

ADAPTATION FUND

Introduction to the Environmental and Social Policy and the Gender Policy

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CLIMATE FINANCE READINESS WORKSHOP FOR LEAST DEVELOPED COUNTRIES

- Operational Policy and Guidelines (OPG) determining the modalities for financing by the Fund
- AF Board adopted ESP in November 2013 and GP in March 2016
- New OPGs, operationalisation with tiered introduction

- Adoption of OPGs has implications for all actors involved:
 - AF Board
 - AFB Secretariat
 - AFB panels (accreditation, projects)
 - Designated Authorities
 - Implementing Entities
 - Executing Entities
 - Co-financers
 - Ultimately: beneficiaries

- ESP and GP: similarities but also different
 - Main difference:
 - ESP focuses on preventing unwanted negative environmental and social impacts from AF activities
 - GP focuses on promoting desired positive impacts from AF activities
 - Reflected in the approach to project/programme formulation, implementation, monitoring and evaluation

Some history (1/4)

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- 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

Some history (2/4)

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- 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 www.adaptation-fund.org



Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy

The Adaptation Fund Environmental and Social Policy

The Adaptation Fund (the Fund) finances climate adaptation projects and programme³ for vulnerable communities in developing countries that are Parties to the Kyoto Protocot. The Fund's Environmental and Social Policy (ESP)² approved in lowermber 2013, ensuises that projects and programmes supported by the Fund promote positive environmental and social benefits, and mitigate or avoid adverse environmental and social private impacts. Managoing these risks is integral to the success of the project/sprogrammes and the desired outcomes are described in the 15 environmental and social privates (principles) of the ESP.

The ESP is operationalized at the Fund level at two key stages: ouring the process of accredition injumemention, Entities (ES); and outing the process of project and programme review, both at the IE and the Adaptation Fund Board (the Board) levels. At the time of project/programme proposal review; is should be clear that; if the IE has the capacity and the commitment to comply with the ESP²; 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 timefame.

This document is not intended to help IE candidates demonstrate compliance with the ESP during the accreditation process, which is blindly discribed in Biox 1 below. It is rather intended to provide supplemental information about the ESP and to support It is instrening, identifying, and managing, environmental and social risks of projectSprogrammes under their supenvision. This document provides practical projectSprogramme cycle whenever project implementation has the potential topinger environment and volces under their supervision in the SP in the presentate manner they deem appropriate, the guidance in any reasonable manner they deem appropriate, the guidance provided in this document is not intended to be prosceptive.

This document provides practical examples, suggestions, and recommendations for achieving and assessing compliance with ESP. Section 2 discusses the screening and

¹ An adaptation projectingogramme is defined as a set of activities that address the adverse impacts of and risks pooed by dimake change. An adaptation programme is a process, prina, or approach for addressing climate change impacts that is broader in scope than an individual project. ² Available a through climate.

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- Some history (3/4)
- 3 May 2016
- John H. Knox
- United Nations Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment
- Letter to SBSTA UNFCCC on Human Rights and Safeguards in the New Climate Mechanism established in Article 6, paragraph 4 of the Paris Agreement

Some history (4/4)

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"The new mechanism established in article 6, paragraph 4 of the Paris Agreement should follow (and where possible, improve upon) the examples set by other climate mechanisms that have adopted strong safeguards, such as the Adaptation Fund."

Main characteristics of the ESP

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- Goal: avoid unnecessary environmental and social harms as a result of AF-funded projects/programmes
- Compared to other, similar policies e.g. World Bank, Development Banks, GCF – similarities and differences:
- Innovative and more objective and more accountable

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Underlying principles and concepts:

- Not prescriptive on how compliance is achieved or demonstrated
- Evidence-based
- Risk-based
- Comprehensive
- Safeguarding efforts commensurate with the risks
- Categorisation
- Risks to be identified against 15 principles

- Integrated in Direct Access modality
 - Key role for IEs (and EEs)
 - Identification of risks → risk/impact assessment → Environmental and Social Management Plan → monitoring and reporting
 - Link with the Environmental and Social Management System (ESMS) of the IE

- The 15 principles of the ESP (1/3)
 - 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*

- The 15 principles of the ESP (2/3)
 - 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

The 15 principles of the ESP (3/3) 11. Climate Change 12. Pollution Prevention and Resource Efficiency 13. Public Health 14. Physical and Cultural Heritage **15. Lands and Soil Conservation**



The Gender Policy (GP) builds on the ESP, in particular its risk principles on Access and Equity Marginalised and vulnerable groups Human rights The GP expands the ESP principle of Gender equity and women's empowerment' to promote gender equality: equal rights, responsibilities and opportunities and access of women and men; equal consideration of their respective interests, needs and priorities

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Objectives of the GP:

The Fund and its implementing partners shall strive to **uphold women's rights** as universal human rights and to attain the goal of **gender equality** and the **equal treatment of women and men**, including the **equal opportunities** for access to Fund resources and services, in all Fund operations through a **gender mainstreaming approach**.

The Gender Action plan was approved

- Purpose: a framework and accountability tool for the full operationalization of the GP
- Deals with:
 - Governance and institutional structure
 - Operational guidelines
 - Capacity development
 - Results-based management
 - Resource allocation and budgeting
 - Collaboration and communication

Gender Policy in project/programme proposals (1/2)

- Comprehensive
- Specific gender elements in the design of its adaptation activities and expected outputs.
- Initial gender assessment
 - Selecting gender-responsive indicators
 - Designing gender-responsive implementation and monitoring arrangements

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- Gender Policy in project/programme proposals (2/2)
 - Screening of proposals for gender responsiveness by AFBS and partners
 - Consultation of stakeholders in a gender-equal way
 - Guidance document (March 2017)



GUIDANCE DOCUMENT FOR IMPLEMENTING ENTITIE ON COMPLIANCE WITH THE ADAPTATION FUND GENDER POLICY

Iventy-ninth meeting Bonn, Germany, 16-17 March 2017 AFB/B.29/Inf.6 3 March 2017

- Implications for NIEs
 - Capacity
 - Commitment
 - Credibility
 - Environmental and Social Management
 System (ESMS) required at NIE
 - Gender Policy capacity at NIE

- What are the benefits of the OPGs ESP and GP? (1/2)
 - Immediate objectives of the policies: environmental and social risks managed and promotion of gender equality and women's empowerment

 They need to be(come) an integral part of project/programme development (beneficiary identification, consultation findings,...)

- What are the benefits of the OPGs ESP and GP? (2/2)
 - Broad capacity (building), at all levels involved, trickle down
 - Capacity effects not limited to safeguards but also include broader aspects of good governance: grievance mechanism, transparency, accountability, minorities, gender

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Common issues and problems with ESP compliance in project/programme applications (1/3)

- 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

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Common issues and problems with ESP compliance in project/programme applications (2/3)

- 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 (3/3)

- Too much/irrelevant information in the application documents
- Structure and contents of an ESMP

But:

- Steep learning curves with NIEs
- Direct guidance sessions with NIEs are very effective

IMPLEMENTING THE ESP AND GP: HELP!

To assist you: (1/2)

Guidance Documents 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

Implementing the $\ensuremath{\mathsf{ESP}}$ and $\ensuremath{\mathsf{GP}}$

To assist you (2/2):

- Readiness Programme workshops
- Dialogue with the AF Secretariat during the evaluation of funding applications.
- Project/programme formulation grants
- NIEs experience exchange
- Capacity building technical assistance grants

IMPLEMENTING THE ESP AND GP:

INTERACTIVE EXERCISE

(PLEASE BE PATIENT - TOMORROW)

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	Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
	1.Compliance with the Law		
	2. Access and Equity		
	3. Marginalized and Vulnerable Groups		
	4. Human Rights		
	5. Gender Equity and Women's Empowerment		
	6. Core Labour Rights		
	7. Indigenous Peoples		
	8. Involuntary Resettlement		
	9. Protection of Natural Habitats		
	10. Conservation of Biological Diversity		
	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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