



ADAPTATION FUND

*Independent review of ESP and the ESP Survey
Results*

Young Hee Lee, AFB Secretariat

Board decision B.40/80 (a):

The Board requested the secretariat to

- (i) Commission an independent review of the Environmental and Social Policy of the Adaptation Fund (ESP) with a view to updating the ESP;
- (ii) Prepare a proposal for an update of the ESP as necessary in consultation with relevant stakeholders of the AF;
- (iii) Present the output referred to in paragraphs (a)(i) and (a)(ii) at its forty-first meeting for the Board's consideration;

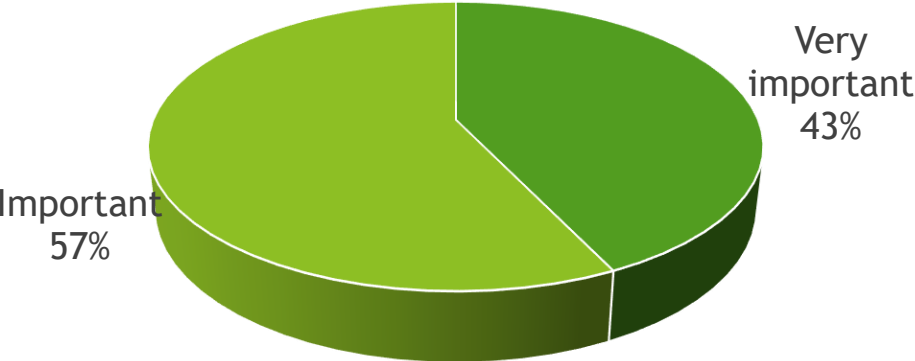
ESP Survey Results

- Board - 7 responses
- Designated Authorities - 19 responses
- Civil Society - 8 responses
- Implementing Entities - 19 responses
(including NIE - 12 responses)

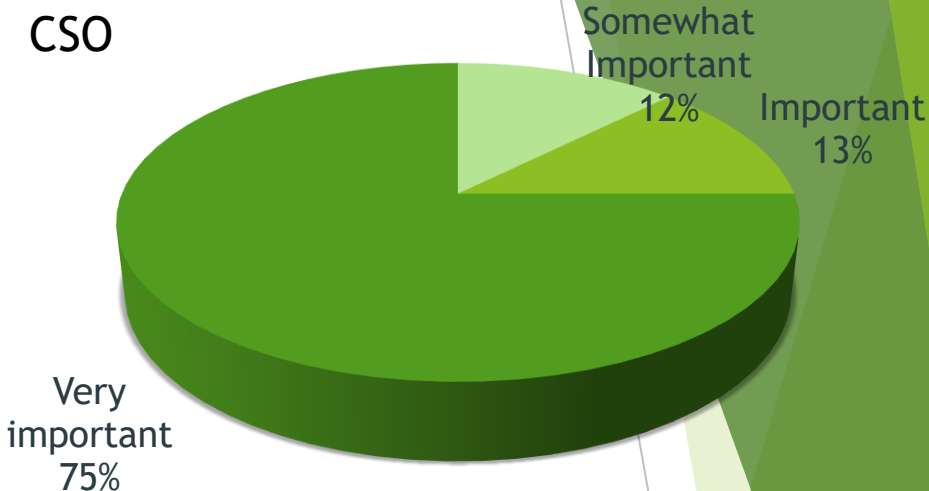
GENERAL QUESTIONS

How important are environmental and social safeguards for successful action on adaptation?

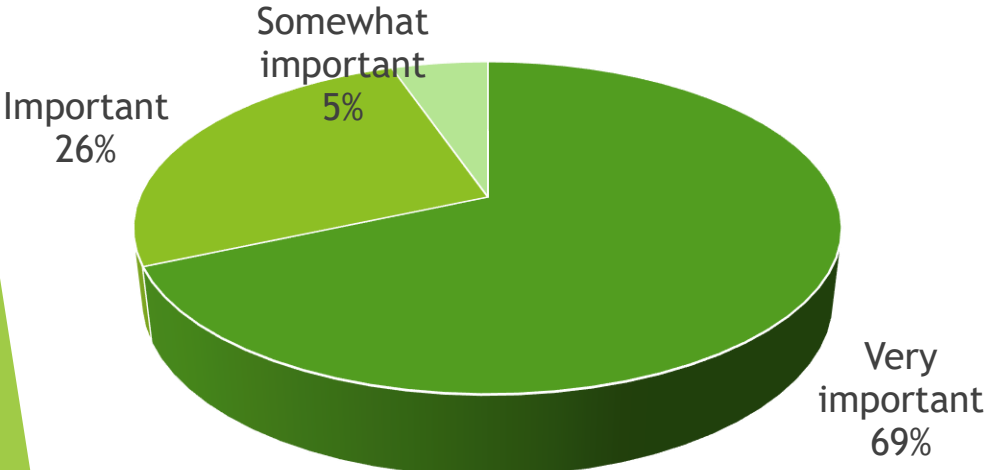
Board



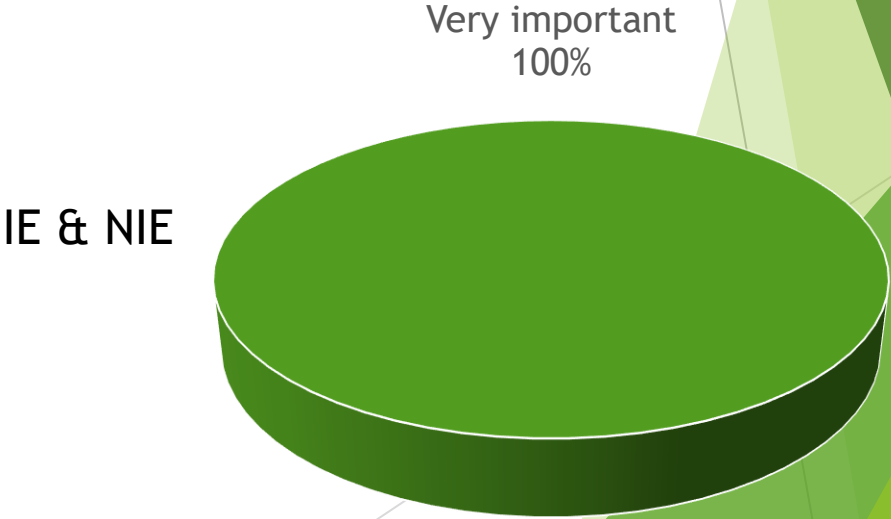
CSO



Designated Authorities



IE & NIE



How important are environmental and social safeguards for successful action on adaptation?

Comments from participants - why are ESS important?

“The success of adaptation is dependent on the its social acceptance, communities must be engaged in the action and this can happen only by taking the social context into consideration.” (Board)

“We perceive environmental and social safeguards as measures and approaches aimed at protecting the well-being of both the environment and human communities. These safeguards ensure that interventions are conducted with respect for the environment and uphold human rights. As such, having safeguards in place is a crucial component in the planning of adaptation projects to maintain an effective, fair and sustainable approach.” (NIE)

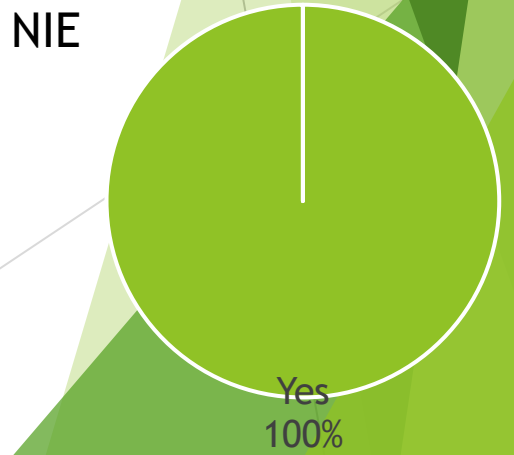
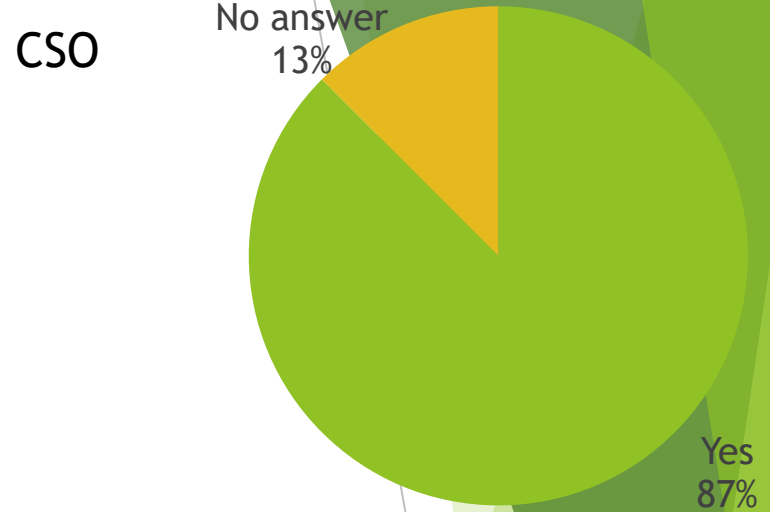
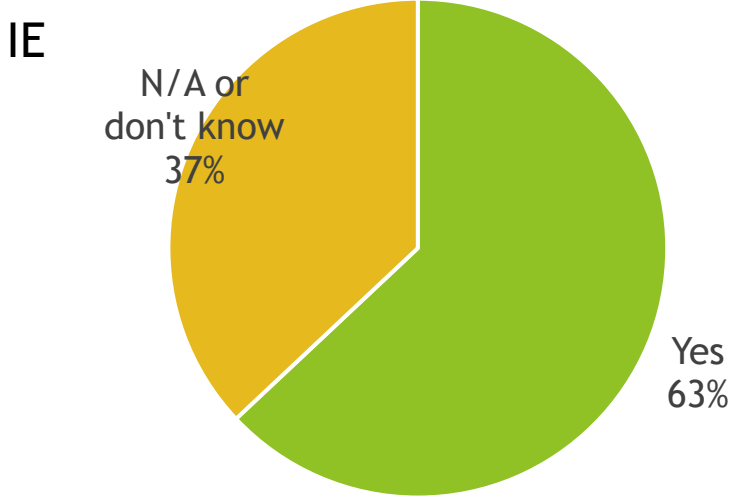
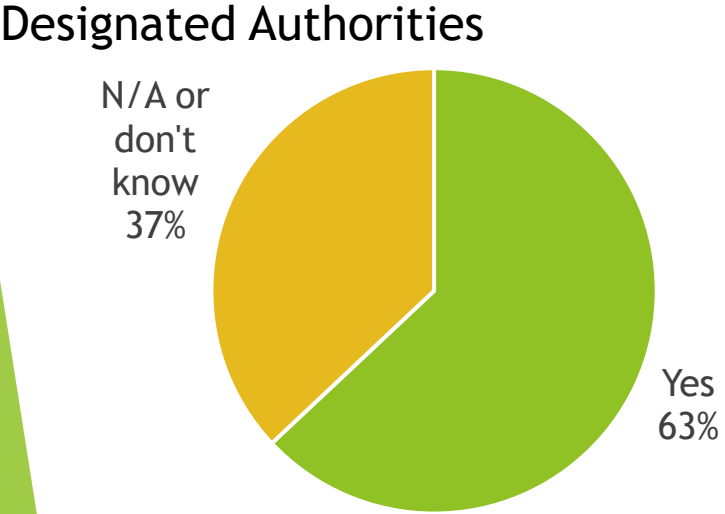
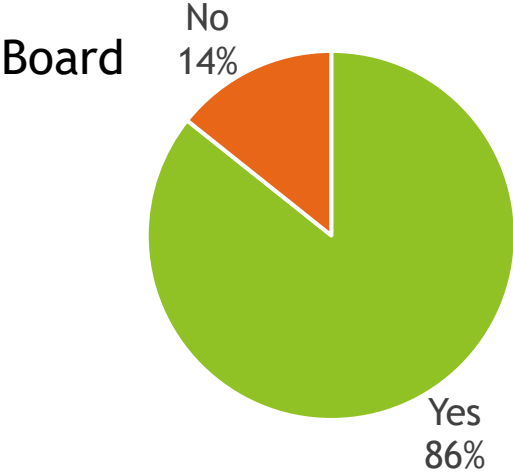
“Building resilience should never be at the expense of any impacts to communities or their surrounding environment.” (NIE)

“It is important to have such safeguards in place ensuring that the investments, projects and programmes of the fund do not pose any environmental or social risk to the communities and the public in general, especially those that are vulnerable. Having such a comprehensive policy in place is a good approach in demonstrating how the fund views environmental and social issues and ensuring this is well considered when projects and programme proposal are screened and approved by the Fund.” (CSOs)

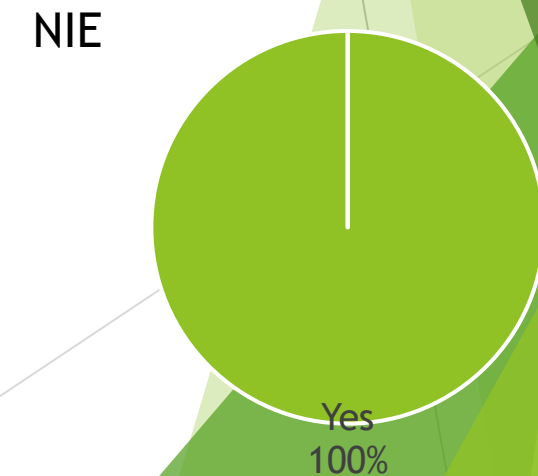
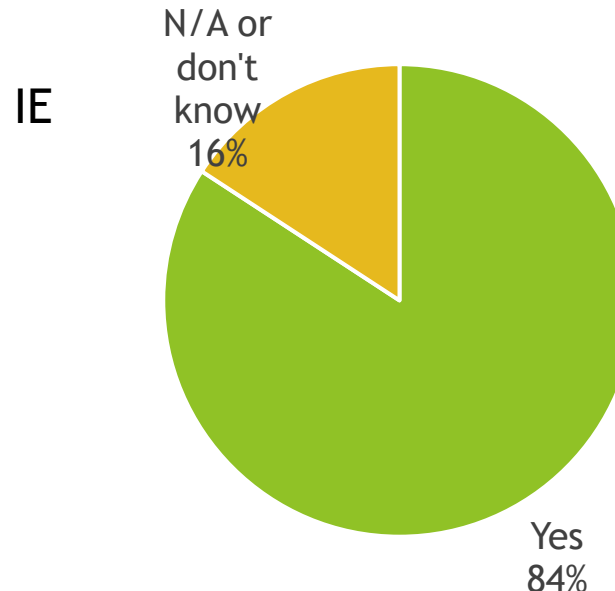
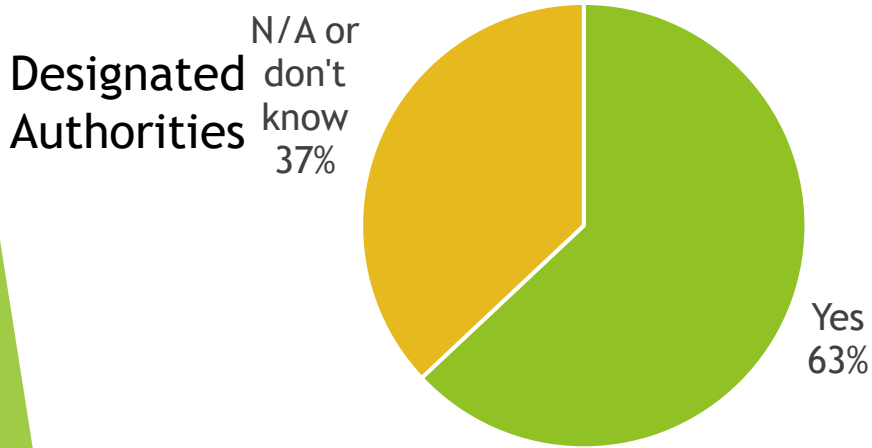
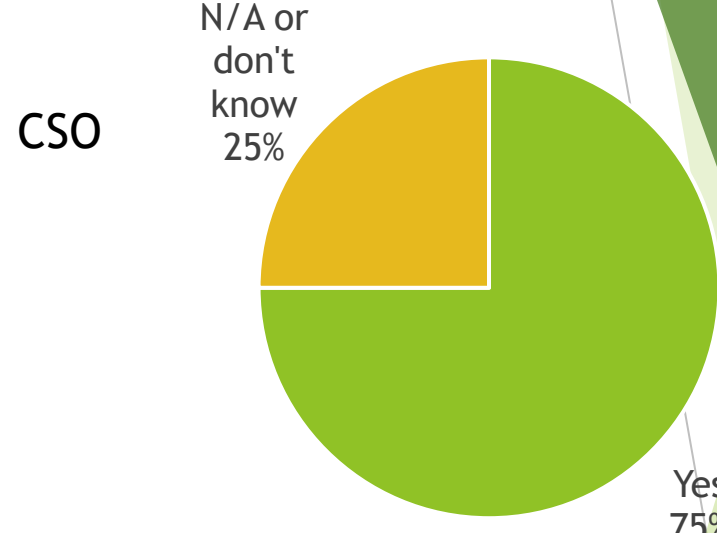
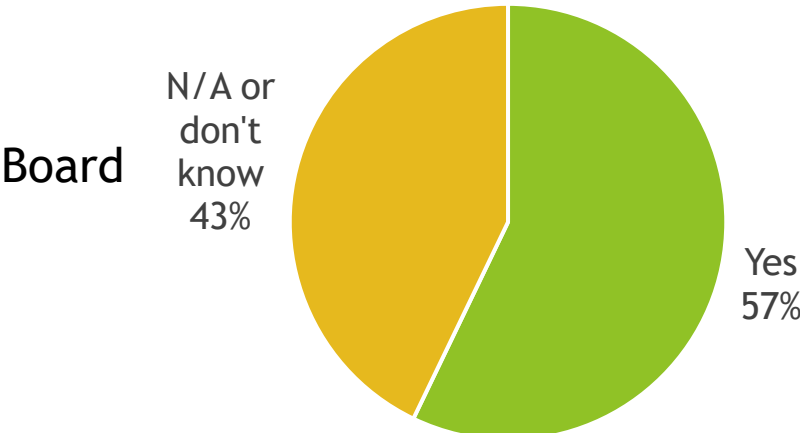
“Adaptation programmes and projects involves various systems and stakeholders, whose interests must be taken into account.” (Board)

“Projects funded by any funding institution should not be at the cost of impacts to the environment or vulnerable groups. The environmental and social safeguards are meant to ensure that project interventions have a positive impact, reduce vulnerability to climate risk and enhance resilience.” (IE)

Does the current AF ESP provide an adequate policy framework to ensure that projects and programmes supported by the AF do not result in unwanted environmental and social harms?

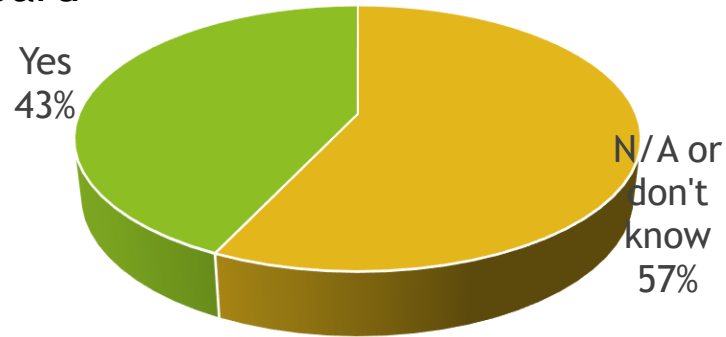


Do you feel that with the AF ESP has contributed to the improvement of the environmental and social safeguards in AF concept notes and project proposals?



Do you feel that with the AF ESP has contributed to the improvement of the environmental and social safeguards **in AF Accreditation and re-accreditation processes?**

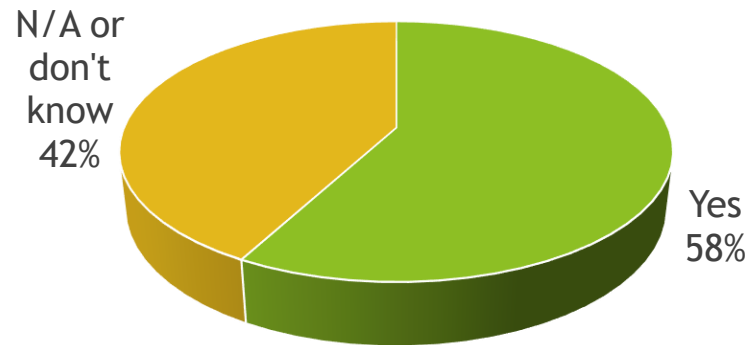
Board



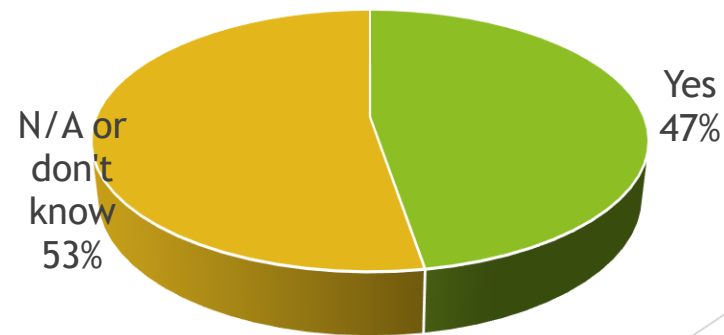
CSO



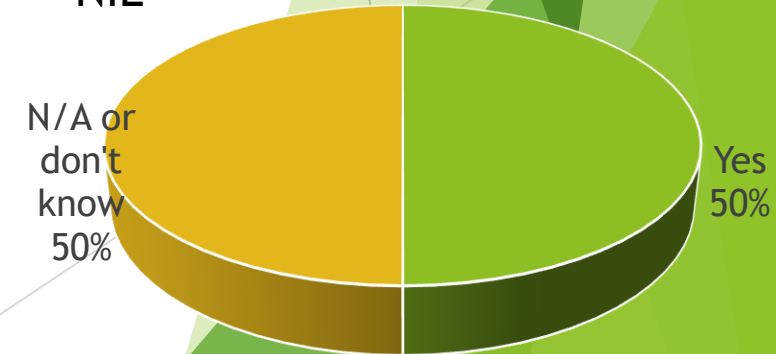
Designated Authorities



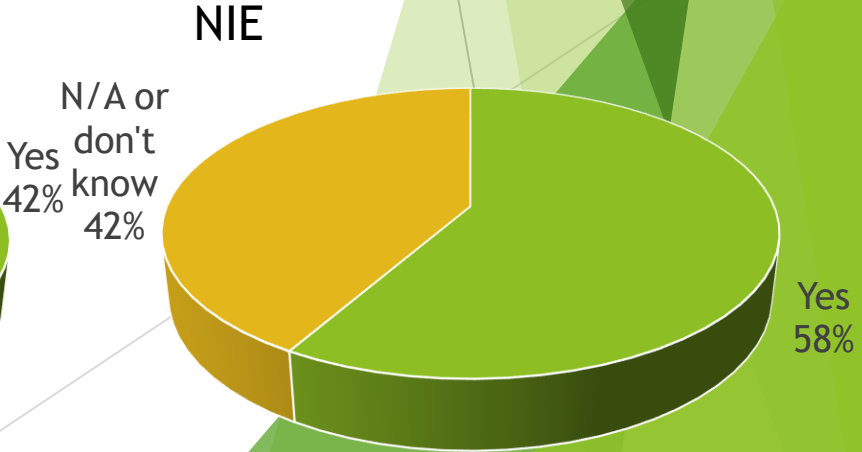
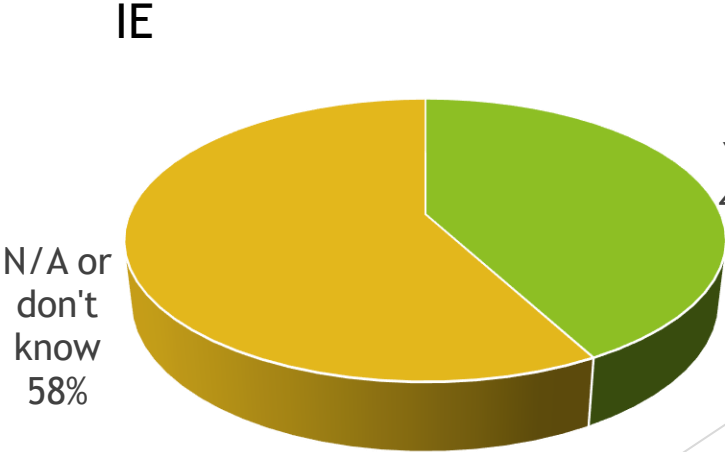
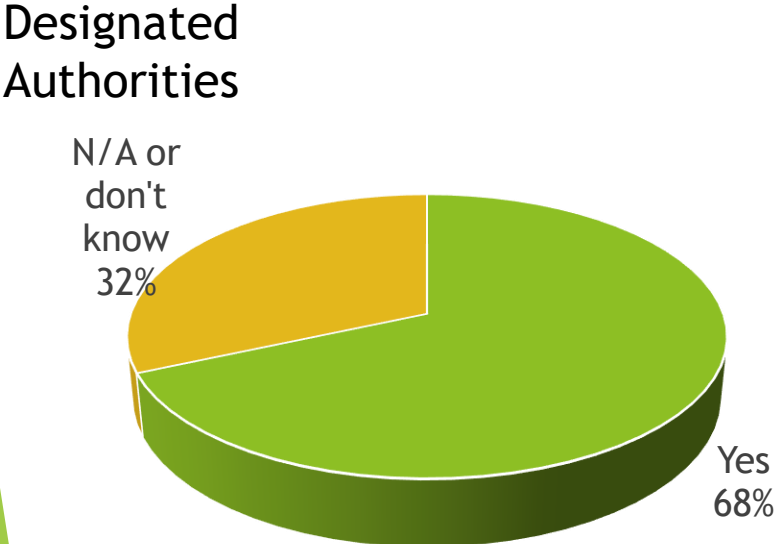
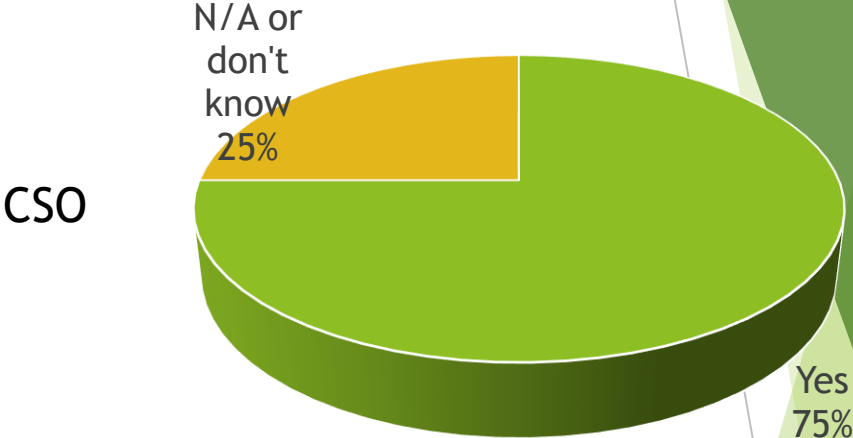
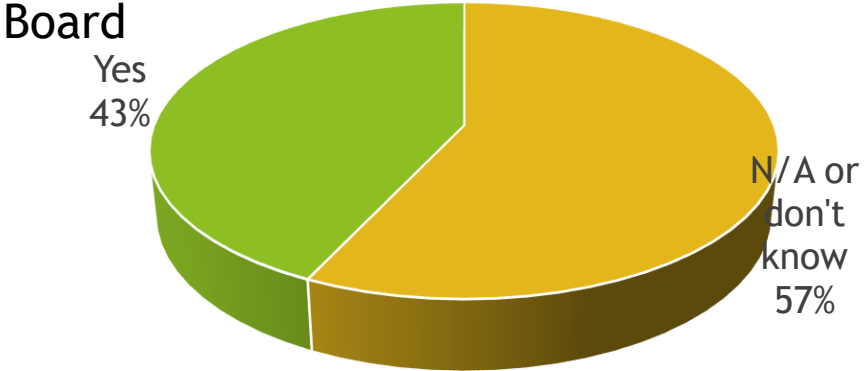
IE



NIE

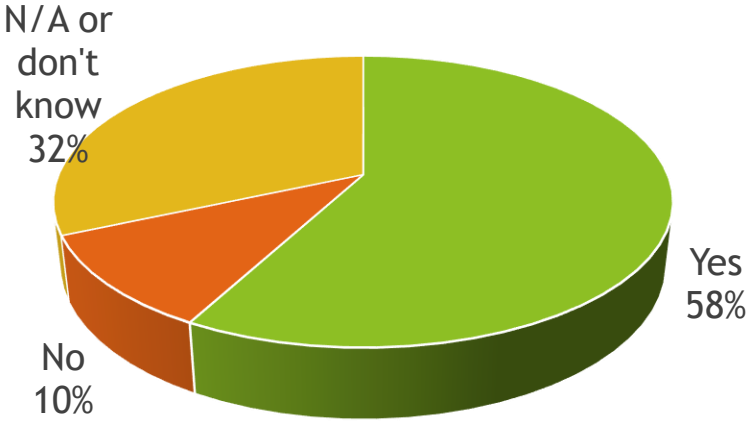


Do you feel that with the AF ESP has contributed to the improvement of the environmental and social safeguards in AF Readiness programme?

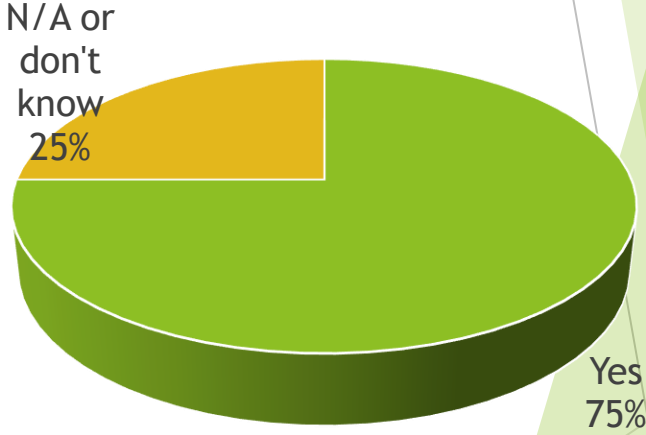


Do you feel that with the AF ESP has contributed to the improvement of the environmental and social safeguards in Reporting of AF results? (cont'd)

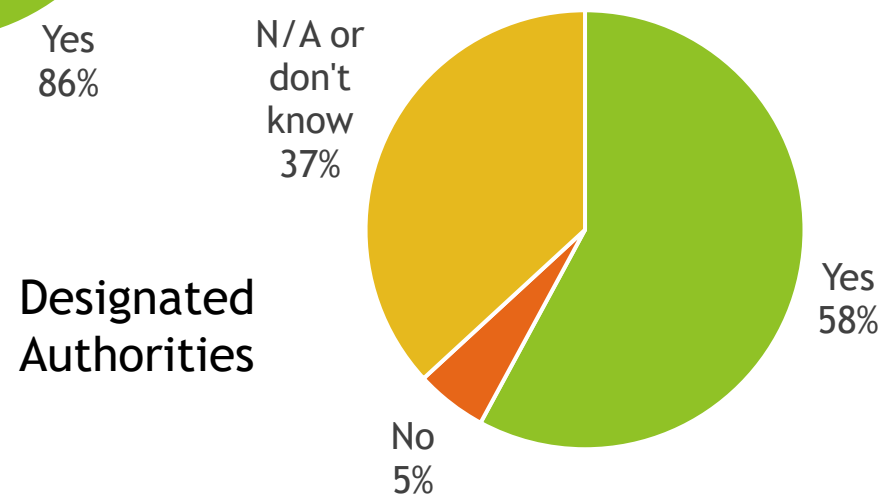
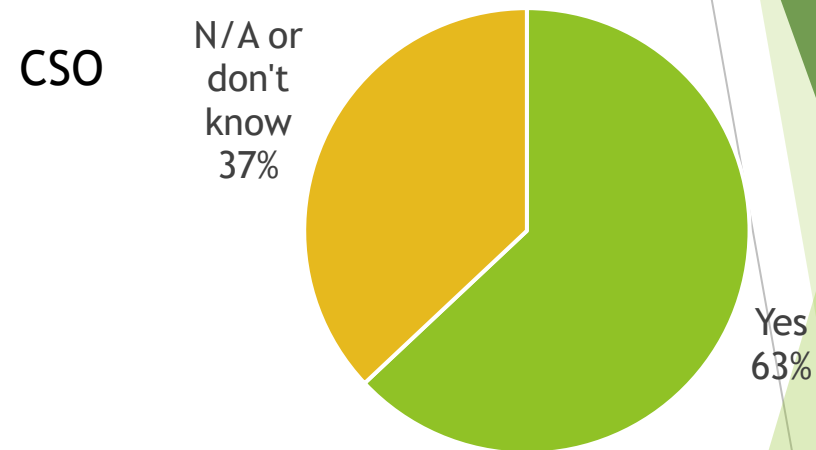
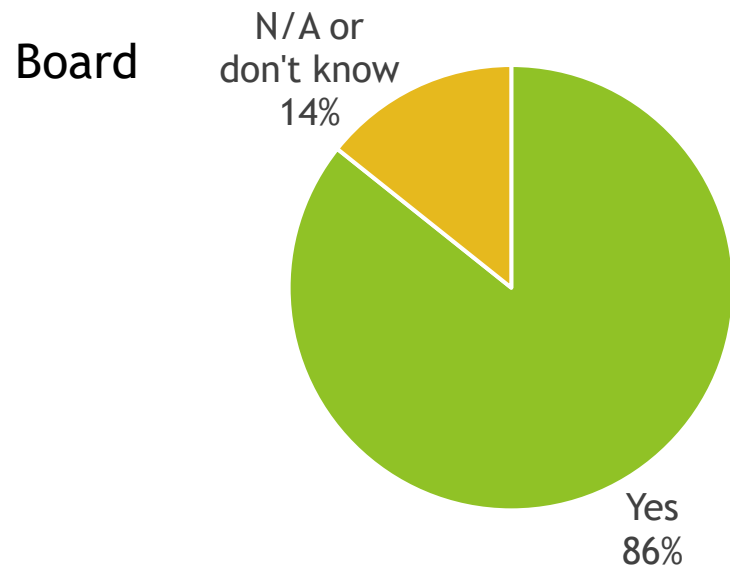
Implementing Entities



National IE

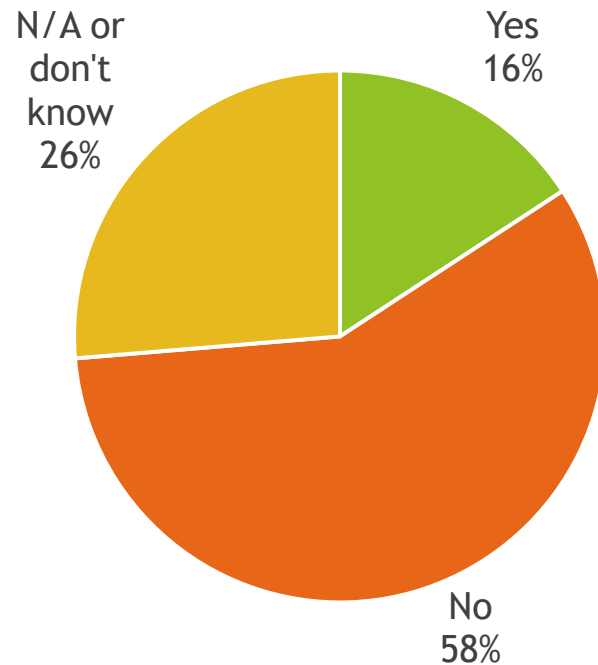


Are there environmental or social risks that are not addressed and should be added to the 15 principles of the AF ESP?



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IE



Climate risk management with a gender approach and adaptation to climate change (NIE)

The risk of displacement: displacement can have a significant impact on people's lives, including their access to land, water and livelihoods. The AF ESP doesn't explicitly address the risk of displacement, but it does mention the need to protect the rights of indigenous peoples and local communities;

the risk of gender inequality: gender inequality can also have a significant impact on people's lives. The AF ESP doesn't explicitly address the risk of gender inequality, but it does mention the need to ensure that project benefit all people, regardless of their gender;

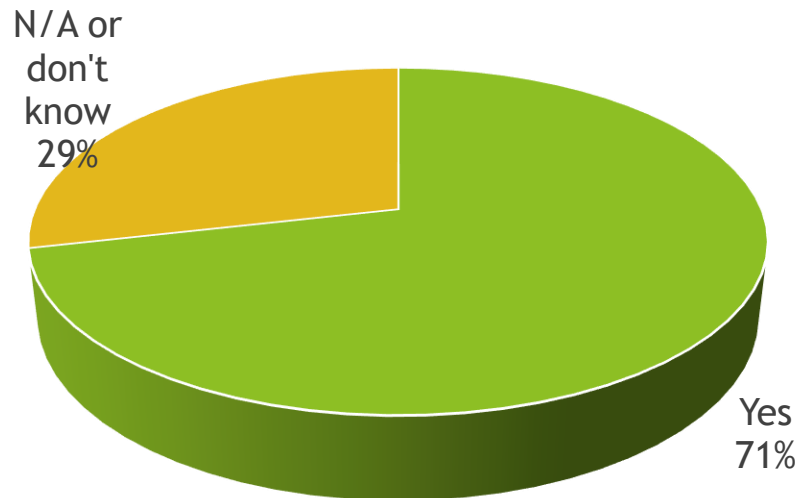
the risk of climate change: climate change is a major environmental and social risk that is not explicitly addressed by the AF ESP. The AF ESP does mention the need to consider climate change in project design and implementation, but it doesn't provide specific guidance on how to do this. (IE)

The risk of Maladaptation could be addressed in a more comprehensive way in the AF ESP, either through a separate overarching principle or by mainstreaming the concept of maladaptation more prominently in existing principles (i.e. marginalized and vulnerable groups, gender equality, conservation of biological diversity, climate change).

Risks related to Pest management, ie. Supporting the use of any pesticides, products or chemicals specified under the Stockholm Convention on Persistent Organic Pollutants or classified by the WHO as Classes IA, IB, II and that the minimum standards described in the FAO Code of Conduct on the Distribution and use of Pesticides are followed. (IE)

SPECIFIC QUESTIONS AF BOARD

The ESP encourages IEs to apply their own environmental and social safeguards system to comply with the ESP, supplemented as needed to meet all the requirements of the ESP. Do you feel this is an effective approach?



Are there any other comments or thoughts you want to provide on the review and update of the AF Environmental and Social Policy?

Please harmonize with prevailing practice under UNFCCC financial stakeholders

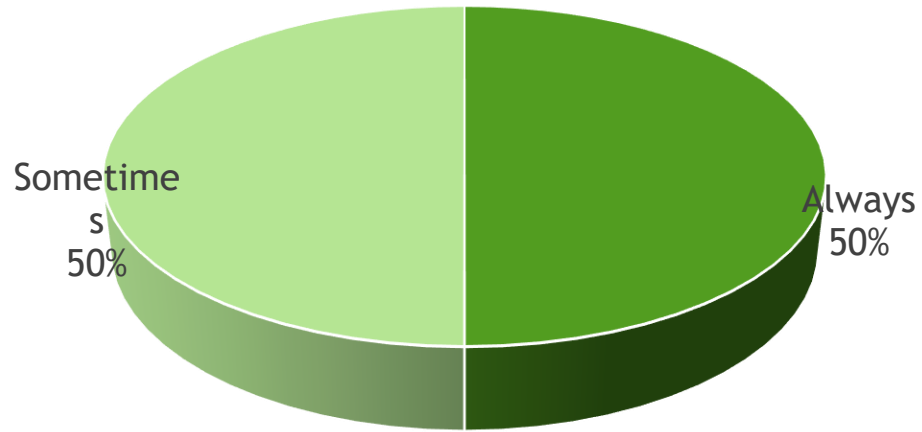
There is an urgent need to **assure that the AF's ESP is fit-for-purpose, including potentially by bringing it in line with contemporary international standards for implementing high-risk projects or programmes.** This will require a detailed technical assessment of how the AF ESP current differs from industry standards and a clear identification of options for revising the ESP to align with those standards, or, to pursue an alternative approach which is more in-line with the AF's comparative advantage and modalities for engaging with IEs, while recognizing the need to assure that ESS risks are sufficiently accounted for including the potential for engagement in high-risk projects and programmes.

Consistent monitoring of ESP

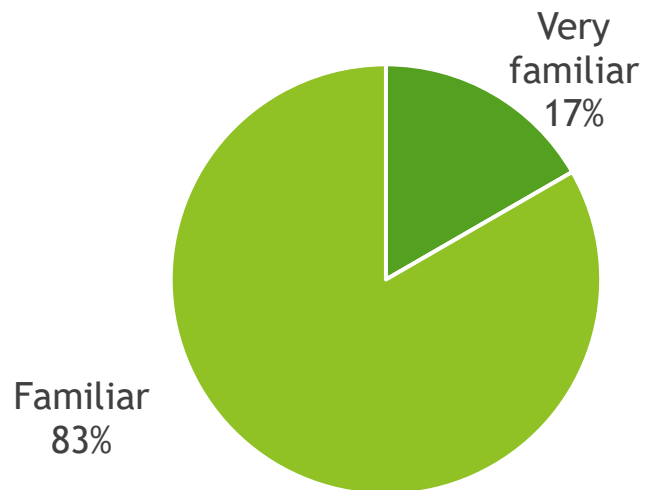
Ensure relevant consistency and coordination of AF ESP with those of GEF and GCF, and try to find some AF ESP specificity? If possible (for example cultural or health aspects)

SPECIFIC QUESTIONS AF DESIGNATED AUTHORITIES

Do you reach out for guidance, consultation or advice to environmental and social safeguards experts within your governments before making the decision to endorse an AF concept note/project proposal?



Are you familiar with your country's laws, policies and regulations related to environmental and social safeguards?



Are there any other comments or thoughts you want to provide on the review and update of the AF ESP?

Ensure community engagement for the project. Assure sustainability of the project

Further strengthen the consideration of adverse effects that can disrupt the resilience of women in vulnerable areas

The survey results should be socialized, so that technical staff is informed and engaged in the process

include the issue of risk and disaster damage

SPECIFIC QUESTIONS AF CIVIL SOCIETY

What are some of the experiences (general observations, good practices/bad practices) of the AF Civil Society Network and CSOs in engaging on environmental and social safeguards issues with AF decision-makers and governance entities?

We feel that there is an adequate level of engagement here, although outreach especially with the government entities and designated authorities on E&S issues and safeguards can be further improved.

The review of safeguards compliance can be seen as cumbersome by project implementers in Enhanced Direct Access project modalities. It is advisable to appoint a dedicated compliance individual to actively monitor and track compliance throughout the project.

Business is getting more into the ESG when doing their business

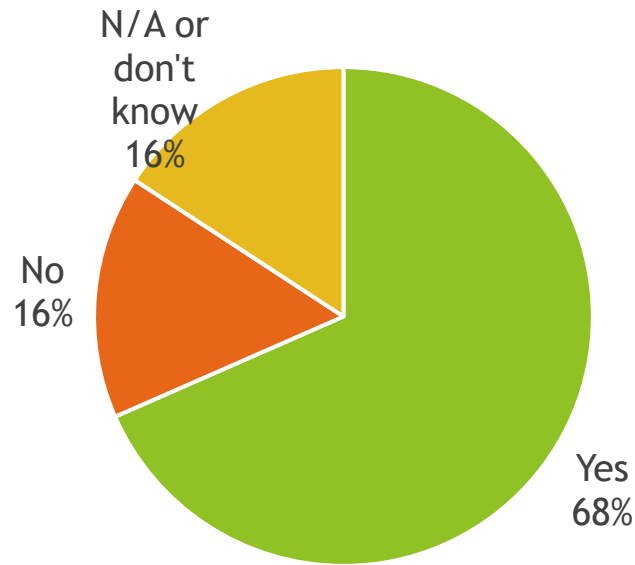
Are there any other comments or thoughts you want to provide on the review and update of the AF Environmental and Social Policy?

Ensure community engagement for the project. Assure sustainability of the project

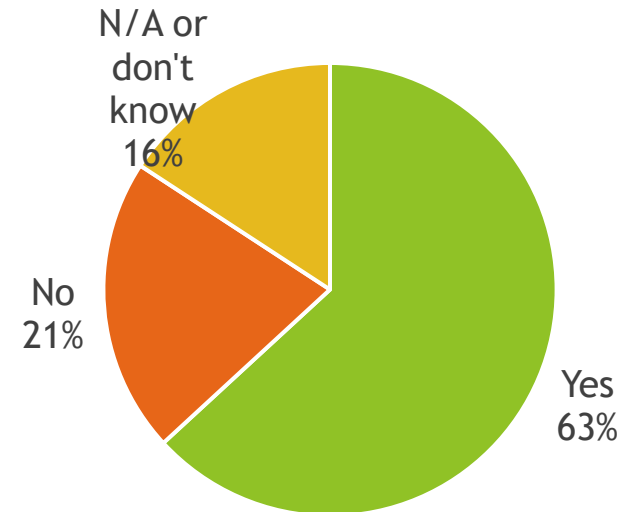
SPECIFIC QUESTIONS

AF IEs

Do you feel that you have **access to sufficient/adequate guidance** on how to comply with the AF ESP in project design, implementation, monitoring and reporting/evaluation through the ESP Guidance Document for IE?



Do you feel that you have access to sufficient/adequate guidance on how to comply with the AF ESP in project design, implementation, monitoring and reporting/evaluation through the AF templates, operational or specialized guidance documents (e.g., PPR Template, the updated guidance on USP)?

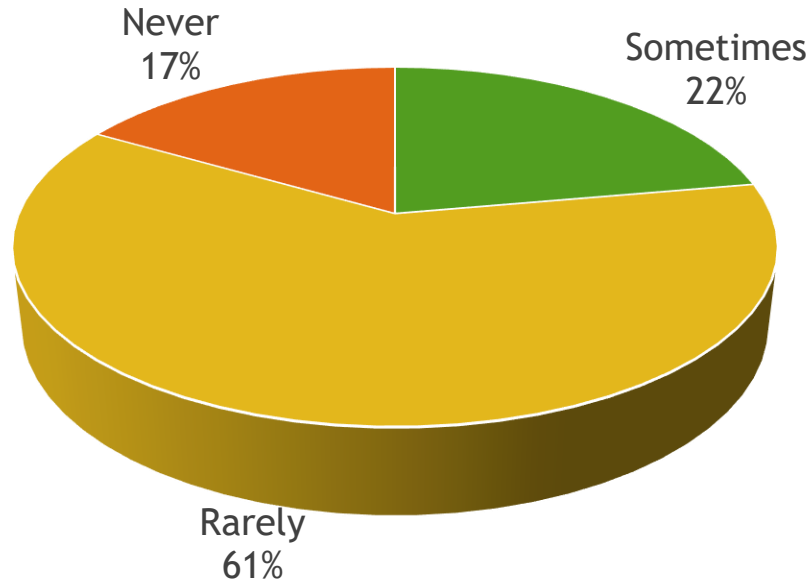


It is necessary to add guidelines how to fill in the columns on the ESP compliance sheet which are more detailed, practical and easy to understand.

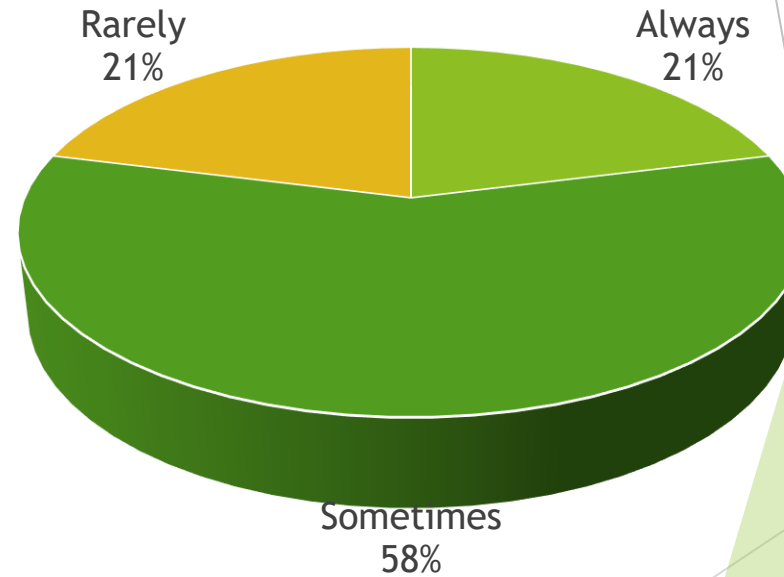
Target more training where possible TA especially for LDCs.

CAF as IE has already been working for more than 6 years with the requirements of the AF. For this case, CAF has developed a methodology inhouse that complies with the AF ESP and with this we have been able to work. However, we have not received guidance previous to the presentation of proposals and it has been during the presentation of proposals we have received comments and some guidance.

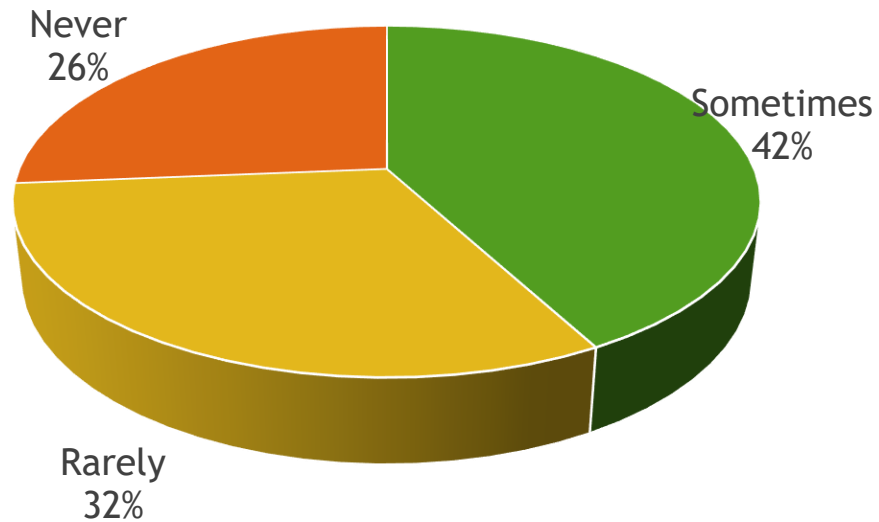
When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it **difficult to identify E&S risks according to the 15 principles of the AF ESP?**



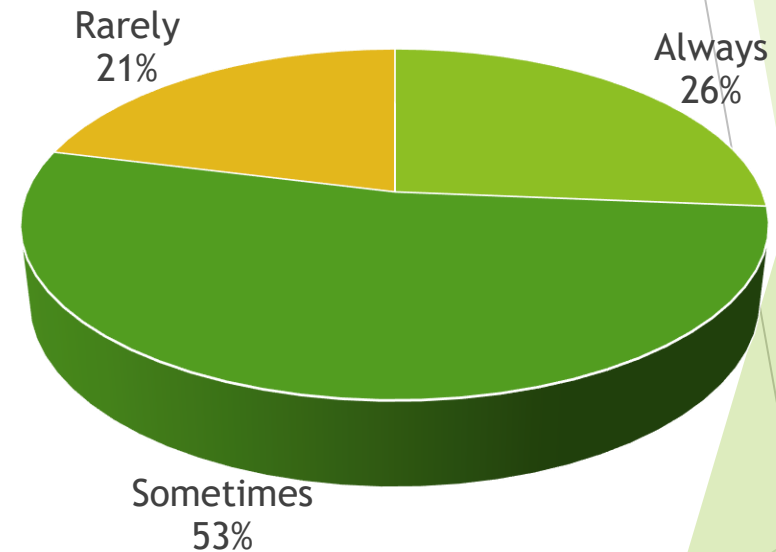
When preparing concept notes and full project/programme proposals in compliance with ESP, do you **rely on external expertise (including from dedicated offices within your organization) for risks identification and the identification of any management arrangements?**



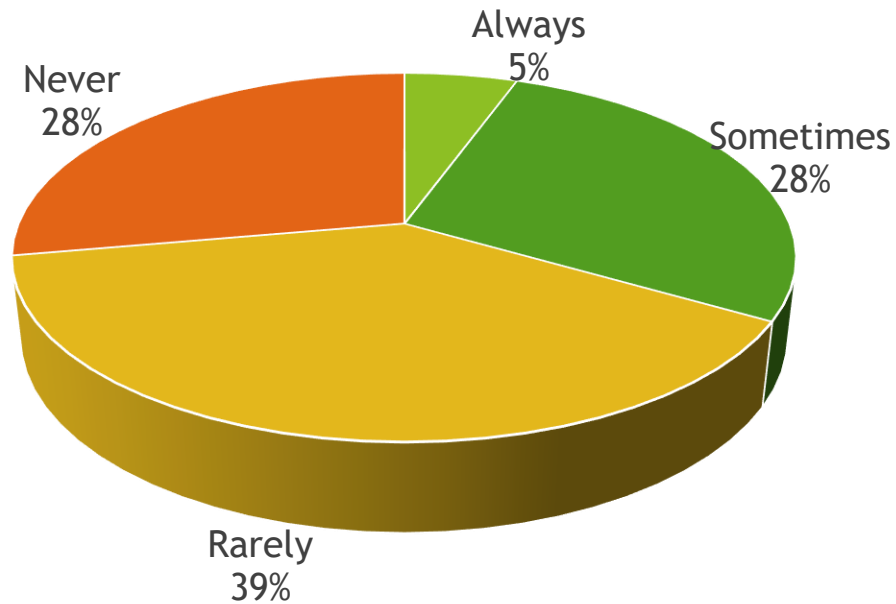
When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to **design an Environmental and Social Management plan (ESMP)?**



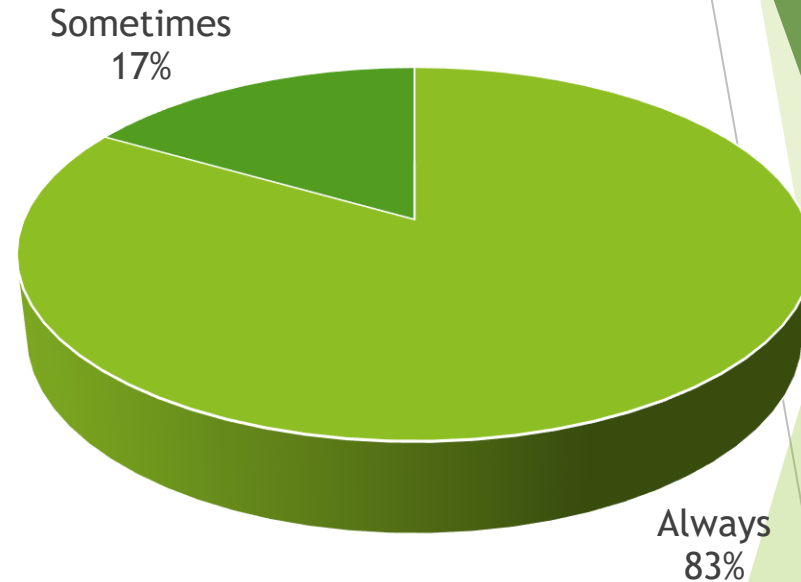
When preparing concept notes and full project/programme proposals in compliance with ESP, do you have **enough resources and time for adequate stakeholder consultations?**



When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to define an accessible and effective **grievance mechanism** for the projects or programme?



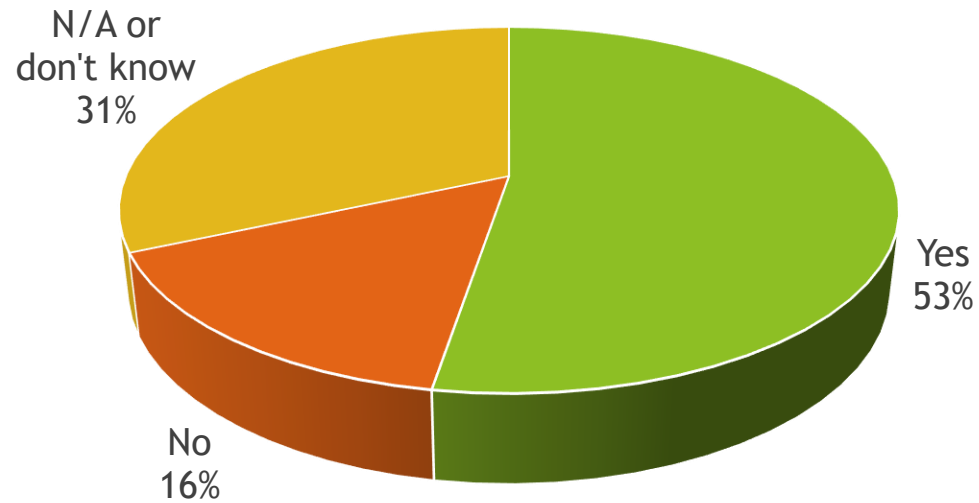
When preparing concept notes and full project/programme proposals in compliance with ESP, are you aware of the **need to apply the ESP to all project activities, and avoid or indicate USP?**



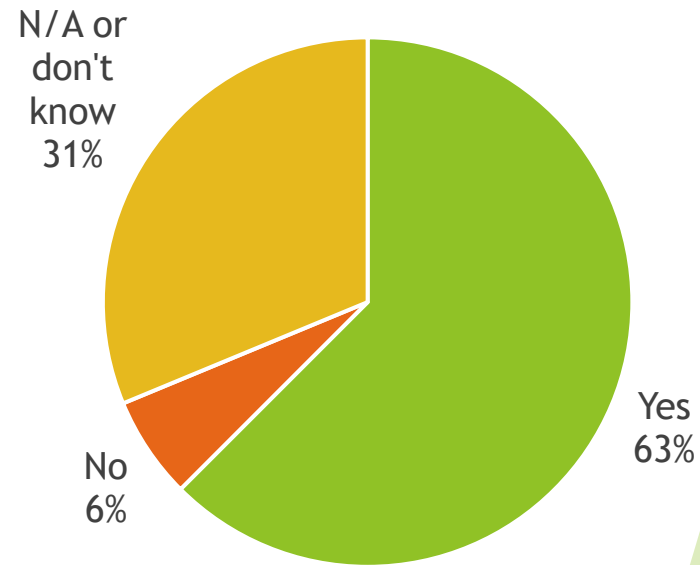
Depending on the size and scope of the project and associated ES risks, the PFG of 50,000 is not sufficient to cover all preparatory activities (i.e. adequate and meaningful stakeholder consultations, project development, Gender Assessment, ESP and ESIA development, and as needed Free Prior and Informed Consent, Biodiversity Action Plan, Land Management Plan, Resettlement Action Plan, etc.).

We find difficult to fully identify specific locations and detailed activities to be implemented. The identification of exact location and activities needs extensive consultations with each and every community involved in the project (several days per community are needed, when applying the WFP methodology of Community-based participatory planning). Due to the resources and time needed, this is only possible during project implementation. To minimize risks, the following measures are adopted: i) carry out consultations with a reduced number/selected representatives of communities, representatives of different locations; ii) identify a set of permitted activities, based on ESP and GP compliance criteria; iii) identify excluded activities and locations, based on ESP and GP compliance; iv) set up a clear mechanism for screening of each identified activity before implementation.

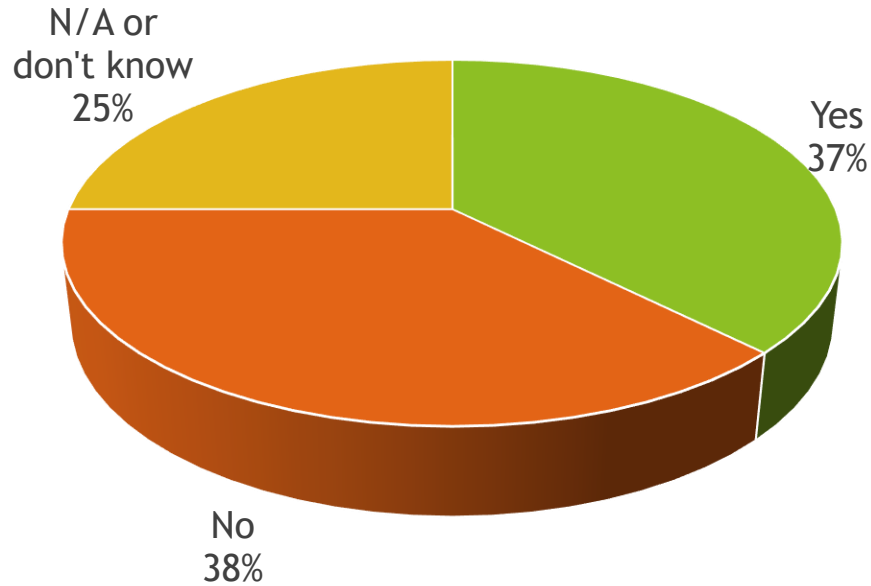
Have you **made use of or are you planning to use** Project Formulation Grants (PFG) to help with complying with the AF ESP in project formulation?



Do you feel these **financial resources** made available through project formulation and readiness support by the AFB Secretariat have **made it easier for you to meet the ESP requirements?**



Are **those financial resources** provided (financial resources made available through project formulation and readiness support) **sufficient?**



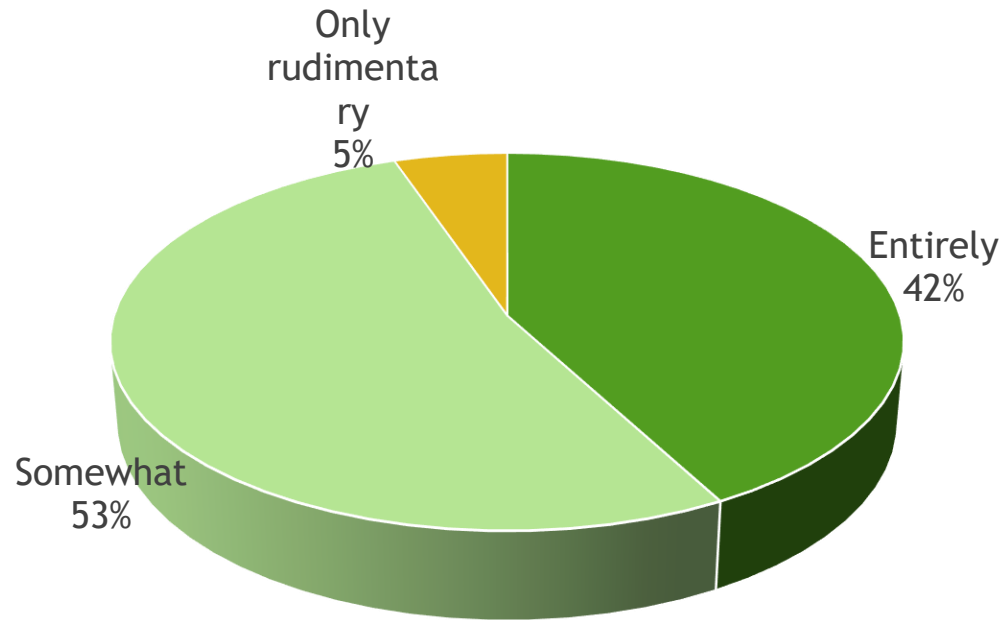
Direct capacity development support from the AFB Secretariat would be useful as they are the one that review the proposal submitted. They would also be in the best position to share with the NIE what exactly is looked for when reviewing proposals and use some specific examples.

We suggest increasing the allocations because taking environmental issues into account is expensive.

As this kind of support is very useful, it would be appreciable if we could have an additional support to implement the elaborated policies (in our case we would have liked to have an additional support for capacity building, training sessions for ADA's Staff and EE reading the ESS policy and also to support the implementation of that policy.

I would recommend to add more financial resources allocated to TA

Do you feel you have sufficient internal capacity and expertise to provide technical and capacity building support on environmental and social safeguards to executing entities?



Are there any other comments or thoughts you want to provide on the review and update of the AF ESP?

Governance aspects could be considered for inclusion in ESP.

To allow NIE to be part of the evaluation

Early screening of projects to identify Environmental and Social risks and potential impacts, including all risks. Whereas stakeholder engagement and consultation has been emphasized as a key, it requires resources are not readily available in the budget. If possible, a guide to stakeholder consultations would be developed so that there is harmonized and effective process of SH engagement in the AF.

The ESP should be more specific about some of the requirements. For example, the ESP could provide more specific guidance on the development of environmental and social management plans, and on the monitoring and reporting of environmental and social performance.

The ESP should include more specific provisions for monitoring and compliance; more participatory and inclusive; and more transparent and easy to understand.

Internal capacity and expertise within the organization are increasing gradually with ESS technical support and resources to capacitate country-level teams to ensure donor ESS requirements and implementation.