

ACCREDITATION TO THE GREEN CLIMATE FUND: SOCIAL AND ENVIRONMENTAL SAFEGUARDS

MODULES:

1. The Green Climate Fund (GCF)
2. Safeguards and the Green Climate Fund
3. Environmental and Social Policy
4. Categorizing Risk
5. Managing Implementation
6. Monitoring and Evaluation
7. External Communications

MODULE 1

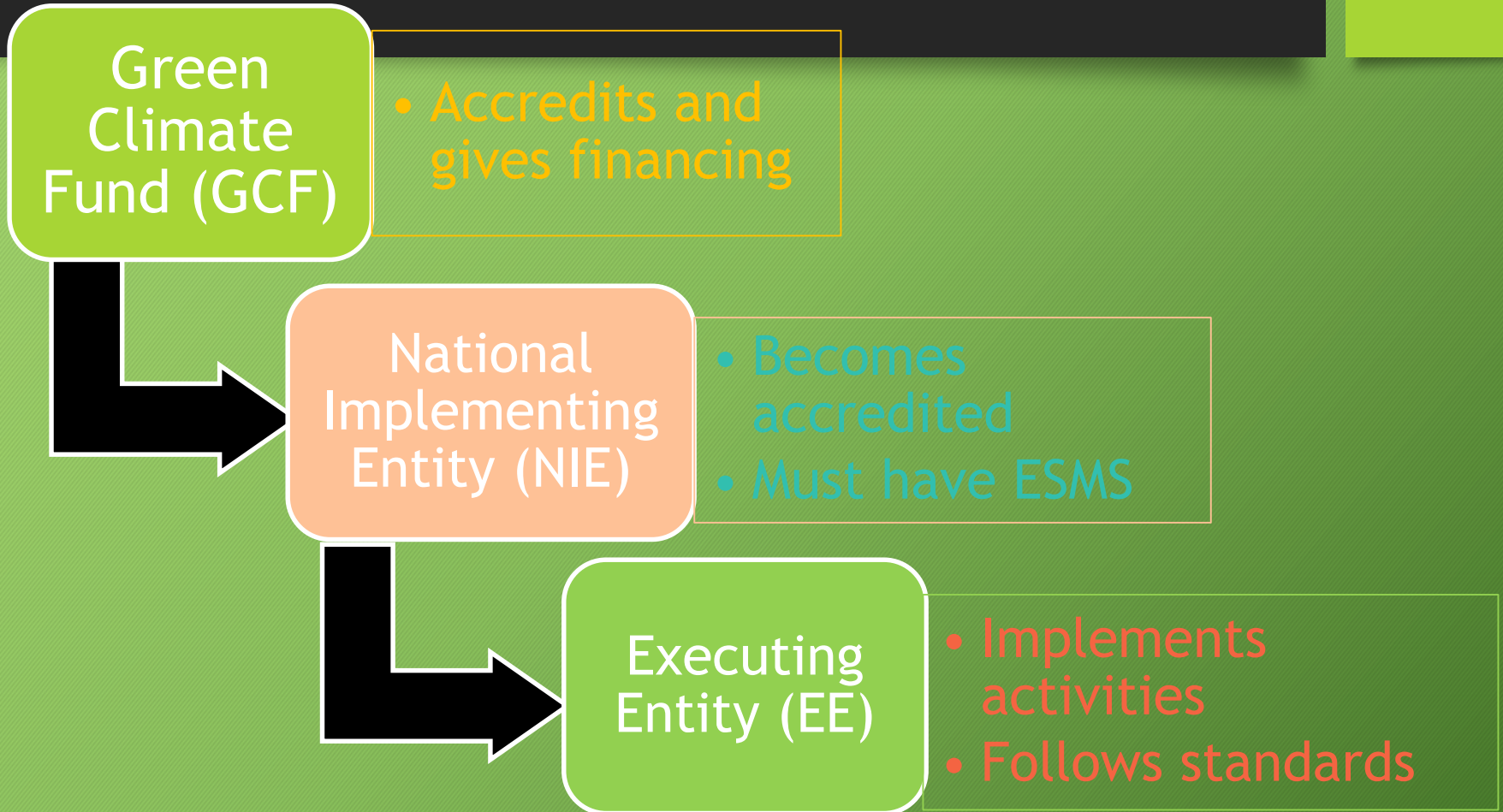
THE GREEN CLIMATE FUND (GCF)

Photo: flickr: Rumena Satlova

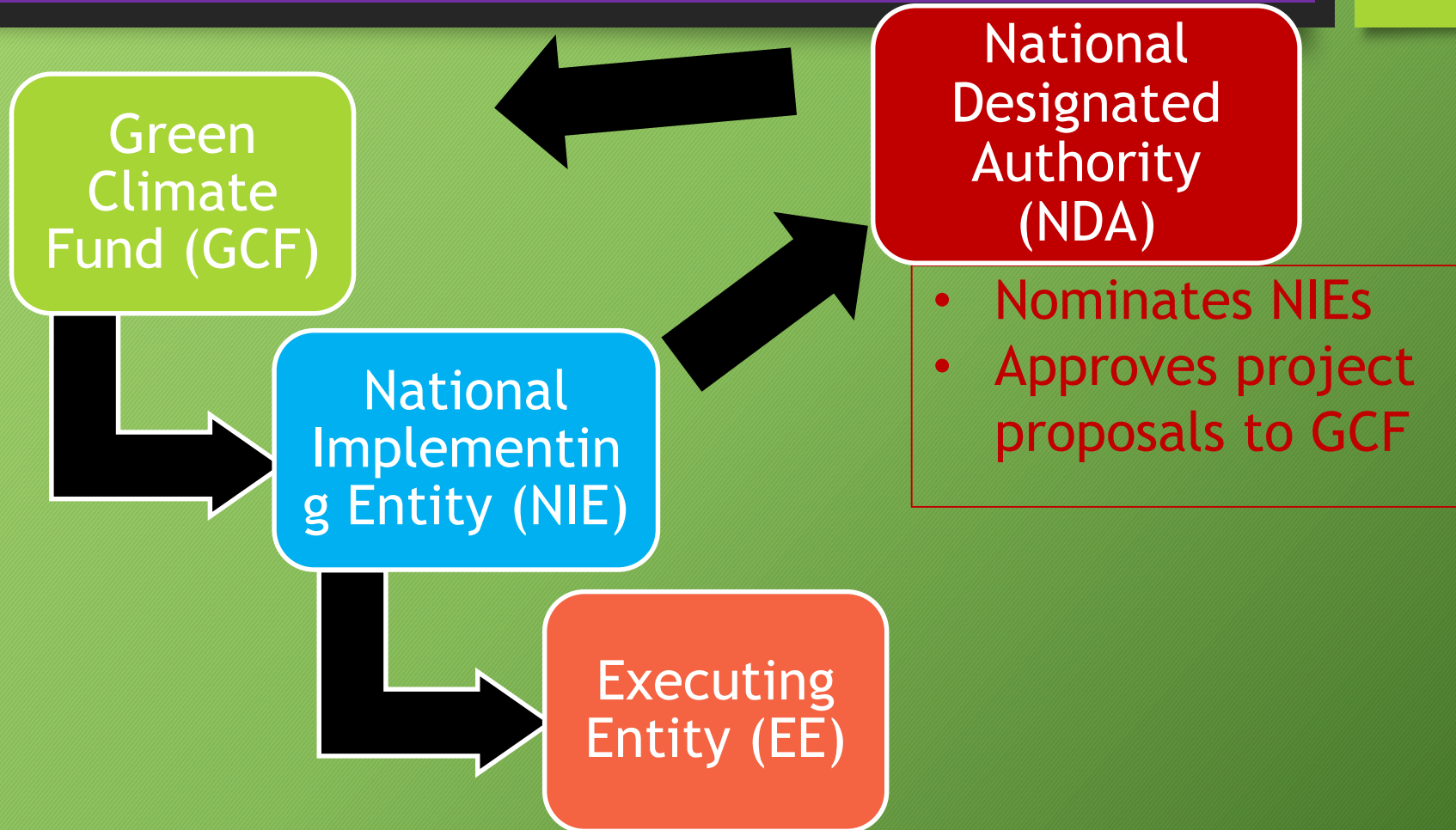
THE GREEN CLIMATE FUND

- ❑ Created by Parties to the UNFCCC
- ❑ Provides funding for climate change adaptation and mitigation
- ❑ Aims to approve first proposals by November 2015

GCF INSTITUTIONAL ARRANGEMENT



GCF INSTITUTIONAL ARRANGEMENT



REQUIRED FOR ACCREDITATION

Applicants for accreditation must show competency in:

Fiduciary
Standards



Environmental
& Social
Safeguards

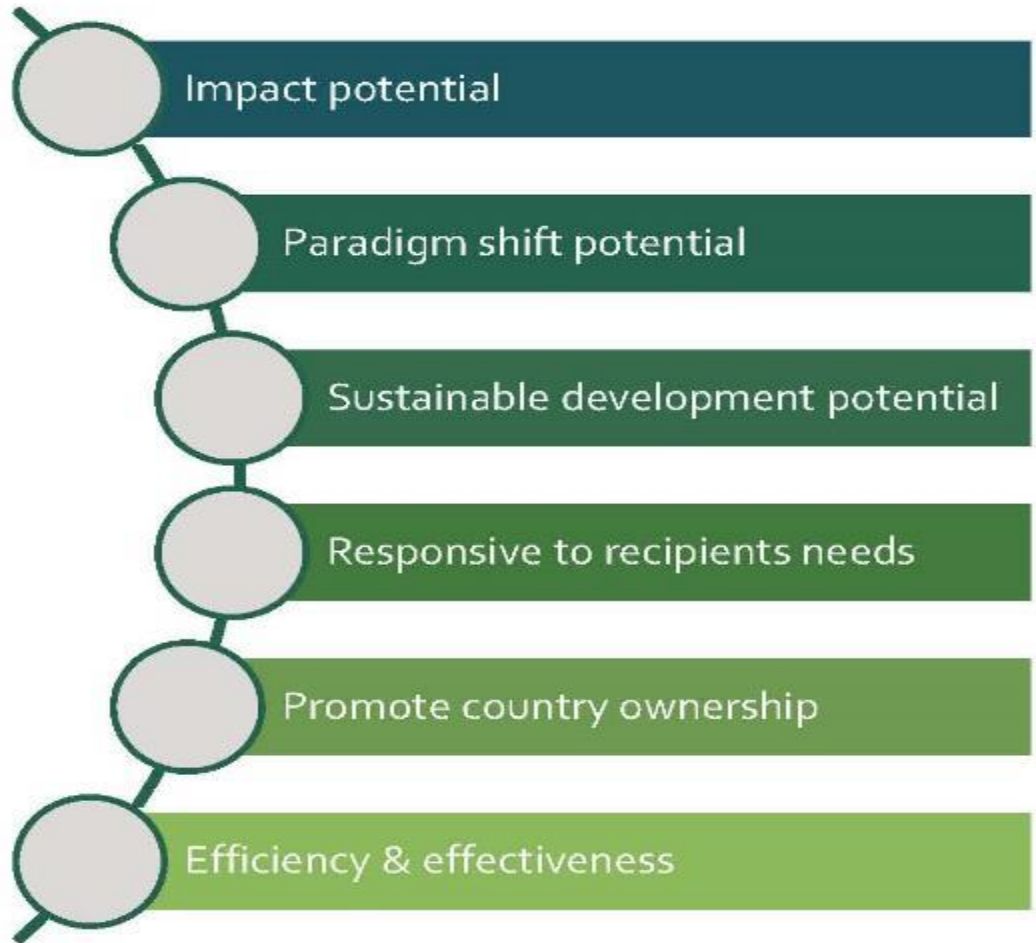


Gender

Focus of this Presentation

A red-outlined arrow pointing upwards from the text box to the 'Environmental & Social Safeguards' box.

OVERVIEW OF PROJECT/PROGRAM REQUIREMENTS:



Environmental
& social
safeguards



Gender

MODULE 2:

A person wearing a traditional conical hat and a light-colored jacket is seen from behind, carrying two large woven baskets filled with white salt on their shoulders. They are walking on a wet, reflective salt flat. In the background, other workers in similar attire are visible, along with large mounds of salt and a clear blue sky.

SAFEGUARDS & THE GREEN CLIMATE FUND

**Safeguards Aim to Reduce
Negative Environmental or
Social Effects
of Activities.**

ACTIVITY: INTRODUCTION TO SAFEGUARDS

- ❑ What are some of the environmental and social consequences?
- ❑ What are differences between the two cases?

WHAT IS THE VALUE OF SAFEGUARDS?

VALUE TO COMMUNITIES

Involve local people as project beneficiaries

Protect rights to natural resources and other rights

Prevent environmental degradation

VALUE TO DEVELOPERS

Prevent conflict with communities

Avoid project delays and increased costs

Avoid reputational damage

WHAT ARE SAFEGUARDS?

□ **Rules** (such as policies, laws, regulations) that reduce the environmental and social risk and negative impact of activities.

- *And* -

□ **Institutions** that implement those rules.

WHAT ARE THE GCF SAFEGUARDS?

The GCF:

- Adopted the **International Finance Corporation (IFC) Performance Standards** until 2017.
- Adopted additional gender requirements.
- Will be creating its **own safeguard standards** over the next 3 years.

WHAT ARE THE GCF SAFEGUARDS?

Institutions need to be able to implement:

1. Performance Standards and
2. GCF Gender Policy.

Not all institutions have to show that they can meet all the standards.

“FIT FOR PURPOSE”

What is “fit for purpose”?

Different accreditation requirements depending on the size and type of activity.

Why “fit for purpose”?

- To enable institutions to become accredited.
- To ensure that funds are used effectively and the GCF doesn't take on too much risk.

“FIT FOR PURPOSE” - ENVIRONMENTAL AND SOCIAL RISK

In terms of environmental and social safeguards, there are three different accreditation categories:

- Lowest risk activities only;
- Lowest and medium only;
- Lowest, medium and highest.

For further information on the difference between these risk categories see module 3 of this presentation.

RELATIONSHIP TO FIDUCIARY STANDARDS

- There are **additional accreditation categories** that look at the **size** and **type** of funding that the institutions aims to access and provide.
- Again, this presentation only covers safeguards.

WHAT ARE THE IFC'S PERFORMANCE STANDARDS?

- ❑ The **IFC** is the part of the World Bank Group that lends to private companies.
- ❑ The **IFC Performance Standards (PS)** are widely recognized as good practice.
- ❑ The Performance Standards consist of **one overarching standard and seven issue-specific standards**.

PS1 - ESMS

OVERARCHING (ESMS)

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

- Policy
- Process for identifying risks & impacts
- Management program
- Organizational capacity & competency
- Process for monitoring & evaluation
- External communications

PS 2-8

SUBJECT-SPECIFIC

- ❑ PS 2: Labor & Working Conditions
- ❑ PS 3: Resource Efficiency & Pollution Prevention
- ❑ PS 4: Community Health, Safety & Security
- ❑ PS 5: Land Acquisition & Involuntary Resettlement
- ❑ PS 6: Biodiversity Conservation & Sustainable Management of Living Natural Resources
- ❑ PS 7: Indigenous Peoples
- ❑ PS 8: Cultural Heritage

PS 1: ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

PERFORMANCE STANDARD 1: ESMS

- ❑ All institutions seeking funding from the GCF must have an ESMS.
- ❑ The strength of the system can vary depending on the accreditation category

PERFORMANCE STANDARD 1: ESMS

- Environmental and social **policy** → module 3
- **Process** for identifying risks → module 4
- **Management** program → module 5
- Organizational **capacity & competency** → module 5
- **Monitoring & evaluation** → module 6
- External **communications** → module 7

SUMMARY OF ESMS REQUIREMENTS BY ACCREDITATION CATEGORY:

- ❑ **LOW risk accreditation** → consistently **screen projects** for risks and watch for unexpected problems.
- ❑ **MEDIUM risk accreditation** → **manage** systems to avoid, mitigate, and monitor risks or negative impacts.
- ❑ **HIGH risk accreditation** → similar to those in the medium risk category, but they must be **fully developed**.

OVERVIEW OF ESMS REQUIREMENTS BY RISK CATEGORY

ELEMENT	LOW RISK	MEDIUM OR HIGH RISK
Policy	<i>Not Required</i>	Consistent with PS 1-8
Identification of Risks & Impacts	Process to screen & categorize risk	Process & implementation track record
Management Programme	Process to identify & manage risks	Process & track record for mitigating identified risk
Organizational Capacity & Competency	Staff members able to categorize activities by risks	Clear roles & authority for implementation
Monitoring & Review	Monitoring for unforeseen impacts or risks	Process for & track record of monitoring mitigation actions
External Communication	System to register, respond to, and track communication	System to register, respond to, and track communication

1 High risk accreditation requires full development and integration of each elements. Institutions seeking accreditation for medium risk projects can have elements that are slightly less developed or integrated into the institution.

A close-up photograph of a person's hands harvesting vanilla pods from a plant. The person is wearing a light green long-sleeved shirt. The plant has large, dark green, glossy leaves and clusters of small, yellowish-green flowers. The person's hands are carefully picking the pods. In the background, a black and white striped fabric is visible.

MODULE 3

ENVIRONMENTAL & SOCIAL POLICY

WHO NEEDS A POLICY?

- ❑ Institutions wanting to implement **medium or high risk activities need a policy.**
- ❑ Those seeking accreditation for only **low risk activities do NOT** need to have a policy.

WHAT COUNTS AS A POLICY?

- ❑ The easiest way: The institution has a **stand-alone policy**
- ❑ Other ways: Commitments are **embedded in other policies** or procedures. The institution may also show that follows **national laws** that meet the requirements.

WHAT NEEDS TO BE IN THE POLICY?

- ❑ An **overarching statement** of objectives and principles
- ❑ **Environmental and social standards** that the institution adheres to; and
- ❑ Indication of whom within the institution will be **responsible for its execution.**

WHAT ELSE DOES THE POLICY NEED?

The policy should be:

- Endorsed by management** (senior management for high risk accreditation)
- Communicated** to all levels of the organization (and publically for high risk accreditation).

The Institution's Policy (or equivalent) should be consistent with the Standards outlined in **PS 1-8**, in addition to the **GCF's Gender Policy**.

PS 2: LABOR AND WORKING CONDITIONS

PS 2: LABOR AND WORKING CONDITIONS

What is the purpose of PS 2?

BENEFITS FOR THE PROJECT DEVELOPER

- ❑ Stronger relationship between workers and management.
- ❑ Healthier, safer, and more productive workforce.
- ❑ Responsible supply chains and contractors.

BENEFITS FOR WORKERS

- ❑ Non-discrimination and equal treatment.
- ❑ Protections for vulnerable groups like children, women, migrant workers.
- ❑ Safe and healthy working conditions.

PS 2: LABOR AND WORKING CONDITIONS

PS2 requires institutions to:

- ❑ 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.

PS 2: LABOR AND WORKING CONDITIONS

- ❑ Not restrict workers from joining or forming **workers' organizations or bargaining collectively**.
- ❑ Create effective **grievance mechanisms** for employees.
- ❑ Not employ **children** (under 18) in any manner that is exploitative or that could be harmful.

PS 2: LABOR AND WORKING CONDITIONS

- Not employ **forced labor or trafficked persons**.
- Make efforts to ensure that **contracted workers** employed by third parties are protected.
- Monitor **primary supply chains** to identify and reduce risks of child or forced labor, or significant safety concerns.

PS 3: RESOURCE EFFICIENCY & POLLUTION PREVENTION

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What is the purpose of PS 3?

BENEFITS FOR THE PROJECT DEVELOPER

- ❑ Increased efficiency in water and energy use.
- ❑ Enhanced productivity and quality of services.
- ❑ Avoided costs of pollution cleanup.

BENEFITS FOR LOCAL COMMUNITIES

- ❑ Reduced public health risks associated with pollution.
- ❑ Sustainable access to natural resources on which livelihoods depend.

BENEFITS FOR THE ENVIRONMENT

- ❑ Reduced pollution of air, water, and land.
- ❑ Reduced natural resources use.
- ❑ Reduced greenhouse gas emissions.

PS 3: RESOURCE EFFICIENCY & POLLUTION PREVENTION

PS3 requires institutions to:

- ❑ Avoid the release of air, water and land pollutants or, when avoidance is not feasible, minimize and/or control project-related pollution.
- ❑ Avoid the generation of waste or where unavoidable, minimize and appropriately dispose of waste.

PS 3: RESOURCE EFFICIENCY & POLLUTION PREVENTION

- Replace hazardous materials with safer substances.
- Efficiently use natural resources (energy, water).
- Account annually for GHG emissions for projects likely to release over 25,000 tons of CO₂ equivalent.
- Make an effort to reduce GHG emissions.

PS 4: COMMUNITY HEALTH, SAFETY, & SECURITY

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What is the purpose of PS 4?

BENEFITS FOR THE PROJECT DEVELOPER

- Reduced risk of conflict with local communities.
- Reduced risk of reputational damage and liability for harm caused to local populations

BENEFITS FOR LOCAL COMMUNITIES

- Reduced risk of exposure to hazardous materials/disease.
- Reduced harm caused by project-related emergencies.
- Stronger and safer relationship with project's security forces.
- Protection of ecosystem services.

PS 4: COMMUNITY HEALTH, SAFETY, & SECURITY

PS4 requires institutions to:

- ❑ 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, if possible, project impacts on ecosystem services on which communities depend.

PS 4: COMMUNITY HEALTH, SAFETY, & SECURITY

- ❑ Avoid or minimize the potential for community **exposure to diseases**, including from hazardous waste, taking into consideration 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).

PS 4: COMMUNITY HEALTH, SAFETY, & SECURITY

- ❑ Assess and mitigate risks posed by a project's **security arrangements**, such as use of private security, police, or military personnel.
- ❑ Investigate all allegations of unlawful or **abusive acts of security personnel**, take action to prevent recurrence, and report unlawful and abusive acts to public authorities.

PS 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

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What is the purpose of PS 5?

BENEFITS FOR THE PROJECT DEVELOPER

- ❑ Reduced risk of conflict with local communities.
- ❑ Reduced risk of reputational damage and liability for harm.
- ❑ More cost-effective, efficient, and timely resettlement processes.

BENEFITS FOR LOCAL COMMUNITIES

- ❑ Opportunities to benefit from the proposed development project.
- ❑ Stronger protection for community rights to land and natural resources.
- ❑ Reduced risk of impoverishment due to displacement.

PS 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

PS 5 requires institutions to:

- ❑ **Avoid forced evictions**, including the use of coercion and manipulation of communities.
- ❑ Avoid and/or minimize **physical displacement** (moving people off land that they inhabit) and **economic displacement** (restricting people's access to use of land and/or natural resources).

PS 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

- ❑ **Engage** with affected communities throughout the resettlement process, including the through a grievance mechanism.
- ❑ Provide all displaced persons with **fair and equitable compensation**.
- ❑ Improve or restore the **livelihoods and standards of living** of those people who are displaced.

PS 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

- ❑ For people with a **recognized right to the land**, offer the choice of replacement property of equal or higher value or (if land is not possible) cash compensation.
- ❑ For people **without rights to land recognized by the government**, offer adequate housing options with secure tenure and compensation for lost assets, such as buildings.

**PS 6: BIODIVERSITY
CONSERVATION & SUSTAINABLE
MANAGEMENT OF LIVING
NATURAL RESOURCES**

PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

What is the purpose of PS 6?

BENEFITS FOR PROJECT DEVELOPER

- ❑ Protection of ecosystem services used by developer.

BENEFITS FOR LOCAL COMMUNITIES

- ❑ Protection of ecosystem services that communities rely upon.

BENEFITS FOR ENVIRONMENT

- ❑ Protection of biodiversity and important species.
- ❑ Promotion of long-term sustainability of biological resources.

PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

PS 6 requires institutions to:

- ❑ **Assess and avoid impacts** on biodiversity and ecosystem services if possible.
- ❑ Implement measures to **minimize and restore** negative impacts.
- ❑ Apply protection measures to **all** areas that have **significant biodiversity value**.

PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

- Assess the **ecosystem services** and avoid, minimize or mitigate any negative effects, including from alien species.
- Not significantly convert or degrade “natural habitat” unless:
 - There are **no other feasible options**,
 - Stakeholders have been **consulted**, and
 - Mitigation measures** are in place to achieve no net loss of biodiversity.

PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

- Not implement activities in “critical habitat” unless:
 - there is **no other alternative**,
 - the activities **does not lead to measurable negative impacts** on key biodiversity and ecological processes or a net reduction in endangered species,
 - and a **monitoring plan** is in place.

PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

- ❑ Not implement activities in legally protected or internationally recognized areas unless:
 - it is **legally permitted**,
 - adequate **stakeholder participation** is implemented, and
 - efforts made to **enhance conservation**.

PS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

- ❑ Ensure that activities involving the **production of living natural resources** (e.g. forestry, agriculture) adhere to recognized **standards of sustainable management**.
- ❑ 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

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What is the purpose of PS 7?

BENEFITS FOR THE PROJECT DEVELOPER

- ❑ Reduced risk of conflict with local communities.
- ❑ Reduced risk of reputational damage and liability for harm caused to local indigenous communities.
- ❑ Community consent and buy-in for the project.

BENEFITS FOR LOCAL COMMUNITIES

- ❑ Protection of culture, identities, and livelihoods of indigenous peoples.
- ❑ Avoided discrimination against communities.
- ❑ Opportunities to benefit from development in a culturally appropriate way.

PS 7: INDIGENOUS PEOPLES - DEFINITION

The term “indigenous” is used broadly to refer to certain marginalized people that often have these characteristics:

- ❑ 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.

PS 7: INDIGENOUS PEOPLES

PS7 requires institutions to:

- ❑ **Identify** indigenous peoples (IPs) that may be affected.
- ❑ **Avoid negative impacts on IPs** where possible, and otherwise minimize, 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.

PS 7: INDIGENOUS PEOPLES

- ❑ Not develop a project on land that is traditionally owned or used by IPs unless:
 - Impacts thoroughly assessed and minimized;
 - IPs are informed of their rights;
 - Appropriate compensation is offered;
 - IPs continue to have access to land and resources if possible; and
 - IPs are offered a fair and equitable sharing of project benefits.

PS 7: INDIGENOUS PEOPLES

- **Not relocate** Indigenous Peoples from land or natural resources that they have traditionally owned or used
- **Not significantly impact critical cultural heritage**
- **Not use the traditional knowledge** or cultural heritage of IPs for commercial purposes
 - ... Without obtaining their free prior and informed consent (FPIC).

PS 8: CULTURAL HERITAGE

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What is the purpose of PS 8?

BENEFITS FOR THE PROJECT DEVELOPER

- ❑ Protection from reputational damage.
- ❑ Opportunities for strong partnerships with communities.

BENEFITS FOR THE GLOBAL COMMUNITY

- ❑ Protect globally significant cultural heritage.

BENEFITS FOR LOCAL COMMUNITIES

- ❑ Protection of locally significant cultural heritage.
- ❑ Opportunities to benefit equitably from the use of cultural heritage.

PS 8: CULTURAL HERITAGE

- ❑ Identify and **avoid significant adverse impacts** on **tangible** cultural heritage.
- ❑ **Consult** with affected communities and relevant government agencies to identify cultural heritage.
- ❑ Put in place a system for protecting cultural heritage that is discovered during project implementation - so-called **“chance find” procedures**.

PS 8: CULTURAL HERITAGE

- ❑ Maintain **community access** to cultural heritage sites.
- ❑ **Not remove, significantly alter, or damage** critical cultural heritage except in exceptional circumstances and in collaboration with affected communities.
- ❑ Use **intangible cultural heritage** for commercial purposes only in collaboration with relevant communities.

GENDER

GENDER

- ❑ In addition to the IFC PSs, the GCF Board has created a **Gender Policy**.
- ❑ ALL institutions need to show that they have a **policy related to gender** and **experience targeting women**.

REQUIRED FOR ACCREDITATION

Applicants for accreditation must show competency in:

Fiduciary
Standards



Environmental
& Social
Safeguards
& Gender

Focus of this Presentation

KEY ADMINISTRATIVE & FINANCIAL CAPACITIES

1. A clearly defined **governance and oversight structure**;
2. A **financial management and accounting system**
3. **Procedures for internal and external audits**:
 - Audit committee (or comparable body);
 - Internal audit function; and
 - Independent external audit firm
4. **Internal financial controls** to ensure that financial risks are properly managed.
5. Systems in place to ensure **fair and transparent procurement processes**.

A. Key Administrative and Financial Capacities

TRANSPARENCY AND ACCOUNTABILITY

1. **Code of ethics** or a set of clear management policies that define ethical standards
2. **Mandatory disclosure of conflicts of interest**
3. **Capacity to prevent fraud**, financial mismanagement and other forms of malpractice
4. **Independent investigation function**
5. **Anti-money laundering and anti-terrorist financing policies**

PROJECT MANAGEMENT

1. Identifying, preparing and designing projects.
2. Conducting project appraisal, including identification of risks.
3. Overseeing implementation
4. Monitoring and evaluation of implementation.
5. Flagging problems or risks that may arise during implementation including financial, economic, political and regulatory risks.

GRANT AWARD AND/OR FUNDING ALLOCATION MECHANISMS

1. Clearly defined **eligibility criteria**.
2. Procedures for **evaluating and awarding grants**.
3. A **body or committee authorized to take decisions** on the award of grants.
4. **Public disclosure of grant award results and recipients**.

ON-LENDING AND BLENDING

1. Meet necessary registration and licensing criteria.
2. Show adequate creditworthiness.
3. Conduct due-diligence for on-lending and/or blending.
4. Ensure proper financial management.
5. Ensure transparency and public access to information on beneficiaries and results from on-lending and blending.

ACTIVITY: IDENTIFY YOUR POLICIES

- Identify any relevant policies (or equivalent).
- Identify strengths and weaknesses relative to the PSs.
- Identify potential next steps.

MODULE 4



SCREENING & CATEGORIZING RISK
(‘Indication of Risks and Impacts’)

RISK SCREENING

All institutions need to be able to:

1. Conduct initial screenings to assess social and environmental risk levels;
2. Categorize activities based on risk;
3. Conduct more in-depth assessments as relevant.

CATEGORIZING RISK...

WHY CATEGORIZE RISKS

- ❑ Gain an **early understanding** of the risks associated with activities to ensure **proper management**.
- ❑ **Prioritize** use of resources by focusing them on high-risk activities.
- ❑ Understand whether the activity will be eligible for **GCF funding**.

OVERVIEW OF GCF REQUIREMENTS

- Accreditation for **low risk** → make sure that activities don't bear higher risk.
- Accreditation for **medium or high risk** → be able to structure effective **avoidance or mitigation strategies**.

RISK CATEGORIES: IMPLEMENTING ENTITIES

As part of the screening process, institutions need to be able to categorize projects into low, medium or high levels of risk.

When the **institution itself will implement the activity**, these categories are:

- Low risk activities = category C
- Medium risk activities = category B
- High risk = category A

RISK CATEGORIES: FINANCIAL INTERMEDIARIES

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

- Low risk = Intermediary 3 (I3)
- Medium risk = I2
- High risk = I1

CATEGORY C/I3

Activities with **minimal or no** adverse environmental or social risks and/or impacts.

CATEGORY B/I2

Activities with potential **limited** adverse environmental or social risks and/or impacts that are **few in number, generally site-specific, largely reversible, and readily addressed** through mitigation measures.

CATEGORY A/I1

Activities with potential **significant** adverse environmental or social risks and/or impacts that are **diverse, irreversible, or unprecedented.**

DETERMINING RISK LEVEL

In order to categorize risk, institutions need to determine both the:

- ❑ **Type** of risk - for example, displacement of people.
- ❑ **Significance** of risk - for example, how many people will be displaced.



TYPE OF RISK

- ❑ Screenings should use the **Performance Standards** as a guide when screening for risk.

For example...

- ❑ Possibility of harm to workers (PS 2),
or
- ❑ may result in displacement (PS 5).

EXAMPLE OF FACTORS TO CONSIDER: LOCATION

These locations will tend to increase the risk:

- In or near **sensitive and valuable ecosystems** (wetlands, wildlands and coral reefs)
- In or near **archaeological or historical sites**
- In **densely populated** areas, where resettlement or potential pollution may affect communities
- In regions where there are **conflicts**
- Along **watercourses or aquifers**

IDENTIFYING SIGNIFICANCE OF RISK

- Frequency** - How often will the activity that creates the risk or impact occur?
- Intensity** - How big will the impact be?
- Manageability** - Can the risk be managed?
- Duration** - How long will the risk be present?
- Reversibility** - Can the situation be restored if/when negative impacts occur?

DEALING WITH UNCERTAINTY...

DEALING WITH UNCERTAINTY

Uncertainty arises largely for two reasons:

- ❑ **Information gaps** - A lack of information about the current state of people or the environment.
- ❑ **Unpredictable future** - An inability to know for sure what will happen in the future

DEALING WITH UNCERTAINTY

In order to help deal with this uncertainty:

- ❑ **Note assumptions** and whether they are likely to hold true.
- ❑ Assume that a **greater lack of information indicates greater risk**.
- ❑ **Continuously monitor** implementation and adjust plans and actions to reflect any changes [*see section 5*].

ASSUMPTIONS

Institutions should be able to identify assumptions involving, for example:

□ The climate, including climate change

- For example: The climate will get 5% drier per year.

□ Partners and other stakeholders

- For example: The contractor will complete the contract on time.

□ Governance

- For example: The country's laws will stay roughly the same and will be implemented by relevant authorities.

**EXAMPLES OF RISK CATEGORY
C, B OR A....**

LIKELY LOW/NO RISK - CATEGORY C OR I3

Activities that fall in the below categories will often be considered to have low environmental or social risk:

- Education and training
- Public broadcasting (TV, radio, satellite)
- Small-scale reforestation
- Health and family planning
- Monitoring programs
- Plans and studies
- Advisory services

EXAMPLE - CATEGORY C OR I3

Funding for ready-made off-grid power systems for telecommunication in sub-Saharan Africa.

The systems increase reliability of mobile phone networks while reducing pollution from diesel generators.



Source: [link](#)

Low risk because:

- ❑ **Low labor risks:** The products were made in Europe ready for installation and were installed with minimal labor.
- ❑ **No new land:** the products were installed at already existing telecommunication towers and similar sites.
- ❑ **No impacts on biodiversity or pollution.**



MEDIUM RISK - CATEGORY B OR 12

Activities that fall in the below categories will often be considered to have medium environmental or social risk:

- ❑ Adaptation of crop farming systems to climate change
- ❑ Forest management activities
- ❑ Activities to improve energy efficiency of industry
- ❑ Small and medium-scale low emission power generation
- ❑ Small-scale agriculture initiatives

EXAMPLE - CATEGORY B OR I2

Installation of a solar panel farm on 140 hectares of land 2km from nearest village.



Reasons:

- Significant labor requirements.
- Significant use of land, but **land is government owned, not inhabited, and not fit for agricultural purposes.**
- No environmentally sensitive areas** or indigenous peoples within 10 km.

HIGH RISK - CATEGORY A OR I1

Activities that fall in the below categories will often be considered to have high risk:

- ❑ Large scale forestry projects
- ❑ Large-scale agricultural projects
- ❑ Large thermal or hydropower development
- ❑ Projects affecting highly sensitive ecosystems
- ❑ Projects with large resettlement components
- ❑ Projects affecting indigenous or tribal populations

EXAMPLE - CATEGORY A OR I1

Construction and operation of a 100MW wind farm covering 70 km². Land to be leased from indigenous peoples who currently use it primarily for grazing.



Reasons:

- ❑ Significant use of **land occupied** by indigenous peoples.
- ❑ **Relocation of housing and grazing rights** required.

ACTIVITY: CATEGORIZING BY RISK LEVEL

- Categorize the projects in handout into risk categories.
- Be ready to explain your answers.

IMPACT ASSESSMENTS

Once categorized, conduct more thorough assessments as necessary.

- Impacts of third parties
- Impacts of primary supply chains
- Cumulative impacts
- Associated facilities

CUMULATIVE IMPACT ASSESSMENTS

Other **existing, planned** or reasonably **defined** developments.

ASSOCIATED FACILITIES

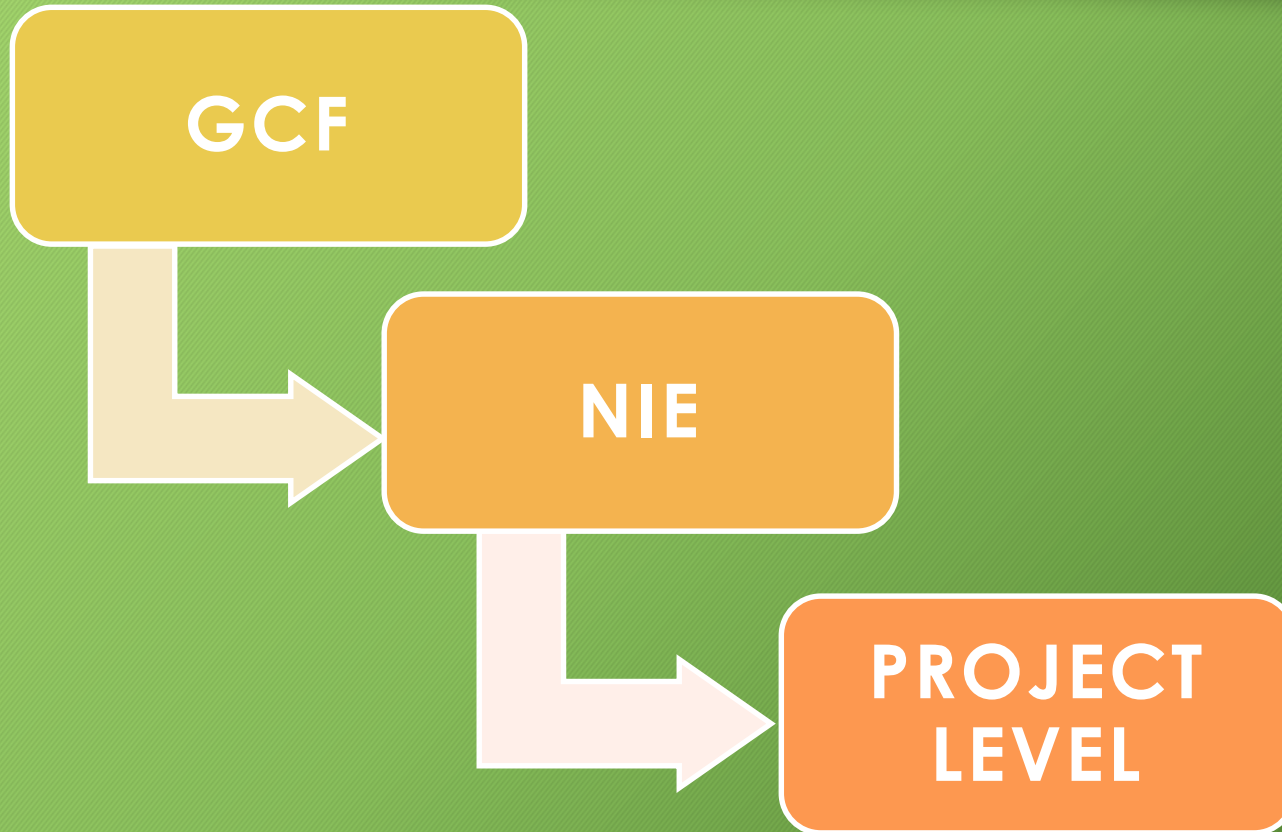
- Not funded as part of the project
- Would not have been constructed or expanded if the project did not exist
- Without which the project would not be viable

MODULE 7

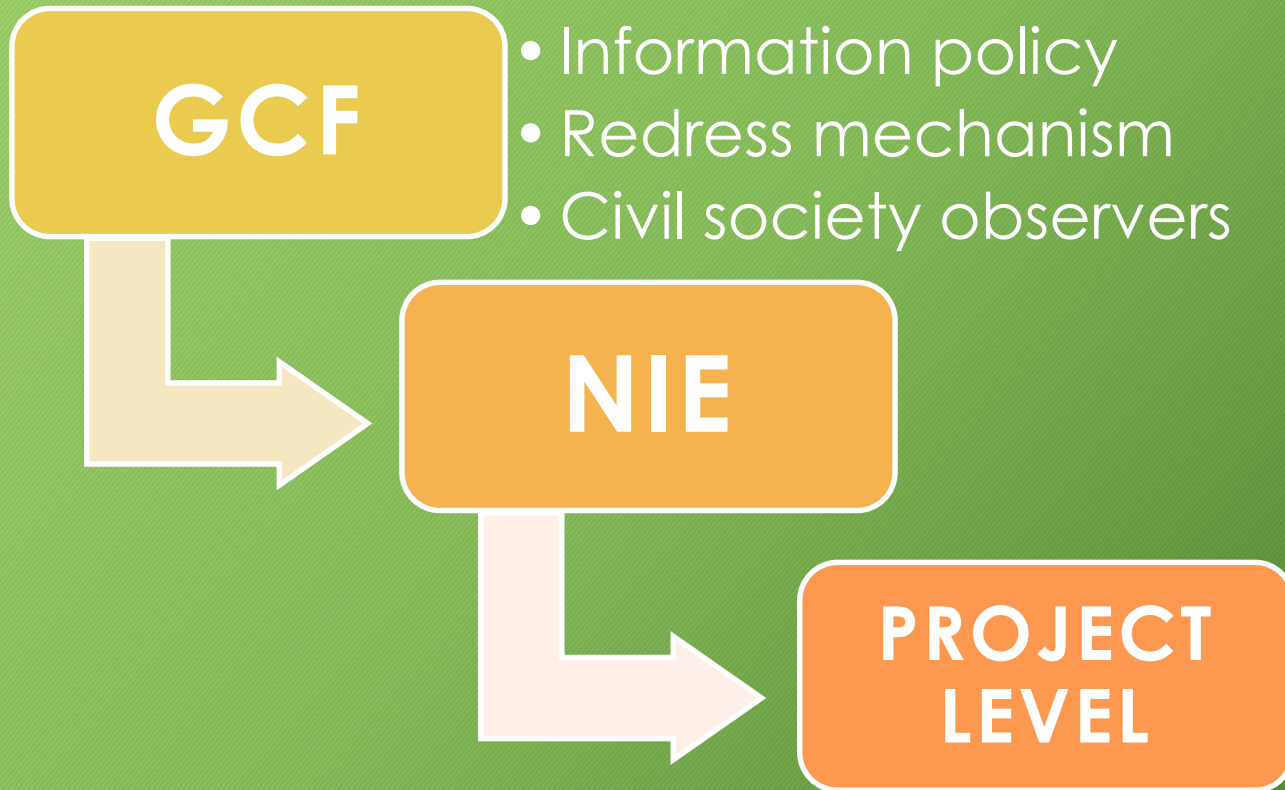
EXTERNAL COMMUNICATION

Photo: CGIAR

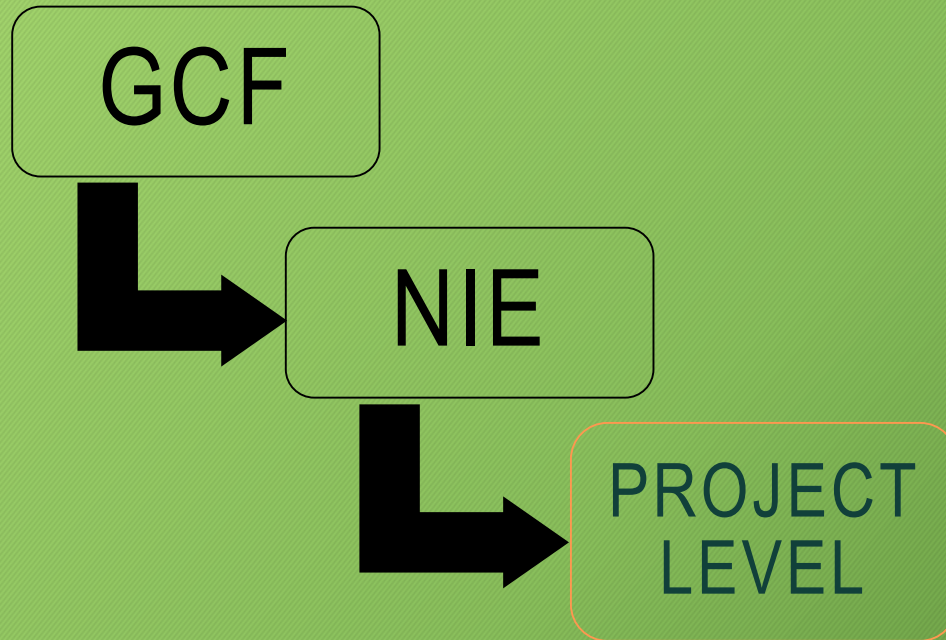
THREE STAGES OF ENGAGEMENT



GCF's COMMUNICATION SYSTEMS



PROJECT LEVEL COMMUNICATIONS



- Ongoing consultations
- Project grievance mechanisms
- Community-based monitoring

PROJECT LEVEL COMMUNICATIONS

- Stakeholder mapping
- Consultations
- Ongoing reporting to communities

NIE COMMUNICATIONS

GCF



NIE

- Accountability mechanisms
- Information systems



PROJECT
LEVEL

GCF REQUIREMENTS

The GCF requires NIEs to be able to:

- ❑ Receive and register communications from external stakeholders.
- ❑ Screen and assess issues raised.
- ❑ Address issues, as needed.
- ❑ Keep a log of communications received and responses.

ENGAGEMENT MECHANISMS

There are several ways to meet this requirement, including:

- ❑ Simple communication systems
- ❑ Accountability mechanism
- ❑ Access to information systems

ACCOUNTABILITY MECHANISMS

ACCOUNTABILITY MECHANISMS AT ACCREDITED INSTITUTIONS

- ❑ The GCF **does not explicitly require** institutions to have accountability mechanisms in place, but they **will strengthen an application**
- ❑ Most international institutions seeking accreditation to the GCF have such a function

ACCOUNTABILITY MECHANISMS

- **Compliance Review Mechanism** -investigates complaints about non-compliance with safeguards.
- **Dispute Resolution Mechanisms** -resolve disputes through, for example, mediation or negotiation.

ACCOUNTABILITY MECHANISMS: SAMPLE PROCESSES

STEP 1

INITIAL SCREENING



STEP 2

DISPUTE RESOLUTION

DETERMINE
FEASIBILITY OF
DISPUTE
RESOLUTION

IMPLEMENT
DISPUTE
RESOLUTION

MONITOR
IMPLEMENTATION
OF AGREEMENTS

INVESTIGATE

REPORT TO
DECISION
MAKERS

MONITOR
IMPLEMENTATION

COMPLIANCE

GCF'S REDRESS MECHANISM

- ❑ Will receive, evaluate and address complaints from stakeholders regarding implementation of safeguards and other policies.
- ❑ Can provide both dispute resolution or compliance functions.

CREATING ACCOUNTABILITY MECHANISMS: WRITTEN PROCEDURES

Written procedure can provide:

- ❑ The **purpose and mission** of the mechanism
- ❑ The **guiding principles**, like transparency, independence
- ❑ **How to conduct** investigations
- ❑ **Possible results**, e.g., project modification
- ❑ **Monitoring** of agreements/plans

STAFFING ACCOUNTABILITY MECHANISMS

Staffing levels and structure can depend on the size of the institution and type of activities that it engages in.

Examples include:

- ❑ Part-time officers responsible for compliance
- ❑ Full-time panel of experts
- ❑ External experts hired on a case-by-case basis

ACCESS TO INFORMATION

ACCESS TO INFORMATION

Not required for GCF accreditation, but they **help institutions** meet the requirement for external communications.

Types of access to information systems:

- Upon request** - through a designated process.
- Proactively** - on the website or elsewhere so that people do not have to submit a request.

ELEMENTS OF EFFECTIVE ACCESS TO INFORMATION SYSTEMS

- ❑ A **presumption in favor of access** to information
- ❑ Clear and **limited exceptions**
- ❑ **Guidelines on format and timeframe** for providing information
- ❑ An effective **information management system**
- ❑ An **appeals mechanism**
- ❑ **Regular trainings** on the system for staff and outreach to external stakeholders

INFORMATION REQUESTS: PROCEDURES

Options include...

- Response time
- Fees
- Translations

STAFFING AN INFORMATION SYSTEM

Options include...

- Information officers
- Access to information department
- Other staff (all employees)

INFORMATION OFTEN PROVIDED PROACTIVELY

Institutions often provide the following information without the need for a request.

- Board meeting minutes
- Project/Program documents
- Country Strategies
- Environmental & Social Impact Assessments
- Information on how to access information by request

HOW DO YOU COMMUNICATE?

- Discussion questions:
- How does your institution engage with external stakeholders?
- How do you deal with complaints?

MODULE 5

A photograph of three women in traditional African attire standing at the edge of a large body of water, likely a lake. They are carrying buckets and pots, suggesting they are going to collect water. The women are wearing colorful, patterned dresses and headwraps. The background shows a vast expanse of water under a clear blue sky, with some distant land and buildings visible on the horizon.

MANAGING IMPLEMENTATION (Management Program; Organizational Capacity & Competency)

GCF AND MANAGING IMPLEMENTATION

In order to show that they can implement the safeguard requirements institutions need to show:

MANAGEMENT PROGRAM

- Processes
- Procedures
- Plans

ORGANIZATIONAL CAPACITY & COMPETENCY

- Organizational structure
- Technical capacity

Again, the size and scale can vary based on the type of accreditation being sought.

MANAGEMENT REQUIREMENTS FOR LOW-RISK ACCREDITATION

□ Institutions seeking accreditation for LOW risk activities only need to show:

- That they have **dedicated staff** responsible for and able to **categorize projects by risk**.

REQUIREMENTS FOR MEDIUM-RISK ACCREDITATION

1. Management Program

- ❑ Procedures, plans etc. to guide policy implementation.

2. Organizational Capacity and Competency

- ❑ Organizational structure that identifies responsible people and departments.
- ❑ Technical staff with sufficient knowledge, skills and resources.

REQUIREMENTS FOR HIGH-RISK ACCREDITATION

- ❑ Accreditation for HIGH risk projects requires meeting each element **more fully and thoroughly.**

MANAGEMENT PROGRAM

Institutions use a variety of processes and procedures to implement policy commitments. Examples include:

- ❑ **Operational procedures**, which spell out how the institution will operationalize the relevant policy.
- ❑ **Regulations**, which are often used to spell out the details of how national laws are to be implemented.
- ❑ **Templates**, which help speed up and standardize processes.

MANAGEMENT PROGRAM

These documents can, for example, spell out:

- Who is responsible for what
- Requirements for work plans and timelines
- Guidelines for resource allocation

CAPACITY AND COMPETENCY

Institutions need staff and partners with adequate experts and resources including, for example:

- Senior managers
- Technical staff
- Independent experts
- Monitoring and compliance units

SAMPLE ORGANIZATIONAL STRUCTURE FOR MEDIUM/HIGH RISK ESMS

DIRECTOR OF ENVIRONMENTAL AND SOCIAL RISK

EVALUATION UNIT

MANAGER OF ENVIRONMENTAL IMPACTS

MANAGER OF SOCIAL IMPACTS

ACCOUNTABILITY MECHANISM

TECHNICAL STAFF
Screening, assessments, management, monitoring of environmental risks or impacts

TECHNICAL STAFF
Screening, assessments, management, monitoring of environmental risks or impacts

INFORMATION UNIT

ACTIVITY: YOUR INSTITUTION'S MANAGEMENT STRUCTURE AND CAPACITY

1. Does your institution have a management structure for reducing risk? If so, what does it look like?
2. Have you ever encountered problems implementing your institution's policies? If so, how did you meet that challenge? What would have helped to avoid the challenge?

MODULE 6

A photograph showing three people in traditional attire carrying baskets of white salt on a salt flat. The person in the foreground is wearing a tan jacket, a wide-brimmed hat, and colorful patterned pants, carrying two baskets. Two other people are visible in the background, also carrying baskets. The ground is wet and reflective, and the sky is clear and blue.

MONITORING AND EVALUATION

PLANNING IS NOT ENOUGH...



WHY MONITOR AND EVALUATE?

- Know whether implementation of activities is going as planned
- Be alert to changes or early signs of problems
- Focus resources where needed
 - Enable adjustment of activities and plans to respond to unexpected events
- Build trust with stakeholders

FIT FOR PURPOSE

- ❑ Accreditation for **low risk** requires a process for **watching for unexpected impacts** or new risks.
- ❑ Accreditation for **higher risk** requires **ability to monitor implementation of mitigation plans**, and any unexpected changes.

WHAT INFORMATION TO GATHER

- ❑ **Specific information** on implementation of risk mitigation plans (as relevant).
- ❑ **General information** on environmental or social changes relative to a baseline.
- ❑ Information on the **overall ESMS** system.

DETERMINING INDICATORS

Effective monitoring systems often use several types of indicators, including:

- ❑ **Performance indicators**, which measure the results of activities.
- ❑ **Processes or inputs indicators**, which measure actions taken to bring about results.

PERFORMANCE INDICATORS

Performance indicators may measure, for example:

- Energy consumption
- Water consumption
- Volume of waste disposal
- Emissions to Air
- People displaced
- Wages paid

PROCESS INDICATORS

Process indicators might measure, for example:

- Percentage of workers trained on labor standards requirements.
- Average time between communications from stakeholders and a response.
- Procedures in place for handling, storage, and disposal of waste.
- Processes in place for analyzing energy efficiency.

ACTIVITY: SELECTING INDICATORS

- Read the case study in the handout.
- Select a set of process and results indicators.

HOW TO GATHER INFORMATION

Example ways to gather information:

- Measuring and testing
- Visual observation
- Interviews
- Surveys
- Focus groups
- Soliciting reports

WHO SHOULD GATHER INFORMATION

- Monitoring staff
- Other staff
- Independent monitor
- Community monitoring

WHEN TO GATHER INFORMATION

Depending on the risks, institutions will want to gather information on safeguard implementation:

- Daily
- Monthly/Quarterly
- Annual reviews

STORING INFORMATION

- ❑ Database of project information
- ❑ Track record of progress on key indicators
- ❑ Inventory of existing information
- ❑ Accessible (“open”) data

EVALUATION

Evaluation = using information to assess the status of relevant risks and mitigation actions.

For example...

- ❑ Water pollution increase may mean mitigations measures not effective.
- ❑ High knowledge of grievance procedure among workers may mean that information program is effective.

EXAMPLE OF EVALUATION TYPES

- ❑ **Weekly** evaluation of implementation of pollution monitoring system.
- ❑ **Quarterly** evaluation of safeguard implementation at project level
- ❑ **Annual** evaluation of ESMS across all activities

EXAMPLE OF EVALUATION TYPES

- ❑ **Weekly** evaluation of implementation of pollution monitoring system.
- ❑ **Quarterly** evaluation of safeguard implementation at project level
- ❑ **Annual** evaluation of ESMS across all activities

Questions & Comments

Thank You