



ADAPTATION FUND

Implementing the AF's Environmental and Social Policy in projects and programmes

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LATIN AMERICA AND THE CARIBBEAN REGIONAL WORKSHOP FOR ENHANCING KNOWLEDGE ON
THE ADAPTATION FUND PROJECT DEVELOPMENT PROCESS AND PROJECT FULL CYCLE

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What is the Environmental and Social Policy?

- An Operational Policy and Guideline (OPG), determining the modalities for financing by the Fund
- AF Board adopted in November 2013
- New OPG, operationalisation with tiered introduction
- Has implications for all actors involved: AF Board, AFB Secretariat, AFB panels, Designated Authorities, Implementing Entities, Executing Entities and ultimately beneficiaries

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Some history

- Applicable to funding applications since October 2013
- Applicable to Implementing Entities (IEs) accredited since October 2013
- Application form has been adapted to include the requirements of the ESP
- Accreditation process has been updated

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Some history (ctd.)

- The review process by AF Secretariat and Board of applications for project/ programme financing has been modified to include compliance with the ESP
- May 2015: *Guidance Document* finalised
- September 2015: *Manual of basic Environmental and Social Management System procedures and functions at National Implementing Entities* prepared

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Main characteristics of the ESP

- Goal: avoid unnecessary environmental and social harms as a result of AF-funded projects/programmes
- Compared to other, similar policies – e.g. World Bank, African Development Bank – similarities and differences
- Underlying principles and concepts:
 - Not prescriptive on how compliance is achieved or demonstrated
 - Evidence-based
 - Risk-based

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Main characteristics of the ESP (ctd.)

- ▶ Underlying principles and concepts: (ctd.)
 - Safeguarding efforts commensurate with the risks
 - Categorisation
 - Risks to be screened against 15 principles
- ▶ Integrated in Direct Access modality
 - Key role for IEs (and EEs)
 - Screening for risks → risk/impact assessment
→ Environmental and Social Management Plan → monitoring and reporting
 - Link with the Environmental and Social management System of the IE

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The 15 principles of the ESP

- The substance of the ESP is built on 15 principles of environmental and social safeguarding
- Some principles always apply (*), some may or may not be relevant for a specific project/programme
 1. Compliance with the Law*
 2. Access and Equity
 3. Marginalized and Vulnerable Groups
 4. Human Rights*

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The 15 principles of the ESP (ctd.)

5. Gender Equality and Women's Empowerment (*also see Gender Policy*)
6. Core Labour Rights*
7. Indigenous Peoples
8. Involuntary Resettlement
9. Protection of Natural Habitats
10. Conservation of Biological Diversity

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The 15 principles of the ESP (ctd.)

11. Climate Change

12. Pollution Prevention and Resource Efficiency

13. Public Health

14. Physical and Cultural Heritage

15. Lands and Soil Conservation

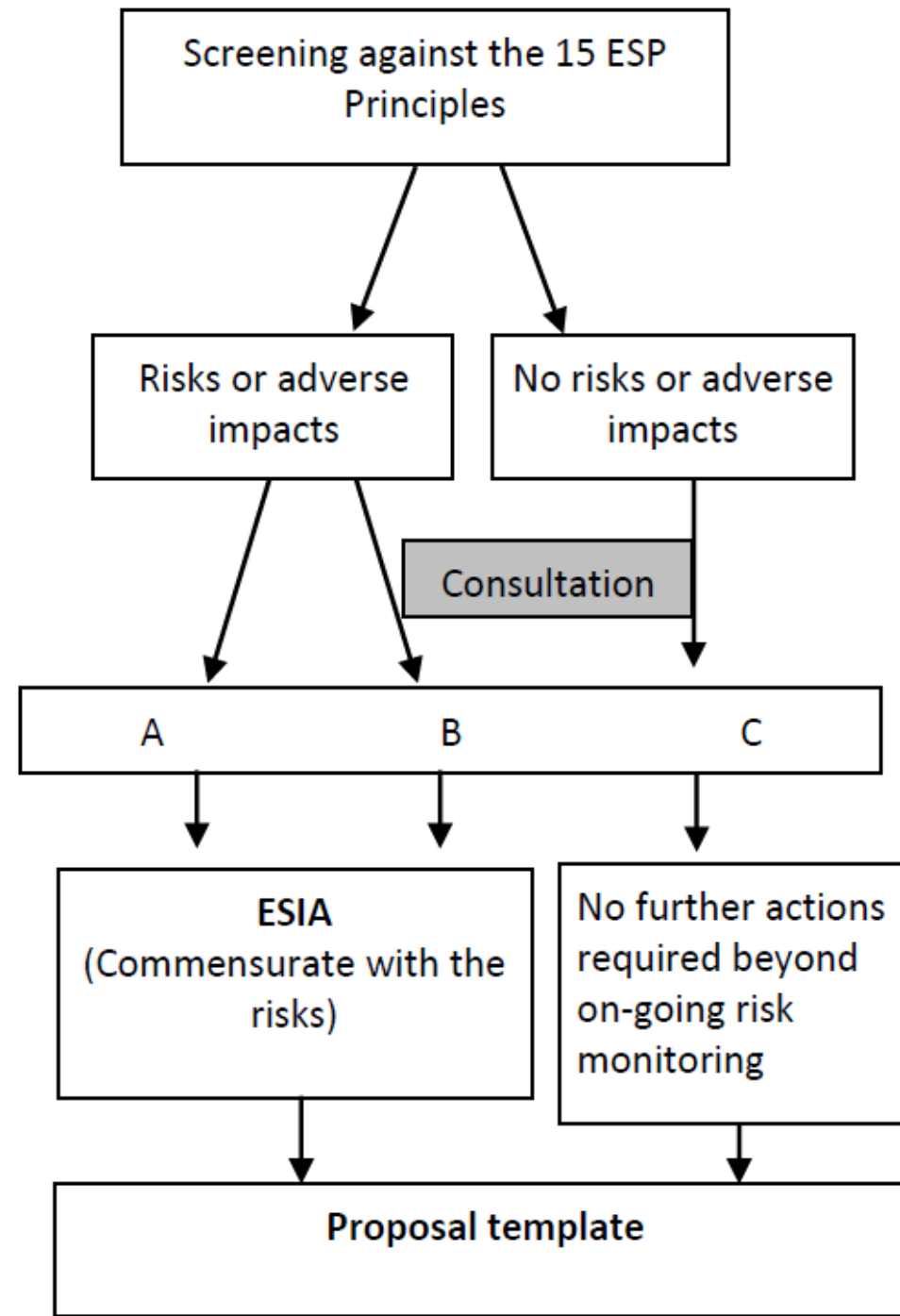
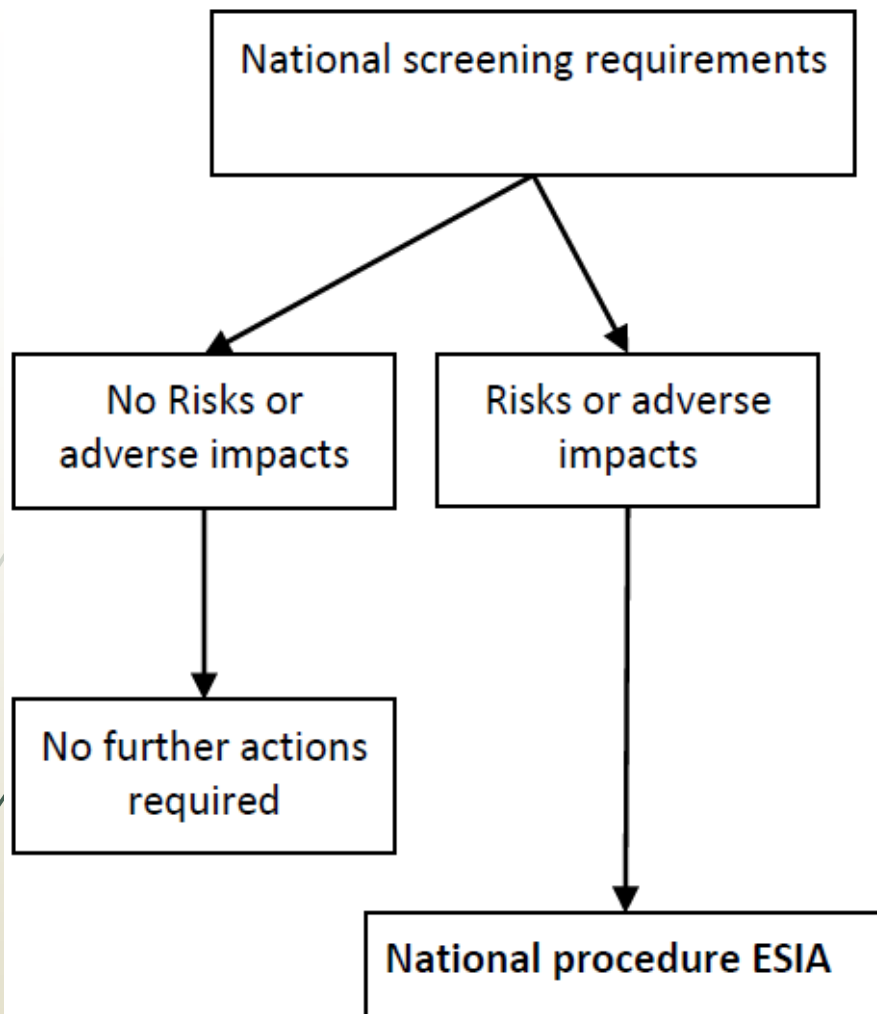
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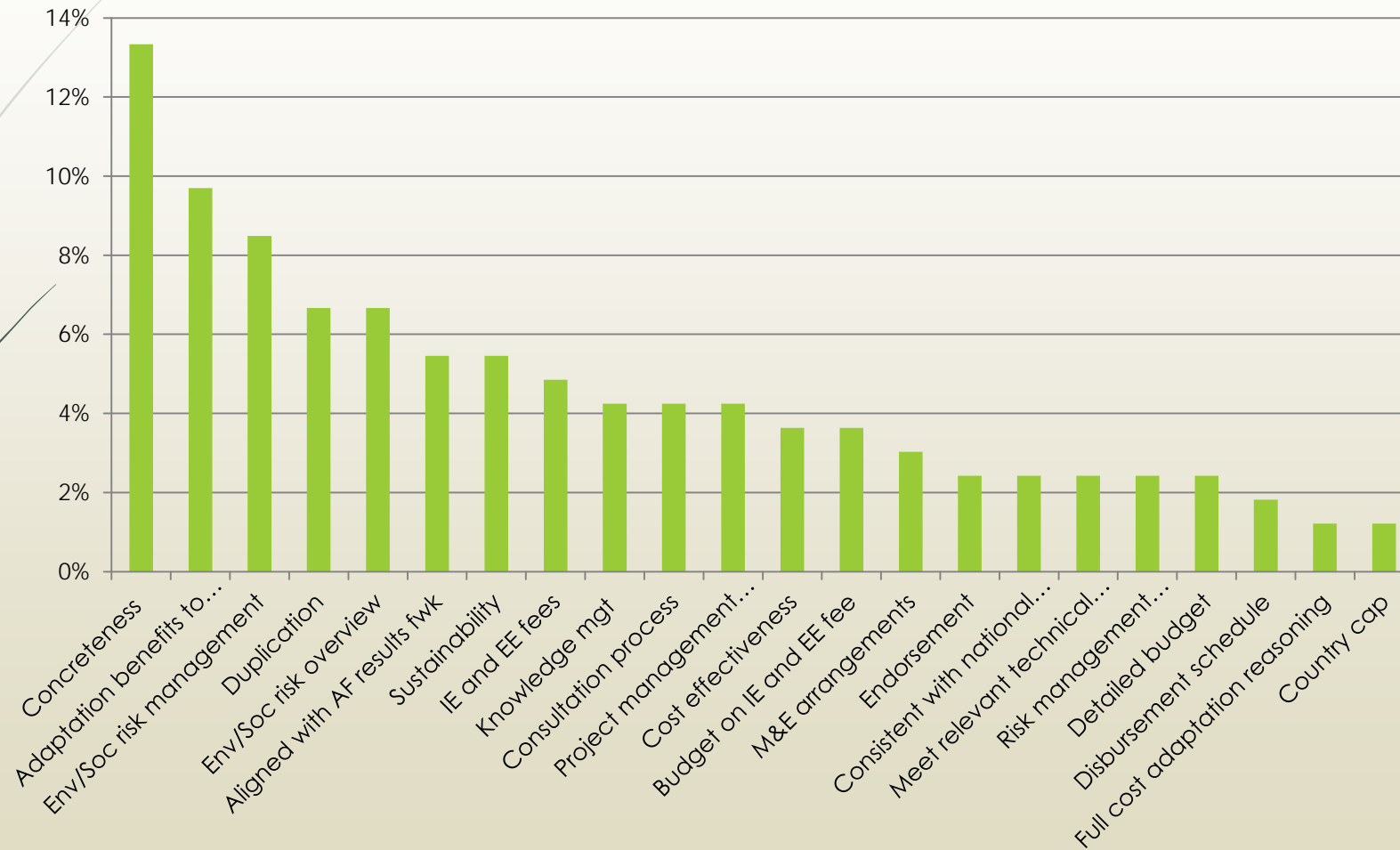
The screening and assessment process

- Policy is firm: “shall be...”, “shall not support...”
- Application form
 - main tool for AF Secretariat to review and appreciate the adequacy of compliance with the ESP; basis for AF Board to approve applications
 - several locations where ESP relevant issues occur

At the project or programme formulation stage, the risks and impacts of the activity are identified and as needed assessed. Mitigation or management activities are included in an Environmental and Social Management Plan (ESMP)

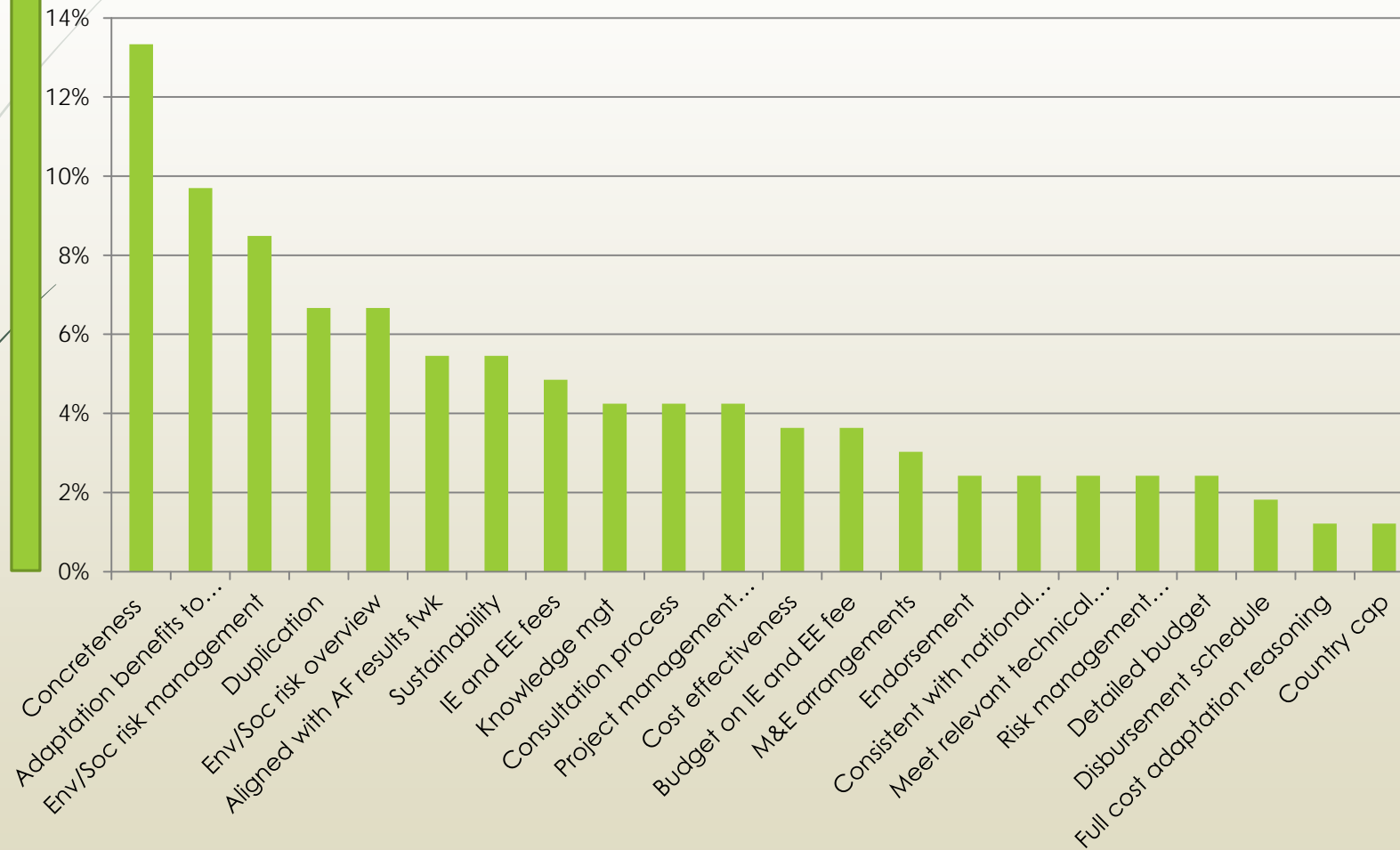


Areas of project proponents that most often require follow-up



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#1 : Compliance with ESP



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Common issues and problems *with ESP compliance* in project/programme applications

- Unsubstantiated (lack of) risk assessment
- Risk management must be comprehensive
- Unknown/unidentified activities, programme/Unidentified Sub-Projects (USP) approach → need for a mechanism to identify risks during implementation as an element of the ESMP
- ESMP: structure, roles and responsibilities

Common issues and problems *with ESP compliance* in project/programme applications (ctd.)

- ▶ Link between project/programme-level environmental and social safeguarding measures and the IE's ESMS, how will IE's capability (→ accreditation process) be applied to this project/programme?
- ▶ Difficulties in risk assessment and ensuing categorisation (often reverse)
- ▶ Inconsistencies in application documents

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Common issues and problems with *ESP compliance* in project/programme applications (ctd.)

- Too much/irrelevant information in the application documents
- Structure and contents of an ESMP
- Steep learning curves with NIEs
- Direct guidance sessions with NIEs are very effective
- Progress reports – to be seen.

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Common issues and problems with *applying the 15 principles* in project/programme applications

- Unsubstantiated claims regarding risks
- No information on the processes that were used to formulate the project/programme
- Information included inadequate
- Insufficient or not evidence-based
- Lack of consultation

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To assist you:

- Guidance Document for IEs
- Manual of basic Environmental and Social Management System procedures and functions at National Implementing Entities
- Compendium of Reference Materials for Environmental and Social Safeguarding in Adaptation Fund Projects and Programmes
- Gender Policy action plan
- Readiness Programme workshops
- Dialogue with the AF Secretariat during the evaluation of funding applications.

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To assist you (ctd.):

- Project/programme formulation grants
- NIEs experience exchange
- Capacity building technical assistance grants

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Recommendations:

- Ensure risk identification and impact assessments are comprehensive, as well as the management response
- For projects/programmes with unidentified sub-projects or activities, the risk identification mechanism must be included in the ESMP, which is mandatory for such projects/programmes
- An ESMP needs a clear structure and a clear allocation of roles and responsibilities.
- The link between the environmental and social safeguard measures of a project/programme and the Environmental and Social Management System (ESMS) of the IE must be clear.

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Recommendations:

- ▶ Make an appointment for an individual session with us at the AF Secretariat
- ▶ Haga una cita para una sesión individual con nosotros miembros de la secretaría del FA



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