – risks and impacts are screened, assessed and planned to be mitigated and managed by the AEs. The due diligence of GCF will verify the consistency of the assessments and proposed management measures by the AEs with the ESS standards and the social and environmental policy, and recommend to the Board for GCF financing only those proposed activities that meet the requirements for managing environmental and social risks and impacts, pursuant to the ESS standards and this policy.

The environmental and social due diligence of GCF includes:

- Adequate investigation, review and assessment related to accreditation as well as to the consideration of funding proposals;
- Assessing the environmental and social management systems of the entities and how these are applied to the activities, and evaluating the effectiveness and independence of the grievance redress mechanism of the AEs and implementing entities, the disclosure of information, and the meaningful and timely consultations with all stakeholders; and
- Providing guidance to AEs in developing and implementing measures to manage the risks and impacts. The responsibilities of AEs include ensuring that all the necessary assessments of risks and impacts are conducted, management plans developed and implemented, information provided, and necessary stakeholder engagement and communications conducted.

c. Associated policies

i. Gender Policy and Action Plan

Objectives

The GCF, by decision B.09/11, adopted the Gender Policy and Action Plan. At its twelfth meeting, through decision B.12/16, the Board decided to review the Gender Policy and Action Plan at its fifteenth meeting presented in document GCF/B.20/07 titled “Updated Gender Policy and Action Plan 2018–2020”, including the draft Gender Policy contained in annex II to this document, and the draft Action Plan (2018–2020) contained in annex III to this document.

The revised Gender Equality Policy moves beyond a narrow understanding of gender to consider, respect and value the contribution of both women and men. The Gender Equality Policy has three main objectives:

1. Support climate change interventions and innovations through a comprehensive gender-responsive approach, applied both within the institution and by its network of partners, including AEs, national designated authorities (NDAs) and focal points, and delivery partners for activities under the GCF Readiness and Preparatory Support Programme;
2. Promote climate investments that:
 - a. Advance gender equality through climate change mitigation and adaptation actions;
 - b. Minimise social and gender-related and climate-related risks, while also endeavouring to promote respect for and observance of human rights of all people, including women and men from vulnerable or marginalised communities in all climate change actions; and

3. Reduce the gender gap resulting from climate change exacerbated social, economic and environmental vulnerabilities and exclusions, through strategic climate investments that mainstream gender equality issues.

Application

Recognising the importance of gender considerations, entities will be required to comply with the Gender Policy of the GCF.²⁹

The Gender Equality Policy is comprehensive in scope and coverage. The GCF will apply its Gender Equality Policy to all its activities, including all funding activities for mitigation and adaptation undertaken by both the public and private sector.

Scope

The Gender Equality Policy sets out guiding principles that underpin its scope and application. Table A-8 summarises their provisions.

Table A - 8. Principles of the Gender Equality Policy

PRINCIPLES	SUMMARY OF PROVISIONS
Human rights³⁰	The GCF supports “universal respect for, and observance of, human rights and fundamental freedoms for all”. ³¹ All GCF activities will endeavour to promote respect for and observance of principles set forth in the Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, and other relevant international treaties and agreements that may be directly applicable to the activities.
Country ownership	Requires alignment with any existing applicable national policies and priorities on gender equality.
Stakeholder engagement and consultation	For the purposes of this Gender Equality Policy, GCF requires that women and men, including marginalised and vulnerable groups, will be provided with an equal and equitable opportunity to be fully and effectively engaged in meaningful consultations and decision-making throughout the project cycle. The GCF process requires AEs to undertake meaningful consultation that is gender-responsive and culturally aware.
Disclosure of information	Through its Information Disclosure Policy, GCF endeavours to provide accurate, gender-related and timely information to its stakeholders, including marginalised individuals and communities.

The policy emphasises gender responsiveness rather than gender sensitivity. Being gender-responsive means that instead of only identifying gender issues or ensuring a “do no harm” approach, a process will substantially help to overcome historical gender biases and thus be closer to the “improved social outcomes” objectives of the GCF ES Policy. This is in line with the language used in UNFCCC decision CP.20 (Lima Work Programme) and the Paris Agreement.

Operationalisation

The policy is operationalised at the fund level at two key stages: during the process of accreditation; and during the process of project and programme review.

²⁹ To be considered by the GCF as contained in annex II to document GCF/B.08/19.

³⁰ Decision 3/CP.23 states that parties should, when taking action to address climate change, respect, promote and consider their respective obligation to human rights as well as gender equality.

³¹ Charter of the United Nations, Article 55(c).

At stage 1

At the accreditation stage, GCF will ensure that entities applying to be accredited by GCF are assessed and considered for accreditation in accordance with the accreditation framework, and based on their commitment and capacity to meet the principles and requirements of the Gender Equality Policy. The GCF will also ensure that under the accreditation master agreements and funded activity agreements with AEs, the AEs are obliged to comply with the requirements of the Gender Equality Policy.

At stage 2

At the project preparation stage:

1. The GCF will require AEs to ensure that concept notes and funding proposals submitted for GCF financing meet the principles and requirements of the Gender Equality Policy;
2. Accredited Entities must submit a gender assessment as a part of the funding proposal, along with appropriate environmental and social assessments (as may be required according to the level of risks and impacts), and a project-level gender action plan. Supporting and mitigating actions are to be described and costed in the activity-specific gender action plans and/or ESMPs, as part of the considerations for GCF funding;
3. Accredited Entities must take the necessary measures to ensure gender-responsive approaches in stakeholder consultation;
4. The GCF will review the gender assessment submitted by the AE with each funding proposal, along with the project-level gender action plan and a checklist of project-level gender-responsive processes, procedures and implementation risks against which the project can be monitored; and
5. The GCF will ensure that the design and implementation of GCF-financed activities are informed by the results of the gender assessments undertaken by the AEs during preparation of the activities.

ii. Indigenous Peoples Policy

Objectives

Adopted by the Board in decision B.19/11, the overall objective of this policy is to provide a structure for ensuring that the activities of the GCF are developed and implemented in such a way that fosters full respect, promotion and safeguarding of indigenous peoples so that they benefit from GCF activities and projects in a culturally appropriate manner, and do not suffer harm or adverse effects from the design and implementation of GCF-financed activities.

Application

This policy will apply to all GCF-financed activities and to both public and private sector entities. It supplements the interim GCF ESS standard on indigenous peoples and its requirements, the GCF Gender Policy and Action Plan and other GCF policies. If there is any inconsistency between this policy and other GCF policies with respect to indigenous peoples, this policy will prevail on the basis that it represents the policy governing a specific subject matter.

Moreover, any activities from the project “Reducing Emissions from Deforestation and forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries” (REDD-plus) proposed for GCF financing, including results-based payments, will meet the requirements of this policy, in conjunction with the other

relevant policies and standards of GCF, such as the Paris Agreement and UNFCCC REDD-plus decisions.

This policy applies whenever indigenous peoples are present in, have or have had a collective attachment or right to areas where GCF-financed activities will be implemented.

The GCF will take into account commonly accepted and applied criteria for identifying indigenous peoples, respecting self-identification as indigenous or tribal as a fundamental criterion for determining the application of this policy. The application of this policy is not be limited by the absence of legal recognition or identification of indigenous peoples by a state. It will also not be limited by the legal status of titling of indigenous lands, resources and territories.

Scope

The policy outlines eight guiding principles, which are summarised in Table A-9.

Table A - 9. Principles of the Indigenous Peoples Policy

PRINCIPLES	SUMMARY OF PROVISIONS
Develop and implement free, prior and informed consent	The GCF will require evidence of the effective consultation and application of free, prior and informed consent whenever consideration is being given to GCF-financed activities that will affect indigenous peoples' lands, territories, resources, livelihoods and cultures, or require their relocation as described in section 7.2 of the policy.
Respect and enhance the rights of indigenous peoples to their lands, territories and resources	All GCF activities will fully respect and support indigenous peoples' rights related to land, territories and resources, and rights related to cultural and spiritual heritage and values, and traditional knowledge.
Recognise key international human rights and principles	All GCF activities will respect the principles set forth in the United Nations Declaration on Indigenous Peoples Rights (UNDRIP) and other relevant international and regional instruments relating to the rights of indigenous peoples and individuals.
Respect the right of indigenous peoples under voluntary isolation	The GCF will respect the prerogative of indigenous peoples living in voluntary isolation, to remain isolated and to live freely according to their culture. Activities that may affect these peoples, their lands and territories, or their ways of life will include the appropriate measures to recognise, respect and protect their lands and territories, environment, health and culture, and to avoid contact with them as a consequence of the activity.
Respect and recognise traditional knowledge and livelihood systems	The GCF will promote the participation and leadership of traditional knowledge holders in GCF-financed activities.
Enhance the capacity for indigenous peoples issues within GCF	The GCF will develop its advisory and decision-making capacities to understand and properly address indigenous peoples' issues and rights, including developing the capacity of Board members and secretariat management and staff.
Facilitate access to GCF resources for indigenous peoples	The GCF will encourage national designated authorities and accredited entities to engage with and be inclusive of indigenous peoples.

PRINCIPLES	SUMMARY OF PROVISIONS
Respecting the system of self-government	The GCF should promote respect for the right of indigenous communities to freely pursue their economic, social and cultural development and their right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.

Operationalisation

The policy is operationalised at the fund level at two key stages: during the process of accreditation, and during the process of project and programme review.

At stage 1

In relation to the accreditation of entities, GCF is responsible for determining the capacity of the entities to implement this policy. Where capacities exist, GCF will assess the consistency of the system and approach used by the entities and intermediaries with this policy.

At stage 2

At the project preparation stage, AEs must:

1. Ensure that activities proposed for GCF financing are properly screened, assigned appropriate risk categories, and that the risks and impacts are properly and sufficiently assessed;
2. Ensure that measures to avoid, minimise or mitigate adverse impacts, to compensate for residual impacts, and to provide for restoration are planned and adequately supported in the activities proposed for GCF financing;
3. Ensure free, prior and informed consent has been properly sought and meaningful consultation has been undertaken in line with the requirements of this policy; and
4. Implement a management system to manage the risks and impacts associated with the activities, including meaningful and inclusive multi-stakeholder consultation and engagement throughout the project cycle with indigenous peoples, taking into account the particular situations of other vulnerable groups and populations (including women, children and people with disabilities), appropriate to its role as an implementing entity (which may include a project execution role), an intermediary entity, or both, while maintaining or improving the management system on which its accreditation was approved.

The GCF will conduct a due diligence on activities proposed for funding consideration and recommend to the Board for financing only those proposed activities with free, prior and informed consent and satisfactory approaches to managing risks and impacts, consistent with this policy.

d. Monitoring and reporting system

The GCF has a monitoring and accountability framework for accredited entities (decision B.11/10), which is designed to ensure the compliance of AEs with their accreditation standards over time, and the effective implementation of each of the GCF-funded projects and programmes of the AE.

This monitoring and accountability framework has two main components:

Monitoring compliance of the AE with the standards of the GCF and its obligations

The accreditation of an entity to the GCF is valid for a fixed term of five years or less, depending on the terms of accreditation, in accordance with decision B.10/07.

During the five-year accreditation term, the GCF is expected to monitor the compliance of the AE with the standards of the GCF and its obligations, as follows:

- On an annual basis, AEs should provide a self-assessment of their compliance with the GCF fiduciary standards, ESS and gender policy. For international entities, the self-assessment should also include a report on the support provided to direct access entities for accreditation or to build their capacity, as requested by the Board (decision B.10/06, paragraph (i));
- At the midpoint of the accreditation period, the secretariat will undertake a light-touch mid-term review of the compliance performance of the AE;
- If needed, the GCF will initiate additional ad hoc compliance reviews;³² and
- The secretariat will be responsible for programming mid-term reviews and any ad hoc reviews, in coordination with the AE, and producing the relevant reports.

Once a year, the secretariat will report to the Board on the consolidated results of the self-assessments, mid-term reviews and ad hoc reviews.

Monitoring compliance of funded activities with the standards of the GCF and its obligations

Accredited entities are primarily responsible for the monitoring and evaluation of their funded activities and will report accordingly to the GCF. However, during the project/programme implementation period, reporting requirements to the GCF include the following:

- Annual performance reports (APRs), including financial management reports. Among other things, the financial management reports will include dates and amounts disbursed for each funded activity and compliance with financial covenants;
- An interim evaluation report and a final evaluation report for each funded activity. These project/programme-level evaluations should also assess the performance of the funded activity against the GCF investment framework criteria, including financial/economic performances as part of the project/programme efficiency and effectiveness criterion.

Annual performance reports should include a narrative report (with supporting data as needed) on implementation progress based on the logical framework submitted in the funding proposal, and considerations on the ongoing performance of the project/programme against the GCF investment framework criteria, including updates on the indicators and a report on ESS as well as gender. The report should align with the modalities set out in the GCF results management framework and its performance measurement frameworks for adaptation and mitigation, as amended and updated from time to time. Reporting requirements on ESS in the APR will be consistent with the GCF environmental and social management system.

The secretariat may decide to undertake additional ad hoc checks to follow up on the reports on compliance and performance submitted by AEs. These ad hoc checks may include site visits and will be arranged in coordination with the NDA/focal point and the AE.

Overall risk management framework of GCF

As a part of the overall GCF risk management framework, the secretariat is expected to develop an early warning system based on risk flags and will use all available sources of information. Moreover, it may update the flags at any time. These flags will reflect the secretariat's assessment of the following:

- Risks related to the project itself (project risk flags);

³² This will happen if stipulated in the accreditation master agreement; or if the GCF revises its guiding framework for the accreditation process or substantially revises the GCF fiduciary standards, ESS and/or gender policy (the requirements for accreditation); or if there is evidence of a lack of compliance by an AE with the legal terms agreed with the GCF, its fiduciary standards, its ESS and/or gender policy; or if there is any emerging indication of misuse of the entrusted financial resources.

- Risks related to the overall performance of the AE (AE risk flags).

This risk management framework will be used to decide on the ad hoc checks, with the secretariat taking into account risk flags as well as other information that may be presented to the GCF in determining where to conduct the preponderance of ad hoc checks. In addition, the secretariat will conduct a small number of ad hoc checks each year on a random basis.

An annual review will be conducted by the secretariat on a given proportion determined by the number of projects and programmes. The annual review will consist of an analysis of the information available from the overall risk management system of the GCF.

The selection of projects and programmes in the annual review will be risk-based and will include the following criteria:

- Projects/programmes of AEs that have an outstanding accreditation condition;
- Projects/programmes that have a risk flag assigned by the monitoring and accountability process;
- Projects/programmes classified in the high environmental and social risk category A/intermediation 1; and
- Any projects under special oversight.

Cases of non-compliance

In cases where the secretariat identifies issues of non-compliance or performance, the secretariat will inform the AE that a risk flag has been assigned and will invite the AE to discuss and agree on the following:

- An action programme of immediate remedial measures to resolve these issues, including deadlines for the completion of each step in the action programme by the end of a “cure period”;
- If needed, capacity-building support in order for the AE to avoid the recurrence of similar issues over the medium term (with possible support, in coordination with the NDA, from the Readiness and Preparatory Support Programme for direct access entities).

At the same time, the secretariat will inform the AE of the additional measures that may be taken if the issues remain unresolved at the end of the cure period. The timing and nature of these additional measures might depend on the nature of the impacts and risks and to some extent on the possible impacts on the reputation of the GCF.

The main options for remedial measures may include the partial or total suspension of disbursements or commitments at project level, reclaiming of funds already disbursed to the AE, as appropriate, or, if relevant, at the accredited-entity level. In cases where it is decided that the accreditation of the AE will be suspended, cancelled or downgraded, the GCF will negotiate an orderly process for the winding down and closure of GCF-funded projects.

e. Mechanisms for dealing with conflicts and grievances

The GCF has an Independent Redress Mechanism (IRM), which is independent of the GCF secretariat and reports directly to the Board of the GCF.

In accordance with its TOR, the IRM is mandated to carry out the following functions:

- Review requests for reconsideration of a project or programme that has been denied funding by the Board and, as appropriate, make recommendations to the Board;

- Address grievances or complaints by a person, group of persons or community who/which have been or may be adversely impacted by a GCF-funded project or programme through problem solving and/or compliance review, as appropriate;
- Initiate proceedings on its own to investigate grievances of a person, group of persons or community who/which have been or may be adversely impacted by a GCF funded project or programme;
- Monitor whether decisions taken by the Board based on recommendations made by the IRM, or agreements reached in connection with grievances or complaints through problem solving, have been implemented, and report on that monitoring to the Board;
- Recommend to the Board the reconsideration of existing policies, procedures, guidelines and systems of the GCF based on lessons learned or good international practices;
- Share best practices and give general guidance that can be helpful for the GCF readiness activities and accreditation process, and for supporting the strengthening of the capacities of accountability/redress mechanisms of the direct access entities; and
- Provide education and outreach to GCF staff, relevant stakeholders and the public.

C. SIMILARITIES AND DIFFERENCES BETWEEN CLIMATE FUNDS

As noted in the background section, all climate funds must be aligned with **the principles and provisions of the UNFCCC and Paris Agreement, including with regard to environmental and social safeguards**. These safeguards' principles and provisions are in turn, anchored to and further specified in relevant obligations under international law (Makane, 2017).

Section II examined the climate funds' environmental and social safeguards standards and policies, monitoring and reporting systems, and mechanisms for dealing with grievances and conflicts.

This section examines their differences and similarities, as follows:

1. Overall fulfilment of their mandate, focusing on safeguard principles and provisions;
2. The differences and similarities with regard to their objectives;
3. The differences and similarities as regards the structure and scope of the environmental and social safeguards standards. In particular, this section offers an analysis of the extent of coverage of the ESS standards in relation to international best practices, and alignment with the Paris Agreement principles and provisions;
4. The differences and similarities with regard to the operationalisation of ESS standards and policies;
5. The differences and similarities with regard to ESS in the monitoring and reporting systems; and
6. The differences and similarities as regards the mechanisms for dealing with grievances and conflicts.

1. FULFILLING THEIR MANDATES

As described earlier (see Legal Mandates, in section II), all funds have a formal link to the UNFCCC. As operating entities of the Financial Mechanism of the Convention, the GEF and GCF must report annually to the COP and receive guidance on their policies, programme priorities, and eligibility criteria (UNFCCC 1992, Article 11). The LDCF and SCCF also operate under the

guidance of the COP (UNFCCC 2001, decision 7/ CP.7). The AF operates under the guidance of the CMP (UNFCCC 2001, decision 10/CP.7).

In this regard we highlight the Paris Agreement Article 9.9, which obliges climate funds to “aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country parties, in particular for the least developed countries and small island developing country Parties States”. The obligation specifically points out two issues which are bottlenecks that can hinder the effectiveness and efficiency of climate finance: simplified application and approval procedures and enhanced and tailored access to readiness support. In other words, it mandates the operating entities of the UNFCCC Financial Mechanism to tailor procedures, support efforts and coordination mechanisms in such a way that enables countries to access available funding and get projects/programmes approved.

The Standing Committee on Finance (SCF) has noted challenges with regard to ESS and gender policies, which some developing countries may not easily conform to because of a lack of data and/or capacity (UNFCCC 2018a). Discussions in the SCF have covered whether such requirements and criteria should be reduced or standardised, or whether technical support provided to countries should be enhanced to assist them in meeting the requirements. Additionally, various options are being proposed in order to simplify the process of accessing climate finance, including: (a) Providing clear guidance to the operating entities of the Financial Mechanism and other UNFCCC funds on their strategic objectives and priorities; (b) Using the periodic review of the Financial Mechanism as an opportunity to comprehensively evaluate it and its operating entities; and (c) Continued interaction among the multilateral funds, with the operating entities having a key role, to identify ways to improve complementarity and coherence given each fund’s comparative advantages and expertise.

Moreover, the UNFCCC SCF 2018 Biennial Assessment (BA) and Overview of Climate Finance Flows Technical Report (UNFCCC 2018b), has highlighted the following:

1. The importance of access to climate finance was recognised in the Paris Agreement, which states that “the institutions serving this Agreement (...) shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States”. Governments have concerned themselves with setting up the appropriate national institutions and developing their technical capacity so that they can meet safeguard standards and implement the projects successfully.
2. In line with the significant increases in the number of national and regional implementing agencies, a greater proportion of finance is flowing through these entities. However no less than 65 per cent of finance flows from the UNFCCC is still being channelled through multilateral entities in 2016 (UNFCCC 2018b, figure 3.7). Scaling up the flows channelled through national and regional implementing entities continues to be a challenging task.
3. The need for capacity to access and use climate finance effectively has long been recognised (GCF 2017b). The complex architecture of the multilateral climate funds, in particular, often makes great demands on the capacity of the national institutions involved in accessing the funds (i.e. NDAs and direct access entities). The increasing number of related planning processes (e.g. National Determined Contributions (NDCs) and National Adaptation Plans (NAPs)) also requires high levels of capacity. As countries have mobilised to tackle climate change, it has become evident that various layers of capacity are needed to access climate finance at the national level, which include social and environmental safeguards. These issues have been explored at the in-session workshops on long-term climate finance organised by the

UNFCCC secretariat in 2017 and 2018. The adoption of a “whole-of-government approach” to climate finance requires capacity-building for key ministries in countries. More generally, the need to develop policy frameworks and programmatic approaches that meet the criteria of the multilateral climate funds is proving challenging for many countries, and this is resulting in delays and low levels of disbursement.

4. A number of efforts had been initiated since the time of the 2016 BA to enhance “readiness” for climate finance, which can be broadly defined as “a country’s capacity to plan for, access, and deliver climate finance, as well as monitor and report on expenditures” (GCF 2017b). Dedicated multilateral climate funds, including the GCF and AF, have launched readiness initiatives to support national institutions in complying with the fiduciary, environmental and social standards required to access finance, notably during the process of developing climate finance proposals.

With a view to enhancing consistency and alignment with the UNFCCC and Paris Agreement, the SCF 2018 has offered the following recommendations:

1. By decision 21/CP.22, the COP requested all constituted bodies under the UNFCCC to include in their regular reports information on progress made towards integrating a gender perspective into their processes according to the entry points identified in a technical paper prepared by the secretariat for consideration at the forty-eighth session of the Subsidiary Body for Implementation (SBI).³³ The COP 22 also requested the SBI to develop a gender action plan in order to support the implementation of gender-related decisions and mandates under the UNFCCC process, which may include priority areas, key activities and indicators, timelines for implementation, the responsible and key actors and indicative resource requirements for each activity, and to further elaborate its process of review and monitoring.
2. In response to the mandates outlined above, the SCF has undertaken the following activities to integrate a gender perspective into its work: (a) Included information on gender in the context of climate finance tracking and reporting from a range of sources, including national reports submitted under the Convention and other reports and studies, in the 2018 BA; (b) Incorporated gender responsiveness in one of the sub-themes of the 2019 SCF Forum on climate finance and sustainable cities; (c) Established a working group on gender and climate finance; and (d) Initiated discussions on gender-related activities in consideration of the SCF workplan for 2019.

There remains no agreed standard by which to measure the results and impact of climate finance flowing through these climate funds. There is currently no agreed standard to measure the impact of mitigation or adaptation finance. On mitigation, the quantification of GHG reduction is typically used as the main indicator in measuring and reporting impacts by the operating entities of the Financial Mechanism. No such metric exists for adaptation, and the most common indicator for reporting on impact is estimating the number of beneficiaries, even if entities also regularly report on the number of programmes approved or the number of countries where programmes or projects have been implemented.

The above gap extends to demonstrating alignment with Paris Agreement provisions on social and environmental safeguards, including on “improved outcomes”. We note climate finance topics for the 2020 SCF Biennial Assessment, include: “Update on plans on improving climate finance tracking and reporting methodologies, and further exploring metrics for mitigation and adaptation finance outcomes (i.e. impact reporting).”

³³ Decision 21/CP.22, paras. 13 and 14.

The GCF has a limited track record on which indicators are to be assessed to measure its operationalisation of COP guidance. The fund reports annually to the COP on its progress in implementing COP guidance (GCF 2016a). Reflecting the high level of interest in the GCF, in the six years since its creation at COP16 it has received 270 items of COP guidance, compared with the GEF, which has received 379 items of guidance over the past 21 years (SCF 2016a, 2016c).

The accumulation of COP guidance over the years poses challenges for the funds in terms of prioritising and implementing guidance, and reporting on progress in fulfilling their mandates. As operating entities of the Financial Mechanism of the Paris Agreement, the GEF and GCF will also receive additional guidance from the Meeting of the Parties to the Paris Agreement (UNFCCC 2015b, decision 1/CP21, paragraph 61). UNFCCC Parties and fund governing bodies will need to explore the best way to maintain fund accountability to COP, ensuring that guidance is relevant, effectively implemented, and reported on in a timely manner.

2. OBJECTIVES: SIMILARITIES AND DIFFERENCES

The GCF, AF and GEF standards and environmental and social policies are based on a “do-no-harm” risk mitigation approach. As noted in their environmental and social safeguards and policies, they all focus on avoidance, minimisation, mitigation, and where appropriate, offsetting any adverse impacts to people and the environment. This objective is sought to be achieved through the screening and assessment of potential adverse environmental and social impacts and risks.

All climate funds are committed to achieving social and environmental outcomes (both improved performance and/or “co-benefits”).³⁴ However, *how* they seek to achieve this in the design, approval, and monitoring stages of funded projects/programmes differs. Table A-10 offers an analytical comparison between the GCF and AF.

Table A - 10. GCF and AF approaches to the achievement of social and environmental outcomes in the design, approval and monitoring stages of funded projects/programmes

FUND	DESIGN AND APPROVAL	MONITORING AND REPORTING
Green Climate Fund	<p>The GCF focuses on identifying environmental and social outcomes or “co-benefits” through the Fund’s investment criteria, which translates the Fund’s overall objectives into guidelines for projects and provides guidance on how projects should be designed to achieve the expected results.</p> <p>The “sustainable development potential” criterion aims to assess whether an FP is likely to deliver environmental³⁵ and social³⁶ co-benefits.</p>	<ul style="list-style-type: none"> The GCF Secretariat does not require or determine how funded projects will report on social and environmental performance/outcomes and co-benefits. The RMF identifies eight specific impact result areas for its investment, which do not encompass social and environmental co-benefits.

³⁴ The GCF Governing Instrument determines the Fund will “*strive to maximize the impact of its funding for adaptation and mitigation, and seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.*” Additionally, the GCF’s ESP determines in its policy objectives that “*in carrying out its mandate of promoting a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, GCF will effectively and equitably manage environmental and social risks and impacts and improve outcomes of all GCF-financed activities*”.

³⁵ Environmental co-benefits are described as, “*Degree to which the project or programme promotes positive environmental externalities such as air quality, soil quality, conservation, biodiversity, etc.*”. GCF/B.09/23.

³⁶ “*Potential for externalities in the form of expected improvements, for women and men as relevant, in areas such as health and safety, access to education, improved regulation and/or cultural preservation.*” GCF/B.09/23.

FUND	DESIGN AND APPROVAL	MONITORING AND REPORTING
	<ul style="list-style-type: none"> Overall within GCF, there are different views within the Secretariat on what this criterion represents. This implies that there is no standard understanding of this criterion and its value for identifying co-benefits for a variety of different types and scales of projects. The GCF supported activities are expected to commit to enhancing equitable access to development benefits (ESP, section 3.1.). However, the ESP does not outline any clear operative provisions to achieve this objective. 	<ul style="list-style-type: none"> There is a critical absence of guidance on measuring these result indicators and how they may be used or informed. This has continued since the IEU's overall review of the RMF first mentioned it in early 2019.³⁷ Interviews revealed that the OPM, the GCF monitoring arm, does not see it as its duty to gather data and consequently report on co-benefits. The APR template has no provision to gather data on co-benefits, even though it is highly likely that the funded projects in operation are indeed generating co-benefits. This is despite the clear mandate from the GI.
Adaptation Fund	<p>Through its funding proposal template, the AF requires a description as to how the project/programme provides economic, social, and environmental benefits, with particular reference to the most vulnerable communities, including gender considerations. This is done along with identifying and describing how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.³⁸ The AF also requires that the estimated co-benefits be quantified whenever possible, and all proposed projects/programmes shall demonstrate compliance with the environmental and social principles as outlined in the ESP. The AF has also adopted a guidance document for project proponents to utilize when designing project or program level results frameworks and developing baselines to submit to the AF.³⁹</p>	<p>The AF has adopted a results-based management approach, which deals with the identification and monitoring of co-benefits.⁴⁰</p>

³⁷ Green Climate Fund. (2018). Results management framework: Independent Evaluation Unit recommendations to improve the Results Management Framework. Songdo, South Korea

³⁸ "Instructions for Preparing a Request for Project or Programme Funding from the Adaptation Fund". Available at: <https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/> and <https://www.adaptation-fund.org/wp-content/uploads/2015/03/OPG-ANNEX-4-2-Instructions-Nov2013.pdf>.

³⁹ Adaptation Fund, "Results Framework and Baseline Guidance: Project-level". Available at <http://www.adaptation-fund.org/wp-content/uploads/2015/01/Results%20Framework%20and%20Baseline%20Guidance%20final%20compressed.pdf>.

⁴⁰ Ibid.

3. STRUCTURE AND SCOPE: SIMILARITIES AND DIFFERENCES

All funds have an overarching ESS policy and underlying ESSs that are a mix of procedural and substantive standards (see Table A-2).

The GCF's ESP, in section IV, defines the principles that shall guide how the GCF will implement the ESMS and achieve the objectives of the policy, both in terms of risk prevention and management, as well as improved environmental and social performance of GCF-funded activities and potentially achieving co-benefits (notably the principle (a)). These principles include a wide range of issues and a mix of substantive (e.g. promote human rights) and procedural (e.g. ESMS will be continuously improved) aspects. However, upon examining the relevant sections of the ESP (e.g. screening, environmental and social assessment, and due diligence) as well as the GCF's sustainability guidance note for screening and categorizing GCF-financed activities, **neither document clearly determines how these principles are to be considered and integrated during project review and approval.**

The safeguards of the AF differ from those of GCF. The AF's success with direct access can in part be attributed to the fact the AF's safeguards are structured around 15 succinct environmental and social principles that all AF-supported programmes and projects are expected to meet,⁴¹ which are complemented by guidance on accreditation standards and technical guidance notes for their gender policy and ESP.⁴² The AF's environmental and social principles are broad and all-encompassing and are unique in that they generally do not include thematic-specific actions required to comply with the principle, and thus provide greater levels of flexibility for customization according to the countries' and project/programme's particular circumstances.⁴³

Beyond their ESS policies – while they may include provisions or principles on gender and IPs – all funds have adopted specific gender and indigenous peoples policies. Only GEF has adopted a dedicated stakeholder engagement policy.

The GCF indigenous peoples policy is aligned with the policies and guidelines of other climate funds and is considered a step in the right direction by civil society and indigenous peoples groups: “the Indigenous Peoples Policy represents a high-level rights-based benchmark for the Fund's operation and for climate finance at large.”⁴⁴

The AF gender policy is more ambitious than the GCF gender policy by stipulating that no project proposal will be approved without articulated gender integration and requiring gender responsiveness of actions. Table A-11 offers a comparative overview of the gender policies of the AF, GEF and GCF.

Table A - 11. Comparison of the gender policies of the GCF, GEF, and AF

FUND	COMPARISON OF GENDER POLICIES
Green Climate Fund	The policy is structured around some core objectives to promote the goals of gender equality and women's empowerment through its decisions on the allocation of funds, operations, and overall impact with comprehensive scope and coverage. It emphasizes gender responsiveness much more explicitly, moving from gender sensitivity as the core

⁴¹ Ibid.

⁴² Adaptation Fund, “Overall Evaluation of the Adaptation Fund”, (2018), available at: https://www.adaptation-fund.org/wp-content/uploads/2018/06/AF_Phase2_Eval_4June.pdf.

⁴³ Ibid.

⁴⁴ “IPs welcome adoption of GCF's Indigenous Peoples Policy, Call it a step in the right direction”. Available at: <http://www.tebtebba.org/index.php/content/432-ips-welcome-adoption-of-gcfs-indigenous-peoples-policy-call-it-a-step-in-the-right-direction>.

FUND	COMPARISON OF GENDER POLICIES
	<p>of the interim policy. It also seeks to align more explicitly with the United Nations Sustainable Development Goals. It articulates human rights, country ownership, stakeholder engagement and consultation and information disclosure as guiding principles, and delineates the respective responsibilities of the GCF, the IEs and NDAs, and project-level requirements. The policy update articulates in much clearer detail the requirements and respective responsibilities of all GCF partners at the project inception, implementation, monitoring, and reporting stages. For example, the submission of a project-specific gender action plan is now a requirement in addition to the mandatory gender assessment.</p> <p>The updated policy, however, falls short of other climate funds in the following:</p> <p>Although the GCF serves as the financial mechanism to the UNFCCC and Paris Agreement and should abide by relevant provisions, alignment with international human and women's rights agreements and conventions is weak. This manifests itself in reduced explicit references to applicable international human rights instruments and results in human rights being placed as a secondary rather than primary commitment in the policy.</p> <p>The emphasis on national contextualization with the inclusion of references requiring alignment with national policies and priorities on gender potentially undermines fulfilling international human rights standards.</p> <p>It does not include an automated review period but indicates that the GCF Board would determine a review and update.</p> <p>It does not yet have associated guidelines that: a) elaborate the determinants for gender-responsive stakeholder consultation; b) detail the approach to and requirements for an initial gender assessment as required under the Gender Policy; and c) detail ways to ensure gender-responsive project and programme planning and design, implementation and performance monitoring and evaluation.</p>
Global Environment Facility	<p>The GEF Council approved a new policy on gender equality in November 2017. It introduced new principles and requirements to mainstream gender in the design, implementation, and evaluation of GEF projects and programmes, making it a policy requirement for the GEF and its partners to more strategically and proactively work to address gender benefits ("do good") and thus move beyond a safeguard-oriented "do-no-harm" approach, including through requirements for improved monitoring and reporting of results both on the project and portfolio level. This includes a now mandatory project-specific gender analysis to be provided at or before GEF CEO endorsement or approval as well as a sharpened focus on the capacity of GEF agencies to collect sex-disaggregated data and report on sex-disaggregated targets and results. A GEF Gender Implementation Strategy complements it. Approved mid-2018, it outlines strategic entry points and target actions as well as a results framework to track and report on gender equality progress during GEF-7.</p> <p>The GEF supports capacity-building efforts, including Guidance on Gender Equality and an online course on gender and the environment.</p>
Adaptation Fund	<p>The gender policy takes a principles-based approach with strong human-rights framing, rather than elaborating all mandates in explicit detail. This approach mirrors the principles-based approach of the Fund's environmental and social policy. The gender policy goes beyond the GCF gender policy, in stipulating that no AF project proposal will be approved without articulated gender integration (para. 22) and requiring gender responsiveness of actions. The policy is judged to be exemplary and in line with international best practices by the AF NGO Network and CSO observers as knowledgeable stakeholders of Fund operations.⁴⁵ The independent review of the AF's gender policy, including in comparison to similar policies of peer climate funds, noted that its strong principle-based, "<i>human-rights centered approach is state-of-the-art, and</i></p>

⁴⁵ Germanwatch, Bonn/Germany, 2018, "The future role of the Adaptation Fund in the international climate finance architecture" (, 2018). Available at <https://newclimate.org/wp-content/uploads/2018/10/The-future-role-of-the-Adaptation-fund-in-the-international-climate-finance-architecture.pdf>.

FUND	COMPARISON OF GENDER POLICIES
	<p><i>is considered to continue to be largely fit-for-purpose for the Fund.</i>"⁴⁶ The Fund's gender policy is implemented throughout the Fund's operational processes. Thus, templates and guidelines were required, and in March 2017, the AF Board in its twenty-ninth meeting took note of the "Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender policy" (document AFB/B.29/Inf.6).</p> <p>The new AF Medium Term Strategy (2018-2022) also prominently highlights gender equality as a cross-cutting issue to achieve the Fund's mission. A mandated 2019 assessment on progress in implementing the gender mandate in the AF recognized significant progress while highlighting the need for more capacity-building support for implementing entities. An ongoing consultative process is expected to conclude with the adoption of an updated gender policy and new gender action plan (FY20-22) in March 2020.</p>

In terms of key thematic substantive safeguard areas, there are various similarities and differences. Table 12 below offers a comparative analytical overview of the key thematic substantive safeguard areas adopted by these climate funds, and the extent to which they are aligned with the principles and provisions set out by the UNFCCC and the Paris Agreement, which are embodied in international environmental and human rights agreements.

Please note Table A-12 is structured as follows:

1. The analysis is structured under four main categories outlined by the Paris Agreement provisions (for details see Background section). These are: Human Rights, Conservation and Biodiversity, Procedural Rights, and Climate and Sustainable Development.
2. To unpack these four main categories, we have identified sub-categories that are linked to the key thematic safeguard areas of the climate funds, and which encompass the key themes of the main categories in accordance with international legal instruments. These are illustrated in Figure A-2.
3. Drawing on relevant international environmental and human rights instruments we identified indicators of alignment for each sub-category with respective international legal commitments and principles.
4. The columns for GEF, GCF and AF identify the relevant provisions in their standards in relation to each of these indicators, as well as any gaps. For GCF we also tried to identify how the IP and Gender policies fill the gaps left by the GCF interim ESS standards.

We note all funds require compliance with international and domestic legislation or regulatory requirements:

- IFC Standard 1 requires compliance with applicable national law, including those under applicable international law;
- AF has in place a specific principle (Principle 1), which requires compliance with domestic and international law; and

⁴⁶ Adaptation Fund, "Assessment report on progress in the implementation of the adaptation fund's gender policy and gender action plan" (October 2019). Available at https://www.adaptation-fund.org/wp-content/uploads/2019/10/AFB.B.34.Inf.9_Assessment-report-on-progress-in-the-implementation-of-the-Adaptation-Funds-Gender-Policy-and-Gender-Action-Plan_final_ready-for-posting1.pdf.

- GEF Standard 1 requires agencies to demonstrate they have the capacity to ensure applicable national and local laws as well as directly relevant provisions of international treaties and agreements.

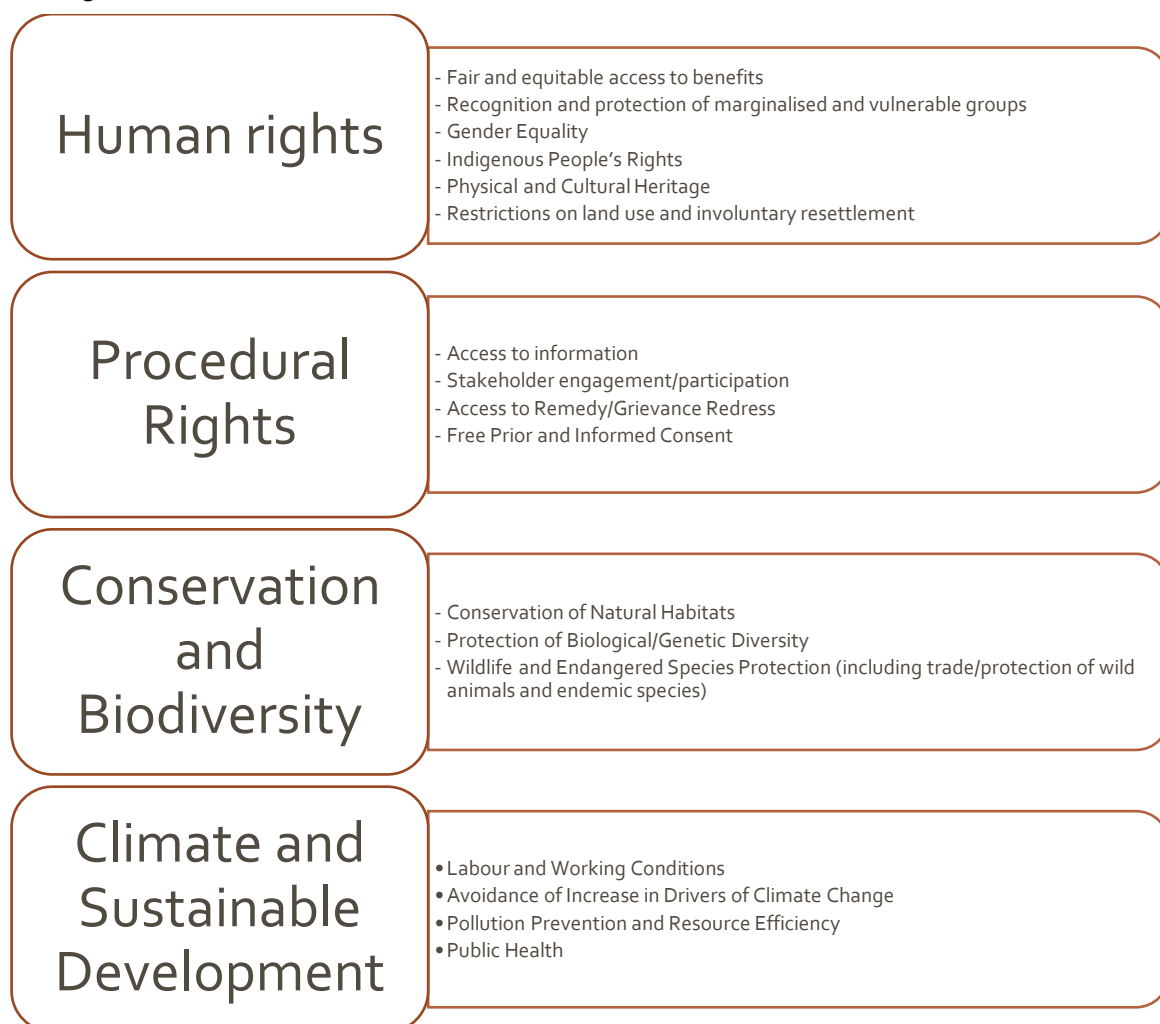


Figure A - 2. Categories and sub-categories analysed

Table A - 12. Alignment of climate funds' ESS with the principles and provisions set out by the UNFCCC and Paris Agreement

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
1. Human rights <p>There are nine core international human rights instruments. These are, the International Covenant on Civil and Political Rights (ICCPR); International Convention on the Elimination of All Forms of Racial Discrimination (ICERD); International Covenant on Economic, Social and Cultural Rights (ICESCR); Convention on the Rights of the Child (CRC); Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); Convention on Migrant Workers (CMW); Convention against Torture (CAT); Convention on the Rights of Persons with Disabilities (CRPD); and the Convention on Enforced Disappearances (CED). Additionally, this section considers numerous relevant treaties and conventions that also deal with human rights.</p>				
1.1. Fair and equitable access to benefits Relevant international instruments: <ul style="list-style-type: none"> Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing on Benefits Arising from the Utilization to the Convention of Biological Diversity (CBD) Universal Declaration of Human Rights International Labour Organization (ILO) Convention No. 169 United Nations Declaration on Indigenous Peoples Rights (UNDRIP) 	Indicator 1 <p>The essential requirements of “fairness” and “equity” mean that for any benefit-sharing arrangement, the communities that stand to be affected by such an arrangement should have an active role in its design; and have access to the resource (or the benefits derived from it) based on mutually agreed terms.⁴⁷</p>	Provisions: Standard 1 requires that disadvantaged or vulnerable individuals or groups do not face discrimination or prejudice in accessing benefits and resources. Gaps: Does not mention the need to engage the communities that stand to be affected by such an arrangement, nor that the benefit-sharing arrangement must be based/adopted on mutually agreed terms.	Provisions: Performance Standard 1 requires consultation with affected communities on matters that affect them directly, such as the proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Performance Standard 7: Indigenous Peoples. This requires that benefits are shared equitably and fairly and remain consistent with the customs and traditions of the indigenous peoples, in benefit-sharing from the commercialisation of knowledge, innovations or practices, which must be fair and equitable. Gaps: Does not explicitly mention that the benefit-	Provisions: States that the <i>process</i> of allocating access to project/programme benefits should be fair and impartial. Gaps: Does not mention the need to engage the communities that stand to be affected by such an arrangement, nor that the benefit-sharing arrangement must be based/adopted on mutually agreed terms.

⁴⁷ Nagoya Protocol, articles 5 and 6.

INDEPENDENT EVALUATION OF THE GCF'S ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND THE ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM
BENCHMARKING REPORT

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
			sharing arrangement must be based/adopted on mutually agreed terms.	
	Indicator 2 Prior to accessing genetic resources or traditional knowledge associated with them, ⁴⁸ the prior and informed consent or approval and involvement of indigenous and local communities, and mutually agreed terms must be established. ⁴⁹	Provisions: No provisions Gaps: Not explicitly required	Provisions: Performance Standard 7 on Indigenous Peoples prohibits the use of traditional knowledge or cultural heritage of IPs for commercial purposes without first obtaining their free, prior and informed consent (FPIC) and providing fair benefit-sharing arrangements. Gaps: N/A	Provisions: Not explicitly required by this principle. However, we note Principle 7 concerning indigenous peoples states the need for consistency with UNDRIP and other relevant instruments, which require FPIC in specific circumstances. Gaps: N/A
1.2. Recognition and protection of marginalised and vulnerable groups Relevant international instruments: <ul style="list-style-type: none"> • ICCPR • ICERD • ILO Convention No. 169 • Universal Declaration of Human Rights • African Charter on Human and Peoples' Rights 	Indicator 1 Prohibit any discrimination, and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. ⁵⁰	Provisions: Standard 1 protects disadvantaged or vulnerable groups or individuals that are or may be affected by a project or programme. It requires they are identified as early as possible, and associated risks and potential impacts are assessed to ensure that: (i) differentiated mitigation measures are incorporated so that risks and impacts do not fall disproportionately on disadvantaged or vulnerable individuals or groups; (ii)	Provisions: Performance Standard 7: Indigenous Peoples. Vulnerability is noted to come from threats to their lands and resources, with indigenous “languages, cultures, religions, spiritual beliefs, and institutions [coming] under threat” - potentially resulting in “the loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases”.	Provisions: Principle 3 requires that projects/programmes supported by the fund shall avoid imposing any disproportionate adverse impacts on marginalised and vulnerable groups including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS. In screening any proposed project/programme, the

⁴⁸ Nagoya Protocol, articles 6 and 7.

⁴⁹ Nagoya Protocol, articles 7 and 12. UNDRIP, Article 26.

⁵⁰ ICCPR, articles 26 and 27.

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
<ul style="list-style-type: none"> Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families CRC 		<p>disadvantaged or vulnerable individuals or groups do not face discrimination or prejudice in accessing benefits and resources; and (iii) the special needs and circumstances of disadvantaged or vulnerable groups or individuals are addressed in any environmental and social management plan, or equivalent.</p> <p>It also defines the term “Disadvantaged or Vulnerable Groups or Individuals”, as being those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources, may be more likely to be adversely affected by the impacts of a project or programme and/or more limited than others in their ability to take advantage of its benefits.</p> <p>Gaps: N/A</p>	<p>Performance Standard 1 requires that the environmental and social risks and impacts assessment process identifies individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where individuals or groups are identified as disadvantaged or vulnerable, the client will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.</p> <p>Moreover, a Stakeholder Engagement Plan needs to be developed, which will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable.</p> <p>In a footnote of this performance standard, the client is advised that, “This disadvantaged or vulnerable status may stem from an individual’s or group’s race,</p>	<p>implementing entities shall assess and consider particular impacts on marginalised and vulnerable groups.</p> <p>Gaps: N/A</p>

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			<p>colour, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status. The client should also consider factors such as gender, age, ethnicity, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.”.</p> <p>Gaps: N/A</p>	
	<p>Indicator 2 Securing adequate advancement of certain racial or ethnic groups or individuals requiring such protection as may be necessary in order to ensure such groups or individuals equal enjoyment or exercise of human rights and fundamental freedoms shall not be deemed racial discrimination, provided, however, that such measures do not, as a consequence, lead to the maintenance of separate rights for different racial groups and that they shall not be continued after the objectives for which they were taken have been achieved.⁵¹</p>	<p>Provisions: Standard 8 requires that appropriate measures are in place to prevent harassment, intimidation, and exploitation, and to protect vulnerable workers, including but not limited to women, children of working age, migrants and persons with disabilities.</p> <p>Gaps: Does not explicitly mention the need to secure measures that contribute to the advancement of their rights and protection, beyond mentioning that the special needs of disadvantaged groups should be addressed in the ESMP.</p>	<p>Provisions: Standard 1 requires proposing and implementing differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.</p> <p>Gaps: Does not explicitly mention the need to secure measures that contribute to the advancement of their rights and protection.</p>	<p>Provisions: Principle 3 requires determining how the impacts are not disproportionate compared to non-marginalised and non-vulnerable groups, or how they can be mitigated or prevented so as not to be disproportionate. These mitigation measures could be design or operational features of infrastructure, or access guarantees to project benefits for those without complete administrative files, such as refugees and internally displaced persons or tribal groups.</p> <p>Gaps: Does not explicitly mention the need to secure</p>

⁵¹ International Convention on the Elimination of All Forms of Racial Discrimination, Article 1 (4).

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				measures that contribute to the advancement of their rights and protection.
1.3. Gender equality Relevant international instruments: <ul style="list-style-type: none"> • CEDAW • ICCPR • ICESCR 	Indicator 1 Elimination of all practices which are based on the idea of the inferiority or the superiority of either of the sexes or on stereotyped roles for men and women. ⁵²	Provisions: Standard 1 requires that any risks or potential adverse impacts on women, men, girls and boys are identified as early as possible as part of project or programme screening, and reflected in relevant safeguards instruments and differentiated by gender where relevant, including adverse impacts on gender equality, gender-based violence (GBV), and sexual exploitation and abuse; and that discrimination against women or girls, or gender-based discrimination are prevented. GEF also has a Policy on Gender Equality that seeks to ensure equal opportunities for women and men to participate in, contribute to and benefit from GEF-financed activities. It further outlines the GEF ambition to shift from a gender-aware, “do-no-harm” approach to a gender-responsive, “do good”	Provisions: Standard 7 requires that Indigenous People Policy (IPP) includes gender assessment and action plans. The Gender Policy and Action Plan emphasise gender responsiveness rather than gender sensitivity, which seeks to not only identifying gender issues or ensuring a “do no harm” approach, but also providing a process to substantially help to overcome historical gender biases. It determines that GCF activities will endeavour to promote respect for and observance of principles set forth in the Universal Declaration of Human Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, the Beijing Declaration and Platform for Action and other relevant international treaties and agreements that may be directly applicable to the activities. It also explicitly	Provisions: Principle 5 states that projects/programmes supported by the fund shall be designed and implemented in such a way that both women and men: (i) have equal opportunities to participate as per the fund gender policy; (ii) receive comparable social and economic benefits; and (iii) do not suffer disproportionate adverse effects during the development process. Principle 5 is guided by UNFCCC and the Paris Agreement, as well relevant international conventions and agreements. In particular, the project/programme should ensure that it: (i) does not include elements that are known to exclude or hamper a gender group based on legal, regulatory or customary grounds; and (ii) does not maintain or exacerbate gender inequality or the consequences of gender inequality. Gaps: N/A

⁵² Convention on the Elimination of all forms of Discrimination Against Women, Article 5. ICCPR, Article 3. ICESCR, Article 3.

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		<p>approach. The policy specifies gender-responsive actions, from design to implementation; and monitoring and evaluation.</p> <p>Gaps: N/A</p>	<p>requires the taking of measures necessary to ensure that in stakeholder engagement, men and women participate in developing measures to mitigate risks and ensure that projects do not increase gender inequality and, in optimising the project benefits for women and men from vulnerable communities, ensure the promotion of gender equality and non-discrimination.</p> <p>This is in line with the language used in UNFCCC decision CP.20 (Lima Work Programme) and the Paris Agreement.</p> <p>Gaps: N/A</p>	
	<p>Indicator 2 Prohibit sexual harassment.⁵³</p>	<p>Provisions: Standard 1 requires that when incidences of gender-based violence and/or sexual exploitation and abuse occur, there are: (i) established reporting and response protocols in place, with specific procedures for GBV including confidential reporting with safe and ethical documenting of GBV cases, that indicate when and where to report incidents, and what</p>	<p>Provisions: The GCF has adopted an Interim Policy on the Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment, which is not applicable to GCF-funded projects. The fund has also enacted a Gender Policy Action Plan with which the agency's gender action plan and overall proposal must comply.</p>	<p>Provisions: None</p> <p>Gaps: Does not deal with sexual harassment</p>

⁵³ CEDAW, General Recommendation 19, para. 18.

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		<p>follow-up actions will be undertaken; and (ii) modalities to provide services and redress to survivors.</p> <p>Gaps: Does not explicitly outline measures to prevent and mitigate sexual harassment, but rather focuses on measures to investigate and remedy.</p>	<p>Gaps: Standards do not include any mention of sexual harassment, nor do they deal with it.</p>	
	<p>Indicator 3 Eliminate discrimination against women in the field of employment, in particular, the right to the same employment opportunities, right to equal remuneration, and the right to protection of health and to safety in working conditions.⁵⁴</p>	<p>Provisions: In specific conformance with ILO, Standard 8 requires the elimination of discrimination, in respect of employment and occupation.</p> <p>Gaps: N/A</p>	<p>Provisions: Standard 2 requires eliminating discrimination in the field of employment. Specifically requires the taking of measures that prevent and address harassment, intimidation, and/or exploitation, especially in regard to women.</p> <p>Gaps: N/A</p>	<p>Provisions: The gender policy seeks to provide women and men with an equal opportunity to build resilience, address their differentiated vulnerability, and increase their capability to adapt to climate change impacts, while recognising the need for targeted efforts in order to ensure women's participation. It requires the conducting an initial gender analysis and assessment at the earliest stage of project/programme preparation to determine the different needs, capabilities, roles and knowledge resources of women and men, and to identify how changing gender dynamics might drive lasting change.</p>

⁵⁴ Convention on the Elimination of all Forms of Discrimination Against Women, Article 11.

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				Additionally, Principle 6 is aligned with ILO and requires the elimination of discrimination in respect of employment and occupation (conventions ILO 100 and ILO 111). Gaps: N/A
1.4. Indigenous peoples' rights Relevant international instruments: <ul style="list-style-type: none"> • ILO Convention 169 • UNDRIP • Convention on Biological Diversity 	Indicator 1 Recognition and protection of full measure of human rights and fundamental freedoms without hindrance or discrimination. ⁵⁵ These include the right to self-determination; the right to fair and equal redress; and gender equality, amongst others. We note ILO Convention No. 169 applies to: <ol style="list-style-type: none"> 1. Tribal peoples in independent countries 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 	Provisions: Standard 5 recognises and protects the fundamental rights of indigenous peoples. Gaps: No specific mention or guidance relating to applicable international instruments relating to indigenous peoples.	Provisions: Standard 7 recognises and protects the fundamental rights of indigenous peoples. In this performance standard, the term “indigenous peoples” is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees: <ul style="list-style-type: none"> • Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; • Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; 	Provisions: Principle 7 states the fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples, and other applicable international instruments relating to indigenous peoples. Gaps: N/A

⁵⁵ ILO 169, Article 3. UNDRIP, articles 1, 2 and 9. African Convention on the Conservation of Nature and Natural Resources, Article 17.

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	<p>traditions or by special laws or regulations;</p> <p>a) Peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.</p>		<ul style="list-style-type: none"> • Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or • A distinct language or dialect, often different from the official language or languages of the country or region in which they reside. <p>This performance standard applies to communities or groups of indigenous peoples who maintain a collective attachment, that is, whose identity as a group or community is linked to distinct habitats or ancestral territories and the natural resources therein. It may also apply to communities or groups that have lost collective attachment to distinct habitats or ancestral territories in the project area, occurring within the concerned group members' lifetime, because of forced severance, conflict, government resettlement programmes, dispossession of their lands, natural disasters, or</p>	

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			incorporation of such territories into an urban area. Additionally, the GCF IP policy is guided by the principles set forth in UNDRIP and other relevant international and regional instruments relating to the rights of indigenous peoples and individuals, including, where applicable but not limited to, ILO Convention No. 169, the International Covenant on Economic, Social and Cultural Rights, and the International Convention on the Elimination of All Forms of Racial Discrimination.	
	Indicator 2 Recognition and protection of the rights of ownership and possession over the lands which they traditionally occupied. ⁵⁶	Provisions: Standard 5 determines that when project or programme activities involve the acquisition of lands and territories that have been traditionally owned or customarily used by indigenous peoples, or where otherwise appropriate and/or necessary, support is provided towards activities that would result in the legal recognition of such ownership and customary use. Additionally,	Provisions: Standard 7 prohibits the development of a project on land that is traditionally owned or used by IPs unless the risks are thoroughly assessed, IPs are informed of their rights, IPs continue to have access to resources if possible, appropriate compensation is offered, and IPs are offered a fair and equitable share of project benefits.	Provisions: Principle 7 states the fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples. This should include land tenure rights. Principle 8 deals with involuntary resettlement.

⁵⁶ ILO 169, articles 13, 14 and 15.

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		<p>the standard requires that when a project or programme activities include the commercial development of lands and natural resources central to indigenous peoples' identity and livelihood, or commercial use of indigenous peoples' cultural heritage, the project or programme informs the affected people of their rights under national law and of the scope, nature and impacts of the potential use, enabling the indigenous peoples to share equitably in the benefits from such commercial development or use.</p> <p>Moreover, the standard requires that where a project may restrict the access of indigenous peoples to parks and protected areas, at a minimum, the project involves the affected indigenous peoples in the planning and management of the park or protected area, and key species.</p> <p>Gaps: N/A</p>	<p>Gaps: PS 7 does not recognize the rights of indigenous peoples in relation to lands in their possession. The proposed PS 7 "special requirements" only apply to those indigenous lands "traditionally owned or under customary use", not to those lands in traditional possession. Performance Standard 5 focuses on the new management's operating standards and is essentially silent on legacy situations. Complaints related to legacy land rights issues have been filed with the Compliance Advisor Ombudsman, which is the independent accountability mechanism for the International Finance Corporation⁵⁷</p>	<p>Gaps: No explicit mention of recognition and protection of the rights of ownership and possession over the lands which indigenous peoples traditionally occupied.</p>

⁵⁷ CAO – Compliance Advisor Ombudsman (2015) Lessons from CAO cases: land. Washington DC: CAO (http://www.cao-ombudsman.org/howwework/advisor/documents/CAO_AdvisorySeries LAND.pdf)

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	<p>Indicator 3</p> <p>Recognition and protection of social, cultural, religious and spiritual knowledge, values and practices.⁵⁸</p>	<p>Provisions: Standard 5 requires that where the presence of indigenous peoples is identified as part of the screening or assessment processes described under Minimum Standard 1, any potential risks or adverse economic, social, cultural or environmental impacts on indigenous peoples are, in consultation with those indigenous peoples, assessed and avoided, where feasible.</p> <p>Where a project or programme may affect indigenous peoples in voluntary isolation, appropriate measures are taken to recognise, respect and protect their lands and territories, environment, health, and culture, as well as to avoid all undesired contact; and aspects of the project or programme that would result in such undesired contact are not processed further.</p> <p>Gaps: N/A</p>	<p>Provisions: Standard 7 prohibits the use the traditional knowledge or cultural heritage of IPs for commercial purposes without first obtaining their free, prior and informed consent and providing fair benefit-sharing arrangements. Additionally, it states that where a project may significantly impact on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of indigenous peoples lives, priority will be given to the avoidance of such impacts. Where significant project impacts on critical cultural heritage are unavoidable, the client will obtain the FPIC of the affected communities of indigenous peoples.</p> <p>The GCF IP policy states it aims to enable and further realise full respect for the rights, dignity, aspirations, identity, culture, lifestyle, autonomy, protagonism and natural resource-based livelihoods of indigenous</p>	<p>Provisions: Principle 7 states the fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples. This should include recognition and protection of social, cultural, religious and spiritual knowledge, values and practices.</p> <p>Gaps: No explicit mention of recognition and protection of social, cultural, religious and spiritual knowledge, values and practices.</p>

⁵⁸ ILO 169, Article 5.

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			peoples and territory management in the whole spectrum of activities and initiatives of GCF, and follow the principle in paragraph 22(c) of this policy and the applicable international and regional instruments, where appropriate, such as ILO Convention 169 and UNDRIP. Gaps: N/A	
	Indicator 4 Promote the full realisation of social, economic and cultural rights with respect for their social and cultural identity, their customs and traditions and their institutions. ⁵⁹	Provisions: Standard 5 focuses on assessing and avoiding any potential risks or adverse economic, social, cultural or environmental impacts on indigenous peoples, in consultation with those indigenous peoples. It also determines that mitigation and compensation plans are developed through meaningful consultations with the affected indigenous peoples that are gender and intergenerationally inclusive, involve their traditional representative bodies and organisations, provide sufficient time for their decision-making processes, and allow for the affected indigenous peoples to	Provisions: Standard 7 determines that affected communities of indigenous peoples will participate in identification of mitigation measures, as well as opportunities for culturally appropriate and sustainable development benefits. Various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the affected communities of indigenous peoples will determine how these communities should benefit from the project. Identified opportunities should aim to address the goals and preferences of the indigenous peoples, including improving	Provisions: Principle 7 states the fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples. This should include social, economic and cultural rights. Gaps: No explicit mention of how social, economic and cultural rights could be promoted.

⁵⁹ ILO 169, Article 2.

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		effectively participate in the design of mitigation measures and the provision or sharing of benefits. Gaps: Standards do not explicitly seek to identify opportunities and measures to advance their rights, all of which can lead to achievement of benefits.	their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend. Gaps: N/A	
1.5. Physical and cultural heritage Relevant international instruments: <ul style="list-style-type: none"> Convention Concerning the Protection of the World Cultural and Natural Heritage Convention for the Safeguarding of Intangible Cultural Heritage (CSICH) 	Indicator 1 Not to take any measures which might damage directly or indirectly the protected cultural and natural heritage. ⁶⁰	Provisions: Standard 6 requires that cultural heritage identified as part of the screening or assessment processes described under Minimum Standard 1 is appropriately preserved throughout the project or programme cycle. Gaps: N/A	Provisions: Standard 8 recognises the importance of cultural heritage, and consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this performance standard aims to ensure the protection of cultural heritage in the course of project activities. Cultural heritage will be identified as part of the screening or assessment processes described Standard 1. Gaps: N/A	Provisions: Principle 14 states that projects/programmes supported by the fund shall be designed and implemented in a way that avoids the alteration, damage or removal of any physical cultural resources, cultural sites and sites with unique natural values recognised as such at the community, national or international level. Projects/programmes should also not permanently interfere with existing access and use of such physical and cultural resources. Gaps: N/A
	Indicator 2	Provisions: Standard 6 requires that when assessing	Provisions: Standard 8 requires that in addition to	Provisions: Principle 14 requires a description of the

⁶⁰ Convention Concerning the Protection of the World Cultural and Natural Heritage, Article 6.

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	<p>Take necessary measures to ensure the safeguarding of the intangible cultural heritage.⁶¹ “Intangible cultural heritage” is manifested inter alia in the following domains: (i) oral traditions and expressions, including language as a vehicle of the intangible cultural heritage; (ii) performing arts; (iii) social practices, rituals and festive events; (iv) knowledge and practices concerning nature and the universe; and (v) traditional craftsmanship.</p> <p>“Safeguarding” means measures aimed at ensuring the viability of intangible cultural heritage, including identification, documentation, research, preservation, protection, promotion, enhancement and transmission (particularly through formal and non-formal education), as well as the revitalisation of the various aspects of such heritage.</p>	<p>the nature, extent and significance of cultural heritage that may be affected by the project, an assessment must be made as to whether destruction or damage can be avoided, along with an assessment of plans for minimising/mitigating risks and impacts.</p> <p>Gaps: No specific and explicit measures for the enhancement, transmission (particularly through formal and non-formal education) and the revitalisation of the various aspects of such heritage.</p>	<p>complying with applicable law on the protection of cultural heritage, the identification and protection of cultural heritage by ensuring that internationally recognised practices for the protection, field-based study, and documentation of cultural heritage are implemented.</p> <p>Additionally, it prohibits the removal of any non-replicable cultural heritage,⁶² unless all of the following conditions are met: (i) there are no technically or financially feasible alternatives to removal; (ii) the overall benefits of the project conclusively outweigh the anticipated cultural heritage loss from removal; and (iii) any removal of cultural heritage is conducted using the best available technique.</p> <p>Moreover, the standard prohibits the removal, significant alteration or damaging of critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are</p>	<p>cultural heritage; the location and results of a risk assessment analysing the potential for impacts on cultural heritage; and the identification of measures to be taken to ensure that cultural heritage is not impacted. Also, if it is being accessed by communities, a description of how this access will continue is required.</p> <p>Gaps: No specific and explicit measures for the enhancement, transmission (particularly through formal and non-formal education) and the revitalisation of the various aspects of such heritage.</p>

⁶¹ CSICH, articles 1, 2 and 11.

⁶² Non-replicable cultural heritage may relate to the social, economic, cultural, environmental and climatic conditions of past peoples, their evolving ecologies, adaptive strategies and early forms of environmental management, where the (i) cultural heritage is unique or relatively unique for the period it represents, or (ii) cultural heritage is unique or relatively unique in linking several periods in the same site.

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			<p>unavoidable, the Informed Consultation and Participation (ICP) of the affected communities, as described in Performance Standard 1, is required.</p> <p>Gaps: No specific and explicit measures for the enhancement, transmission (particularly through formal and non-formal education) and the revitalisation of the various aspects of such heritage.</p>	
<p>1.6. Restrictions on land use and involuntary resettlement</p> <p>Relevant international instruments:</p> <ul style="list-style-type: none"> • ILO Convention No.169 • International Covenant on Economic, Social and Cultural rights • Universal Declaration of Human Rights 	<p>Indicator 1</p> <p>Involuntary resettlement is considered as an exceptional measure.⁶³</p> <p>Noting involuntary resettlement refers to both physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood).</p>	<p>Provisions: Standard 4 states that where viable and feasible alternatives do not exist, adverse impacts from restrictions on land use and involuntary resettlement are minimised, managed or compensated, based on meaningful consultations, and with particular attention to any affected disadvantaged or vulnerable individuals or groups, so that affected peoples' standards of living and livelihoods are improved, or at least restored.</p> <p>Involuntary resettlement is defined as when affected persons do not have the right to</p>	<p>Provisions: Standard 5 aims to: (i) avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs; (ii) avoid forced eviction; (iii) anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisition or restrictions on land use. This can be achieved by: (a) providing compensation for loss of assets at replacement cost; (b) ensuring that resettlement activities are implemented with appropriate disclosure of information,</p>	<p>Provisions: Principle 8 determines that projects/programmes supported by the fund shall be designed and implemented in a way that avoids or minimises the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically and socially feasible resettlement alternatives or fair and adequate compensation.</p>

⁶³ ILO 169, Article 16.

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		<p>refuse land acquisition or restrictions on land use that result in physical or economic displacement, whether permanent or temporary.</p> <p>Gaps: N/A</p>	<p>consultation and the informed participation of those affected; (c) improving or restoring the livelihoods and standards of living of displaced persons; and (d) improving living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.</p> <p>Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of lawful expropriation or temporary or permanent restrictions on land use, and negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.</p> <p>Gaps: N/A</p>	<p>Involuntary resettlement refers to both physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood). Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement because of either: (i) lawful expropriation or temporary or permanent restrictions on land use; and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.</p> <p>Gaps: N/A</p>
	<p>Indicator 2</p> <p>Involuntary resettlement must be:⁶⁴ (i) carried out in accordance with domestic and</p>	<p>Provisions: Standard 4 states that forced eviction without the provision of and access to</p>	<p>Provisions: IFC Performance Standard 5 applies to economic and physical displacement that results from transactions</p>	<p>Provisions: Principle 8 requires the provision of a justification for the need for involuntary resettlement by</p>

⁶⁴ United Nations, A/HRC/4/18, Basic Principles and Guidelines on Development based Evictions and Displacement.

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	international human rights law; (ii) carried out through an inclusive, transparent, robust and participatory process of exploring possible alternatives; (iii) reasonable and proportional; (iv) regulated so as to ensure full and fair compensation and rehabilitation; and (v) prior to any decision, it must be demonstrated that the involuntary resettlement is unavoidable and consistent with international human rights commitments protective of general welfare.	<p>appropriate forms of legal and other protection is prohibited.</p> <p>Cases of involuntary resettlement require that affected persons are engaged in meaningful consultations and are provided opportunities to participate in the development, implementation and monitoring of resettlement action plans or their equivalent, and are provided with technically and economically feasible resettlement alternatives and assistance.</p> <p>Where physical displacement occurs, displaced persons with title or a claim recognisable under national law are provided with: (i) choices among feasible resettlement options – including land-based compensation where possible – equal to the existing land in productive potential, location and security of tenure, and ownership and use rights; (ii) adequate replacement housing and/or cash compensation, access to services, and resources/organisation to support maintenance of social organisation and social cohesion; (iii) relocation</p>	<p>affecting a range of specified tenure situations, including land ownership and/or use rights, ‘traditional or recognizable’ use rights to natural resources, and communal land and resource ownership and use. It also covers ‘certain project situations requiring evictions of people occupying land without formal, traditional or recognizable usage rights’ (IFC-PS 5, paragraph 5). The approach centres on ensuring that affected people are restored to at least the same livelihood position they were in before the project. IFC Performance Standard 7 establishes additional safeguards for indigenous peoples.</p> <p>Gaps: Rather than affirming or recognising rights, the IFC primarily provide guidance on developing resettlement packages to ensure that displaced people are, in practice, not worse off. In discussing involuntary resettlement, IFC Performance Standard 5 makes no mention of human rights, while Performance Standard 7 on</p>	<p>demonstrating any realistic alternatives that were explored, and how the proposed involuntary resettlement has been minimised and is the least harmful solution. It also requires description in detail of the extent of involuntary resettlement, including the number of people and households involved, their socio-economic situation and vulnerability, how their livelihoods will be replaced, and the resettlement alternatives and/or the full replacement cost compensation required, whether the displacement is temporary or permanent. Finally, it also requires in-depth description of the involuntary resettlement process that the project/programme will apply, and the built-in safeguards to ensure that displaced persons shall be informed of their rights in a timely manner, made aware of the grievance mechanism, consulted on their options, and offered technically, economically and socially feasible resettlement alternatives or fair and adequate compensation.</p>

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		<p>assistance suited to their needs; and assistance to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the start of project implementation, whichever is higher.</p> <p>Where economic displacement occurs, affected persons with title or a claim recognisable under national law are provided with: (i) prompt and adequate compensation for the loss of assets or access to assets, such as sites of productive activity, with replacement property of equal or greater value, or cash compensation at replacement cost; (ii) assistance to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the start of project implementation, whichever is higher; and (iii) transitional support, as necessary.</p> <p>For persons without formal legal rights to land, or claims to such land that could be</p>	<p>indigenous peoples refers to them only when framing its objectives. Also, the IFC standards clarify that a specific human rights due diligence may only be required in ‘limited high risk circumstances’ (IFC-PS 1, paragraph 7, footnote 12).</p> <p>Furthermore, the emphasis on livelihood restoration in IFC Performance Standard 5 primarily reflects a ‘do no harm’ approach. Alignment with human rights would require to positively contribute to relevant objectives such as food security and rural development.</p>	<p>This also should include an overview of the applicable national laws and regulations.</p> <p>Gaps: The AF does not explicitly distinguish and provide the right to participate and be consulted both during the preparation of the resettlement plans, and for the elaboration of a resettlement policy framework when specific activities or locations have not been determined.</p>

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		<p>recognised under national laws, resettlement assistance is provided in case of physical or economic displacement, in lieu of compensation for land, to help improve or at least restore their livelihoods in another location; and in cases of physical resettlement, arrangements to allow them to obtain adequate housing with security of tenure, and compensation for assets other than land (such as dwellings), where feasible.</p> <p>Gaps: N/A</p>		
	<p>Indicator 3</p> <p>Involuntary resettlement shall take place only with the free and informed consent of Indigenous Peoples.⁶⁵</p> <p>Where their consent cannot be obtained, such relocation shall take place only following appropriate procedures established by national laws and regulations, including public inquiries where appropriate, which provide the opportunity for effective</p>	<p>Provisions: Standard 5 requires that the free, prior and informed consent (FPIC) of affected indigenous peoples is obtained when a project or programme may cause impacts on land and natural resources, including restrictions on land use or loss of access to natural resources, subject to traditional ownership or under customary use or occupation, or the location of a project/programme on such land or the commercial development of such natural</p>	<p>Provisions: Standard 7 prohibits the relocation of indigenous peoples from land or natural resources that they have traditionally owned or used unless their FPIC is first obtained</p> <p>Gaps: As noted above, rather than affirming or recognising rights, the IFC standards primarily provide guidance on developing resettlement packages to ensure that displaced people are, in practice, not worse off.</p>	<p>Provisions: Principle 8 deals specifically with involuntary resettlement, and Principle 7 with IPs, which clearly states alignment with applicable international conventions and agreements that require FPIC is obtained in this case</p> <p>Gaps: No explicit mention of the need to obtain FPIC in cases of involuntary resettlement of IPs</p>

⁶⁵ ILO 169, Article 16.

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	representation of the peoples concerned. ⁶⁶	resources. This also applies in cases of relocation of indigenous peoples from land and natural resources subject to traditional ownership, or under customary use or occupation. Gaps: N/A	The premise of the IFC-PS is that commercial projects can lead to involuntary resettlement and proceed without the consent of affected people ⁶⁷ – although they emphasise this should be avoided whenever possible, and Performance Standard 7 provides for consent-based approaches with regards to indigenous peoples. A rapidly evolving international human rights jurisprudence provides pointers relevant to addressing land rights issues that are not necessarily covered in detail by the IFC standards. These issues mean that only requiring human rights due diligence in exceptional circumstances could marginalise consideration of human rights at a time when human rights issues are being mainstreamed.	
	Indicator 4 Whenever possible, indigenous peoples shall have the right to return to their traditional lands,	Provisions: No provisions Gaps: No specific provisions deal with this	Provisions: Standard 7 states that where feasible, the relocated indigenous peoples should be able to return to their	Provisions: Principle 8 deals specifically with involuntary resettlement, and Principle 7 with IPs, which clearly states

⁶⁶ Ibid.

⁶⁷ IFC Performance Standard 5 applies to situations where the ‘affected persons or communities do not have the right to refuse land acquisition or restrictions on land use’ (paragraph 1)

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	as soon as the grounds for relocation cease to exist. When such return is not possible, indigenous peoples shall be provided in all possible cases with lands of quality and legal status at least equal to that of the lands previously occupied by them, suitable to provide for their present needs and future development. Where the peoples concerned express a preference for compensation in money or in kind, they shall be so compensated under appropriate guarantees. ⁶⁸		traditional or customary lands, should the cause of their relocation cease to exist. Standard 5 determines that when displacement cannot be avoided, displaced communities and persons will be offered compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods Gaps: N/A	alignment with applicable international conventions and agreements that regulate this. Gaps: N/A

2. Procedural rights

International human rights law recognises several procedural rights. These are the right to information, the right to participate in decision-making processes and the right to remedies. Under UNFCCC Article 6, the parties commit to promote and facilitate public access to information on climate change. Under international human rights law, access to information is implied in the rights to freedom of opinion and expression (Universal Declaration of Human Rights, art. 19, and ICCPR, art. 19). Jurisprudence of regional human rights courts has also underlined the importance of access to information in relation to environmental risks (See e.g. Guerra and Others v. Italy, ECHR 14967/89; Inter-American Court of Human Rights, Case of Claude Reyes et al. v. Chile. Merits, Reparations and Costs, Series C, No. 151).

2.1. Access to information <u>Relevant international instruments:</u> <ul style="list-style-type: none"> • ICCPR 	Indicator 1 Relevant and adequate information is provided, ⁶⁹ including in a timely and culturally appropriate manner. ⁷⁰ Relevant and adequate information includes:	Provisions: The ESP defines meaningful consultation as meaning a two-way process, that: (i) begins early in the project or programme planning process to gather initial views on the project or programme proposal and inform design;	Provisions: Performance Standard 1 establishes the importance of effective community engagement through disclosure of project-related information and consultation with local	Provisions: The ESP requires that the results of the environmental and social screening and a draft environmental and social assessment, including any proposed management plan, shall be made available for
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⁶⁸ ILO 169, Article 16 (4).

⁶⁹ ICCPR Art 13. Akwé: Kon Voluntary Guidelines of the Convention on Biological Diversity

⁷⁰ IACHR, (30 September 2011) The Right to Access to Information in the Americas: Inter-American Standards and Comparison of Legal Frameworks, *op cit*, p. 108.

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<ul style="list-style-type: none"> • Rio Declaration on Environment and Development • Universal Declaration of Human Rights • CBD 	<p>“... a brief summary of the proposal, the sites and communities likely to be affected, anticipated impacts (if any) on the conservation and sustainable use of biological diversity, as well as possible cultural and social impacts, arrangements for public consultation, contact details, key dates in the life of the project, including those regarding impact assessment procedures, and identify obligations under national and sub-national laws as well sub regional, regional and international agreements. The proposal and impact assessment should be made available to organisations representing indigenous and local communities and relevant stakeholders for the purpose of public scrutiny and consultation. It should include all details relevant to the proposal”.⁷¹</p>	<p>(ii) encourages stakeholder feedback – particularly as a way of informing project or programme design and stakeholder engagement in the identification and mitigation of environmental and social risks and impacts – that is carried out on a continuous basis, as environmental and social risks and impacts arise; (iii) is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables consultations with stakeholders in a culturally appropriate format, in relevant local language(s), and is understandable to stakeholders; (iv) considers and responds to feedback; (v) supports active and inclusive engagement with project-affected parties; (vi) is free of external manipulation, interference, coercion, discrimination, and intimidation; and (vii) is documented and disclosed by the executing agency.</p>	<p>communities on matters that directly affect them.</p> <p>It also determines that affected communities should have access to relevant information on: (i) the purpose, nature, and scale of the project; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism.</p> <p>Gaps: N/A</p>	<p>public consultations that are timely, effective, inclusive and held free of coercion and in an appropriate way for communities that are directly affected by the proposed project/programme. The secretariat will publicly disclose the final environmental and social assessment through the fund’s website as soon as it is received. The implementing entity is responsible for disclosing the final environmental and social assessment to project-affected people and other stakeholders. Project/programme performance reports including the status on implementation of environmental and social measures shall be publicly disclosed. Any significant proposed changes in the project/programme during implementation shall be made available for effective and timely public consultation with directly affected communities.</p> <p>Gaps: N/A</p>

⁷¹ Akwé: Kon Voluntary Guidelines of the Convention on Biological Diversity, Art 10 and 11

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		<p>Standard 1 requires environmental and social assessment to be documented, and relevant documents to be disclosed by agencies and project implementing entities in line with agencies' applicable policies, procedures and systems for information disclosure, so as to provide stakeholders with timely, relevant and understandable information about projects and programmes, and allow stakeholders to participate in meaningful consultations, starting as early as possible in the project or programme cycle, and continuing throughout the lifecycle of the project or programme.</p> <p>Gaps: N/A</p>		
<p>2.2. Stakeholder engagement/participation</p> <p><u>Relevant international instruments:</u></p> <ul style="list-style-type: none"> • Rio Declaration on Environment and Development • ILO Convention No.169 	<p>Indicator 1</p> <p>Carry out appropriate procedures to ensure the full and effective participation of all relevant stakeholders. This includes:⁷² (i) identification of stakeholders that may be impacted and may need to be consulted; (ii) defining and implementing a clear process</p>	<p>Provisions: The ESP defines meaningful consultation as meaning a two-way process, that: (i) begins early in the project or programme planning process to gather initial views on the project or programme proposal and to inform design; (ii) encourages stakeholder feedback – particularly as a</p>	<p>Provisions: Standard 1 determines that stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts. Stakeholder engagement is an ongoing</p>	<p>Provisions: The ESP requires that implementing entities shall identify stakeholders and involve them as early as possible in planning any project/programme supported by the fund. Part II, Section H32 includes additional information on stakeholder engagement, which should be</p>

⁷² ILO 169, Article 6. Aarhus Convention, articles 6 and 7. Rio Declaration, Principle 10.

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<ul style="list-style-type: none"> Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) 	<p>and timeline to carry out consultations in a culturally appropriate manner; (iii) defining the process for addressing inputs received from the consultations; and (iv) determining the disclosure process of how public input was reflected into the final decision.</p>	<p>way of informing project or programme design and stakeholder engagement in the identification and mitigation of environmental and social risks and impacts – that is carried out on a continuous basis, as environmental and social risks and impacts arise; (iii) is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables consultations with stakeholders in a culturally appropriate format, in relevant local language(s), and is understandable to stakeholders; (iv) considers and responds to feedback; (v) supports active and inclusive engagement with project-affected parties; (vi) is free of external manipulation, interference, coercion, discrimination, and intimidation; and (vii) is documented and disclosed by the executing agency.</p> <p>Gaps: N/A</p>	<p>process that may involve, in varying degrees, stakeholder analysis and planning; disclosure and dissemination of information; consultation and participation; a grievance mechanism; and ongoing reporting to affected communities. The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development.</p> <p>The extent and degree of engagement required by the consultation process should be commensurate with the project's risks and adverse impacts, and with the concerns raised by the affected communities. Effective consultation is a two-way process that should: (i) begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; (ii) be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily</p>	<p>used in the assessment process and also in identifying mitigation measures.</p> <p>Principle 4 determines that human rights issues should be an explicit part of consultations with stakeholders during the identification and/or formulation of the project/programme. The findings on human rights issues of the consultations should then be included in the project/programme document, and details of the consultations added as an annex.</p> <p>Gaps: It does not define nor provide guidance with regard to a process and timeline for carrying out consultations in a culturally appropriate manner, or for defining the process of addressing inputs received from the consultations. It also does not determine the disclosure process of how public input is to be reflected into the final decision.</p>

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			<p>accessible information which is in a culturally appropriate local language(s) and format and is understandable to affected communities; (iii) focus inclusive engagement on those directly affected as opposed to those not directly affected; (iv) be free of external manipulation, interference, coercion or intimidation; (v) enable meaningful participation, where applicable; and (vi) be documented. The consultation process must be tailored to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.</p> <p>Gaps: N/A</p>	
	<p>Indicator 2 Carry out appropriate procedures – in particular through their representative institutions – by which indigenous peoples and local communities can effectively participate.⁷³</p>	<p>Provisions: Standard 5 determines that mitigation and compensation plans are developed through meaningful consultations with the affected indigenous peoples, that are gender and intergenerationally inclusive, involve their traditional representative bodies and organisations,</p>	<p>Provisions: Standard 1 requires that projects with adverse impacts for indigenous peoples engage them in a process of consultation, and in certain circumstances obtain their FPIC. The requirements related to indigenous peoples and the definition of the special</p>	<p>Provisions: Principle 7 determines that if indigenous peoples are present in the project/programme implementation area, the consultation process must engage the indigenous peoples. Gaps: It does not define nor provide guidance with regard to procedures for the adequate</p>

⁷³ ILO 169, Article 6.

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		provide sufficient time for their decision-making processes, and allow for the affected indigenous peoples to effectively participate in the design of mitigation measures and the provision or sharing of benefits. When entitled to benefits, indigenous peoples are engaged through meaningful consultations and/or provided opportunities for negotiation concerning the sharing of benefits Gaps: N/A	circumstances requiring FPIC are described in Standard 7. Gaps: N/A	engagement of indigenous peoples. Regarding local communities, it does not explicitly foresee the involvement of the national designated authorities or focal points in organising country portfolio reviews involving people affected by the activities and other local stakeholders.
2.3. Access to remedy/grievance redress Relevant international instruments: <ul style="list-style-type: none"> • ICCPR • Rio Declaration on Environment and Development • ILO Convention No.169 • Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental 	Indicator 1 Ensure that any person whose rights or freedoms (as recognised by domestic and international law) are violated shall have access to an effective remedy. ⁷⁴ This includes failures relating to the obligation to provide information necessary for effective participation, or the failure to carry out adequate consultations. ⁷⁵	Provisions: Standard 2 requires agencies to demonstrate that they have grievance and conflict resolution systems in place at the appropriate level that: (i) receive and address complaints related to the implementation of projects and programmes in a timely and culturally appropriate manner; (ii) take appropriate measures to minimise the risk of retaliation to complainants; (iii) are readily accessible and broadly advertised to stakeholders; and	Provisions: Standard 1 seeks to ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately. It requires the establishment of a grievance mechanism to receive and facilitate the resolution of affected communities' concerns and grievances concerning the project's environmental and social performance. The grievance mechanism should	Provisions: The ESP requires implementing entities to identify a grievance mechanism that provides people affected by projects/programmes supported by the fund with an accessible, transparent, fair and effective process for receiving and addressing their complaints about environmental or social harms caused by any such project/programme. The mechanism can be pre-existing, national, local, or institution- or project-specific. Complaints

⁷⁴ ICCPR, Article 2.

⁷⁵ Rio Declaration, Principle 10.

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Matters (Aarhus Convention)		<p>(iv) include a locally available option at the project or programme level that is established early, proportionate to the potential risks and impacts of the project or programme, is readily accessible, culturally appropriate, and has appropriate confidentiality protections</p> <p>Gaps: Does not explicitly state access to remedy can be accessed with regard to failures relating to the obligation to provide information necessary for effective participation, or the failure to carry out adequate consultations.</p>	<p>be scaled to the risks and adverse impacts of the project and have affected communities as its primary user. It should seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies. The client will inform the affected communities about the mechanism in the course of the stakeholder engagement process.</p> <p>Additionally, the GCF has set up an Independent Redress Mechanism (IRM) that addresses complaints and grievances from persons adversely impacted by the projects or programmes of the GCF. After verifying eligibility, the IRM engages with the relevant parties to explore options for resolving the problems that are raised in the complaint, with an aim of reaching a mutually</p>	<p>regarding projects/programmes supported by the fund can also be filed with the fund's secretariat.</p> <p>Gaps: Does not explicitly state access to remedy can be accessed with regards to failures relating to the obligation to provide information necessary for effective participation, or the failure to carry out adequate consultations</p>

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			<p>satisfactory outcome. If parties are unwilling or unable to resolve the issues, the IRM conducts a compliance appraisal to determine whether a compliance investigation is merited, and if so, carries out an investigation to identify any non-compliance with GCF policies or procedures in relation to the complaint, and recommends appropriate redress. The IRM monitors any problem-solving agreement or compliance recommendations that result from its processes.</p> <p>Gaps: Does not explicitly state access to remedy can be achieved for failures related to the obligation to provide the information necessary for effective participation, or the failure to carry out adequate consultations</p>	
<p>2.4. Free prior and informed consent (FPIC)</p> <p>Relevant international instruments:</p> <ul style="list-style-type: none"> • ILO Convention No.169 • UNDRIP 	<p>Indicator 1</p> <p>Ensuring the FPIC of indigenous peoples is conducted in accordance with relevant international law.</p> <p>Note the basic principles of FPIC are outlined in the ILO <i>Guide to Convention No. 169</i> in the following manner:</p>	<p>Provisions: The policy on ESS defines FPIC as the collective support of an affected indigenous people for project or programme activities, reached through a process of meaningful consultation in a culturally appropriate manner, and properly documented describing the mutually</p>	<p>Provisions: Standard 7 states there is no universally accepted definition of FPIC. For the purposes of Performance Standards 1, 7 and 8, FPIC has the following meaning: FPIC builds on and expands the process of informed consultation and participation (ICP) described in</p>	<p>Provisions: Principle 7 determines that the project/programme must be consistent with UNDRIP, and particularly with regard to FPIC. It defines FPIC as the principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they</p>

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	<p>Free refers to no coercion, intimidation, or manipulation;</p> <p>Prior consent has been sought sufficiently in advance of any authorisation or commencement of activities, and respects the time requirements of indigenous consultation/consensus processes;</p> <p>Informed information provided, covers (at minimum) the following aspects: (i) the nature, size, pace, reversibility and scope of any proposed project or activity; (ii) the reason or purpose of the project and/or activity; (iii) the duration of the project or activity; (iv) the locality of areas that will be affected; (v) a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle; (vi) personnel likely to be involved in the execution of the proposed project (including indigenous peoples, private sector staff, research institutions, government</p>	<p>accepted process to carry out good faith negotiations, and the outcome of such negotiations, including dissenting views. Notes FPIC does not require unanimity and may be achieved even when individuals or groups within the community explicitly disagree.</p> <p>Gaps: Does not provide explicit procedure or guidance for conducting FPIC.</p>	<p>Performance Standard 1, and will be established through good faith negotiation between the client and the affected communities of indigenous peoples. The client will document the mutually accepted process between the client and affected communities of indigenous peoples, and evidence of agreement between the parties as the outcome of the negotiations. Free, prior and informed consent does not necessarily require unanimity, and may be achieved even when individuals or groups within the community explicitly disagree.</p> <p>The guidance note on Standard 7 states FPIC comprises a process and an outcome. The process builds upon the requirements for ICP (which include requirements for free, prior and informed consultation and participation) and additionally requires good faith negotiation (GFN) between the client and affected communities of indigenous peoples. Good faith negotiation involves on the part of all parties: (i) willingness to</p>	<p>customarily own, occupy or otherwise use.</p> <p>Additionally, it requires the implementing entity to provide documented evidence of the mutually accepted process between the project/programme and the affected communities, and evidence of agreement between the parties as the outcome of the negotiations. Principle 7 also notes FPIC does not necessarily require unanimity and may be achieved even when individuals or groups within the community explicitly disagree.</p> <p>Gaps: Does not provide explicit procedure or guidance for conducting FPIC. However, the AF guidance document for the implementation of the ESP specifies that when indigenous populations are present in the project or programme, the IEs should describe how the project/programme will be consistent with UNDRIP, and particularly with regard to FPIC during project/programme design, implementation and expected outcomes related to the impacts</p>

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	<p>employees and others); and (vii) procedures that the project may entail.</p> <p>Consent: the parties should establish a dialogue allowing them to find appropriate solutions in an atmosphere of mutual respect and in good faith, and full and equitable participation. Indigenous peoples should be able to participate through their own freely chosen representatives and customary or other institutions. The inclusion of a gender perspective and the participation of indigenous women are essential, as well as participation of children and youth as appropriate. This process may include the option of withholding consent.</p>		<p>engage in a process, and availability to meet at reasonable times and frequency; (ii) provision of information necessary for informed negotiation; (iii) exploration of key issues of importance; (iv) use of mutually acceptable procedures for negotiation; (v) willingness to change initial position and modify offers where possible; and (vi) provision of sufficient time for decision making. The outcome, where the GFN process is successful, is an agreement and evidence thereof.</p> <p>Similarly, the GCF indigenous peoples policy states GCF will ensure and require evidence of the effective consultation and application of FPIC through appropriate procedures and in particular through their representative institutions, whenever consideration is being given to GCF-financed activities that will affect indigenous peoples' lands, territories, resources, livelihoods and cultures, or require their relocation as described in section 7.2.</p>	<p>affecting the communities of indigenous peoples.</p>

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			<p>It also states there is no universally accepted definition of FPIC, and that for the purposes of this policy, FPIC will have the following meaning: it will be an iterative process, requiring indigenous peoples' consent before a proposal for GCF financing is considered by the Board, on the basis of their own independent deliberations and decision-making process, based on adequate information to be provided in a timely manner, in a culturally appropriate manner, in a local language that is understood by them, and through a process of transparent and inclusive consultations, including with women and youth, and free of coercion or intimidation. Free, prior and informed consent does not require unanimity and may be achieved even when individuals or groups within or among affected indigenous peoples explicitly disagree.</p> <p>Gaps: Ambiguities exist with regard to the procedure to conduct FPIC, and there are limitations with the interpretation of the term "consent". Under this soft</p>	

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			<p>approach, consent does not mean consent in accordance with international legal guidance and best practices. Rather, it involves conducting a robust community-consultation process, memorialising the process in writing, and concluding that such consultation is sufficient to meet FPIC standards and the need to mitigate risks.</p> <p>Additionally, and as noted above, Standard 7 and associated guidance with regard to the consideration of who indigenous peoples are, does not fully align with international instruments, which may lead to exclusions</p>	
	<p>Indicator 2</p> <p>Ensuring the FPIC of indigenous peoples is required in a number of circumstances in accordance with domestic legislation and applicable international instruments, including:</p> <p>When considering the rem Prior to the authorisation of projects for the extraction of natural resources from the</p>	<p>Provisions: The prior and informed consent of affected indigenous peoples must be obtained when a project or programme may cause: (i) impacts on land and natural resources, including restrictions on land use or loss of access to natural resources, subject to traditional ownership or under customary use or occupation, or the location of a project or programme on such land or the commercial</p>	<p>Provisions: Standard 1 determines that in certain circumstances it is necessary to obtain the FPIC of indigenous peoples. The requirements related to indigenous peoples and the definition of the special circumstances requiring FPIC are described in Performance Standard 7. These are: (i) where a project may have impacts on lands and natural resources subject to traditional ownership or that are under</p>	<p>Provisions: Principle 7 determines the fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples, and in other applicable international instruments relating to indigenous peoples.</p> <p>Gaps: We assume Principle 7 hence requires FPIC to be obtained in all circumstances</p>

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	<p>territory of indigenous peoples;⁷⁶ and</p> <p>oval of indigenous peoples from their collective land;⁷⁷</p> <p>In relation to the removal of cultural, intellectual, religious or spiritual property from indigenous territory;⁷⁸</p> <p>Prior to the adoption of legislative or administrative measures that may affect indigenous peoples;⁷⁹</p> <p>Prior to the storage or disposal of hazardous materials on the land or territory of indigenous peoples;⁸⁰</p> <p>Prior to accessing genetic resources or traditional knowledge associated with them.⁸¹</p>	<p>development of such natural resources; (ii) relocation of indigenous peoples from land and natural resources subject to traditional ownership, or under customary use or occupation; or (iii) significant impacts on an indigenous people's cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected indigenous people's lives, or the use of such cultural heritage for commercial purposes.</p> <p>Gaps: Does not explicitly require FPIC prior to accessing genetic resources or traditional knowledge, nor prior to the authorisation of projects for the extraction of natural resources from the territory of indigenous peoples..</p>	<p>customary use; (ii) where a project leads to the relocation of indigenous peoples from lands and natural resources subject to traditional ownership or under customary use; (iii) where a project may significantly impact critical cultural heritage⁸² that is essential to the identity and/or cultural, ceremonial or spiritual aspects of indigenous peoples' lives; and (iv) where a project proposes to use the cultural heritage – including knowledge, innovations or practices – of indigenous peoples for commercial purposes.</p> <p>Gaps: Does not explicitly require FPIC prior to accessing genetic resources from the territory of indigenous peoples.</p>	<p>determined by ILO 169 and UNDRIP; but this is not explicit and not made clear to AEs.</p>

3. Conservation and biodiversity

Conservation and biodiversity clauses are contained in many international instruments, with 17 of them containing provisions that explicitly relate to the environmental and social safeguards to be observed by every member state, even if they are not framed as such. The Convention on Biological Diversity (CBD), the Convention on

⁷⁶ UNDRIP, Article 32.

⁷⁷ ILO Convention No. 169, articles 16 and 10. UNDRIP, Article 10.

⁷⁸ UNDRIP, Article 11.

⁷⁹ UNDRIP, Article 19.

⁸⁰ UNDRIP, Article 29.

⁸¹ Nagoya Protocol, articles 6 and 7.

⁸² Includes natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred trees and sacred rocks. Natural areas with cultural value are equivalent to priority ecosystem cultural services as defined in Performance Standard 6.

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International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Convention on the Conservation of Migratory Species of Wild Animals (CMS) conform to the core international treaties regulating biodiversity conservation in international law. These instruments and the others presented below lay out the obligations member states have to preserve natural habitats and biodiversity, to protect endangered and endemic species and to take steps to protect genetic diversity.				
3.1. Conservation of natural habitats Relevant international treaties: <ul style="list-style-type: none"> • Convention on Biological Diversity • Nairobi Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Western Indian Ocean • African Convention on the Conservation of Nature and Natural Resources • ASEAN Agreement on the Conservation of Nature and Natural Resources • Agenda 21 • World Charter for Nature • The World Heritage Convention 	Indicator 1 Duty to identify the presence of natural habitats in or near the project site and duty to identify the potential direct, indirect, or cumulative impacts that the project/programme may have on such natural habitats. ⁸³	Provisions: Standard 1 and 3 determine that Agencies should apply a precautionary approach and assess the significance of a habitat, in terms of vulnerability, irreplaceability, and if protected, their protected status; importance for local communities, including livelihoods; and potential threats to the biodiversity, such as habitat loss, degradation, and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, Pollution and incidental take. Gaps: N/A	Provisions: Standard 1 and 6 require that activities are screened and consider direct and indirect project-related impacts on biodiversity and ecosystem services; and identify any significant residual impacts. This assessment must also consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution. It will also take into account the differing values attached to biodiversity and ecosystem services by Affected Communities and, where appropriate, other stakeholders. Gaps: N/A	Provisions: Principle 9 determines that projects will not be supported if they entail unjustified conversion or degradation of critical natural habitats, including those that are legally protected, officially proposed for protection, recognised by authoritative sources for their conservation value or recognised as protected by indigenous or local communities. AEs are responsible for screening all projects/programmes to determine the extent to which they present environmental or social risks, including all risks associated with the fund's environmental and social principles (which include habitat conservation). The entity will identify: 1) the presence in or near the project/programme area of natural habitats, and 2) the potential of the project/programme to impact

⁸³ CBD, Article 8.

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<ul style="list-style-type: none"> • United Nations Convention on Desertification • Protocol concerning Pollution from Land-Based sources and activities to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region • Ramsar Convention on Wetlands of International Importance Especially as Waterfowl Habitat 				directly, indirectly, or cumulatively upon natural habitats. Gaps: N/A
	Indicator 2 If potential impacts to a natural habitat are identified, assess options to avoid impacts, and when impacts are unavoidable make a full assessment of the extent of the damage. ⁸⁴	Provisions: Standard 1 and 3 determine that if potential adverse impacts cannot be avoided and no viable alternatives are available, such impacts must be mitigated, managed or offset (in that order). The measures to be taken depend on the type of habitat affected, namely modified (with appropriate mitigation measures) or natural (with mitigation measures and long-term biodiversity action plan) habitats. Compensation is only used as a last resort. Gaps: N/A	Provisions: Standard 6 determines that activities shall avoid impacts on biodiversity and ecosystem services, and if avoidance of impacts is not possible, measures to minimize impacts and restore biodiversity and ecosystem services should be implemented. Given the complexity in predicting project impacts on biodiversity and ecosystem services over the long term, the project should include a practice of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project's lifecycle. Significant conversion or degradation of natural habitat will not take place unless: i) No other viable alternatives within the region exist for	Provisions: Principle 9 determines that if such habitats exist and there is a potential of the project/programme to impact the habitat, the AE will: 1) Describe the location of the critical habitat in relation to the project and why it cannot be avoided, as well as its characteristics and critical value; and 2) For each affected critical natural habitat, provide an analysis on the nature and the extent of the impact including direct, indirect, cumulative, or secondary impacts; the severity or significance of the impact; and a demonstration that the impact is consistent with management plans and affected area custodians. Gaps: N/A

⁸⁴ CBD, Article 14.

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			development of the project on modified habitat; ii) Consultation has established the views of stakeholders, including Affected Communities, with respect to the extent of conversion and degradation; and iii) Any conversion or degradation is mitigated according to the mitigation hierarchy. Gaps: N/A	
	Indicator 3 When damage is unavoidable, introduce provisions on management plans to minimise, mitigate and compensate for the natural habitat loss according to national and international regulation and with the participation of the site's custodians. ⁸⁵ These activities should be costed as part of the budget for the proposed project.	Provisions: Standard 1 determines that in response to the findings of the relevant environmental and social assessments, an appropriately-scaled and adequately budgeted management plan – such as an Environmental and Social Management Plan or another appropriate instrument – is developed, following the mitigation hierarchy, and implemented and monitored throughout the project or program cycle, with adaptive management to ensure that problems that arise during implementation are identified at early stages and addressed appropriately, so as to achieve	Provisions: The GCF's ESP determines that where avoidance, minimisation or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, the AE must implement measures that provide remedy or restoration before adequate and equitable compensation for any residual risks and impacts. Such measures shall be described and costed in the biodiversity action plans and/or ESMPs as part of the consideration for GCF funding. Compensation, or offsets, will be used only as a last resort, when all other	Provisions: Projects that present environmental and social risks shall ensure that measures are identified for avoiding, reducing or mitigating all environmental and social impacts, and that the implementation of such measures is monitored and reported on through the life of the project. Gaps: The requirement is generic and not particular to the conservation of natural habitats. There is no explicit requirement to include the costs of these assessments and the costs of the mitigation actions as part of the budget.

⁸⁵ CBD, Article 9.

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		<p>planned environmental and social outcomes. Documents must be disclosed by AEs and project implementing entities in line with AEs' applicable policies, procedures and systems for information disclosure, so as to provide Stakeholders with timely, relevant and understandable information about projects and programs, and allow Stakeholders to participate in Meaningful Consultations, starting as early as possible in the project or program cycle, and continuing throughout the lifecycle of the project or program.</p> <p>Gaps: N/A</p>	<p>options have been considered and when they are supported by rigorous, sound science, and only in consultation with experts and if long-term management, support and financing have been secured. Standard 6 determines that biodiversity-related commitments and mitigation and management actions should be captured in the client's ESMS. For all projects that have the potential to significantly convert or degrade natural habitats and for projects in critical habitats, these biodiversity actions should be captured in a single dedicated Biodiversity Management Plan or integrated into one or more topic-specific management plans. The same standard also determines that a Biodiversity Action Plan is required for projects located in critical habitat and is recommended for high-risk projects in natural habitats. A Biodiversity Action Plan differs from a Biodiversity Management Plan in that the latter is an operational document developed largely for site managers and</p>	

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			contractors; whereas the Biodiversity Action Plan will almost always include actions for off-site areas (for example, offsets and additional actions) and involve external partners. Gaps: N/A	
	<p>Indicator 4</p> <p>When damage is unavoidable, introduce provisions on management plans to minimise, mitigate and compensate for the natural habitat loss according to national and international regulation and with the participation of the site's custodians.⁸⁶ These activities should be costed as part of the budget for the proposed project.</p>	<p>Provisions: Standard 1 determines that in response to the findings of the relevant environmental and social assessments, an appropriately-scaled and adequately budgeted management plan – such as an Environmental and Social Management Plan or another appropriate instrument – is developed, following the mitigation hierarchy, and implemented and monitored throughout the project or program cycle, with adaptive management to ensure that problems that arise during implementation are identified at early stages and addressed appropriately, so as to achieve planned environmental and social outcomes. Documents must be disclosed by AEs and project implementing entities in line with AEs' applicable</p>	<p>Provisions: The GCF's ESP determines that where avoidance, minimisation or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, the AE must implement measures that provide remedy or restoration before adequate and equitable compensation for any residual risks and impacts. Such measures shall be described and costed in the biodiversity action plans and/or ESMPs as part of the consideration for GCF funding. Compensation, or offsets, will be used only as a last resort, when all other options have been considered and when they are supported by rigorous, sound science, and only in consultation with experts and if long-term</p>	<p>Provisions: Projects that present environmental and social risks shall ensure that measures are identified for avoiding, reducing or mitigating all environmental and social impacts, and that the implementation of such measures is monitored and reported on through the life of the project.</p> <p>Gaps: The requirement is generic and not particular to the conservation of natural habitats. There is no explicit requirement to include the costs of these assessments and the costs of the mitigation actions as part of the budget.</p>

⁸⁶ CBD, Article 9.

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		<p>policies, procedures and systems for information disclosure, so as to provide Stakeholders with timely, relevant and understandable information about projects and programs, and allow Stakeholders to participate in Meaningful Consultations, starting as early as possible in the project or program cycle, and continuing throughout the lifecycle of the project or program.</p>	<p>management, support and financing have been secured. Standard 6 determines that biodiversity-related commitments and mitigation and management actions should be captured in the client's ESMS. For all projects that have the potential to significantly convert or degrade natural habitats and for projects in critical habitats, these biodiversity actions should be captured in a single dedicated Biodiversity Management Plan or integrated into one or more topic-specific management plans. The same standard also determines that a Biodiversity Action Plan is required for projects located in critical habitat and is recommended for high-risk projects in natural habitats. A Biodiversity Action Plan differs from a Biodiversity Management Plan in that the latter is an operational document developed largely for site managers and contractors; whereas the Biodiversity Action Plan will almost always include actions for off-site areas (for example,</p>	

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
			offsets and additional actions) and involve external partners Gaps: N/A	
3.2. Protection of biological/genetic diversity Relevant international instruments: <ul style="list-style-type: none"> • Convention on Biological Diversity • Cartagena Protocol on Biosafety • Nairobi Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Western Indian Ocean • Cartagena Protocol on Biosafety • Protocol concerning Protected Areas and Wild Fauna and Flora in the Eastern African Region • Agenda 21, chapter 15 • Nagoya Protocol on Access to Genetic Resources. Art 8(a) 	Indicator 1 Requirement to have systems in place to identify and monitor: the presence of areas of important biological diversity in the project; potential significant or unjustified reductions or loss of biological diversity (see also genetic); and the potential to introduce known invasive species, in or near the project site. ⁸⁷	Provisions: Standard 1 requires AEs demonstrate that they: i) have in place the necessary policies, procedures, systems and capabilities to ensure that Projects and programs are assessed, designed and implemented consistent with the mitigation hierarchy, ii) that in response to the findings of the relevant environmental and social assessments, an appropriately-scaled and adequately budgeted management plan – such as an Environmental and Social Management Plan or another appropriate instrument – is developed; and iii) Third party (e.g., independent expert, local community, other) monitoring and/or independent audits are used, where appropriate. When potential adverse impacts on Biodiversity or Habitats are identified as part of the screening or assessment processes described under	Provisions: Standard 6 determines that the risks and impacts identification process as set out in Performance Standard 1 should consider direct and indirect project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts. This process will consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution. It will also take into account the differing values attached to biodiversity and ecosystem services by Affected Communities and, where appropriate, other stakeholders. Gaps: N/A	Provisions: Principle 10 determines that projects/programmes supported by the Fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species. AEs are responsible for screening all projects/programmes to determine the extent to which they present environmental or social risks, including all risks associated with the fund's environmental and social principles (which include biodiversity conservation). Gaps: N/A

⁸⁷ CBD, Articles 7 and 8.

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		Standard 1, a precautionary approach is applied in accordance with Standard 3. Gaps: N/A		
	Indicator 2 Projects should not constitute a significant adverse effect on biological diversity. If areas of important biological diversity are identified a management plan should be put in place to protect, preserve and when possible to rehabilitate and restore such biodiversity throughout the project. ⁸⁸ The entity should regulate and manage the relevant processes to avoid or minimise impacts. ⁸⁹	Provisions: Standard 3 determines GEF will not fund projects or programs that would: <ul style="list-style-type: none"> a) Involve adverse impacts on Critical Habitats; b) Contravene applicable international environmental treaties or agreements; or c) Introduce or use potentially invasive, non-indigenous species. Where biodiversity could be affected, mitigation measures should be put in place, preferably to achieve net gain of the associated biodiversity values, and a long-term, robust biodiversity action plan should be put in place. Project- and programme- supported activities must conform with applicable frameworks and measures related to access in	Provisions: Standard 6 determines the AE should seek to avoid impacts on biodiversity and ecosystem Services. When avoidance of impacts is not possible, measures to minimize impacts and restore biodiversity and ecosystem services should be implemented. For all projects that have the potential to significantly convert or degrade natural habitats and for projects in critical habitats, these biodiversity actions should be captured in a single dedicated Biodiversity Management Plan or integrated into one or more topic-specific management plans. The same standard also determines that a Biodiversity Action Plan is required for projects located in critical habitat and is recommended for high-risk projects in natural habitats.	Provisions: Principle 10 determines Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species. If important biological diversity exists and will be significantly or unjustifiably impacted or if the project/programme will introduce known invasive species, the AE will ensure that measures are identified for avoiding, reducing or mitigating all environmental and social impacts, and that the implementation of such measures is monitored and reported on through the life of the project/programme. Gaps: N/A

⁸⁸ Art 8. CBD, Art 2.2 Cartagena Protocol

⁸⁹ Art 8 and 9 CBD

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
		the utilisation of genetic resources. Gaps: N/A	Gaps: Standard does not determine projects should not constitute a significant adverse effect on biological diversity, instead stating it should be avoided.	
2.3. Wildlife and endangered species protection (including trade/protection of wild animals and endemic species) Relevant international instruments: <ul style="list-style-type: none"> • The Convention on International Trade in Endangered Species of Wild Fauna and Flora • Convention on the Conservation of Migratory Species of Wild Animals • SADC Protocol on Wildlife Conservation and Law Enforcement • Agreement on the Conservation of African-Eurasian Migratory Waterbirds • MOU on the Conservation of 	Indicator 1 The project should have mechanisms in place to identify the presence of endangered and endemic species, to identify if the project requires the trade of any wild fauna or flora non-compliant with CITES, ⁹⁰ and potential risks that may make any species become endangered. ⁹¹	Provisions: The ESP defines critical habits to include “habitats of significant importance to endemic or restricted-range species”. Standard 1 and 3 determine that AEs should not propose or implement projects that involve adverse impacts on critical habitats nor that contravene applicable international environmental treaties or agreements. Gaps: No further reference is made to the protection of wildlife or endangered species per se. Only to their habitats.	Provisions: The risks and impacts identification process as set out in Standard 1 includes identification of critical habitats habitat of significant importance to Critically Endangered and/or Endangered species, and habitat of significant importance to endemic and/or restricted-range species; among others. Gaps: N/A	Provisions: Principle 10 requires de identification of presence and potential impacts to biological diversity importance in the project/programme area, including protection status, status on the IUCN Red List of Threatened Species recognition as a UNESCO Man and the Biosphere Programme reserve, Ramsar site, etc. Gaps: N/A
	Indicator 2 Projects should include plans to conserve, and when feasible restore habitats for those species, and set actions to prevent, remove, compensate for or minimise the adverse	Provisions: According to the above, projects should not be developed in critical habitats, so no plans of conservation are foreseen in the standards. Gaps: N/A	Provisions: Standard 6 defines critical habitats as are areas with high biodiversity value, including the habitat of significant importance to Critically Endangered and/or Endangered species, and habitat of significant	Provisions: Principle 10 determines that Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss

⁹⁰ CITES, Article 3.

⁹¹ CMS, Article 2.

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<p>Migratory Birds of Prey in Africa and Eurasia</p> <ul style="list-style-type: none"> Protocol concerning Protected Areas and Wild Fauna and Flora in the Eastern African Region Lusaka Agreement on Co-operative Enforcement Operations directed at Illegal Trade in Wild Fauna and Flora 	effects and activities on such species. ⁹²		<p>importance to endemic and/or restricted-range species; among others.</p> <p>Project activities should not be implemented in places where there are critical habitats, unless certain requirements are met. When projects are conducted in places where there are critical habitats, the project cannot lead to a net reduction in the global or national population of a critically endangered or endangered species over a reasonable period of time.</p> <p>Gaps: Standard does not seek to 'conserve or restore habitats', but rather 'protect habitats' by setting certain requirements must be met in order to implement the project in areas of critical habitat.</p>	<p>of biological diversity. The AE is expected to determine measures will be taken to minimize impacts.</p> <p>Gaps: N/A</p>

4. Climate and sustainable development

Sustainable development and project sustainability are intrinsically linked with social safeguards, such as the maintenance of good working conditions and the avoidance of public health hazards, and with environmental safeguards, which are geared towards the avoidance of drivers of climate change and achieving a reduction in natural resource use and pollution. These indicators are regulated in a wide array of treaties. The most notable source of international law on working rights is the International Labour Organization (ILO) set of seven conventions on working conditions, while those related to public health and protection against climate change drivers and pollution are contained in a series of binding and non-binding agreements, including Agenda 21, the International Covenant on Economic, Social and Cultural Rights, and the UNECE Convention on Long-range Transboundary Air Pollution.

⁹² CMS, Article 4.

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4.1. Labour and working conditions Relevant international instruments: <ul style="list-style-type: none"> UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families ILO Conventions (labour standards on working conditions): <ul style="list-style-type: none"> Convention No.29 Forced Labour Convention No.87. Freedom of Association and Protection of the Right to Organise Convention No. 98 Right to Organise and Collective Bargaining Convention No. 105 Abolition of Forced Labour 	Indicator 1 Fair working conditions and no discrimination, ⁹³ ensure that workers can access a job based on their skills regardless of their religion, gender, sexual orientation, or ethnicity. ⁹⁴	Provisions: Standard 8 requires projects promote decent work and fair treatment conditions that respect the parameters set out by the ILO Conventions. The fundamental rights of workers such as freedom of association, non-discrimination and the prevention of child and forced labour should always be observed in project implementation. Occupational health and safety (OHS) measures are applied to establish and maintain a safe and healthy working environment. Decisions relating to any aspects of employment are made based on principles of non-discrimination, equal opportunity and fair treatment. Gaps: N/A	Provisions: All projects will promote decent labour and working conditions, and fair treatment, non-discrimination and equal opportunity for workers guided by the core labour standards of the ILO. Gaps: N/A	Provisions: Projects/programmes supported by the fund shall meet the core labour standards as identified by the ILO. Regardless of whether the countries where Fund's projects/programmes are implemented have ratified the conventions, in the context of the Fund's project/programme operations the AE will respect, promote, and realize in good faith the principles set out by ILO Conventions and ensure that they are respected and realized. Gaps: N/A
	Indicator 2 Safeguards forbid the employment of any kind of forced or compulsory labour	Provisions: Projects/programmes supported by the fund shall meet the core labour standards as identified by the ILO. ⁹⁶ The	Provisions: The requirements set out in Standard 2 have been 'in part guided' by a	Provisions: Projects/programmes supported by the fund shall

⁹³ Convention No. 122 Employment Policy Convention, Article 1.

⁹⁴ ILO 111 and 122.

⁹⁶ Including ILO conventions 29 and 105, and the protocol to the convention 29 (forced labour), 87 (freedom of association), 98 (right to collective bargaining), 100 and 111 (discrimination), 138 (minimum age) 182 (worst forms of child labour)

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<ul style="list-style-type: none"> – Convention No. 111 Discrimination (Employment and Occupation) – Convention No. 122 Employment Policy – Convention No.138 Minimum Age – Convention No. 169 Indigenous and Tribal People – Convention No. 182 Worst Forms of Child Labour 	and child labour according to ILO standards. ⁹⁵	<p>fundamental rights of workers – such as freedom of association, non-discrimination, and prevention of child and forced labour – should always be observed in project implementation. More specifically, child labour includes labour below the minimum age of employment, work that may be hazardous, work that may interfere with the child's education, or work that may be harmful to the child's health and physical, mental, spiritual, moral or social development.</p> <p>Gaps: N/A</p>	<p>number of international conventions and instruments.</p> <p>Standard 2 regulates child and forced labour. In the case of child labour, the project will not employ children in any manner that is economically exploitative, or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. Where national laws have provisions for the employment of minors, the project will follow those laws. Children under the age of 18 will not be employed in hazardous work, and will be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work.</p> <p>The project will not employ forced labour, which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory</p>	<p>meet the core labour standards as identified by the ILO.⁹⁷</p> <p>Gaps: N/A</p>

⁹⁵ ILO 29, 105, 138 and 182.

⁹⁷ Including ILO Conventions 29, 87, 98, 100, 105, 111, 138 and 182

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
			labour, such as indentured labour, bonded labour, or similar labour-contracting arrangements. Gaps: Standard 2 is only partially informed by principles and provisions of ILO conventions.	
	Indicator 3 Safeguards ensure that there is freedom of association and protection of the rights to organise, and rights to collective bargaining. ⁹⁸	Provisions: Fundamental rights of workers such as freedom of association and the effective recognition of the right to collective bargaining, should always be observed in project implementation. Gaps: N/A	Provisions: Standard 2 has been partially informed by ILO Convention 98 on the Right to Organize and Collective Bargaining. The standard sets out the project will comply with national law. If national law restricts these rights or is silent, the project will not discourage workers from exercising these rights. Gaps: N/A	Provisions: Projects/programmes supported by the fund shall meet the core labour standards as identified by the ILO. Gaps: N/A
	Indicator 4 There are mechanisms set in place to ensure that the project complies with all the above indicators.	Provisions: AEs should have in place procedures to assess potential impacts to workers, and should develop and implement plans to manage the risks and potential adverse impacts in accordance with a minimum standard set by the fund and in line with the ILO requirements. Labour management procedures are	Provisions: The applicability of Standard 2 is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Standard is managed through the client's Environmental and Social Management System.	Provisions: Projects that present environmental and social risks (in this case related to labour rights) shall ensure that measures are identified for avoiding, reducing or mitigating such impacts; and that the implementation of such measures is monitored and reported on through the life of the project/programme. The

⁹⁸ ILO 87 and 98.

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		<p>also established in accordance with national laws.</p> <p>Workers are provided with understandable information on their rights, wages, compensation and benefits, and with timely payment of wages.</p> <p>Occupational health and safety measures are applied throughout the project.</p> <p>Workers are informed of applicable grievance and conflict resolution systems provided at the workplace level, which conform to the requirements of Standard 2.</p> <p>Gaps: N/A</p>	<p>The AE will provide a grievance mechanism for workers (and their organizations, where they exist) to raise workplace concerns. The client will inform the workers of the grievance mechanism at the time of recruitment and make it easily accessible to them.</p> <p>Gaps: N/A</p>	<p>environmental and social risk management system shall be commensurate in scope and ambition to the potential scope and severity of environmental and social risks inherent in the project/programme design. Regardless of whether the countries where Fund's projects/programmes are implemented have ratified the conventions, in the context of the Fund's project/programme operations the AE will respect, promote, and realize in good faith the principles set out by ILO Conventions and ensure that they are respected and realized.</p> <p>Gaps: N/A</p>
<p>4.2 Avoidance of increase in drivers of climate change</p> <p><u>Relevant international instruments:</u></p> <ul style="list-style-type: none"> UN Framework Convention on Climate Change Intergovernmental Panel on Climate Change (IPCC) Guidelines for 	<p>Indicator 1</p> <p>Proposed projects conduct, when appropriate, greenhouse gas emission and other climate change driver assessments, consider sinks and reservoirs of greenhouse gases, and take into account climate risks associated with different socio-economic contexts.⁹⁹</p>	<p>Provisions: Standard 1 determines that short- and long-term risks posed by climate change and natural hazards are considered systematically in the screening process. Furthermore, agencies must demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that projects will be assessed to</p>	<p>Provisions: Standard 3 determines the client will consider alternatives and implement technically and financially feasible and cost-effective options to reduce project-related GHG emissions during the design and operation of the project.</p> <p>For projects that are expected to or currently produce more than 25,000 tonnes of CO2-</p>	<p>Provisions: Principle 11 determines that any project or programme supported by the fund shall not result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.</p> <p>Entities are responsible for screening all projects/programmes to determine the extent to which</p>

⁹⁹ UNFCCC, Article 3. Available at <<https://unfccc.int/resource/docs/convkp/conveng.pdf>>

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<p>National Greenhouse Gas Inventories</p> <ul style="list-style-type: none"> • Agenda 21 • World Charter for Nature • Convention on the Law of the Non-navigational Uses of International Watercourses 		<p>consider the effects of climate change on health risks.</p> <p>Worth noting “pollution” is defined as both short- and long-lived climate pollutants. So, in that sense, and related particularly to pollution, the policy requires the identification of emissions-related risks.</p> <p>Gaps: No explicit regulation requires that projects are screened to consider their potential contribution to the drivers of climate change.</p>	<p>equivalent annually, the project will quantify direct emissions from the facilities owned or controlled within the physical project boundary, as well as indirect emissions associated with the off-site production of energy used by the project. Quantification of GHG emissions will be conducted by the client annually in accordance with internationally recognized methodologies and good practice.</p> <p>Gaps: No explicit provisions require that all projects are screened to consider their potential contribution to climate change drivers as a whole.</p>	<p>they present environmental or social risks, including all risks associated with the fund’s environmental and social principles (which include the need of any programme not to result in unjustified increases of emissions or other climate change drivers). Projects/programmes in the following sectors require a greenhouse gas emissions calculation using internationally recognized methodologies:¹⁰⁰ energy, transport, heavy industry, building materials, large-scale agriculture, large-scale forest products, and waste management. The calculations will be used as a basis for a substantiated evaluation of the significance and justification of any increase.</p> <p>Gaps: No specific reference is made to taking into account different socio-economic contexts.</p>
	Indicator 2	Provisions: According to the above, if any risk is identified,	Provisions: Good International Industry Practices must be	Provisions: Projects that present environmental and

¹⁰⁰ In line with the Guidelines for National Greenhouse Gas Inventories (2006) of the Intergovernmental Panel on Climate Change (IPCC) www.ipcc-nggip.iges.or.jp/public/2006gl/. Tools are available from a number of sources, including www.ghgprotocol.org, www.epa.gov/climatechange/emissions/ghgrulemaking.html, and www.defra.gov.uk/publications/2011/03/26/ghg-guidance-pb13309.

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
	<p>When a significant but justified increase in any driver of climate change has to be implemented, projects must take precautionary measures to anticipate, prevent or minimise the causes of climate change and mitigate its adverse effects.</p> <p>¹⁰¹</p>	<p>further assessment shall be performed to determine how to avoid or minimise project-related greenhouse gas emissions and black carbon.</p> <p>Gap: There is not a broader category referring to climate change drivers. The actions are limited to greenhouse gas emissions and black carbon.</p>	<p>followed with the objective to reduce pollutants, including GHGs. For projects that produce more than 25,000 tonnes of CO₂ equivalent annually, emissions have to be quantified according to estimation methodologies provided by the intergovernmental panel on climate change. The design of the project should consider alternatives and implement technical, financial and cost-effective options to reduce GHG emissions.</p> <p>Gaps: There are no provisions referring to anything other than CO₂ emissions. There is no specified threshold for what constitutes a cost-effective alternative, and there is no mandate to pursue alternatives beyond this.</p>	<p>social risks (in this case to climate change) shall ensure that measures are identified for avoiding, reducing or mitigating all environmental and social impacts; and that the implementation of such measures is monitored and reported on through the life of the project/programme. The environmental and social risk management system shall be commensurate in scope and ambition to the potential scope and severity of environmental and social risks inherent in the project design.</p> <p>Gaps: N/A</p>
	<p>Indicator 3</p> <p>The safeguards foresee that where there are threats of serious irreversible damage, measures cannot be postponed, the reason given being a lack of full scientific certainty (as long as such measures are cost</p>	<p>Provisions: None</p> <p>Gap: The standards prescribe that GHG emissions should be avoided or minimised, but does not specify when is it justifiable not to avoid the emissions or to what extent they should be minimised.</p>	<p>Provisions: None</p> <p>Gaps: No provisions are included to regulate this matter.</p>	<p>Provisions: None</p> <p>Gaps: No reference is given to the motives that shall be deemed reasonable for not carrying out mitigation actions against climate change drivers.</p>

¹⁰¹ UNFCCC, Article 3. Available at <<https://unfccc.int/resource/docs/convkp/conveng.pdf>>

	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
	effective and ensure benefit at the lowest possible cost). ¹⁰²			
4.3 Pollution prevention and resource efficiency Relevant international instruments: <ul style="list-style-type: none"> • UNECE Convention on Long-range Transboundary Air Pollution • Protocol concerning Pollution from Land-Based sources and activities to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region • ASEAN Agreement on the Conservation of Nature and Natural Resources • African Convention on the conservation of Nature and Natural Resources 	Indicator 1 Project design and implementation shall be done in observance of international standards for maximising energy efficiency and minimising material resource use. ¹⁰³	Provisions: Standard 7 determines that AEs cannot propose projects that involve the trade or use of substances listed under the Stockholm Convention on Persistent Organic Pollutants or other chemicals or hazardous materials subject to international bans, or substances that are forbidden or being phased out according to international law. Gaps: N/A	Provisions: Standard 3 determines that the project will be guided by the EHS Guidelines or other internationally recognized sources, as appropriate, when evaluating and selecting resource efficiency and pollution prevention and control techniques for the project. Projects should be in line with Good International Industry Practice (GIIP), including the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines). Gaps: N/A	Provisions: Projects supported by the fund shall be designed and implemented in a way that meets applicable international standards for maximising energy efficiency and minimising material resource use, the production of wastes, and the release of pollutants. AEs are responsible for screening all projects/programmes to determine the extent to which they present environmental or social risks, including all risks associated with the fund's environmental and social principles (which includes observing international standards regarding resource use efficiency and waste management). Gaps: N/A
	Indicator 2 Project planning and implementation shall be done in a way to minimise the production of wastes and	Provisions: Standard 7 determines that the screening or assessment processes described under Standard 1 consider significant	Provisions: Standard 3 determines the project will avoid the release of pollutants or, when avoidance is not feasible, minimize and/or	Provisions: Projects that present environmental and social risks (in this case waste management and resource use) shall ensure that measures are

¹⁰² UNFCCC, Article 3. Available at <<https://unfccc.int/resource/docs/convkp/conveng.pdf>>

¹⁰³ Agenda 21, Sections B and E (4.18, 7.46, 7.51).

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<ul style="list-style-type: none"> • Convention on the Law of the Non-navigational Uses of International Watercourses • Agenda 21 • World Charter for Nature 	release of pollutants (by using best available and economically feasible technology) which may have adverse effects, including long-range transboundary effects. ¹⁰⁴	<p>Environmental and Social Risks and potential Impacts related to Pollution and resource use, the use of pesticides and hazardous materials, the generation of wastes and effluents, and emissions of short- and long-lived climate pollutants.</p> <p>Where relevant risks and impacts are identified; further assessments are undertaken and measures are put in place to:</p> <p>(i) Avoid the release of pollutants, where feasible, or minimize and control the intensity, concentration, and mass flow of their release, including routine, non-routine and accidental releases; and</p> <p>(ii) Apply control measures and performance levels consistent with applicable laws and good international industry practice.</p> <p>Gaps: N/A</p>	<p>control the intensity and mass flow of their release. This applies to the release of pollutants to air, water, and land due to routine, non-routine, and accidental circumstances with the potential for local, regional, and transboundary impacts.</p> <p>Gaps: N/A</p>	<p>identified for avoiding, reducing or mitigating all environmental and social impacts, and that the implementation of such measures is monitored and reported on through the life of the project. The environmental and social risk management system shall be commensurate in scope and ambition to the potential scope and severity of environmental and social risks inherent in the project design. Preventing waste and pollution may be achieved by preparing a waste and pollution prevention and management plan for the whole project/programme.</p> <p>Gaps: N/A</p>
	<p>Indicator 3</p> <p>Projects should observe and set up monitoring systems to continuously comply with</p>	<p>Provisions:</p> <p>Standard 7 determines that AEs must be able to apply control measures to avoid, or minimise</p>	<p>Provisions: Standard 3 determines the project will avoid the release of pollutants or, when avoidance is not</p>	<p>Provisions: Projects must observe international standards for resource use and pollutants</p>

¹⁰⁴ UNECE Convention on Long-range Transboundary Air Pollution, articles 4 and 6. ASEAN Agenda 21, Section E, Article 10.

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	international standards regarding the levels of restricted or forbidden substances, waste and chemicals released or produced. ¹⁰⁵	and regulate the intensity of pollutant release, apply performance levels consistent with applicable laws, treat hazardous materials in accordance with national law, and avoid or minimise the release of hazardous materials. AEs must avoid the use and release of hazardous materials, where feasible, or minimize and control such use and release across production, transportation, handling, storage, and use. Moreover, AEs must avoid the generation of hazardous and non-hazardous wastes, where feasible, or minimize waste generation, and reuse, recycle and recover waste in a safe manner, with environmentally sound waste treatment and disposal. Gaps: N/A	feasible, minimize and/or control the intensity and mass flow of their release. It also states the project will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the client will reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment. Gaps: N/A	release, which includes set up of monitoring systems. Gaps: N/A
4.4 Public health <u>Relevant international instruments:</u> <ul style="list-style-type: none"> Agenda 21 	Indicator 1 Projects must incorporate appropriate health risk analysis to assess potential risks on determinants of health (according to the World Health Organization (WHO))	Provisions: Standard 9 determines that AEs should have procedures in place to assess potential community health, safety and security risks.	Provisions: Standard 4 determines the need to take appropriate measures to prevent and address any risks and impact derived from the project and that have an impact	Provisions: Principle 13 determines projects supported by the fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.

¹⁰⁵ ASEAN Agenda 21, Section E, Article 11.

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	INDICATORS ACCORDING TO INTL. LAW	GEF	GCF	AF
<ul style="list-style-type: none"> • International Covenant on Economic, Social and Cultural Rights • Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters (Aarhus Convention) • Convention on the Law of the Non-navigational Uses of International Watercourses • Cartagena Protocol on Biosafety • Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal • Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa 	<p>standards). Impact screening should include the likelihood of impacts on health determinants and should identify the groups most likely to be affected by the risks.¹⁰⁶</p>	<p>Where the screening or assessment processes identify risks or potential impacts to the health, safety and security of project- or programme-affected communities, further assessments should be carried out to define where the structural elements of the project or programme are accessible to members of the affected community, or where their failure could result in injury to the community. It emphasises the importance to take into account the special needs and exposure of disadvantaged or vulnerable groups to avoid or minimise any adverse impacts on their health, safety and security.</p> <p>Gaps: N/A</p>	<p>on the population's health and safety.</p> <p>The projects should anticipate and avoid adverse impacts on the health and safety of the affected community during the project's life, from both routine and non-routine circumstances. Furthermore, the standard observes the safeguarding of personnel in accordance with human rights principles and seeks to avoid and minimize risks to affected communities.</p> <p>Gaps: N/A</p>	<p>Entities are responsible for screening all projects/programmes to determine the extent to which they present environmental or social risks, including all risks associated with the fund's environmental and social principles (which include avoiding significant impacts on public health caused by the project). Possible public health impacts of a project/programme can be determined by assessing its impact on a range of so-called determinants of health.¹⁰⁷ Public health is determined not just by access to medical care and facilities and lifestyle choices, but also by a much broader set of social and economic conditions in which people live.</p> <p>Gaps: N/A</p>
	<p>Indicator 2</p> <p>When health risks are identified, the project should prevent the identified hazards to the extent possible. Health-risk control and management</p>	<p>Provisions: Appropriate measures are designed, implemented and monitored to prevent or avoid any adverse impacts on community health, safety and security.</p>	<p>Provisions: Standard 4 determines the implementation of the actions necessary to meet the requirements of this Standard is managed through the client's Environmental and</p>	<p>Provisions: If the outcome of the screening is that no potentially significant negative impacts on public health are likely, then the screening may be used to demonstrate</p>

¹⁰⁶ ASEAN, Agenda 21, Provisions 6.1–6.46.

¹⁰⁷ Further information on determinants of health is available e.g. from the World Health Organization website <http://www.who.int/hia/evidence/doh/en/>

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	plans must be incorporated to comply with WHO recommended practices, and information must be provided to the populations at risk. ¹⁰⁸	<p>Projects avoid, where feasible, or minimise the community's exposure to health risks, taking into account the needs of disadvantaged sectors of the community. National safety regulations should always be observed.</p> <p>Gaps: No reference to any sort of standard akin to the WHO standards.</p>	<p>Social Management System, the elements of which are outlined in Performance Standard 1.</p> <p>The AE will evaluate the risks and impacts to the health and safety of the Affected Communities during the project life-cycle and will establish preventive and control measures consistent with good international industry practice (GIIP), such as in the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) or other internationally recognized sources.</p> <p>Gaps: No reference to WHO standards or practices.</p>	<p>compliance. If on the other hand the screening concludes that further health impact assessment is needed, then the outcome of that process comply with the relevant WHO recommended practices.</p> <p>Projects that present environmental and social risks (in this case risks to the communities' health and security) shall ensure that measures are identified for avoiding, reducing or mitigating all environmental and social impacts; and that the implementation of such measures is monitored and reported on through the life of the project/programme.</p> <p>Gaps: N/A</p>

¹⁰⁸ UNECE, Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters (Aarhus Convention), Article 5. ASEAN, Agenda 21, Provisions 6.1–6.46.

4. OPERATIONALISATION: SIMILARITIES AND DIFFERENCES

The three climate funds require the application of their environmental and social safeguard standards and policies to intermediaries and implementing entities (IEs). Climate funds generally do not have the capacity to oversee implementation of the initiatives they fund on the ground. As examined in section II, the GEF, LDCF, SCCF, GCF and the AF work through entities that have the capacity to make sure that the funds are used properly. The funds require entities to become accredited to receive and disburse funding. Over the past several years, climate funds have started to accredit national institutions from developing countries to access funding directly (“direct access”). The AF pioneered direct access and the GCF has followed suit with a “fit-for-purpose” accreditation process. The GEF also has three agencies operating nationally but, unlike the AF and GCF that accredit on a rolling basis, the GEF has gone through only two phases of agency expansion, (1999–2006 and 2011–2015; GEF 2015a). It is not currently accrediting new implementing agencies.

All funds’ ESS and policies are operationalised at two key stages: (i) during the process of accrediting IEs, and (ii) during the process of project and programme review and approval.

With regard to the accreditation stage, independent evaluations have noted the following:

1. The AF has demonstrated significant progress in strengthening direct access opportunities for a wide range of countries and increasing the role of national IEs (NIEs) in its portfolio. It has achieved this by improving the accreditation guidance, which includes the NIE toolkit, guidance on accreditation standards and technical guidance notes developed on the AF gender policy and ESP (AF, 2018).
2. As noted above, the GEF is not currently accrediting new implementing agencies. However, of importance is that in October 2016, the Council approved a monitoring policy to review the ongoing compliance of GEF agencies with the GEF safeguards, gender policy, and fiduciary standards (GEF 2016). The new policy requires agencies to self-assess and certify that any changes that may have occurred to relevant policies, procedures, or capabilities maintain compliance with the GEF policies, with appropriate documentation provided. A third-party reviewer will verify that any changes reported by agencies ensure ongoing compliance. In addition, the reviewer may consider cases where the secretariat finds risks of agency noncompliance independent of the agency self-assessment process. Agency certification of compliance and findings of the third-party review will be presented to the Council and publicly disclosed. Where gaps in ongoing compliance are found, action plans would be developed to achieve compliance. Agency self-assessments and risk-based third-party reviews are to take place once per replenishment cycle, starting with the final year of the GEF-7 period – that is, in 2022.

With regard to the project or programme review:

1. All funds require environmental and social assessment with management plans that: identify the measures necessary to avoid, minimise or mitigate the risks; monitor projects and programmes over time; and provide public disclosure of assessments and management plans.
2. Both the AF and the GCF engage safeguards experts to review funding proposals for compliance with safeguard policies.
3. The GEF updated policy sets out a limited role for the secretariat in the review of projects and programmes for the availability, clarity and completeness of the information requested at the various stages of the project and programme cycles. This distinguishes the approach of the GEF – based on a partnership across the GEF agencies – from the procedures of the AF and GCF.

5. MONITORING AND REPORTING: SIMILARITIES AND DIFFERENCES

The three funds have monitoring and reporting systems but there are some differences with regard to both the reporting requirements set out for the IEs, and the climate funds' monitoring and tracking systems. We examine this below:

1. Both the AF and the GCF include specific requirements for accredited entities (AEs) to report on safeguard implementation issues during project implementation and completion.
2. The GEF adopted a Policy on Monitoring Agencies' Compliance with GEF safeguards, fiduciary standards and gender policies. This policy sets out rules for periodical self-assessment and reporting by agencies combined with a risk-based review by the secretariat, although it does not however address the need for project-level monitoring and reporting. At the portfolio level, potential environmental and social risks are not systematically tracked by the GEF.
3. The AF has stringent monitoring and reporting requirements, including rules on regular monitoring and evaluation. To this end, the AF policy provides that "Implementing entities' monitoring and evaluation of projects/programmes supported by the fund shall address all environmental and social risks identified by the implementing entity during project/programme assessment, design, and implementation," and that annual reports by the IEs must include a section on the "status of implementation of any environmental and social management plans". The AF ESP requires explicit attention to environmental and social risks in monitoring, reporting and evaluation by IEs, including the following:
 - a. Monitor and evaluate "all environmental and social risks identified by the implementing entity during the project/programme assessment, design and implementation."
 - b. Annual project performance reports from IEs "shall include a section on the status of implementation of any environmental and social management plan, including those measures required to avoid, minimise, or mitigate environmental and social risks," including any adopted corrective actions. The AF template for annual reporting includes a risk assessment section for tracking identified risks and steps to mitigate them (noting that all risks are included here, not solely environmental and social risks). The template includes a section for flagging critical risks (those with a 50 per cent or greater chance of impeding progress) and a section for describing risk mitigation measures adopted during the reporting period, and their effectiveness.¹⁰⁹ Additionally, the AF has developed specific guidance regarding ongoing reporting on safeguard-related issues during project implementation, which tracks potential environmental and social risks at the portfolio level, including specific requirements for AEs during project implementation and completion.
 - c. Mid-term and terminal evaluation reports "shall also include an evaluation of the project/programme performance with respect to environmental and social risks."¹¹⁰

The AF has three results frameworks: a) the Adaptation Fund Strategic Results Framework which guides project design and monitoring and includes seven outcome areas, goals, impacts and objectives; b) the Effectiveness and Efficiency Results Framework, which looks at organisational indicators; and c) the Results Framework (or log frame), developed by each project or programme. Each project/programme must embed relevant indicators from the Adaptation Fund Strategic Results Framework, including at least one of the core outcome indicators. Progress on the results

¹⁰⁹ Adaptation Fund, Project Performance Report Template. Available at <<https://www.adaptation-fund.org/projects-programmes/projectperformance/>>

¹¹⁰ Adaptation Fund, Environmental and Social Policy, para. 32

framework is monitored through the Adaptation Fund Results Tracker. At the AF level, monitoring and evaluation capacity is still emerging. Project monitoring is distributed across several Adaptation Fund Board (AFB) secretariat staff members who manage a fluid number of projects. The AFB has also approved an evaluation function for the AF by setting up the Technical Evaluation Reference Group (decision B.30/38). It is important to note that an information system is currently being established to automate portfolio data compilation, and the system will include a dashboard that provides a snapshot of the portfolio (AF 2018).

The GCF has a monitoring and accountability framework (decision B.11/10), which is designed to ensure the compliance of AEs with their accreditation standards over time and the effective implementation of each of the GCF-funded projects and programmes of the AE. Accredited entities are primarily responsible for the monitoring and evaluation of their funded activities and will report accordingly to the GCF. However, and as noted in section II above, during the project/programme implementation period, reporting requirements to the GCF mainly include the following: Annual performance reports and an interim evaluation report and final evaluation report for each funded activity. These project/programme-level evaluations should also assess the performance of the funded activity against the GCF investment framework criteria, including financial/economic performances as part of the project/programme efficiency and effectiveness criterion. Moreover, as detailed above, while the GCF includes in its ES Policy objectives the need for ensuring improved environmental and social outcomes, in the absence of specific measures established for funded activities, social and environmental performance is not captured in current monitoring and reporting instruments at the project/programme level.

The need for appropriate safeguards monitoring and reporting is further heightened by the increasing adoption of programmatic and framework approaches, whereby specific activities may not be known at appraisal and need to be assessed and managed during project implementation. As noted above, safeguards for programmatic approaches are considered under REDD-plus. As programming shifts towards results-based finance (for example through the GCF pilot programme results-based REDD-plus proposals), the monitoring and evaluation of the impact of REDD-plus finance will likely require a flexible and continuous process.

Evidence is limited and fragmented regarding the extent to which ESS have been applied through the climate funds' approved projects. In the case of the AF, the overall evaluation (AF 2018) noted there is limited and fragmented evidence regarding the extent to which environmental and social safeguards have been applied across projects. However, it was noted that AF support to IEs to systematically apply the ESP is yielding good results, by means of its detailed ESP guidance note and ESP capacity building for IEs through the Readiness and Preparatory Support Programme and technical grants. The fund's ESP has also been praised by the United Nations Special Rapporteur on human rights and the environment in his letter to the Subsidiary Body for Scientific and Technological Advice, as a potential model for strong safeguards to be followed by a sustainable development mechanism called for in the Paris Agreement (UNFCCC 2018b).

Funds are aware of the need to ensure that they either have the capacity to conduct necessary reviews or can outsource monitoring to independent evaluators. At its June 2016 meeting, the GEF Council agreed "on the need for periodic self- and third party-assessment of agencies' on-going compliance with GEF Policies on ESS, Gender, and Fiduciary Standards".

6. MECHANISMS FOR AVOIDING AND ADDRESSING CONFLICTS OF INTEREST: SIMILARITIES AND DIFFERENCES

All three funds require IEs to have grievance mechanisms that are available to people affected by projects/programmes financed through the funds, and have put in place dedicated complaint/conflict resolution mechanisms.

The GCF is the only institution that has established a formal fund-level mechanism, though it recognises that the grievance mechanisms of AEs should be the primary venue for raising concerns (GCF 2016).

To date, there have been relatively few cases filed with the grievance and accountability mechanisms of these funds and with the grievance mechanisms of the IEs. In the case of the GEF, the Conflict Resolution Commissioner at the GEF secretariat has received a range of complaints, although relatively few directly associated with project or programme safeguard issues. A common complaint filed with the grievance mechanisms of the IEs regards inadequate stakeholder engagement and access to information (GEF 2018a).

D. EMERGING LESSONS FROM TRADITIONAL DEVELOPMENT FINANCE

Previous sections have focused on the climate funds that serve as operating entities of the Financial Mechanism of the UNFCCC. This is imperative given the GCF serves the Paris Agreement as an operating entity of its Financial Mechanism, and must be guided by the principles and provisions of the Convention, that are not applicable to traditional development finance.

In this section we add to this analysis by examining the emerging lessons **relevant to the mandate and current business model of the GCF**, from a sample of multi-lateral and bi-lateral development banks.

Here we discuss: the overall evolution of safeguard systems; alignment with the Paris Agreement; the recent expansion of thematic coverage of safeguard standards; compliance, monitoring, and accountability issues; and factors affecting results (i.e. institutional arrangements).

1. EVOLUTION OF SAFEGUARDS SYSTEMS

Within the “community” of multi-lateral and bi-lateral development agencies, environmental and social standards began to emerge in the 1990s, and their origin can generally be thought of as being in the Operational Policies (OPs) of the World Bank.

Over the past 20 years, all of the development agencies have either developed new safeguard systems, or reformed earlier versions that were based on the OPs. This process has been a cumulative and iterative one, informed by knowledge and experience in the application of standards to projects in a diversity of environmental, social, economic and political settings.

The most prominent examples of the new/reformed systems are: the African Development Bank's Integrated Safeguard System (2013); the IFC Performance Standards (2006 and revised in 2012); the EBRD Environmental and Social Policy (2014 and revised in 2019); and, the World Bank Environmental and Social Framework (2018). United Nations agencies have also been active, for example, with the promulgation of the UNDP Social and Environmental Standards (2015), and the UNIDO Environmental and Social Safeguards Policies and Procedures (2015 and updated in 2017).

As these systems have evolved, their structure and content has tended to coalesce. The cumulative aspect of this evolution can be seen in the proliferation of standards and requirements, with few if

any examples of elimination or substitution. The iterative aspect is evident in the sequential process of revising an institution's ESS, where each institution's revision tends to adopt the most innovative aspects of the institution that most recently revised its own ESS, a trend that is largely a consequence of a stakeholder-driven process wherein international stakeholders generate expectations, precedents and momentum for the reforms they seek.

In general, an emerging lesson in this coalescing of systems, is that it has led to the design of systems with: (i) an overarching "policy"; (ii) a set of safeguard standards; and, (iii) implementation guidance.

2. EVOLUTION AND EXPANSION OF THEMATIC COVERAGE OF SAFEGUARDS STANDARDS

As outlined in section III of this report, there has been significant evolution in environmental and social safeguard standards in terms of thematic breadth, specificity and procedures that come to constitute international best practices.

In recent years, there has been a greater focus on post-approval compliance and monitoring, and less stress on "front-end" ex ante assessment. The safeguard procedures of donor agencies have also expanded to include a greater emphasis on so-called "emerging issues".

The concept of emerging issues is generally accepted as originating in the World Bank Independent Evaluation Group's 2010 report (World Bank, 2010). This report was the driving force behind the reforms to World Bank safeguards that led to the integrated system introduced in 2018 as the Environmental and Social Framework. In the World Bank Independent Evaluation Group report, emerging issues are defined as: human rights; labour and working conditions and rights; community health and safety; gender; disability; free, prior and informed consent (FPIC) of indigenous peoples; land tenure and natural resources; and climate change. In various forums, this list has been extended to include: ecosystem services, including expanded requirements and limitations on the use of biodiversity offsets; associated facilities; sexual orientation and gender identity; gender-based violence; and, vulnerability and impoverishment.

Most of the multilateral development banks' environmental and social (ES) safeguards emerging issues are focused on social or "human" issues, which try to broaden the scope of ESS to include a greater range of people other than those directly affected by a project, as well as the relationships among diverse groups of affected people. An emphasis on categories of people deemed most vulnerable to project impacts has expanded to include IPs, ethnic minorities, local communities, women, the elderly, youth and children, the disabled, and in some instances people with other sexual orientation. The category of workers affected by changes in working conditions has been expanded from direct employees of an enterprise to include contract workers, workers employed by suppliers and other third parties and migrant workers.¹¹¹ Social assessments involving projects requiring involuntary resettlement are increasingly considering the impact of physical resettlement on host populations. In addition, social standards have moved from a reactive, protective approach towards a more proactive rights-based approach to issues involving occupation, access and tenure to land, as well as management of natural and cultural resources.

An emerging issue is human rights, and more specifically human rights due diligence. The Netherlands Development Finance Company (FMO) has used the IFC Performance Standards, ILO Core Labour Standards and other relevant international standards for many years, as set out in their FMO Sustainability Policy. The commitments of FMO to human rights and other environmental and

¹¹¹ See, especially, the World Bank's ESS 2 (Labour and Working Conditions).

social issues are anchored in the FMO Sustainability Policy. Updated following extensive consultation, the current version of the Sustainability Policy was adopted by the FMO Management Board in December 2016. Over the following months, FMO also published a series of more detailed position statements on specific issues, including their Human Rights Position Statement. The salient human rights issues dealt with by FMO include: right to life, right to decent work, rights of vulnerable people, right to an adequate standard of living, and right to not being subject to cruel and inhumane or degrading treatment. Additionally, supported by external human rights experts, FMO developed and adopted a human rights due diligence guide, organised human rights training and awareness-raising activities, and set up Human Rights Risk Assessment (HRRA) pilots.

Human rights due diligence is an integral part of the overall ES due diligence of FMO. Figure 3 below explains the convergent relationship between IFC Performance Standards and human rights that FMO applies. They have also developed human rights due diligence guidance to support ES staff as they explicitly apply a human rights lens to their due diligence processes. This guidance contains four main topics: contextual risk analysis, a broad community support check, an FPIC check and a land rights assessment.

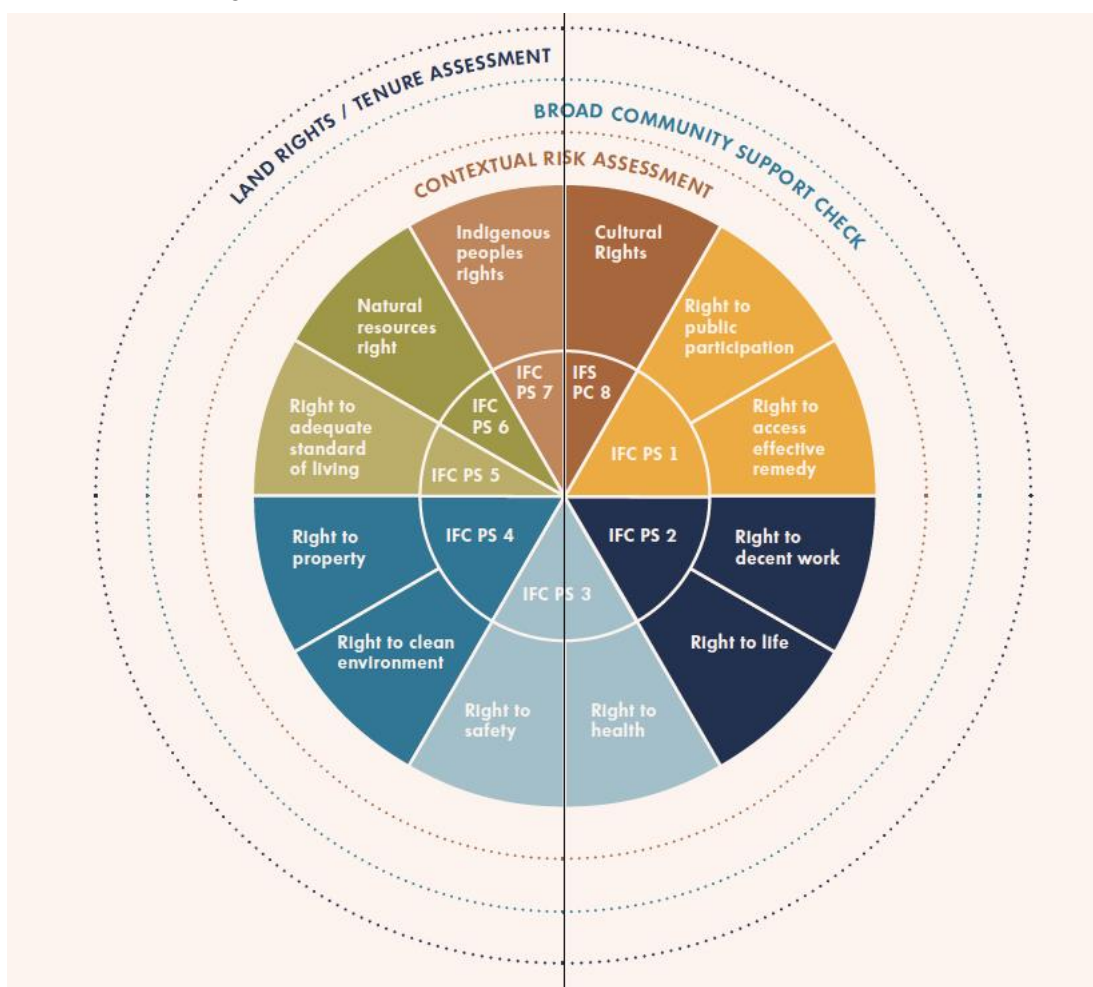


Figure A - 3. Convergent relationship between IFC Performance Standards and human rights

Source: FMO2018

3. COMPLIANCE, MONITORING AND ACCOUNTABILITY ISSUES

Independent evaluations (Inter-American Development Bank 2018, World Bank 2018) have noted ongoing challenges regarding safeguards' implementation and compliance, highlighting the need for the systematic supervision, monitoring and reporting of safeguards' implementation and outcomes.

Compliance issues regarding the implementation of safeguards constitute a key challenge for all institutions. Linked to ensuring compliance with safeguards, the monitoring of implementation is emerging as a critical challenge for funds. The need for appropriate safeguards monitoring and reporting is further heightened by the increasing adoption of programmatic and framework approaches (whereby specific project activities may not be known at appraisal and need to be assessed and managed during project implementation). Programmatic funding can make it harder for the fund and stakeholders to assess actual project impacts, in part because specific activities may not be known when a proposal is brought forward.

As of 2012, the independent accountability mechanisms of eight international financial institutions (IFIs) (and one bilateral agency) handled a total of 262 cases of eligible complaints regarding environmental and social issues (International Accountability Mechanism Network, 2012). The independent evaluation of the IFC Performance Standards, highlighted some implementation deficits, particularly in cases where project execution involves multiple financial intermediaries who are not themselves officially accredited, or whose capacity to implement the standards is not well established (World Bank 2018). It also noted that disclosure of project-level environmental and social information from monitoring and supervision reports during implementation is still inadequate, and third-party monitoring could be used more widely (World Bank, 2018).

The World Bank has pledged to strengthen monitoring, evaluation, and reporting systems for the Environmental Social Framework (ESF), but the guidance and tools for this are still in development. The Environmental and Social Commitment Plan requires the borrower to monitor ES performance and provide reports on project implementation at least annually, but instruments for this have not been finalised. The World Bank has not yet sought to integrate safeguards indicators within the results frameworks of projects. The guidelines on monitoring and evaluating safeguards performance in supervision and completion reports, which the World Bank had pledged to complete by FY11 as part of investment lending reform, have not yet materialised (World Bank, 2018).

Independent evaluations (World Bank, 2018) estimate that roughly a quarter of completion reports for World Bank investment projects do not clearly report on whether safeguards have been complied with or not. Harmonised guidelines for evaluation require that project completion reports comment on safeguard requirements and compliance with them.

The CIF monitors and reports on its contributions to GHG reductions or its avoidance or enhancement of carbon stocks and livelihood co-benefits, such as access to finance, technical assistance and new jobs. Projects also report on other relevant co-benefits, including biodiversity and environmental services, governance, tenure and capacity-building. The results draw from two sources of information: (i) country results reports submitted by the pilot countries and regional programmes and (ii) project level reports submitted by the MDBs.

Formal tracking of gender integration in CIF takes the form of assessing the gender aspect of CIF country investment plans and individual projects approved during each half-yearly operational reporting period. For this, plans and projects are assessed in a binary fashion against three scorecard indicators on whether their design included (i) sector-specific gender analysis, (ii) women-targeted activities or modes of implementation, and (iii) sex-disaggregated indicators, with the aim of shifting the portfolio upwards in terms of the share of plans and projects scoring positively on these

indicators. The CIF Gender Action Plan also has a set of results indicators, reported in annual Gender Action Plan progress reports to the Joint Meeting of the Clean Technology Fund and Strategic Climate Fund trust fund committees. The overall monitoring and reporting efforts of CIF for the funds as a whole are based on monitoring toolkits in place since 2012 for each of the four main investment programmes of CIF. These track core and co-benefit indicators annually during project implementation.

4. ADEQUATE MANDATES AND INSTITUTIONAL ARRANGEMENTS

The GCF, AF and GEF are different from MDBs because they do not directly implement projects themselves, but instead rely on the systems of AEs and direct access entities. Nevertheless, there may be lessons for the GCF in how the MDBs and other financial institutions have gone about setting their institutional arrangements for safeguards implementation. This section reviews the different MDB approaches, to determine whether there may be lessons for the way in which the GCF organises itself. It first examines overall staffing, and then outlines the advantages and disadvantages of different organisational models. To gather this information a survey was undertaken over a period of three weeks in June 2019 (see section I for interview questions).

a. Staffing

Table A-13 shows that the World Bank has by far and away the largest complement of safeguards staff, followed by the ADB, and then the IFC. The other three comparators have roughly the same staff complement. Apart from the World Bank, the MDBs tend to have proportionately more environment-focused safeguards staff.

With the roll-out of the World Bank's new ESF, encompassing an expanded concentration on social safeguards, it is likely that it will continue to employ more staff with a social focus. If the ESF influences the design of the safeguards systems of other MDBs, then there may be a general shift towards recruitment of more social safeguards staff. This conclusion is supported by recent developments at the IFC as a result of the US Supreme Court case (*Jam v. IFC*),¹¹² where the agency is reported as wanting to increase resources for environmental and social issues by 20 per cent and to establish a new Environmental and Social Policy and Risk department, which will report directly to the CEO.

To help implement its Sustainability Policy, FMO has a team of over 35 ES specialists embedded in its commercial deal teams, and ultimately accountable to the FMO Management Board via the Chief Investment Officer.

These experts have day-to-day responsibility for screening, assessment, structuring and monitoring FMO investments with respect to human rights and other environmental and social issues. The directors of the four front office departments of FMO have overall responsibility for ensuring that proposals submitted to the FMO Investment Committee have undergone appropriate due diligence and include sufficient information on human rights risks, impacts and any required mitigation measures. The FMO credit department, which includes ES specialists, is independent of the deal teams and accountable to the Management Board via the FMO Chief Risk & Finance Officer. The credit department provides advice to the Investment Committee based on scrutiny and the challenges of potential investments. Senior managers and the Management Board discuss any

¹¹² Accessed on 17 June 2019. Available at <<https://www.devex.com/news/advocates-welcome-ifc-reforms-but-with-some-caveats-95044>>

major human rights incidents and engage with key stakeholders on sustainability issues, including human rights.

Table A - 13. Staffing of MDBs safeguards units

	WORLD BANK	INTERNATIONAL FINANCE CORPORATION	INTER-AMERICAN DEVELOPMENT BANK	AFRICAN DEVELOPMENT BANK	EBRD	ASIAN DEVELOPMENT BANK
Environmental safeguards staff	172 Environmental Specialists (total). Consultants used for approximately 20% of safeguards work.	50 Environmental Specialists. 13 Social Specialists (supported by external consultants). 17 staff with mixed environment/social responsibility. Another 34 focus on corporate governance. Approximately 50-60 consultants.	25 Environmental Safeguards Specialists, 15 of which are permanent employees and 10 are consultants. 44% of Environmental Specialists were hired in the past two years. 40% of workforce are long-term consultants.	19 ES Staff.	50 people in the Environment and Sustainability Dept. (40 in operations, appraisal and monitoring, 10 are in policy).	58 Environmental Specialists.
Social safeguards staff	200 Social Development specialists.	18 Social Specialists (supported by external consultants).	18 Social Safeguards specialists, 8 of which are permanent employees and 10 are consultants. 70% of the Social Specialists were hired in the past two years.	19 ES Staff	Staff responsibilities are mixed across environment and social.	59 Social Specialists.

b. Models of institutional arrangements for safeguards implementation

Our analysis shows there are four distinct models for how MDBs go about the organising of institutional arrangements for safeguards implementation. They are presented in Table A-14.

Table A - 14. Institutional arrangement models

INSTITUTIONAL ARRANGEMENT MODELS
<p>Model 1a (Single department centralised): European Bank for Reconstruction and Development (EBRD)</p> <p>Model 1a is defined here as “single department centralised”. In this model, all functions are handled by a central safeguards unit, division or department. International safeguards staff are all based at headquarters within the central unit. No safeguards staff are out-posted¹¹³ to countries or embedded in operations or front offices. Reporting is direct from ES staff to the central safeguards unit. The exemplar of this model is the EBRD.</p>
<p>Model 1b (Single department substantially centralised): Inter-American Development Bank (IaDB)</p> <p>Model 1b has essentially the same set of arrangements as Model 1a, except that some international safeguards staff from the central unit are out-posted to resident missions. Reporting is still direct from safeguards staff to the central safeguards unit. The best representative of this model is the IaDB.</p>
<p>Model 2 (Single department decentralised): IFC</p> <p>Model 2 is defined as “single department decentralised”. All functions are handled by the central safeguards unit, as for models 1a and 1b. However, a significant proportion of central department staff is out-posted to country missions and/or regional hubs. Again, reporting is direct from safeguards staff to the central safeguards unit. The MDB that best matches this model is the IFC.</p>
<p>Model 3 (Hybrid): World Bank and Asian Development Bank (ADB)</p> <p>Model 3 is defined as “hybrid”. In this approach, the central safeguards unit handles safeguards policy and standards, bank-wide oversight and compliance ... and has some staff out-posted in operations departments. Operations departments handle all other functions and have safeguards specialists in sector and country teams who work directly with operations. Environmental and social staff in operations departments report to the central safeguards unit for quality assurance purposes. The exemplars of this model are the World Bank and the ADB, although it should be mentioned that ADB has model variations across its separate regional departments.</p>
<p>Model 4 (Significantly decentralised): African Development Bank (AfDB)</p> <p>Model 4 is defined as “significantly decentralised”. In this institutional arrangement, a small central safeguards unit handles policy and oversight, as is the case with Model 3. Operations departments have ES staff in project divisions, and out-posted staff to regional hubs or country missions. Out-posted safeguards staff reporting lines can differ significantly. Most safeguards reporting is to operations mission leaders. The closest match to this model is the African Development Bank.</p>

The descriptions presented in table 12 indicate that the banks vary significantly. The IaDB and the EBRD have predominantly centralised ES functions. For example, the IaDB ES specialists report to the Environmental and Social Safeguards Unit (ESG) chief, and not to team leaders. In addition, IaDB ES staff are predominantly based at headquarters in Washington, D.C., and the majority of EBRD staff are in London.¹¹⁴

A variation of this “single department centralised model” is the decentralised version employed by the IFC, where all functions are handled by a central department, and reporting is direct from safeguards staff to a central safeguards unit (as for the IaDB and EBRD), but where a significant

¹¹³ In this study, the term “out-posting” is used generically to describe situations where international safeguards staff are placed in countries or regional hubs, away from central headquarters.

¹¹⁴ Approximately 90 per cent of IADB safeguards staff are posted in countries. All EBRD safeguards staff are London-based.

proportion of the central department staff are out-posted to resident missions and/or regional hubs.¹¹⁵

At the other end of the spectrum lies the AfDB, which has a substantially decentralised approach, with a small central Safeguards and Compliance Department (SNSC), but with most ES staff out-posted. Environmental and social staff are recruited by the SNSC and are technically and functionally answerable to the Director based in headquarters. However, they report administratively to a Regional Director.

Somewhere in between are the ADB. In their “hybrid” model, a central department handles safeguards policy/standards, bank-wide oversight and compliance and with a majority of safeguards staff out-posted in operations departments.¹¹⁶ In the World Bank, operations departments handle all other functions and have safeguard specialists in sector and country teams who work directly with operations.

The ADB is different, in that the housing of safeguards staff varies across the six regional departments. For example, while the Southeast Asia and Pacific region departments have adopted a truly devolved arrangement, with safeguard staff mostly assigned to resident missions or selected divisions, some departments adopt a more centralised arrangement (Central and West Asia (CWRD), Private Sector (PSOD) and South Asia (SARD)). In the case of PSOD, a unit was established specifically to manage safeguards and other cross-cutting concerns of private sector operations. By the end of 2017, CWRD and SARD established safeguard units in their front offices at headquarters, with additional safeguard staff complement in key headquarters divisions and/or selected resident missions. The East Asia department (EARD), on the other hand, adopts an arrangement of having focal safeguard staff in the department’s front office, and safeguard staff in key divisions in its two resident missions.

c. Advantages and disadvantages of the different institutional arrangement models

Each model has advantages and disadvantages. The perceived advantages of **Model 1** include that safeguards can be applied in a consistent fashion, and there are no conflicts of interest issues with operations departments. It is also argued that quality assurance consistency can be obtained, and that the arrangement allows for adaptability and innovation because of the critical mass of staff based in headquarters. Being at a distance from borrowers also means that the potential for corruption and “capture” are minimised.

However, possible problems with this system might include that the distance from clients and stakeholders means less understanding of local environmental, institutional and cultural conditions. In addition, post-approval supervision of projects could be more challenging.

The perceived advantages of **Model 2** include that safeguards staff are closer to the needs of regions and countries, which can vary significantly. It is arguably a better way in which to monitor post-approval supervision. On the downside, however, distance from operations staff in headquarters means that environmental and social issues may not be flagged early in project design. In addition, it may be harder to encourage adaptability and innovation because safeguards staff are “isolated”.

To some extent, **Model 3** counters the perceived disadvantages of other models. However, there are significant disadvantages, including the possibility of conflict of interest due to concentrations of

¹¹⁵ Approximately 60 per cent of IFC safeguards staff operate in either regional hubs or country offices.

¹¹⁶ The World Bank (IBRD/IDA) has approximately 70 per cent of its safeguards staff posted outside of Washington. The ADB places approximately 62 per cent of its safeguards staff in countries.

safeguards staff in operations departments. In addition, outposted staff do not have as much ability to participate in policy development, so this may affect adaptability and innovation.

The perceived advantages of **Model 4** include a stronger ability to supervise project implementation. The arrangement means that ES staff are closer to clients/stakeholders, and so better understand local conditions. It may also be easier to participate in project preparation, because safeguards staff are closer to operations mission leaders. However, there are possible disadvantages. For example, it may be difficult to consistently apply safeguards across the institution, and also harder to ensure cross-bank quality assurance. The possibility of conflicts of interest are potentially more acute, and it may be harder to encourage adaptability and innovation because safeguards staff are more isolated than in some of the other models.

d. Trends in institutional architecture

On the whole it is fair to say that most agencies are under pressure to decentralise. In recent years, the trend towards political, administrative, fiscal and economic decentralisation has been strong. With regard to the provision of public services, it is believed that having decisions made close to the citizens most affected will provide better feedback and ensure that decision-makers are well informed about problems and the effects of proposed interventions, as well as the nature of different interests.

For the MDBs, much of the momentum for decentralisation has built as a consequence of democratisation. All have been active in supporting political and administrative decentralisation in developing countries. Initial focus has been on building capacities and institutions at the central level. The next natural step is to take this focus to the peripheries, where institutions are still weak, and where poverty can be most pervasive.

This momentum for decentralisation has become something of an unstoppable force, which is also now influencing the thinking about their own organisational structures. However, it is by no means a given conclusion that moving ES staff to country or regional offices will improve the implementation of safeguards procedures.

While decentralisation of public service delivery in borrowing countries may have some relevance, it is not necessarily axiomatic that the same holds for delivery of the MDBs' safeguard services. On its main decentralisation webpage, the World Bank states that "... the main reason for decentralisation around the world is that it is simply happening".¹¹⁷ The same document also stresses the importance of introducing consistency in any discussion of decentralisation.

There are, in fact, numerous critiques of the trend to decentralisation (Dean Meyers, N. 1998). Some point to the fact that decentralisation can increase costs and reduce quality by reducing specialisation and increasing fragmentation. It can be argued that specialists perform better than generalists because they accumulate more experience in their specialty, and hence are more productive and produce better quality in less time. Furthermore, they are better at keeping up with the literature in their field, enabling a better pace of innovation. Fragmenting specialist staff can lead to fragmentation of expertise; inconsistency in approaches; loss of the critical mass of specialists that allows for informed discussion and development of best practices and professional standards; risk of capture; and, increased transaction costs.

Decentralisation has also taken place within MDBs. The ADB, for example, recently merged two divisions into one Safeguards and Compliance Department. One division previously provided a safeguards operations support function, and was embedded within an operations department. The

¹¹⁷ Available at <<http://www1.worldbank.org/publicsector/decentralization/what.htm>>

other division was responsible for safeguards compliance and quality assurance, under an oversight Quality Assurance and Results Reporting Department. As a consequence, there is no longer a separate quality assurance function.

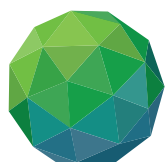
Other banks have decentralised internally. Prior to its reorganisation in the early 2000s, the ADB had a centralised safeguards unit, somewhat like the current AfDB situation. Subsequent to its reorganisation, the ADB devolved safeguards operations to its new regional departments, while keeping a central quality assurance unit in place.

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