



ADAPTATION FUND

Complying with the Environmental and Social Policy, the Gender Policy, and lessons for NIEs

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CLIMATE FINANCE READINESS SEMINAR FOR NIEs #4

THE ENVIRONMENTAL AND SOCIAL POLICY AND GENDER POLICY

- 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

THE ENVIRONMENTAL AND SOCIAL POLICY AND GENDER POLICY

- 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

THE ENVIRONMENTAL AND SOCIAL POLICY

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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, 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

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► Integrated in Direct Access modality

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

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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*

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The 15 principles of the ESP (2/3)

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 (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

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- ▶ 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

THE GENDER POLICY

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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

THE GENDER POLICY

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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)



ADAPTATION FUND

AFB/B 29/Inf 6
3 March 2017

Adaptation Fund Board
Twenty-ninth meeting
Bonn, Germany, 16-17 March 2017
Agenda Item 6

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

IMPLEMENTING THE ESP

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Common issues and problems with ESP compliance in project/programme applications (1/2)

- ▶ Unsubstantiated (lack of) risk identification
- ▶ Risk management must be comprehensive
- ▶ ESMP: structure, roles and responsibilities
- ▶ Link between project/programme-level environmental and social safeguarding measures and the NIE's ESMS, how will NIE's capability (→ accreditation process) be applied to this project/programme?

IMPLEMENTING THE ESP

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

- Inconsistencies in application documents
- Too much/irrelevant information in the application documents
- Include unknown or unidentified project activities: Unidentified Sub-Projects (USP) approach.  Main cause of approval delays.

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When can USPs be used?

- Policy is clear: E&S risks need to be identified prior to submission of the funding request
- Ensuing ESMP should be included in the proposal
- When (i) cat. B, AND (ii) minor part of the project, AND (iii) assessment or ESMP cannot be completed in time, or mitigation measures run into project implementation: approval possible but requires assurances from NIE: ESMP with USP review mechanism.
- Example: SANBI Small grant facility.

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Implications of USP use in projects: comparing project compliance with ESP with and without USPs

► Please see whiteboard

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Conclusions: using USPs (1/2)

- It is not recommended: ESP requires prior identification of risks prior to submission of the funding request
- Some cases: USP use is practically inevitable because of the nature of the activities
- Most of the cases: avoidable, but perceived as beneficial by IEs as (i) formulation time and effort is reduced and (ii) formulation costs can partially be sourced from project implementation funds.

However:

- Weakens the environmental and social safeguarding overall

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Conclusions: using USPs *(2/2)*

- Complex/demanding review process that in almost all cases exceeds the capacities of the IE and/or EE
- Far more performant ESMP required, as well as more performant Environmental and Social Management System @ NIE
- Costs of ESMP implementation is considerably higher
- Increases risk for and liability of IE (and EEs)
- Delays project approval
- No access to AF expertise

AFB Secretariat  NIEs



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