



ADAPTATION FUND

AFB/B.41/7  
15 September 2023

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Adaptation Fund Board  
Forty-first meeting  
Bonn, Germany, 10-13 October 2023

Agenda item 10.c) (i)

**INDEPENDENT REVIEW OF THE ENVIRONMENTAL AND  
SOCIAL POLICY OF THE ADAPTATION FUND WITH A  
PROPOSAL FOR ITS UPDATE**

## I. Background

1. At the Sharm el-Sheikh Climate Change Conference in November 2022, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventeenth session (CMP 17) requested the “Adaptation Fund Board to review and update the environmental and social safeguard policy of the Adaptation Fund, as needed.”<sup>1</sup>

2. In response to this mandate, the Adaptation Fund Board (the Board) considered this mandate as part of its meeting agenda on issues arising from the CMP 17, CMA 4, and the twenty-seventh session of the Conference of Parties (COP27) and decided the following:

*Having considered Adaptation Fund related decisions taken by the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol at its seventeenth session and Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session, as well as document AFB/B.40/8 and its annex, the Adaptation Fund Board (the Board) decided:*

*(a) To request 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 Adaptation Fund;*
- (iii) Present the output referred to in paragraphs (a)(i) and (a)(ii) at its forty-first meeting for the Board’s consideration;*

*[ . . . ]*

**(Decision B.40/80)**

3. In response to decision B.40/80, the secretariat has commissioned an independent review of the ESP with a view to updating the ESP by hiring an environmental and social safeguard expert, Mr. Charles Di Leva<sup>2</sup> and launched surveys targeting the Board, the Implementing Entities (IEs), the Designated Authorities (DAs) and the Adaptation Fund Civil

<sup>1</sup> Decision 5/CMP.17 (Fourth review of the Adaptation Fund), para. 15.

<sup>2</sup> Mr. Charles E. Di Leva served as the Chief Officer for Environmental and Social Standards at the World Bank, under the Vice Presidency for Operations, Policy and Country Services. Prior to this position, he served as Chief Counsel of the Environmental and International Law Practice Group in the World Bank Legal Vice-Presidency and as Legal Advisor to the Climate Change Solutions Area and Environment and Natural Resources Global Practice Group. There, he led the Bank’s legal work on the revision of its environmental and social safeguards, provided legal advice to the Bank on the Paris Agreement and related climate finance issues, and led negotiations related to the Green Climate Fund. Throughout his career, Mr. Di Leva has worked on Bank projects in all regions, focusing on environmental and social issues in complex and high-risk settings. He has also represented the Bank Senior Management in activities and investigations carried out by the Bank’s Independent Inspection Panel. He is an adjunct professor at American University’s Washington College of Law where he teaches coursework on Project Finance and the Environment and International Financial Institutions and International Law. He also teaches at George Washington University’s School of Law in the field of International Trade and Sustainable Development.

Society Network in July 2023 for a month period. The results of the respective surveys were fed into the independent review of the ESP.

4. Being prepared in response to decision B.40/80 (a), this document consists of: (i) the main document which includes a summary of the ESP review and recommendations for the Board; (ii) Annex 1 to this document which contains the outcome of the independent review of the ESP ; and (iii) Annex 2 to this document which presents results of the ESP surveys including the substantive responses verbatim from the respondents.

## **II. Independent technical review of the ESP**

5. The Fund's ESP<sup>3</sup> was originally adopted by the Board in November 2013 and amended in March 2016 by updating the principle 5 (then 'gender equity and women's empowerment') in line with the Gender Policy adopted in March 2016). To complement the ESP, a Guidance Document for IEs on Compliance with the ESP (Guidance)<sup>4</sup> was developed in 2014 and amended in March 2016 to be aligned with the Gender Policy in March 2016.

6. The independent technical review of the Fund's ESP aimed to examine whether the ESP with its 15 principles and the Guidance Document for IEs on Compliance with the Adaptation Fund ESP ("Guidance") are generally in line with the practice of other leading institutions (the "comparators") which are active in climate finance, taking into consideration the AF funding operational framework. The financing institutions that the review looked into include the World Bank, the International Finance Corporation (IFC), the Green Climate Fund (GCF), the United Nations Development Programme (UNDP), and the International Fund for Agricultural Development (IFAD).

7. The analysis relied on a desk review of the environmental and social safeguards requirements of these organizations and provides recommendations on potential updates to the current ESP and on related to Fund's instruments with a caveat that: the recommendations need to be considered in light of how the Adaptation Fund is distinct, including such as financing modality, size of projects and programmes, and comparatively limited size of the secretariat; a desk review is inherently limited in fully understanding how the Fund's ESP principles are applied in the field, and the precise nature, degree, and categorization of the risks and impacts associated with the Fund-supported projects.

## **III. ESP surveys of Fund's stakeholders**

8. The secretariat launched the respective ESP surveys targeting the Board, IEs, DAs, and AF CSO Network in July 2023 for a period of 4 weeks. The respective surveys included general questions addressed to all four groups and specific questions tailored to each group. The

<sup>3</sup> <https://www.adaptation-fund.org/document/environmental-and-social-policy-approved-in-november-2013/>.

<sup>4</sup> <https://www.adaptation-fund.org/document/guidance-document-implementing-entities-compliance-adaptation-fund-environmental-social-policy/>

secretariat received responses from eight Board members, 19 DAs, 19 IEs (including 12 NIEs) and eight civil society organizations (CSOs). The survey responses were shared with the expert who conducted the review of the ESP.

9. While full results of the ESP surveys are contained in Annex 2, some results of the survey are presented as follows:

Questions	Board respondents	DA	IEs (NIEs)	AF CSO Network
<i>How important are environmental and social safeguards (ESS) for successful action on adaptation?</i>	Very important (43%); important (57%)	Very important (69%); important (26%); somewhat important (5%)	Very important (IE: 100%)  (NIE: 100%)	Very important (75%); important (13%); somewhat important (12%)
<i>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?</i>	Yes (86%) No (14%)	Yes (60%) No (5%) Don't Know (35%)	IEs: Yes (89%); Don't know (11%)  NIEs: Yes (100%)	Yes (87%) Don't know (13%)
<i>In your view, are there any environmental or social risks that are not addressed and should be added to the 15 principles of the AF ESP?</i>	N/A	N/A	IEs- No (58%) Yes (16%); Don't know (26%)  NIEs- No (75%) Yes (8%); Don't know (17%)	No (50%)  Don't know (50%)

#### IV. Summary of the independent review of the ESP

##### 1. General findings and recommendations

10. Since the ESP was last updated in 2016, the comparators and other international organizations have updated and broadened environmental and social coverage and related supporting documents.

The independent review found that the ESP requires coverage of most essential environmental and social (E&S) risks and elements, however, it is not “fully in line” with comparator organizations standards. It omits explicit reference to certain risks and impacts. In addition, while comparator organizations have stressed the importance of clarity in distinguishing between E&S mandatory and non-mandatory measures, the Fund’s ESP and its Guidance are not always consistent in making these distinctions, nor are they current on some of these issues.

11. It also noted a lack of criteria upon which to judge what is ‘significant’ or when an action is ‘unjustified.’ For example, in “whether and how projects and programmes shall... avoid any significant or unjustified reduction or loss of biodiversity or introduction of invasive species” or “shall not result in any significant or unjustified increase of greenhouse gases,” it is not clear what criterion is to be taken into account when determining the amount of biodiversity lost, invasive species introduced or greenhouse gases emitted is “unjustified.” Comparator organizations have standards that refer to specific guidance to help determine whether amounts of GHGs or other forms of pollution are acceptable, through use of required application of Good International Industry Practice (GIIP) or World Bank Group Environmental, Health and Safety Guidelines.

12. ESP Guidance documents include inconsistent reference related to “possible elements to be considered.” For example, the possible elements considered under Principle 4 “Human rights” do not seem less important or distinct than the “design and implementation” aspects under Principle 5 “Gender Equality and Women’s Empowerment”. However, those aspects are not included in Principle 5 “possible elements”. The independent review also noted that it was unclear why only some of the fifteen Principles have included a section on “possible elements to be considered”.

13. General recommendations are as follows:

- Regardless of whether the Fund continues to use a principles-based approach, it is recommended to update ESP terminology and to make it more consistent in framing what is required as opposed to aspirational.
- The ESP Principles and Guidance are recommended to be updated to capture the elements comparators consider essential for appropriate E&S risk and impact management.
- Given Fund’s project/programme size and the relatively limited secretariat’s capacity, consideration could also be given to formulating a list of ineligible activities. Several comparators use this listing, although not with the explicit ambition to exclude Category A high risk projects from their portfolios.

## ***2. Specific recommendations on respective ESP principles***

14. Beyond general recommendation, the independent review also included specific recommendations on the respective ESP principles as follows.

### 1) Principle 1: “Compliance with Law”

15. The independent review recommended revising the formulation to make it clear that if there is a conflict between national law and international law, or between national law and international standards that are accepted practice as Good International Practice as defined within the United Nations system, the environmental and social assessment will identify the difference between the domestic and international provisions. Further, where the international provisions provide enhanced E&S protection, the IE will apply the higher standards unless to do so would not be technically and financially feasible.<sup>5</sup> It also suggested defining what is meant by “international law,” for instance, international conventions that have been ratified by the relevant country or accepted international customary law.

### 2) Principle 2: “Access and Equity”

16. If Principle 2 is retained as a standalone principle instead of being merged in an umbrella Principle 1, the review recommended considering revising the formulation of this Principle 2 by reconsidering what should be mandatory, including by more consistent use of “shall”, in the main text of the Principle which states “Projects and programmes... **shall** provide fair and equitable access...and **should** not exacerbate existing iniquities...” Moreover, given that the objective of this principle is to provide access to benefits in an inclusive manner, it recommends ESP require incorporation of a **Stakeholder Engagement Plan** which would include an organized system to incorporate the views of marginalized and vulnerable groups, enabling a benefit sharing plan to be part of project documentation. This topic is also relevant in other Principles that could more explicitly identify ways for impacted communities to benefit from project design, such as Principle 8 on ‘Involuntary Resettlement.’

17. Finally, if Principle 2 is retained, other principles that have relevant coverage of access and equity are recommended to be reviewed to determine if they would benefit from specific references to access and equity that comparators make explicit, such as access to stakeholder events, documentation, resettlement benefits, and cultural heritage sites.

### 3) Principle 3: “Marginalized and Vulnerable Groups”

18. If Principle 3 is retained as a standalone principle, the review recommends considering broadening the definition and making mandatory terms that are now optional as well as the use of stakeholder engagement plans, particularly for projects that may have significant stakeholder interest, stressing the importance that such groups should also be protected from risk of reprisal.

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<sup>5</sup> UNDP Social and Environmental Standards includes a definition of this term as follows under Standard 2 (Climate Change and Disaster Risks): “Technical feasibility means the proposed measures and actions can be implemented with commercially viable skills, equipment and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity and operational reliability. Financial feasibility means the ability to apply sufficient financial resources to install the measures and maintain them in operation in the long term. Cost- effectiveness is determined according to the capital and operational costs and also the financial benefits of the measure, considered over its lifespan.”

#### **4) Principle 4:” Human Rights”**

19. If Principle 4 is retained as a standalone principle, the review recommends revisiting the Principle 4 to explicitly point out that human rights related reports, such as those by the Special Procedures branch, as well as other directly relevant human rights instruments, should be taken into account as part of Fund’s project/programme preparation, particularly when they are relevant to the Fund supported project’s potential environmental and social risks and impacts and the country or project context.

#### **5) Principle 5: “Gender Equality and Women’s Empowerment”**

20. It is recommended to include specific reference to the mandate to prevent and address gender-based violence (GBV)/sexual exploitation, abuse and harassment (SEAH) and consider whether to delete the chapeau of “Possible elements”, given that the elements are standard practice.

#### **6) Principle 6: Labor and Working Conditions**

21. It is recommended that Principle 6 require the IE to confirm whether the nature of Fund supported projects indicates there may be worker related activities that fall outside the scope of International Labor Organization (ILO) protections and coverage, including as it pertains to supply chain and third-party workers. It is also recommended that Principle 6 consider the importance of highlighting the use of grievance mechanisms and better coverage of gender-related protection.

#### **7) Principle 7: “Indigenous Peoples”**

22. It is recommended to revise Principle 7 to clarify definitional references to ‘Free, Prior, and Informed Consent’ (FPIC), relevant indigenous Peoples related international instruments, and reconsider whether possible elements should be mandatory.

#### **8) Principle 8: “Involuntary Resettlement”**

23. It is recommended to clarify that resettlement plans should strive to not only avoid adverse impact, but also improve living conditions, especially for the marginalized and vulnerable. Another recommendation is to consider adding key elements that are covered in comparator standards, such as specifying timing of compensation, tools to use when compensation is contested, how to address legacy issues where resettlement had taken place prior to the project, and more detail on when livelihood impacts are covered with resettlement policy benefits as opposed to broader social impact mitigation measures.

#### **9) Principle 9: “Protection of Natural Habitats” and Principle 10: “Conservation of Biological Diversity”**

24. Without diluting their requirements, it is recommended for both Principle 9 and Principle 10 to be revisited jointly and redrafted by considering the comparators policies to ensure comprehensive coverage, including making clear the use of no-go zones where risks or impacts could adversely impact critical habitat. Redrafting should consider combining Principle 9 and Principle10, similar to how the comparators have combined these two topics.

### **10) Principle 11: “Climate Change”**

25. It is recommended that Principle 11 be revised to clarify when a climate risk assessment is required, and what is meant by “significant or unjustified increase”. Further, it is also recommended Principle 11 follow a consistent structure and rationale for the use of a “Compliance” section and consider updating to take into account relevant aspects of the Paris Agreement. It also recommends considering whether to include assessment of risks and impacts to Fund’s supported projects as related to natural disasters and extreme weather as part of this Climate Change principle.

### **11) Principle 12: “Pollution Prevention and Resource Efficiency”**

26. It recommends revising Principle 12 to approach pollution prevention and resource efficiency in better alignment with comparators by, among other things, pointing out the kinds of pollution that may be relevant for Fund supported projects and the use of resources, like water, and mandating plans that address these issues, taking into national and international law, GIIP, while also recognizing limits that may need to take into account technical and financial feasibility.

### **12) Principle 13: “Public Health”**

27. It is recommended that Principle 13 be reframed as “Community Health and Safety” and explicitly include the range of community health and safety issues identified by comparators as potentially adverse impacts at the community level. In addition, the screening and assessment is recommended to cover potentially adverse impacts, and not only those that are “significant and negative”. The section on “Possible Elements to be Considered” should make clear that the elements covered are those that will be assessed. In other words, it should not be optional whether to consider “potentially significant negative impacts”.

### **13) Principle 14: “Physical and Cultural Heritage”**

28. It is recommended that Principle 14 include references to important elements for the protection of cultural heritage to ensure that they are taken into account if a Fund supported project requires an impact plan for addressing cultural heritage.

### **14) Principle 15: “Lands and Soil Conservation”**

29. If Principle 15 is retained as a standalone Principle, it is recommended to consider framing so that lands and soil conservation are part of an umbrella Principle 1 “Compliance with the Law” or, a broader principle addressing Ecosystem Services. The closest approach might be what is covered under the Biodiversity and Natural Resources type of standard of the comparators. While the comparators do not have a standalone standard for ecosystem services, they recognize that there are four types of ecosystem services that merit being part of project screening and scoping at the environmental assessment stage. These services include the benefits from land and soil, but also from groundwater, fresh water, plants, fiber, food, etc. It is also recommended that Principle 15 take note of the importance of addressing tenure and use patterns related to land and other natural resources.



### 3. *Other suggestions*

30. The review also made other suggestions. First, a development of a tool such as screening checklists for environmental and social risks impacts and screening would be helpful in supporting IEs, like many comparator organizations have in place such as the [IFAD Social, Environmental and Climate Assessment Procedures \(SECAP\) standards requirement checklists](#) (2021).

31. A more comprehensive approach could help ensure that a project is following a precautionary approach, applying the mitigation hierarchy, using adaptive management techniques. In addition, the review recommends considering a requirement of stakeholder engagement plans under the ESP to help ensure a meaningful, effective, and informed stakeholder engagement in project participation.

32. Another suggestion includes that the Fund's guidance note on Projects/Programmes with Unidentified Sub-Projects (USPs) could benefit from further clarity, such as making clear minimum requirements that have to be met in terms of the mandatory elements of the ESP.

## V. **Recommendation for the Board**

33. Having considered document AFB/B.41/7 and the Annexes 1 and 2, the Adaptation Fund Board may want to consider and decide:

- (a) To take note of the independent review of the Adaptation Fund (the Fund) Environmental and Social Policy (ESP) and the results of stakeholder surveys as contained in Annexes 1 and 2, respectively;
- (b) To start the process of updating the ESP in consultation with relevant stakeholders of the Fund;
- (c) To request the secretariat to:
  - a. Prepare a draft of the updated ESP considering the independent review of the ESP and the results of the surveys as referred to in paragraph (a);
  - b. Launch a public call for comments on the draft of the updated ESP with a view to reflecting inputs received therefrom into the draft of the updated ESP;
  - c. *Present the output referred to in subparagraphs (c)(i) and (c)(ii) at the forty-third meeting of the Board for its consideration.*



ADAPTATION FUND

**ANNEX 1: Comparative analysis of the Adaptation Fund  
Environmental and Social Policy and Guidance Document  
with key elements of the Environmental and Social Standards  
of selected International Financing Institutions**

## **Comparative analysis of the Adaptation Fund Environmental and Social Policy and Guidance Document with key elements of the Environmental and Social Standards of selected International Financing Institutions**

### **I. Background**

1. This analysis examines whether the Environmental and Social Policy (ESP) of the Adaptation Fund (AF) with its fifteen Principles and Guidance are generally in line with the practice of other leading institutions (the “comparators”)<sup>1</sup> which are active in climate finance, taking into consideration the AF funding operational framework. The ESP was approved in November 2013 and revised in 2016 to help it align with the Fund’s Gender Policy adopted in 2016. The AF supports projects that “meet the environmental and social principles”.

2. The analysis relied on a desk review of the environmental and social (“E&S”) (including human rights and gender) requirements of the comparators and offers recommendations on potential revisions to the current ESP and on related AF instruments. The recommendations need to be considered in light of how the AF is distinct. As well, while a desk review is a standard methodology for this type of analysis, it is inherently limited in understanding how the AF principles are applied in the field, and the precise nature, degree, and categorization of the risks and impacts associated with the AF projects.

3. Moreover, the AF has unique elements in the nature of its foundation, financing modality, objectives, internal capacity, and size of projects. These distinguishing aspects include the following:

- 1) Comparators have one set of mandatory requirements (often referred to as standards or safeguards) that define the E&S related responsibilities of the organization and of their implementing and executing entities. While these standards often cover the same subject matter as the AF ESP, they provide more detail, including with definitions and procedures lacking in the AF ESP. Most comparators’ due diligence and assessment process begins with an umbrella standard of Environmental and Social Assessment. This approach enables them to highlight the full range of environmental and social risks to be assessed through one standard, and to then follow up with a relatively harmonized set of topic-specific standards. Thus, their structure and approach are distinct from the AF and this analysis is comparing an E&S system that on paper appears very different from the comparators. For this reason, the Recommendation sections below note

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<sup>1</sup> The terms of reference of the independent review of the ESP set out the scope of analysis that the review is to compare the ESP with the environmental and social standards/safeguards of the World Bank, International Finance Corporation (IFC), United Nations Development Programme, (UNDP), Green Climate Fund (GCF), and International Fund for Agricultural Development (IFAD).

- the possibility that some of the AF ESP Principles could be folded into an umbrella principle, such as a Principle of Environmental and Social Risk Assessment;
- 2) The capping of funding at US\$ 10 million grant finance per a single country project and programme and US\$ 14million for regional/multi-country projects and programmes means AF funded activities will generally be smaller than those financed by comparator organizations;
  - 3) Consistent with the previous point, AF projects are unlikely to include what would be considered as “High risk” or Category A projects in other comparator organizations;
  - 4) Compared with the other organizations, the limited size of AF secretariat staff may hinder the degree of due diligence it can carry out and, therefore, may contribute to the rationale for the AF “principles-based approach”; and
  - 5) Similarly, the principles-based approach may also be seen to lend itself to AF’s distinct role in pioneering direct access funding modality and working with national implementing entities (NIEs).
4. Nevertheless, despite these distinctions, the AF appears to have embraced the importance of an approach of “coherence and complementarity” with larger climate funds and comparator organizations. Indeed, this approach makes sense for at least two reasons:
- 1) climate adaptation projects benefit from collaboration among these different funds and coherence in the approach to Environmental and Social risks and impacts will help enhance collaboration and successful project outcomes and;
  - 2) accredited entities of all sizes (particularly when being accredited by GCF or GEF) are reviewed in light of their ability to ensure projects they support will meet a cohesive set of E&S standards.

5. Based on these factors, this analysis contains: 1) general comments and recommendations on the AF ESP and Guidance document for IEs to comply with the ESP (“Guidance”), and 2) specific comments and recommendations pertaining to each Principle and accompanying guidance, and 3) comments regarding some of the instruments utilized by the AF.

## **II. General comments on the Environmental and Social Policy (ESP) and Guidance**

6. The Adaptation Fund activities may take place in parallel with projects financed by other implementing entities. Co-financing does not take place, nor has it yet been

approved by the Board. A large percentage of projects include infrastructure components, albeit often small-scale, and implementing and executing entities are responsible for carrying them out, sometimes in environmentally and socially challenging circumstances. These projects often detail potential benefits to disadvantaged and vulnerable communities. Thus, some projects would likely be considered of at least moderate or, in some cases, substantial risk, or Category B in the comparators that use the ABC ranking system. (This ranking usually impacts project supervision and monitoring budgets.) Because of the importance of providing benefits to disadvantaged and vulnerable communities, some AF projects have the potential for complex “stakeholder engagement”. Stakeholder engagement is explicitly covered in the E&S Standards of the comparators and social complexity can affect a project risk rating.

7. The ESP requires coverage of most essential E&S risks and elements, however, it is not “fully in line” with comparator organizations’ standards. It omits explicit reference to certain risks and impacts. In addition, while comparators have stressed the importance of clarity in distinguishing between E&S mandatory and non-mandatory measures, the AF ESP and Guidance are not always consistent in making these distinctions, nor are they current on some of these issues. At the same time, as a number of AF IEs are accustomed to the application of comparator E&S standards, a brief review of AF Project reports indicates that some IEs’ AF project documents cover topics such as gender-based violence that are not explicitly required by the AF. In other words, a number of the AF international or multilateral IEs (such as the comparator organizations) may “fill the gap” between comparator standards and the AF ESP and Guidance because they are accustomed to doing so or required to do so by their own standards. This gap filling does not appear to be as consistent with NIEs. Moreover, even where the gap is filled, the AF ESP and Guidance still lack clarity on what is mandatory and can benefit from updating.

8. As one example, AF ESP P2, “Access and Equity”, and P15, “Physical and Cultural Heritage” contain “shall” and “should” without a clear rationale why the Principle includes mandatory and non-mandatory measures. There is also frequent switching from an obligation to determine if impacts are potentially “significantly adverse”, to “adverse”, without a clear rationale for the distinction.

9. As another example, P13, “Public Health”, states that projects/programmes (hereinafter “P/Ps”) ...shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.” P14, “Physical and Cultural Heritage”, states that “P/Ps...shall be designed and implemented in a way that avoids the alteration, damage or removal or any physical cultural resources...” Thus, the construction of the two Principles appears to indicate that some degree of human health impact is acceptable, but no degree of alteration of physical cultural resource is allowed. This approach is inconsistent with comparators. For instance, the World Bank Environmental and Social Standard 4, “Community Health and Safety” states as one of its objectives, “To anticipate and avoid adverse impacts on the health and safety or project-affected communities during the project life cycle from both routine and non-routine circumstances”.

10. Similar to the AF ESP lack of clarity on what is mandatory, there is a lack of criteria upon which to judge what is 'significant' or when an action is 'unjustified'. For example, "whether and how P/Ps shall... avoid any significant or unjustified reduction or loss of biodiversity or introduction of invasive species" or "shall not result in any significant or unjustified increase of greenhouse gases." What is the criterion for determining the amount of biodiversity lost, invasive species introduced or green-house gasses emitted is "unjustified"? Comparator organizations refer to specific guidance to help determine whether amounts of GHG or other forms of pollution are acceptable, through use of required application of Good International Industry Practice (GIIP) or World Bank Group Environmental, Health and Safety Guidelines.

11. Another area of inconsistency relates to the reference in most AF Principles Guidance to "Possible elements to be considered". For example, the possible elements considered under P4 "Human rights" do not seem less important or distinct than the "design and implementation" aspects under P5 "Gender Equality and Women's Empowerment". However, those aspects are not included in P5 "possible elements". It is also unclear why only some of the fifteen Principles have included a section on "possible elements to be considered".

12. **General recommendations:** Regardless of whether the AF continues to use a principles-based approach, it is recommended to update ESP terminology, and to make it more consistent in framing what is required as opposed to aspirational. This effort will support "coherence and complementarity" with other climate funds. The AF ESP Principles and Guidance are also recommended to be updated to capture the elements comparators consider essential for appropriate E&S risk and impact management. Given the AF's project/programme size and the relatively limited capacity of the secretariat consideration could be given to formulating a list of ineligible activities. Several comparators use this listing, although not with the explicit ambition to exclude Category A high risk projects from their portfolios.

13. Beyond these general recommendations, specific recommendations on the respective Principles of the ESP and Guidance are set forth below.

### **III. Specific comments on AF ESP Principles and Guidance**

#### **1. ESP Principle 1 – "Compliance with Law"**

14. This Principle applies automatically and requires the IE to assert the proposed project complies with the "applicable" national legal and regulatory framework and "international law" and that the IE must have a "plan to achieve compliance". However, what constitutes "international law" is not clearly defined nor is the timing by which compliance is required.

15. In addition, it is not clear what happens if international law or standards provide a higher degree of environmental or social protection than national law. The comparators generally provide that the more stringent provisions should apply and require consideration of what constitutes good international industry practice (GIIP). This may be relevant when international environmental health or safety related standards are more protective than domestic requirements. Generally, comparators have the legal capacity to require that these higher standards become part of the project legal agreement. Whether a domestic entity can legally require a project to apply a more stringent standard than required by domestic law might need to be assessed on a case-by-case basis.

16. **Recommendation:** It is recommended to revise the formulation of P1 to make it clear that if there is a conflict between national law and international law, or between national law and international standards that are accepted practice as Good International Practice as defined within the United Nations system, the environmental and social assessment will identify the difference between the domestic and international provisions. Further, where the international provisions provide enhanced E&S protection, the implementing entity will apply the higher standards unless to do so would not be technically and financially feasible.<sup>2</sup> It is also suggested to define what is meant by “international law”: for instance, international conventions that have been ratified by the relevant country or accepted international customary law.

## 2. ESP Principle 2 – “Access and Equity”

17. P2 does not have a direct corollary with comparators, who address access and equity with more specificity, such as how to lay out the procedures that ensure stakeholders have full and fair access to project details and benefits; how to ensure access and benefits when there is involuntary resettlement, whether permanent or temporary; addressing access issues when limited to sensitive cultural heritage sites, or ensuring the consultation events are accessible to affected stakeholders. Indeed, more recently, comparators have recognized the importance of including data privacy and internet access as part of social assessment. Thus, while P2 is laudable and supports the UNFCCC principle of equity, it lacks specificity.

18. In addition, a brief review of AF project documents indicates that in preparing AF projects, IEs may approach this issue unevenly. For example, some IEs may presume P2 is to be applied for ethnic or indigenous groups, thereby approaching it under what would also be addressed under the AF’s Indigenous Peoples (IP) Principle, or that of the AF

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<sup>2</sup> UNDP Social and Environmental Standards includes a definition of ‘technical feasibility’ as follows under Standard 2 (Climate Change and Disaster Risks): “Technical feasibility means the proposed measures and actions can be implemented with commercially viable skills, equipment and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity and operational reliability. Financial feasibility means the ability to apply sufficient financial resources to install the measures and maintain them in operation in the long term. Cost-effectiveness is determined according to the capital and operational costs and also the financial benefits of the measure, considered over its lifespan.”

Gender Policy. Reference to “access” is also a term usually linked to the Principle of Universal Access under the Convention on the Rights of Persons with Disabilities (CRPD).

19. P2 also seems unclear on what is mandatory. For example, P2 states the IE “shall provide” benefits, while P2 Guidance states that this demonstration of these benefits is a “possible element”. In addition, P2 “Possible Elements that May be Considered” states that the IE “may” carry out certain actions that would be mandatory in comparator organizations. For example, Guidance on P2 states, “the IE may demonstrate that the P/P does not impede access of any group to the essential services and rights indicated in the principle.” In comparators, if access could be impeded, addressing it would be mandatory. P2 “Possible elements” also include a “risk analysis to identify risk of impeding access to essential rights and services” and “stakeholder mapping in order to identify the potential beneficiaries...marginalized and vulnerable people”. These processes would be mandatory if, in the project setting, rights and services are “essential” and the project has potential beneficiaries, particularly if they may be marginalized and vulnerable.

20. **Recommendation:** If P2 is retained as a standalone Principle instead of being merged in an umbrella P1, it is recommended to consider revising the formulation of P2 by reconsidering what should be mandatory, including by more consistent use of “shall”, in the main text of the Principle which states “P/Ps... shall provide fair and equitable access...and should not exacerbate existing iniquities...” Moreover, given that the objective of P2 is to provide access to benefits in an inclusive manner, it is recommended for the ESP to require, and P2 to benefit from, incorporation of a **Stakeholder Engagement Plan**. Such a Plan would include an organized system to incorporate the views of marginalized and vulnerable groups, enabling a benefit sharing plan to be part of project documentation. This topic is also relevant in other Principles that could more explicitly identify ways for impacted communities to benefit from project design. (For example, P8 on Involuntary Resettlement could do more than aim to avoid adverse impacts, and explicitly point out the importance of finding ways to enhance project benefits.) Finally, if P2 is retained, other Principles that have relevant coverage of access and equity are recommended to be reviewed to determine if they would benefit from specific references to access and equity that comparators make explicit, such as access to stakeholder events, documentation, resettlement benefits, and cultural heritage sites.

### 3. ESP Principle 3 – “Marginalized and Vulnerable Groups”

21. Comparators require coverage of risks and impacts relevant to “marginalized and vulnerable” or “disadvantaged” groups through the social risk and impact screening that is part of overarching environmental and social assessment. In addition, some comparators define marginalize and vulnerable to include reference to race, ethnicity, religion, and the LGBTI community. For instance., the UNDP reference to those who may be vulnerable under its Social and Environmental Management System (The AF does, however, address intersectionality through inclusion of non-binary individuals in the approach taken in its Gender Policy.). On the issue of mandatory versus optional



treatment, AF ESP Guidance on P3 states that while the impacts on these groups “must be considered”, once such groups have been identified, the “IE should” carry out certain studies”. In addition, the Guidance states that if such groups are present, “the IE should ... identify adverse impacts that each ... group are likely to experience”. Comparators would make mandatory this process of identification. In addition, comparators all underscore the critical element of developing explicit stakeholder engagement plans, particularly for those who are marginalized or vulnerable.

22. **Recommendation:** If P3 is retained as a standalone Principle, it is recommended to consider broadening the definition and making mandatory terms that are now optional as well as the use of stakeholder engagement plans, particularly for projects that may have significant stakeholder interest, stressing the importance that such groups should also be protected from risk of reprisal.

#### 4. ESP Principle 4 – “Human Rights”

23. P4 states that “P/Ps...shall respect and where applicable promote international human rights.” This relatively straightforward statement seems clear. However, due to the extensive breadth and diversity of a growing number of international human rights instruments, it may be helpful if the AF Guidance stresses the importance of the IE focusing on those human rights instruments that are directly relevant to the specific AF funded project outcome. For example, the Guidance footnote cross-references UNHRC Special Procedures and notes that they may touch on thematic or country themes. Thus, at times, Special Procedures reports may be directly relevant to the environmental or social risk or impact associated with the project activity funded by the AF. Increasingly, when it comes to human rights and climate actions, there are also issues of risks to human security. These risks may include the escalation of conflict, crime and violence, and the need to take into account the risk of reprisals against individuals and communities.

24. **Recommendation:** If P4 is retained as a standalone Principle, it is recommended to revisit P4 to explicitly point out that human rights related reports, such as those by the Special Procedures branch, as well as other directly relevant human rights instruments, should be taken into account as part of in AF P/Ps preparation, particularly when they are relevant to the AF project’s potential environmental and social risks and impacts and the country or project context.

#### 5. ESP Principle 5 – “Gender Equality and Women’s Empowerment”

25. While the AF Gender Policy was updated in 2021, P5 was updated in 2016 and the lack of coverage of gender-based violence (GBV)/sexual exploitation, abuse and harassment (SEAH) leaves this Principle behind comparators. In addition, there are “possible elements” in P5 that are unclear, in that despite an element being “possible”, it is to “ensure” equal access to benefits”.

26. **Recommendation:** It is recommended to include specific reference to the mandate to prevent and address GBV/SEAH and consider whether to delete the chapeau of “Possible elements”, given that the elements are standard practice.

#### **6. ESP Principle 6 – “Labor and Working Conditions”**

27. This Principle is clear in its approach by requiring that projects meet International Labor Organization (ILO) core labor standards. However, there are some types of projects such as community development projects where workers are volunteers and perhaps ILO standards may not provide coverage. Comparators also apply these provisions to third party workers, as well as to elements of the supply chain, especially for primary suppliers. Comparators also stress the importance of worker’s grievance mechanisms.

28. **Recommendation:** It is recommended that P6 require the IE to confirm whether the nature of AF-supported projects indicates there may be worker related activities that fall outside the scope of ILO protections and coverage, including as it pertains to supply chain and third-party workers. It is also recommended that P6 consider the importance of highlighting the use of grievance mechanisms and better coverage of gender-related protection.

#### **7. ESP Principle 7 – “Indigenous Peoples”**

29. This Principle contains a footnote that appears to define Free, Prior, and Informed Consent (FPIC) without a citation. However, the definition of FPIC as stated here is not what is stated in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and is not consistent with how FPIC is used in the comparator agencies. The UN conventions listed in P7 are also human rights conventions and are not specific to Indigenous Peoples. As a result, it is unclear why they are here and not under P4 “Human Rights”. One of the “possible elements” to be considered under P7 is “status of ratification of ILO 169”. However, P1 “Compliance with the Law” makes this status a mandatory element for consideration because it is to be addressed under compliance with law. In addition, the element that refers to “consistency with UNDRIP” being “enhanced by creating awareness” would be a mandatory element under the comparators, all of which require consultations related to development of Indigenous Peoples Plans.

30. **Recommendation:** It is recommended to revise P7 to clarify definitional references to FPIC, relevant IP related international instruments, and reconsider whether possible elements should be mandatory.

#### **8. ESP Principle 8 – “Involuntary Resettlement”**

31. P8 states that P/Ps “shall be designed in a way that avoids or minimizes the need for involuntary resettlement” and thus, from an overarching objective standpoint, this ESP Principle is consistent with other comparators. However, among the Principles,

Involuntary Resettlement is one of the most difficult to compare. This is because resettlement standards are among the lengthiest and most complex, often running over ten pages with dozens of footnotes. Further, over the past several years, comparators have expressed the importance of not only striving to avoid adverse impacts, but also to try to improve living conditions. (See, e.g. UNDP Standard 5 Objective: To enhance and restore the livelihood of all displaced persons, and to improve the standards of living...")

32. Comparator standards also make clear certain elements that are not explicitly included in P8. For example, comparator policies make clear that they apply to “Associated Facilities; that they do not allow “forced evictions”; require consideration of impacts on host communities; detail all the measures that must be included in Resettlement Action Plans, and/or Livelihood Restoration Plans; make clear the compensation payments must be made before project implementation and, if there is a contest over payment, that escrow facilities will be utilized.

33. Comparators generally also distinguish entitlements between those with title, those with recognizable claims to title or customary claims, and those who are without title but have assets on the land. They also provide greater detail on how to determine if compensation is adequate, and how to handle legacy issues.

34. These aforementioned provisions are not evident in P8. P8 does not appear to differentiate benefits and compensation between people with titles, those with customary rights, and those who are illegally on the land. The lack of detail makes it difficult to clarify what is required by P8 when it asks that IE will “justify the involuntary resettlement is feasible”? Does this mean legally, economically, physically and/or socially feasible? Does the requisite demonstration of “livelihood replacement” cover where there is no loss of access or assets, but businesses lose profits or workers lose jobs because of changed circumstances? It is also unclear whether P8 requires that people be no worse off as a result of the settlement.

35. **Recommendation:** It is recommended to clarify that resettlement plans should strive to not only avoid adverse impact, but also improve living conditions, especially for the marginalized and vulnerable. Another recommendation is to consider adding key elements that are covered in comparator standards, such as specifying timing of compensation; tools to use when compensation is contested; how to address legacy issues where resettlement had taken place prior to the project; and more detail on when livelihood impacts are covered with resettlement policy benefits as opposed to broader social impact mitigation measures.

## 9. ESP Principle 9 – “Protection of Natural Habitats”

36. Comparators highlight the value of ecosystem services and include explicit reference to the need to assess the benefits from and risks to such services in standalone standards that include natural habitats in standards that address and combine biodiversity

and living natural resources. For example, the outdated World Bank safeguards covered “Forests” and “Natural Habitats” and have been replaced by “Biodiversity Conservation and Sustainable Management of Living Natural Resources”. The inherent overlap of forests and natural habitats led to frequent confusion in the redundant nature of the two safeguards. Indeed, today, all of the comparators address forests and habitat conservation alongside their biodiversity standards. Thus, AF P9 and P10 are outdated in understating the importance of ecosystem services and conflating natural habitat and critical habitat. In doing so, the ESP appears to provide a different approach to habitat protection than the comparators. As drafted, it appears to allow “justified conversion” of even the most critical habitat, and the definition of Conservation of Natural Habitats (CNH) is narrower than comparators. In addition, the Guidance on P9 refers to “secondary impacts”, and “affected area custodians” but they lack clarity. Further, comparators define critical, natural and modified habitat, to help reflect the differing biodiversity and ecosystem values in each. By doing so, the comparators are consistent with the principle of proportionality and risk differentiation.

37. **Recommendation:** Without diluting their requirements, it is recommended for P9 and P10 to be revisited jointly and redrafted by considering the comparators policies to ensure comprehensive coverage, including making clear the use of no-go zones where risks or impacts could adversely impact critical habitat. Redrafting should consider combining P9 and P10, similar to how the comparators have combined these two topics.

## 10. ESP Principle 10 – “Conservation of Biological Diversity”

38. P10 does not seem to correspond with P9 “Protection of Natural Habitats”, potentially causing conflicts between the two. Further, unlike the comparators, the last bullet point in the Guidance on P10 seems to confirm that there no areas of biodiversity value are off-limits from potential project impacts. This approach conflicts with other comparator biodiversity policies that have clear reference to either “no go” zones or quite similar restrictions.

39. As noted regarding P9, the lack of integration between AF P9 and 10 can also be observed in contrast with the comparators that combine biodiversity conservation and sustainable management of living natural resources in one standard. This combination enables coverage in the same standard of both invasive alien species and sustainable management of living natural resources. Without this approach, it is unclear how AF would address commercial agriculture and forestry operations as well as aquaculture, including for small-scale artisanal producers and harvesters. This point seems important for the types of project activities financed by the AF. In addition, the potential adverse impact on biodiversity from certain supply chains has been identified as an issue in comparator policies, and this issue could be captured in a revised Principle. P10 reference to the Cartagena Protocol on Biosafety should include reference to the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing.

40. **Recommendation:** Recommendation for P10 is covered under the Recommendation regarding P9.

### 11. ESP Principle 11 – “Climate Change”

41. P11 states that “P/Ps supported by the Fund shall not result in any significant or unjustified increase in greenhouse has emissions....” P11’s lack of reference to Good International Industry Practice (GIIP) could pose a challenge to determining whether an increase is either “significant” or “unjustified”. The drafting of P11 is the only Principle with a “Compliance” subsection, in which it states, “compliance with this principle may be demonstrated by a risk-based assessment”. It is unclear why only P11 has this requirement given that all topics covered by the Principles have a basis for requiring compliance through risk assessment tools. In addition, in framing “compliance” as optional, P11 differs from the use of a climate risk assessment that is now becoming a standard tool among a number of comparators. Clearly, while AF projects will not generate the volume of GHGs as other comparators, all projects require assessment of the potential risks to the climate from a project and of climate change impacts on project outcomes.

42. Guidance on P11 also raises the question whether it intends to make a distinction between the risk-based assessment in paragraph one and the qualitative risk assessment in paragraph three of ‘compliance’ section. Further, it is unclear whether any impact related to “carbon capture and sequestration capacity” would apply to projects that require use of GHG methodologies. P11 also differs from some comparators who have recently included requirement to assess risks and impacts related to natural disasters and extreme weather as part of their required approach to climate.

43. **Recommendation:** It is recommended that P11 be revised to clarify when a climate risk assessment is required, and what is meant by “significant or unjustified increase”. Further, it is also recommended P11 follow a consistent structure and rationale for the use of a “Compliance” section and consider updating to take into account relevant aspects of the Paris Agreement. It should also consider whether to include assessment of risks and impacts to AF funded projects as related to natural disasters and extreme weather as part of this Climate Change principle.

### 12. ESP Principle 12 – “Pollution Prevention and Resource Efficiency”

44. All comparators have a standard that combines these two topics in order to try to drive pollution prevention and resource efficiency in a mutually supportive approach toward the use of raw materials and energy. Unlike P12, however, they include references to, and make mandatory, the application of Good International Industry Practice (GIIP) mandatory. While there may not be the need to apply this principle in AF funded projects as often as in comparator projects, comparators use this standard routinely to help set acceptable standards for an array of types of pollution, including dust, noise, pesticides, and odors and for resource usage, such as helping set water use efficiency measures that

may well be implicated in even small scale projects. This utilization of GIIP is important, given that many countries lack the resources to set resource efficiency and pollution prevention standards.

45. P12 also sets out “possible elements” that would be considered mandatory by the comparators. Recognizing that developing countries may not always be able to afford to implement GIIP, comparators also allow for consideration of “technical and financial feasibility” as part of the environmental impact assessment process.

46. **Recommendation:** It is recommended to revise P12 to approach pollution prevention and resource efficiency in better alignment with comparators by, among other things, pointing out the kinds of pollution that may be relevant for AF projects and the use of resources, like water, and mandating plans that address these issues, taking into national and international law, GIIP, while also recognizing limits that may need to take into account technical and financial feasibility.

### 13. ESP Principle 13 – “Public Health”

47. Comparators address any adverse effects on “community health and safety”. For example, GCF (IFC) Standard 4 states, “this Performance Standard addresses the client’s responsibility to avoid or minimize the risks and impacts to community health”. However, P13 seems to be more lenient in considering these health risks by referencing the avoidance of “potentially significant negative impacts”. In addition, P13 seems to focus only on public health considerations listed by the World Health Organization, such as disease. As a result, P13 fails to explicitly take into account other potential impacts on public health and safety that other comparators explicitly address and have set standards to address, for example road safety, dam safety, emergency preparedness, use of security personnel, – aspects covered by the comparators and potentially relevant to the AF given a number of adaptation and resilience measures may include road alignments, or small dams or water retention facilities.

48. **Recommendation:** It is recommended that P13 be reframed as “Community Health and Safety” and explicitly include the range of community health and safety issues identified by comparators as potentially adverse impacts at the community level. In addition, the screening and assessment should cover potentially adverse impacts, and not only those that are “significant and negative”. The section on “Possible Elements to be Considered” should make clear that the elements covered are those that will be assessed. In other words, it should not be optional whether to consider “potentially significant negative impacts”.

### 14. ESP Principle 14 – “Physical and Cultural Heritage”

49. This Principle explicitly defines cultural and natural heritage and makes clear that the IE must address risks related to both forms of heritage. P14 does not include as

mandatory the elements captured by comparators as necessary to protect cultural heritage, such as “chance find procedures”, protection of the locational identity of sites that need to be kept “confidential”, and clarity in capturing “intangible heritage”. Similar to other Principles, P14 does not reference other potentially important conventions. For instance, UNDP refers not only to the World Heritage Convention, but others such as the Convention on Intangible Cultural Heritage.

50. **Recommendation:** It is recommended that P14 include references to important elements for the protection of cultural heritage to be sure that they are taken into account if an AF project requires an impact plan for addressing cultural heritage.

### 15. ESP Principle 15 – Lands and Soil Conservation”

51. While coverage of lands and soil conservation is clearly relevant for a range of AF funded projects, this Principle appears as an outlier among the comparators. Comparators have no direct corollary and focus on protection and maintenance of soils and land as part of “ecosystem services”. In addition, P15 requires that P/Ps “be designed and implemented in a way that...avoids degradation or conversion of productive lands or land that provides valuable ecosystem services”. This standard seems to set a more stringent bar than P10, which states that P/Ps shall “avoid any significant or unjustified reduction of loss of biological diversity...” For example, unlike most other Principles, P15 does not include “Possible Elements that may be considered”. Instead, the action verb “will” appears to make mandatory all of the steps identified in the Guidance.

52. Aside from the environmental impact land-related issues covered in P15, the comparators also address the relationship between land tenure and use. The AF Principles do not seem to explicitly cover the social risks and impacts that can result from project activities that might fail to take into account current land use and tenure ownership and patterns.

53. **Recommendation:** If P15 is retained as a standalone Principle, it is recommended to consider framing so that lands and soil conservation are part of an umbrella P1 “Compliance with the Law” or, a broader principle addressing Ecosystem Services. The closest approach might be what is covered under the Biodiversity and Natural Resources type of standard of the comparators. While the comparators do not have a standalone standard for ecosystem services, they recognize that there are four types of ecosystem services that merit being part of project screening and scoping at the environmental assessment stage. These services include the benefits from land and soil, but also from groundwater, fresh water, plants, fiber, food, etc. It is also recommended that P15 take note of the importance of addressing tenure and use patterns related to land and other natural resources.

#### IV. The use of Checklists as potential support of Project Preparation

54. While the approach to screening for E&S risks was not an explicit part of this analysis, the ESP “requires that all projects be screened for their environmental and social impacts...” However, the AF does not appear to have a tool or detailed guidance to support IEs’ in conducting E&S impacts screening.

55. A cursory review indicates AF screening may benefit from developing screening checklists like those of comparators, e.g., the [IFAD Social, Environmental and Climate Assessment Procedures \(SECAP\) standards requirement checklists](#) (2021). The current AF screening, required under **AF Operational Policies and Guidelines Annex 3**, does not require IEs to ensure what types of habitats are potentially impacted (critical, natural, or modified) or about the risk of GBV/SEAH, or the use of GIIP for pollution prevention, these issues would be captured in a more comprehensive checklist/screening tool such as the IFAD tool.

56. A more comprehensive approach could help ensure that a project is following a precautionary approach, applying the mitigation hierarchy, using adaptive management techniques. It is currently unclear whether the AF applies these principles across-the-board. It is also not clear that the AF applies its assessment process and requirements to “associated facilities”, an important classification that is defined by all comparators.

57. The other comparators also require the assessment process to apply to risks to human security through escalation of conflict, crime and violence, and to take into account the risk of reprisals against individuals and communities in relation to project activities. Currently, the checklist does not look into these issues either.

58. Further, unlike comparators, it is unclear whether AF requires stakeholder engagement plans. These plans can be required to help ensure a meaningful, effective, and informed stakeholder engagement in P/P participation. Comparators also have clear provisions to help identify reduce and address the risk of retaliation and reprisal against people who may seek information on and participation in project activities. Comparators also have information disclosure policies; clear and publicly required monitoring reporting compliance systems and disclose in their policies their independent accountability mechanisms.

59. A more comprehensive upfront system of identifying risks and impacts would also help the success of the **AF Results Framework** and **AF Results Tracker**. Interestingly, both documents articulate attention to risks and impacts in phrasing and terminology that is more current and similar to what is in the comparators than in the ESP and Guidance itself.



## V. Comments on USP Compliance

60. Similar with the AF, comparators are aware of the challenge in determining what environmental and social risks and impacts need to be assessed and managed when it comes to unidentified sub-projects. The AF has produced a helpful guidance note: “Projects/Programmes with Unidentified Sub-Projects (USPs): compliance with the ESP and GP”. However, it may benefit from clarifying provisions which do not seem consistent or conflicting. For instance, when discussing the capacity requirements related to addressing gaps with USP, it states that the “Fund’s ESP ... is not prescriptive”. (Page 3.) However, this seems inconsistent with the statement that “the IE has to be sure the project is executed in a way that meets ESP and GP requirements.” (Page 5.) It is also unclear what is meant by “the ESMS of an IE is never vetted as being equivalent to the ESP.” (Page 4.)

61. While these provisions intend that the ESMS is not a one-size-fits-all instrument, some greater clarity may be useful. For example, while it makes sense to have flexibility in the design of an ESMS, USP guidance should make clear minimum requirements must be met in terms of the mandatory elements of the ESP. An ESMS must not only deliver outcomes, it must ensure due process, such as through utilization of a well-equipped and structured project level grievance mechanism, and the capacity to address gender safety issues. To help ensure this outcome, review of the ESMS at the project level could perhaps benefit from the screening process discussed above in Section IV.

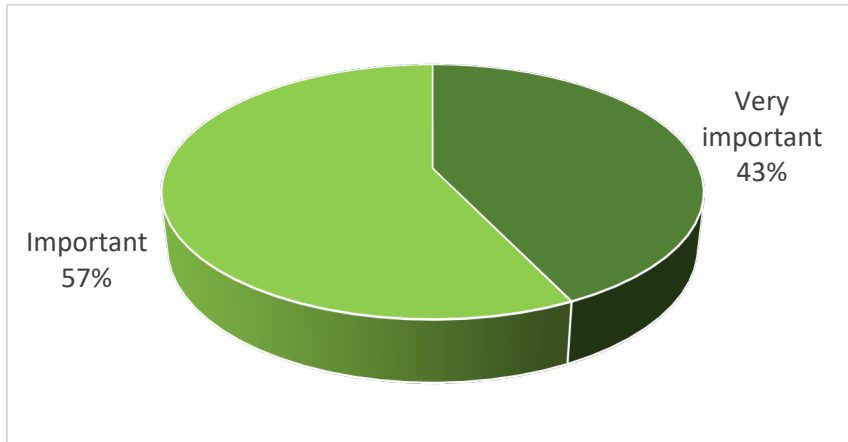
## VI. Summary

62. This desk analysis was undertaken to determine if the AF ESP Principles and Guidance are generally in line with the environmental and social policies and standards of comparator organizations. Since the AF ESP was last updated in 2016, most of the comparators and other international organizations have updated and broadened E&S coverage and related supporting documents. The AF ESP identifies most, but not all, of the high-level E&S subject areas that comparators require be addressed. However, as this analysis notes, it does not explicitly identify or define some of the key underlying risk and impact issues related to those subject areas, nor does it always clearly and consistently identify what steps to address them are mandatory. While these aforementioned gaps are important, the genesis and structure of the ESP reflects the AF’s comparatively smaller projects and staffing. Revisions to the ESP may enhance project outcomes but also result in further project preparation and implementation demands upon the AF and its IEs.

**ANNEX 2: A COMPILATION OF THE RESPECTIVE SURVEYS ON THE  
ADAPTATION FUND ENVIRONMENTAL AND SOCIAL POLICY  
TARGETING THE ADAPTATION FUND BOARD, IMPLEMENTING  
ENTITIES, DESIGNATED AUTHORITIES, AND AF CIVIL SOCIETY  
ORGANIZATION NETWORK**

**ESP Survey of the Board – 7 responses**

**Q1: In your view, how important are environmental and social safeguards for successful action on adaptation?**

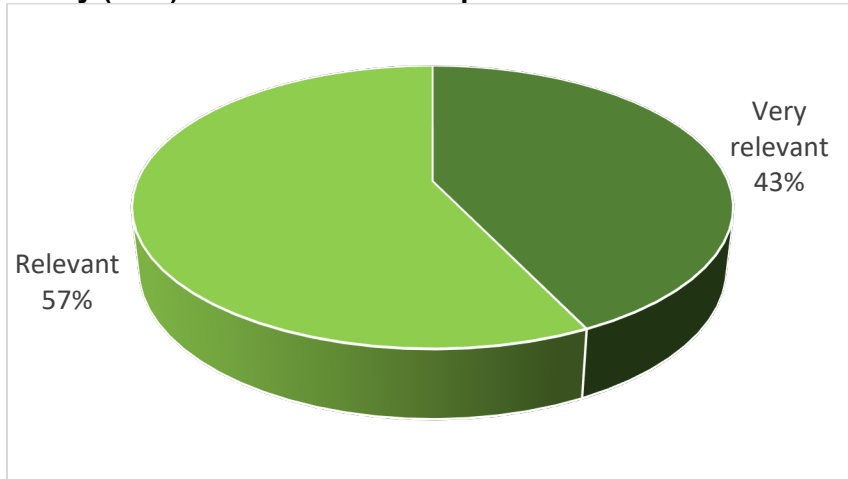


**Comments:**

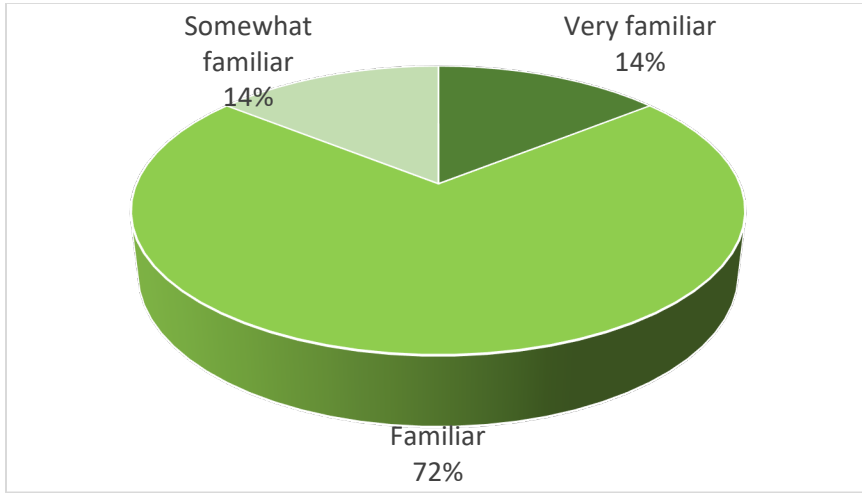
The success of adaptation is dependent on its social acceptance, communities must be engaged in the action and this can happen only by taking the social context into consideration.

Adaptation programmes and projects involve various systems and stakeholders, whose interests must be taken into account.

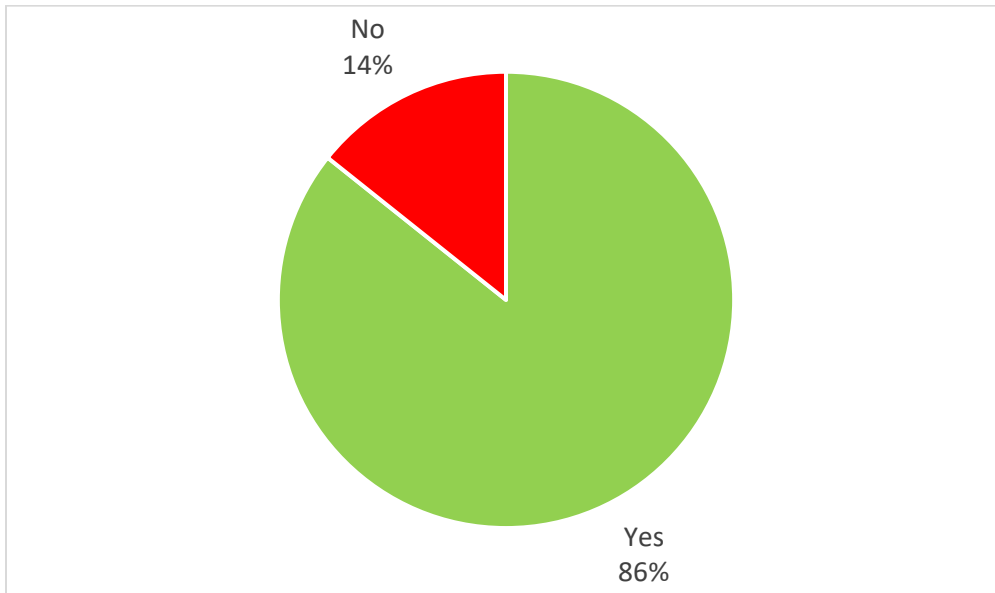
**Q2: In your view, how relevant are the Adaptation Fund's Environmental and Social Policy (ESP) and the associated procedures to fulfill its mandate?**



**Q3: How familiar are you with the Adaptation Fund’s Environmental and Social Policy (ESP) and its Guidance document for implementing entities on compliance with the AF ESP?**



**Q4: In your view, does the current AF ESP provide an adequate policy framework to ensure that projects and programmes supported by the AF do not result in unnecessary environmental and social harms and maximize environmental and social benefits?**



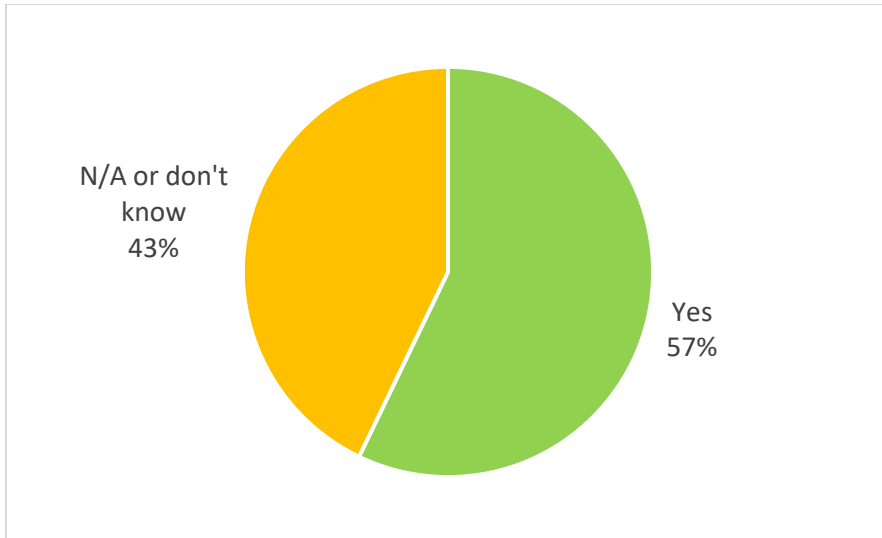
**Comments**

The current AF ESP may not be fit-for-purpose as the Adaptation Fund continues to evolve its role in order to serve the Paris Agreement. While the fund has historically focused on small-scale, locally-led, and low-risk activities, the Fund is increasingly engaged in work pertaining to innovation, while there remains the potential for the Fund to engage in larger, riskier activities, including potentially through co-financing and partnerships with other institutions or

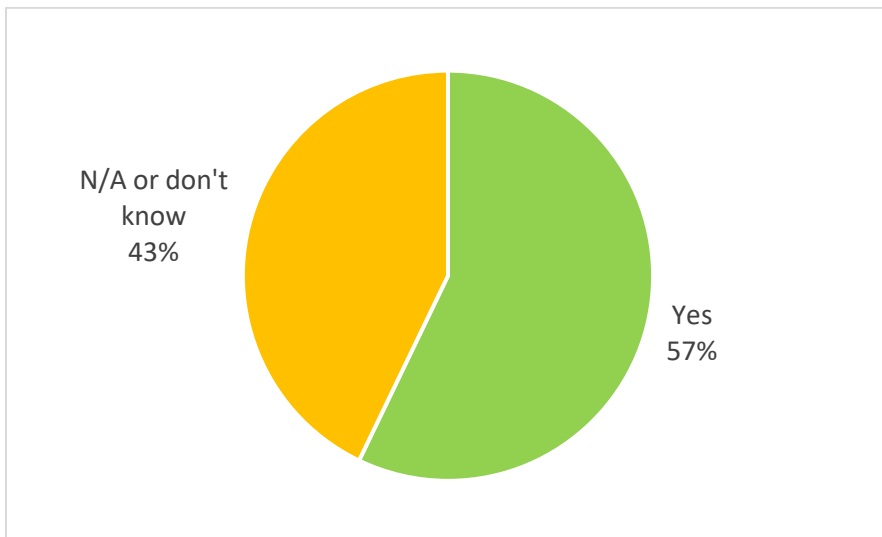
the private sector. Steps are required in order to assure that the ESP is sufficiently robust for high-risk activities.

I would like the policies to be conflict sensitive. They have to take into consideration the political context on a local, national and sometimes also regional level.

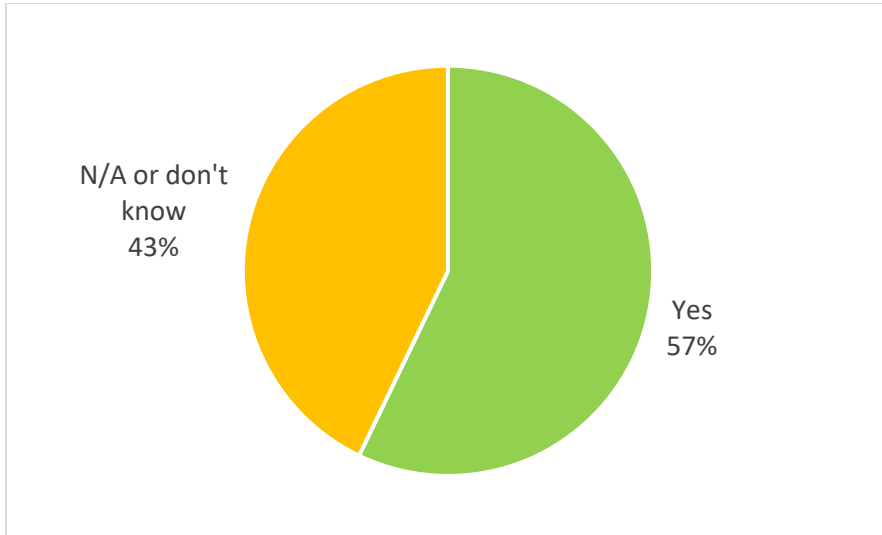
**Q5.A: Do you feel that with the Adaptation Fund Environmental and Social Policy (approved in November 2013 and revised in March 2016), there has been noticeable improvement to environmental and social safeguards in AF concept notes and project proposals?**



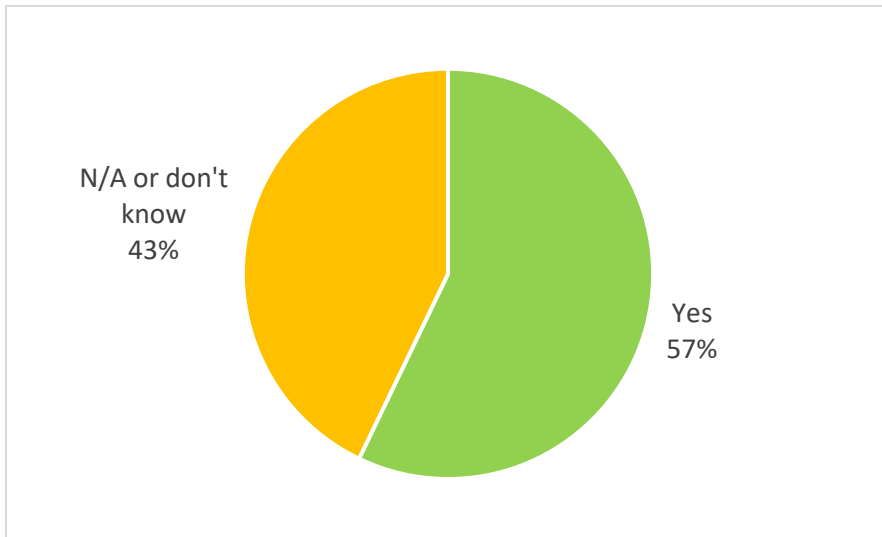
**Q5.B: Do you feel that with the Adaptation Fund Environmental and Social Policy (approved in November 2013 and revised in March 2016), there has been noticeable improvement to environmental and social safeguards in AF Accreditation and re-accreditation processes?**



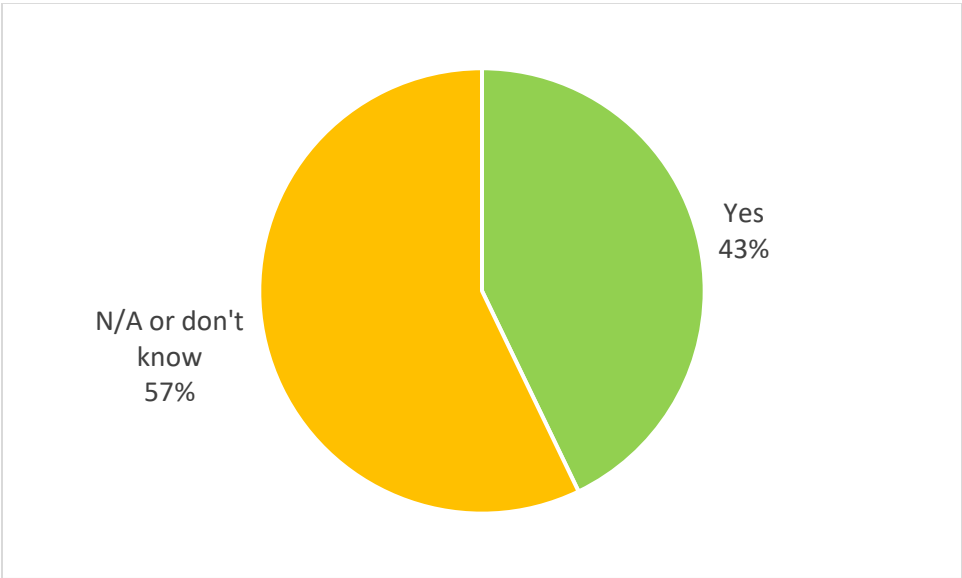
**Q5.C: Do you feel that with the Adaptation Fund Environmental and Social Policy (approved in November 2013 and revised in March 2016), there has been noticeable improvement to environmental and social safeguards in AF Readiness programme?**



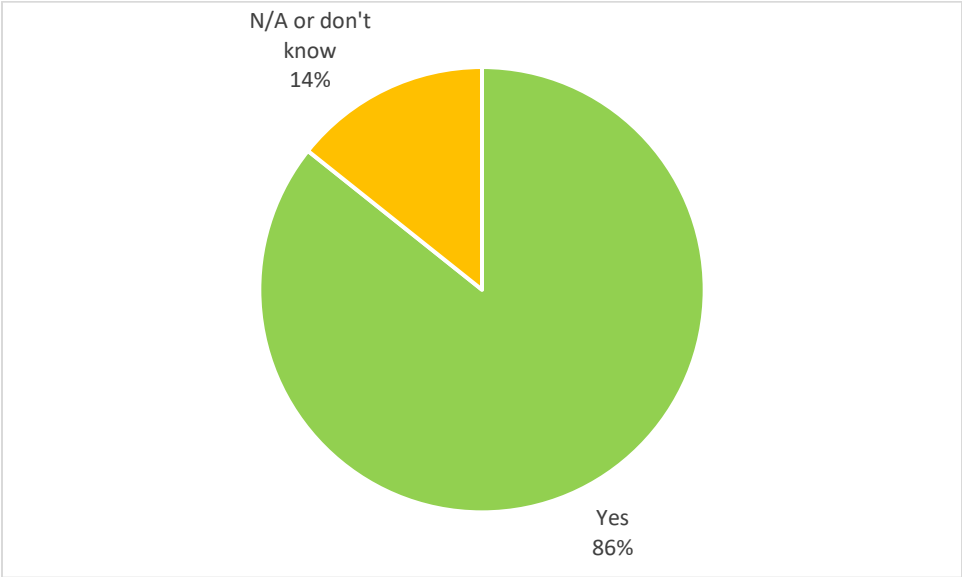
**Q5.D: Do you feel that with the Adaptation Fund Environmental and Social Policy (approved in November 2013 and revised in March 2016), there has been noticeable improvement to environmental and social safeguards in Discourses in the AF Board?**



**Q5.E: Do you feel that with the Adaptation Fund Environmental and Social Policy (approved in November 2013 and revised in March 2016), there has been noticeable improvement to environmental and social safeguards in Reporting of AF results?**



**Q5.F: Do you feel that with the Adaptation Fund Environmental and Social Policy (approved in November 2013 and revised in March 2016), there has been noticeable improvement to environmental and social safeguards in AF external outreach and public communications (via website, documents and news bulletin, events and workshops)?**



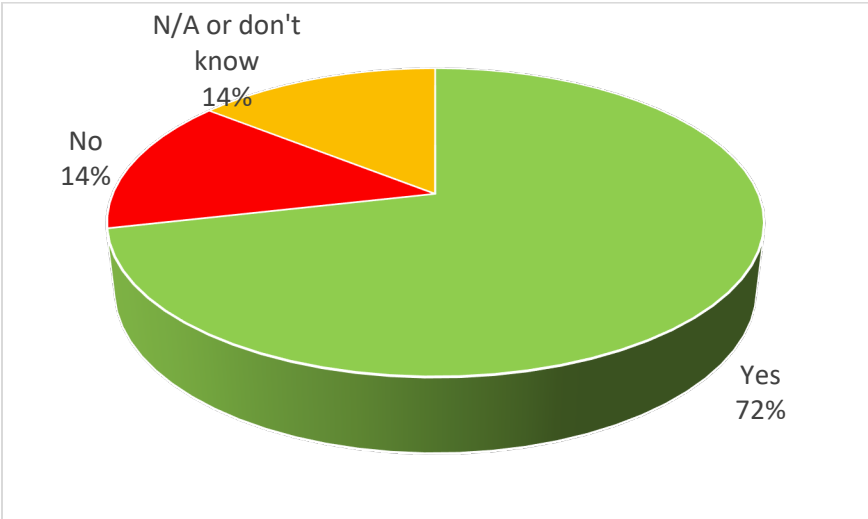
**Comments**

For the items ticked N/A the issue is that I do not think that is a lot of communication on these topics to the board, especially in terms, for instance, of presenting projects results. Selected case studies are presented, but I do not think the Board has been exposed to measures of

the overall effectiveness of the Projects. The optics is that there are a lot of disconnected project all over, but it is difficult to identify a coherent movement in some direction.

Need to monitor ESP closely in implementation of programmes and projects

**Q6: The AF ESP consists of 15 principles to manage environmental and social risks and applies to all projects and programmes supported by the AF. In your view, do the 15 principles of ESP cover the policy objective for the AF to achieve improvements in environmental and social outcomes while avoiding, mitigating and addressing any unintended adverse impacts of all the AF-financed projects and programmes?**

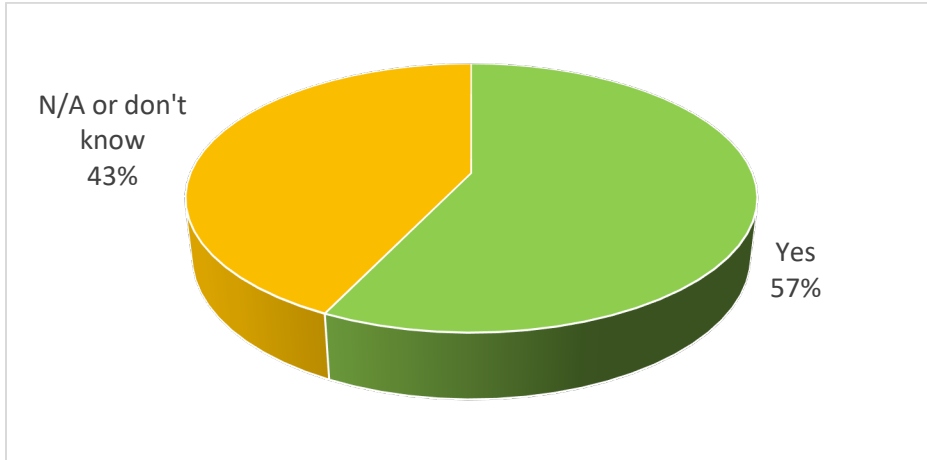


**Comments:**

The AF ESP should be enhanced in order to better align with international standards and assure that it remains fit-for-purpose as the AF's portfolio and work continues to evolve and expand.



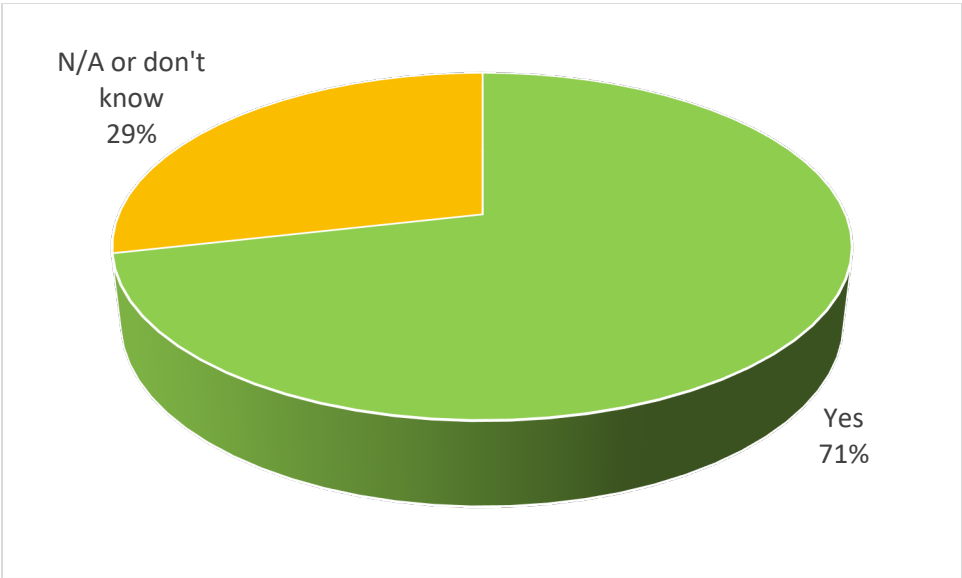
**Q7: As part of the (re) accreditation requirements related to ESP, IEs accredited to the AF need to show their “commitment and ability to comply with” the ESP, including a grievance mechanism to address complaints related to environmental and social related harms caused by a project or programme. As the Board approves accreditation and re-accreditation of entities, do you (especially if serving on the Accreditation Panel) feel that IEs “commitment and ability to comply with” the AF ESP is sufficiently and consistently considered in the review of (re)accreditation applications?**



**Comments:**

This issue has been sufficiently considered and consistently assessed. However, the AF’s approach of encouraging entities to develop and apply their own sufficient environmental and social safeguards is incongruous with rigorous “commitments” to apply the ESP, which itself is a list of principles with the respective ESPs of partners should take into account. There is a need to better reconcile the need for clarity that the principles of the ESP are indeed sufficiently addressed in an entity’s ESP with the specific requests of IEs to demonstrate this alignment or equivalence.

**Q8: 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?**

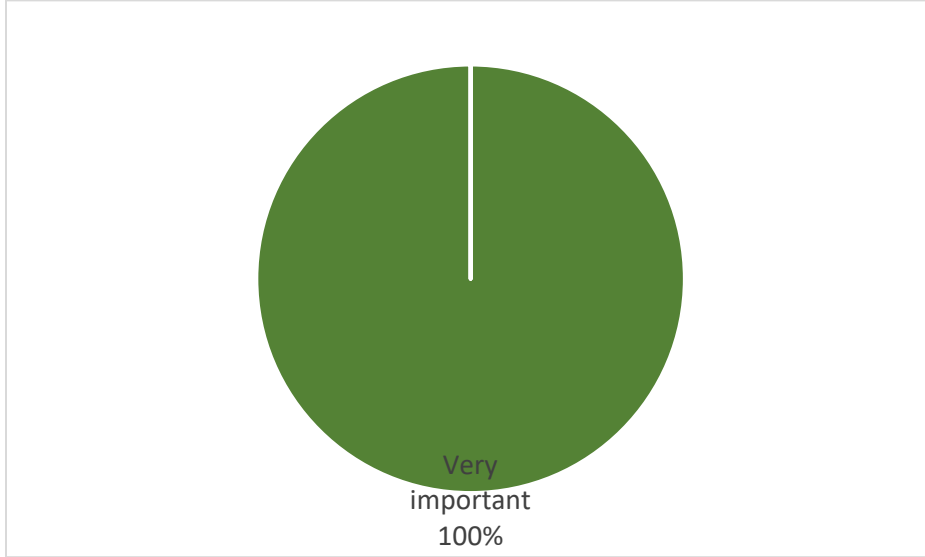


**Q9: Are there any other comments or thoughts you want to provide on the review and update of the AF Environmental and Social Policy?**

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).

ESP Survey of AF Implementing Entities – 19 responses

**Q1: In your view, how important are environmental and social safeguards for successful action on climate adaptation?**

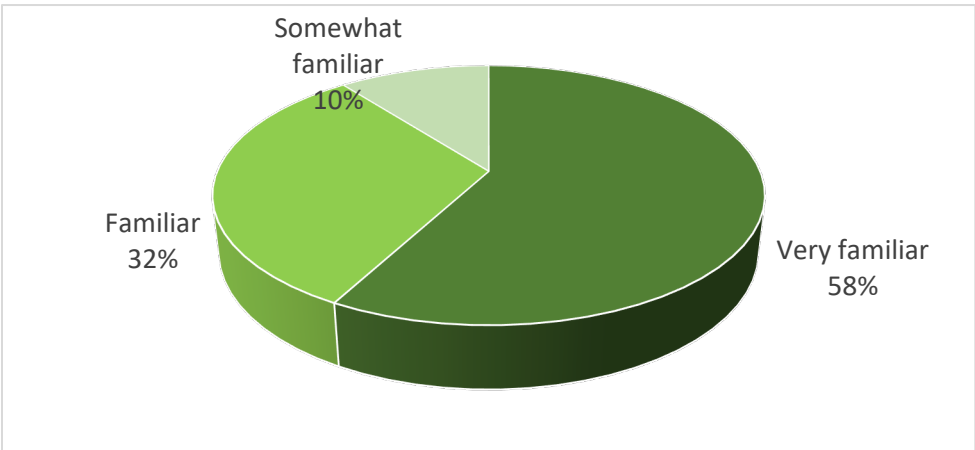


**Comments:**

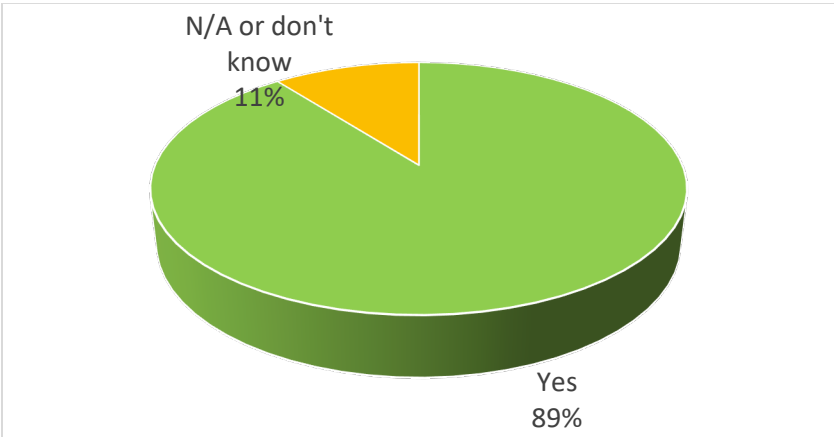
<p>Projects funded by any funding institution should not be at the cost of impacts to the environment or vulnerable groups. The environmental and social safeguards are meant to ensure that project interventions have a positive impact, reduce vulnerability to climate risk and enhance resilience.</p>
<p>Taking environmental and social issues into account in the implementation of projects makes it possible to take into account the issue of environmental preservation, respect for equity and social inclusion.</p>
<p>Environmental and Social Safeguards are very important for Projects aimed at Adaptation to Climate Change given that both constitute the platform or guarantee on which the actions that are planned to achieve the expected results, objectives and goals are designed and managed. Both referring to natural resources and the participating communities. With the Social and Environmental Safeguards they constitute the Base of the Social and Environmental Management System of the Project, which includes both the Complaints and Claims System and the social and community participation mechanisms.</p>
<p>Environmental and social safeguards will help in ensuring sustainability of climate action and help in meeting SDG</p>
<p>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.</p>
<p>As an instrument for assessing the impact and risk of a program/project at an early stage so that the program/project can determine the appropriate method/tool for screening, assessment and supervision; assisting in determining more appropriate and effective forms of program/project interventions, especially with regard to the 15 AF ESP safeguards and principles.</p>

<p>Building resilience should never be at the expense of any impacts to communities or their surrounding environment. In this regard, no regret interventions, such as Ecosystem-based Adaptation interventions are particularly important in building resilience. Whilst SANBI interventions would never be planned to result in negative impacts, E&amp;S safeguards provide a good opportunity to build capacity at the community level, and a mechanism to report on such activities.</p>
<p>They help identify and ensure that positive social impacts are maximized while negative ones are minimized or avoided during project implementation.</p>
<p>The AF Policy of implementation of the Environmental and Social Safeguards is really useful, which has helped CAF as IE to implement internal process.</p>
<p>Environmental and social safeguards are essential for success action on climate adaptation. Climate change is already having a significant impact on the environment and on people's lives, and these impacts are only going to get worse in the future. If we're to adapt to climate change in a way that is sustainable and equitable, we need to ensure that our adaptation efforts do not further harm the environment or exacerbate existing social inequalities.</p>
<p>Adaptation programming can have significant social impacts, as well as wider environmental impacts and UNDP's Social and Environmental Standards set the requirements for this.</p>
<p>Environmental and Social Safeguards are key to ensure that any initiative undertaken to tackle climate change does not inadvertently harm people or the environment and help manage unintended environmental and social impact of a project. This contributes to the success of climate action by improving local support to the initiative, improving long term sustainability.</p>
<p>Environmental and social safeguards mainly look at the impact of projects on climate change through increase in greenhouse gas emissions or other drivers of climate change. However, safeguards can be important in assessing climate change and disaster risks and impacts on the project and identifying adequate adaptation measures in order to strengthen the resilience of communities to address these risks.</p>

**Q2: How familiar are you with the Adaptation Fund's ESP and its Guidance document for implementing entities on compliance with the AF Environmental and Social Policy?**



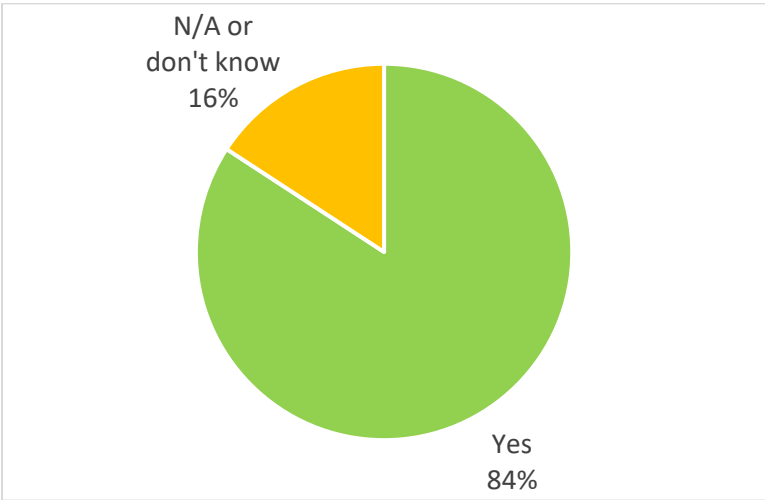
**Q3: In your view, does the current AF ESP provide an adequate policy framework to ensure that projects and programmes supported by the AF do not result in unwanted environmental and social harms?**



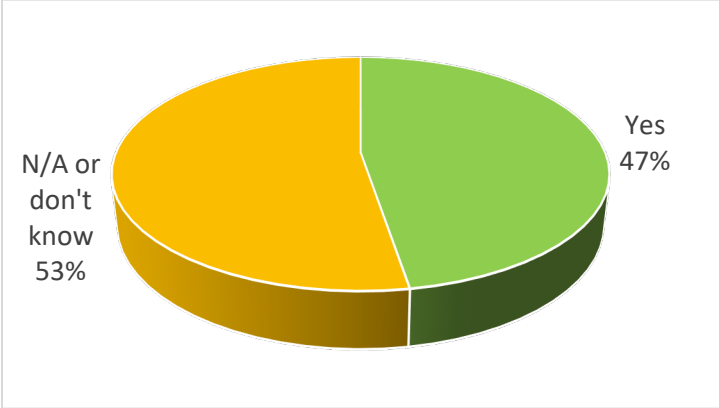
**Comments:**

UNDP has a set of corporate Social and Environmental Standards (SES) that require all UNDP projects to consider potential environmental and social opportunities a project may generate and ensure adverse social and environmental risks and impacts are avoided, minimized, mitigated and managed.

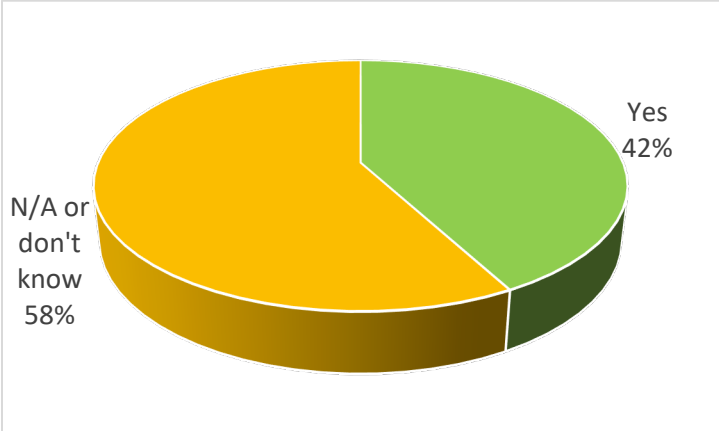
**Q4.A: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF concept notes and project proposals?**



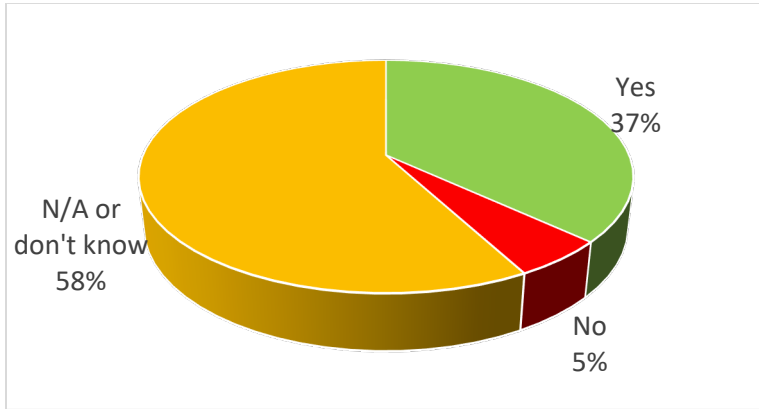
**Q4.B: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Accreditation and re-accreditation processes?**



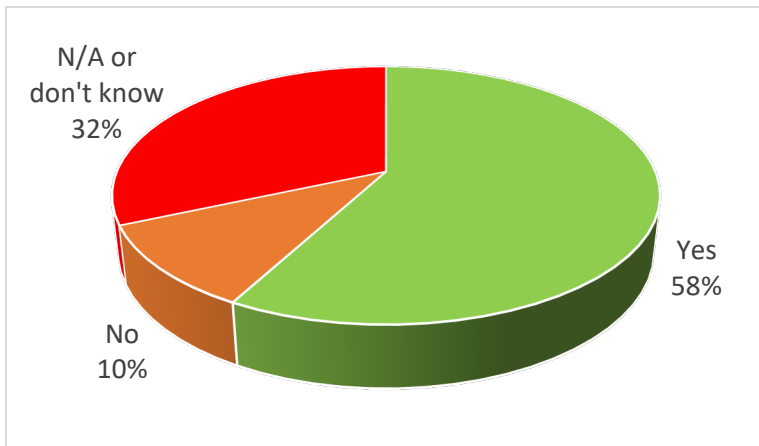
**Q4.C: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Readiness programme?**



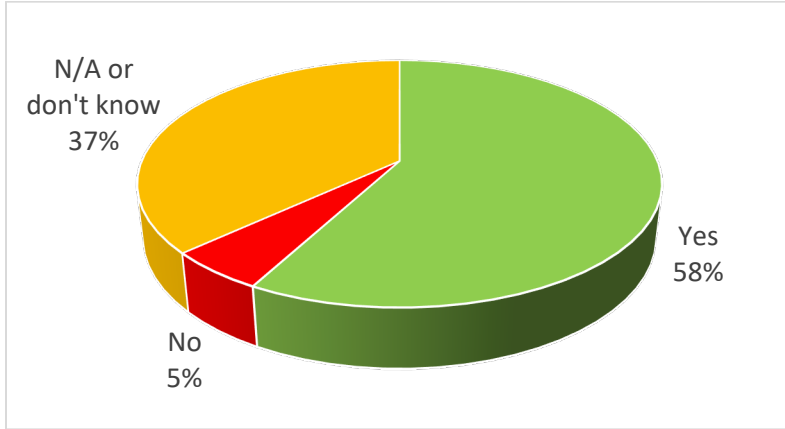
**Q4.D: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in Discourses in the AF Board?**



**Q4.E: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in Reporting of AF results?**



**Q4.F: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF external outreach and public communications (via website, documents and news bulletin, events and workshops)?**

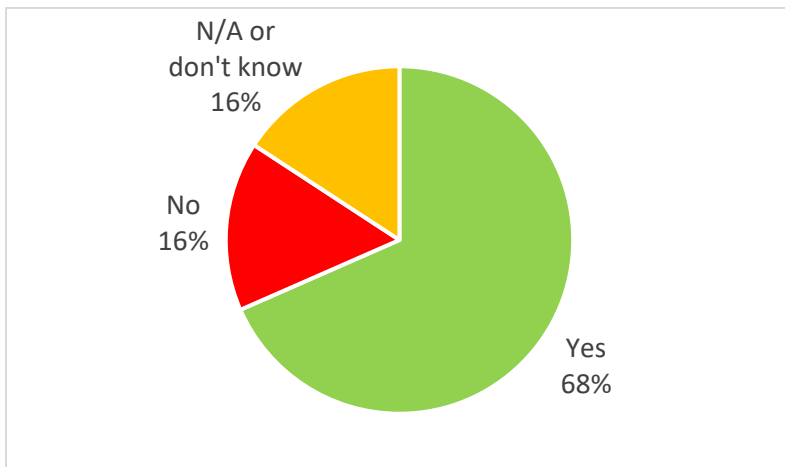


**Comments:**

Environmental and Social Policies have also served to obtain project results. In addition, they have served to design national and international events in which agenda topics are addressed in a coherent manner, respecting the points of view of the diversity of participants, thereby achieving the expectations of those involved in them and responds to the interests of different sectors.

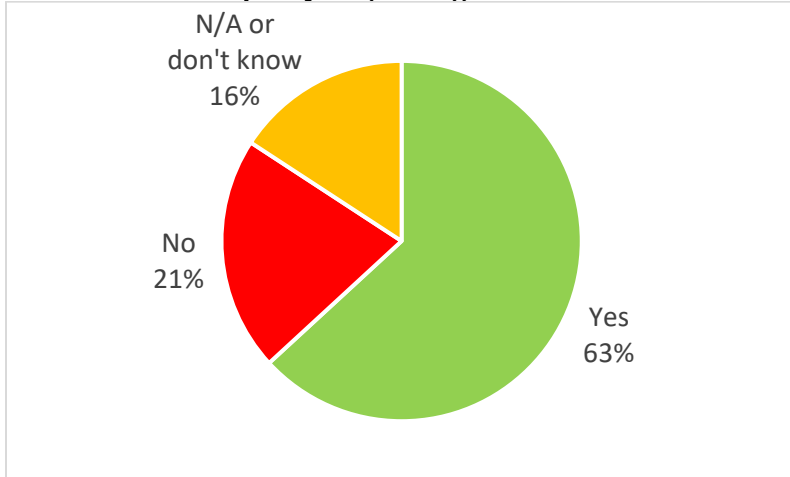
AF needs to periodically conduct training/resource development for AF partners (IE), particularly regarding ESP

**Q5.A: 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?**





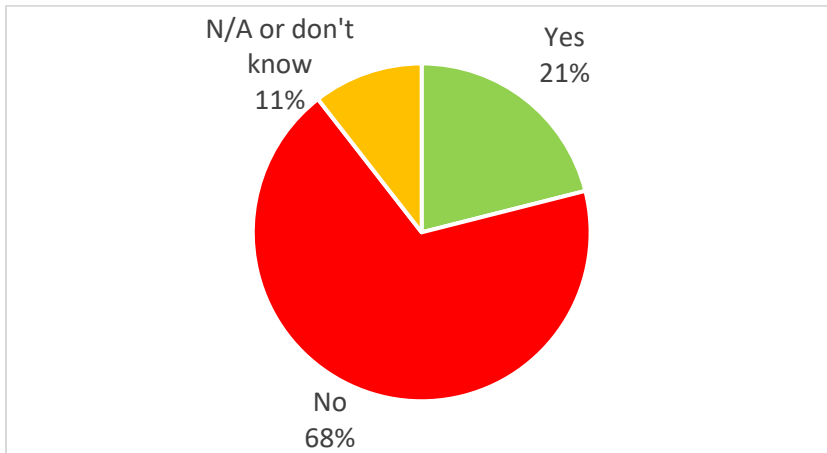
**Q5.B: Do you feel that you have access to sufficient/adequate guidance on how to comply with the AF ESP in project design, implementation, monitoring and reporting/evaluation through the AF templates, operational or specialized guidance documents (e.g., Project Performance Report template, the updated guidance on unidentified sub-projects (USPs))?**



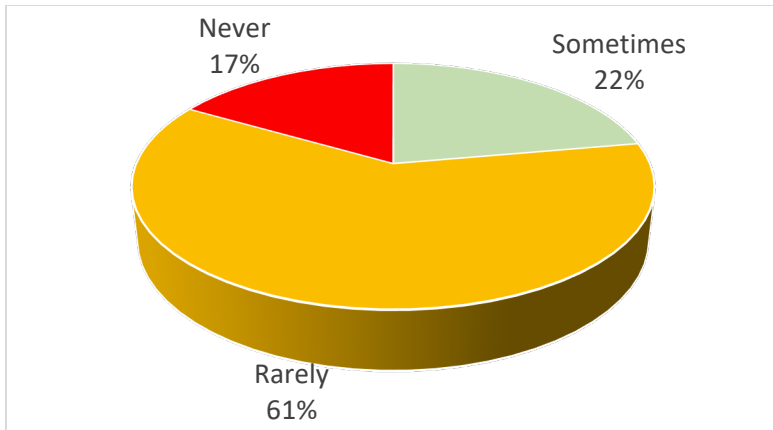
**Comments:**

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.

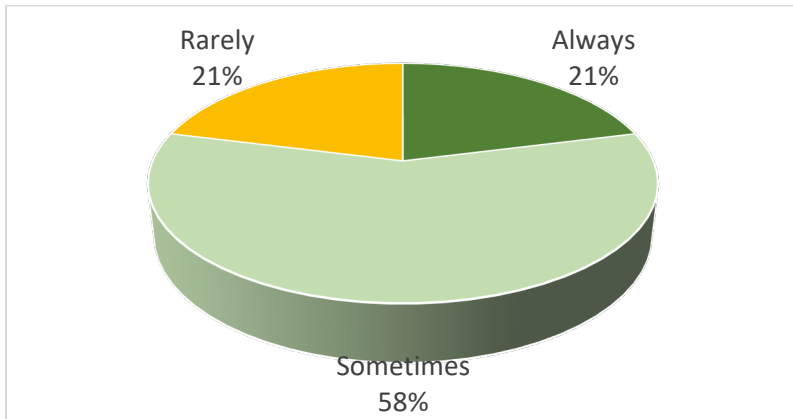
**Q6: As part of the (re) accreditation requirements related to ESP, entities need to show “commitment and ability to comply with” the ESP, including its environmental and social management system (ESMS) and grievance mechanism. Do you consider that requirement challenging to fulfill?**



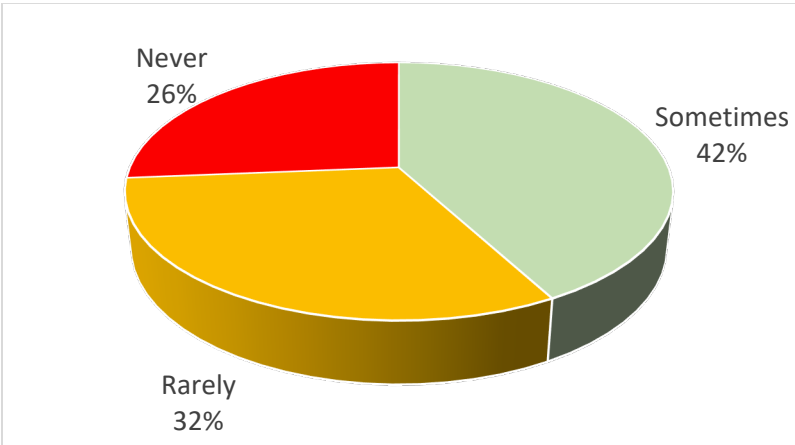
**Q7.A: When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to identify environmental and social risks according to the 15 principles of the AF ESP?**



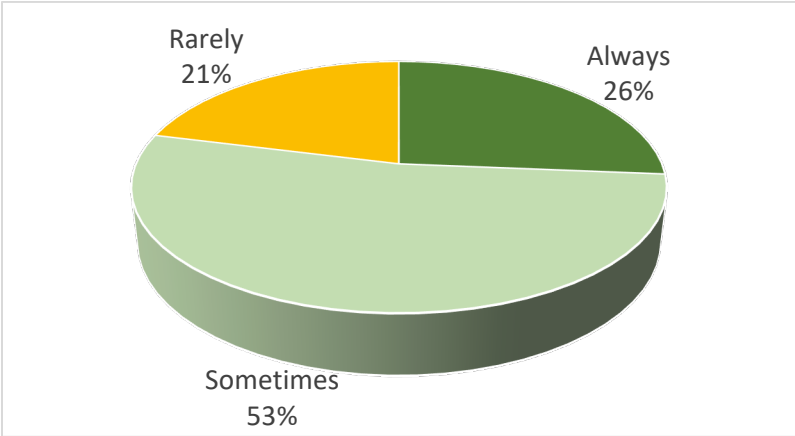
**Q7.B: When preparing concept notes and full project/programme proposals in compliance with ESP, do you rely on external expertise (including from dedicated offices within your organization) for risks identification and the identification of any management arrangements?**



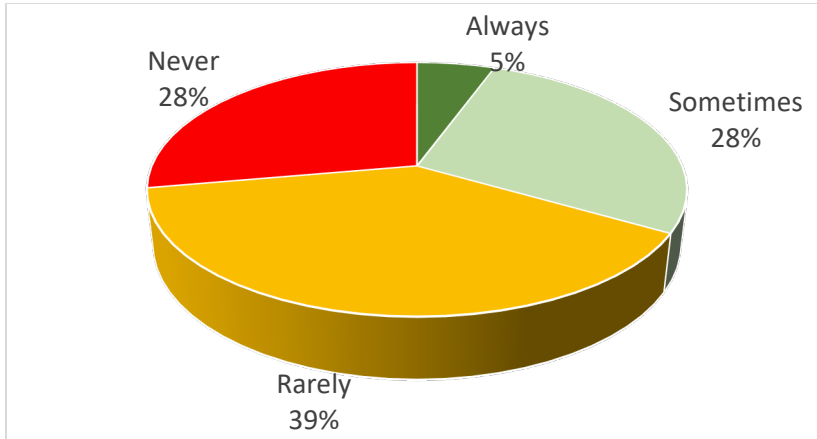
**Q7.C: When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to design an Environmental and Social Management plan (ESMP)?**



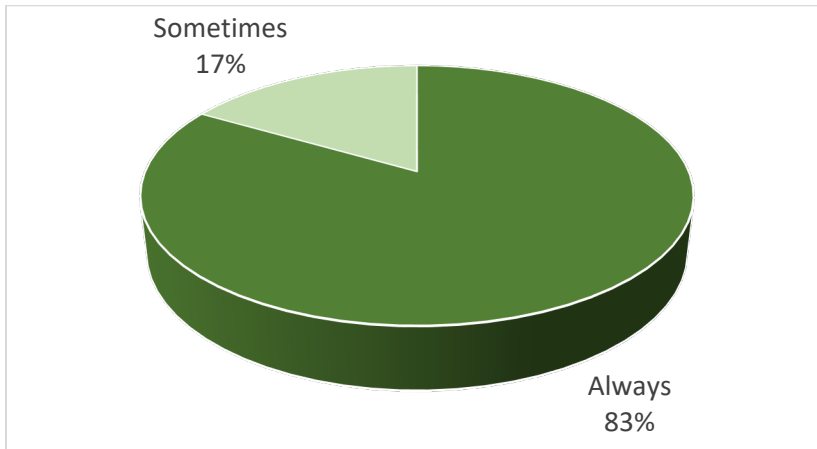
**Q7.D: When preparing concept notes and full project/programme proposals in compliance with ESP, do you have enough resources and time for adequate stakeholder consultations?**



**Q7.E: 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?**



**Q7.F: 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 unidentified sub-projects (USPs)?**



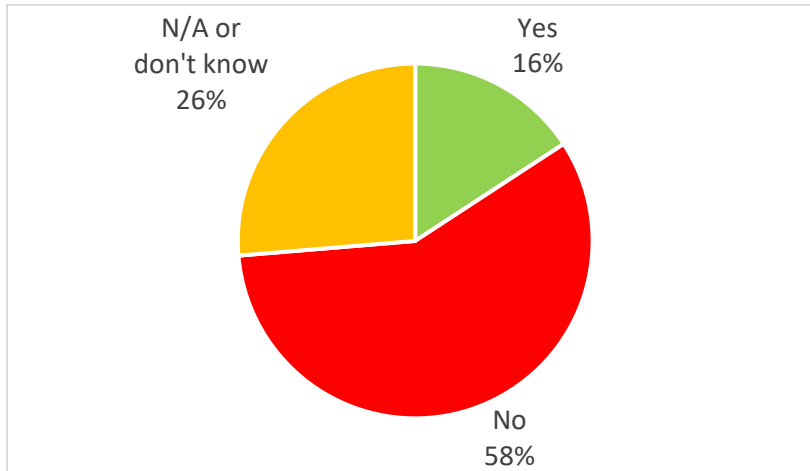
**Comments:**

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.).

While WFP is aware of the need to avoid USP when possible, 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.

**Q8: In your view, are there environmental or social risks that are not addressed and should be added to the 15 principles of the AF ESP?**



**Comments:**

Climate risk management with a gender perspective and adaptation to climate change.

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;

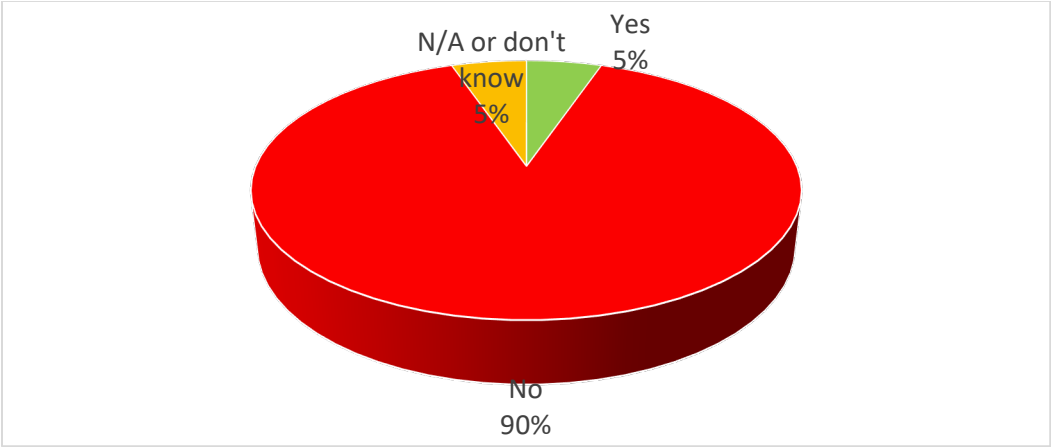
the risk of gender inequality: gender inequality can also have a significant impact on people's lives. The AF ESP doesn't explicitly address the risk of gender inequality, but it does mention the need to ensure that project benefit all people, regardless of their gender;

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.

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.

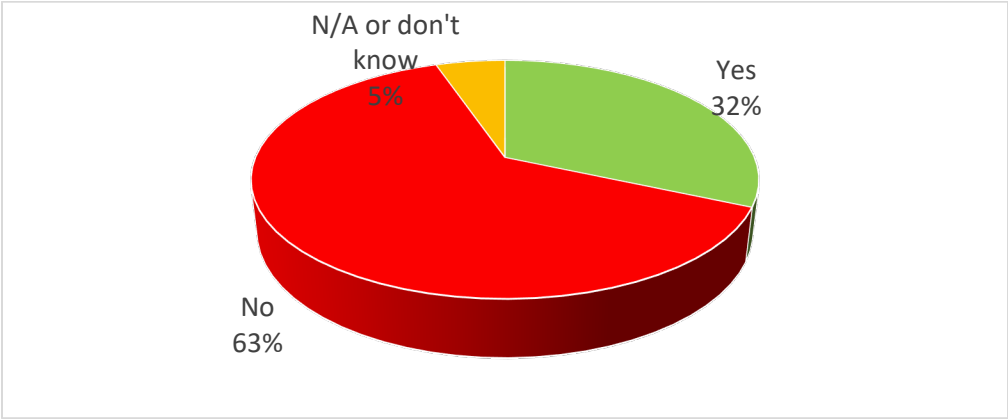
**Q9: Have any of your concept notes or project/programme proposals ever been not endorsed by the Designated Authority due to insufficient or lacking compliance with AF ESP?**



**Comments:**

The endorsement of projects by the NDA doesn't seem to take into consideration compliance with the AF ESP, it is mostly based on government priorities and the relevant ministry.  
With support of a development partner, we hire a consultant to work to address the concerns of the DA.

**Q10: Have any of your concept notes or project/programme proposals ever been not endorsed or approved by the AF Board due to insufficient or lacking compliance with AF ESP?**



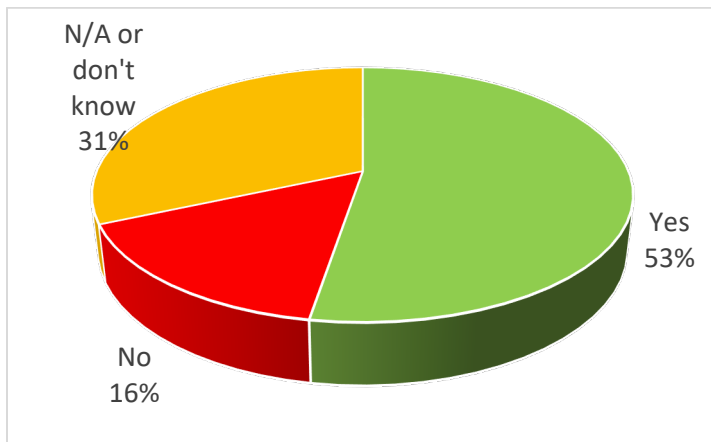
**Comments:**

When revising the proposal based on the AF Board review/decision, we took the necessary steps to better articulate how the project will ensure that the AF ESP are considered and supported. The addition of qualitative and quantitative data was used in the project proposal and clear mitigation measures were identified when risks and barriers exist. Personalized support from the AFB Secretariat would be beneficial for NIEs to better populate this part of the project proposals, as the country context may not be adequately contextualized in the proposal.

We have a precedent of submitting Concept Notes under the two-step modality, where the final technical review required the assessment of the 15 principles of AF ESP. As part of the evaluation process, a detailed point-by-point analysis was conducted to accurately identify potential risks and ensure their proper application to the proposed project.

Identifying and reviewing (both independently and involving multi-stakeholders) the 15 ESP principles that are likely to be affected as material for improving the methods/strategies in the proposal, including: screening, assessment and supervision.

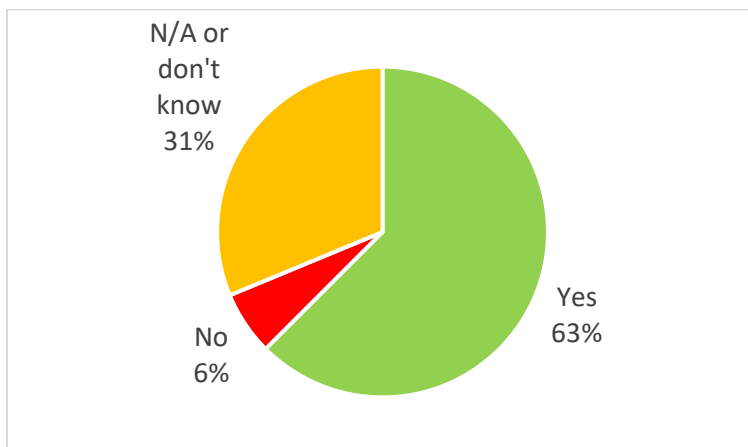
**Q11: Have you made use of or are you planning to use Project Formulation Grants (PFG) to help with complying with the AF ESP in project formulation?**



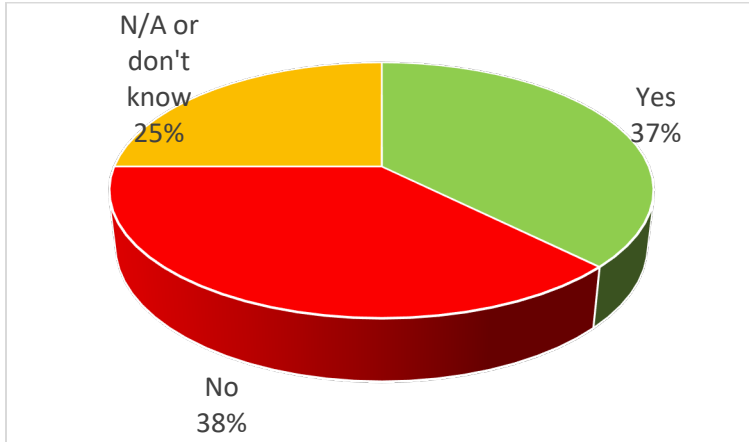
**Q12.A: Have you made use of or are you planning to use Technical Assistance Grants (TA-ESGP or TA-GP) to help with management of ESP and GP risks through external capacity building support?**

**Only applicable to NIE.**

**Q12.B: 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?**



**Q12.C: Are those financial resources provided sufficient?**



**Comments:**

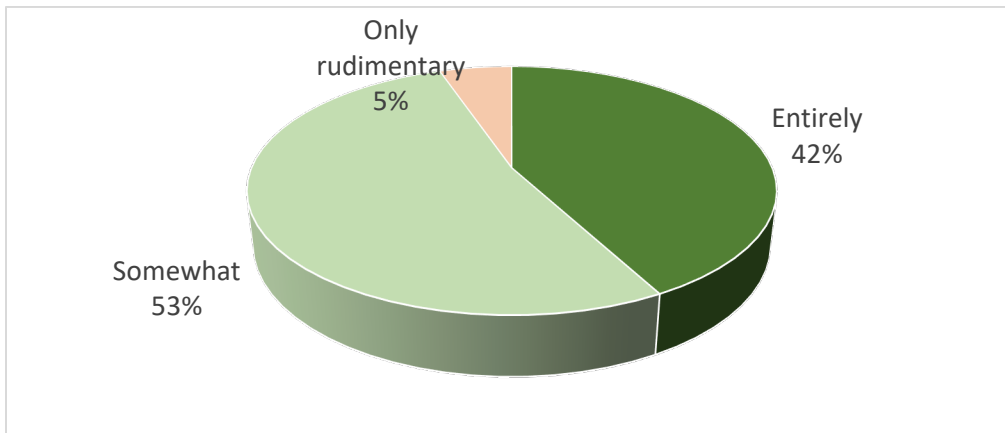
Direct capacity development support from the AFB Secretariat would be useful as they are the one that review the proposal submitted. They would also be in the best position to share with the NIE what exactly is looked for when reviewing proposals and use some specific examples.

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 Technical Assistance.

**Q13: 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?**





**Comments:**

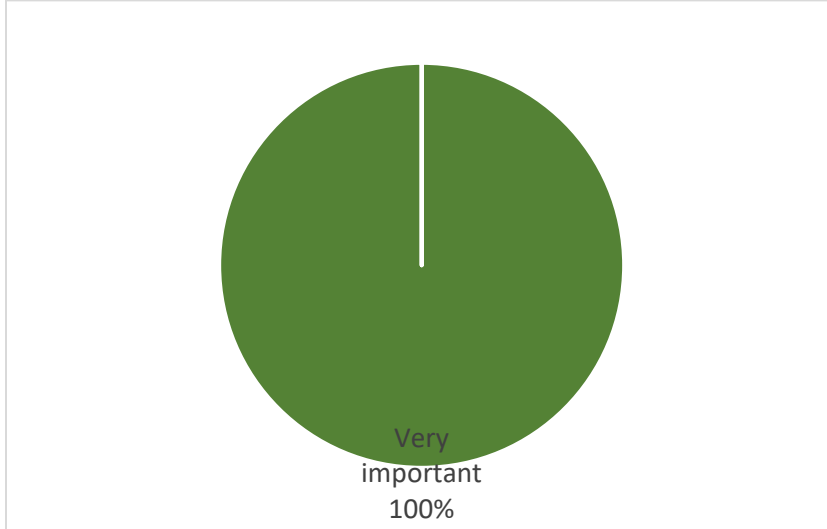
As we have very limited staff on the Environment service and as it new concept and policies for the other directions in ADA, unfortunately we don't have enough resources and capacity building support

**Q14: Are there any other comments or thoughts you want to provide on the review and update of the AF Environmental and Social Policy?**

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.
<p>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.</p> <p>The ESP should include more specific provisions for monitoring and compliance.</p> <p>The ESP should be more participatory and inclusive.</p> <p>The ESP should be more transparent and easy to understand.</p>
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.

**ESP Survey of AF NIEs – 12 responses**

**Q1: In your view, how important are environmental and social safeguards for successful action on climate adaptation?**



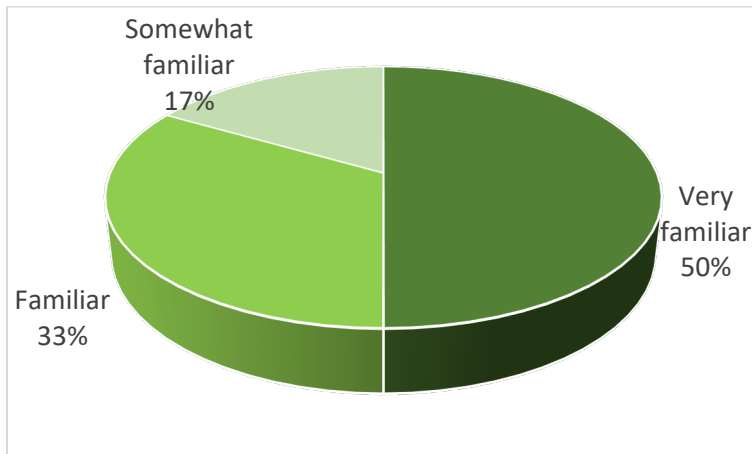
**Comments:**

<p>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.</p>
<p>Taking environmental and social issues into account in the implementation of projects makes it possible to take into account the issue of environmental preservation, respect for equity and social inclusion.</p>
<p>Environmental and Social Safeguards are very important for Projects aimed at Adaptation to Climate Change since both constitute the platform or guarantee on which the actions that are planned to achieve the expected results, objectives and goals are designed and managed. both referring to natural resources and the participating communities. Together with the Social and Environmental Safeguards, they constitute the Basis of the Project's Social and Environmental Management System, which includes both the Complaints and Claims System and the social and community participation mechanisms.</p>
<p>Environmental and social safeguards will help in ensuring sustainability of climate action and help in meeting SDG.</p>
<p>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.</p>
<p>As an instrument for assessing the impact and risk of a program/project at an early stage so that the program/project can determine the appropriate method/tool for screening, assessment and supervision; assisting in determining more appropriate and effective forms of program/project interventions, especially with regard to the 15 AF ESP safeguards and principles.</p>

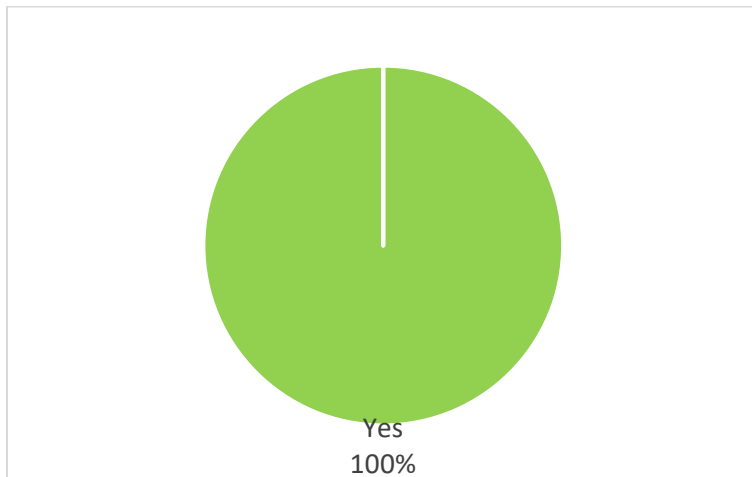
Building resilience should never be at the expense of any impacts to communities or their surrounding environment. In this regard, no regret interventions, such as Ecosystem-based Adaptation interventions are particularly important in building resilience. Whilst SANBI interventions would never be planned to result in negative impacts, E&S safeguards provide a good opportunity to build capacity at the community level, and a mechanism to report on such activities.

They help identify and ensure that positive social impacts are maximized while negative ones are minimized or avoided during project implementation.

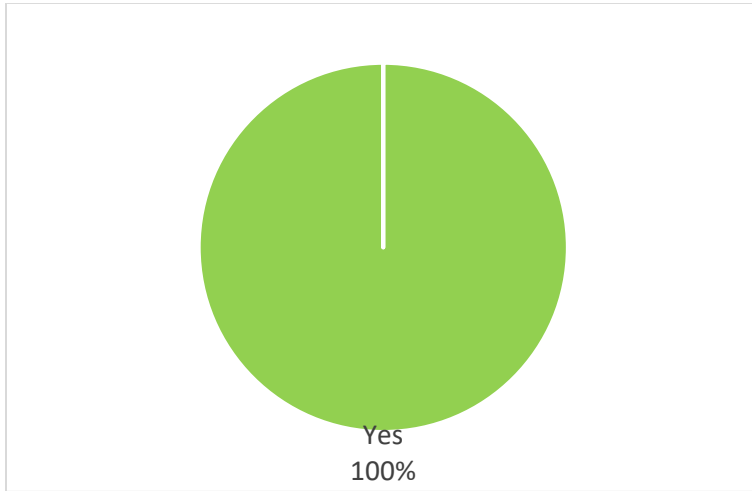
**Q2: How familiar are you with the Adaptation Fund's ESP and its Guidance document for implementing entities on compliance with the AF Environmental and Social Policy?**



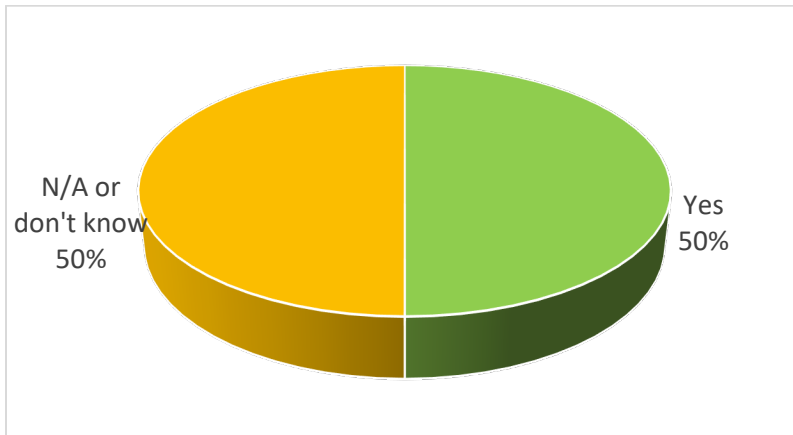
**Q3: In your view, does the current AF ESP provide an adequate policy framework to ensure that projects and programmes supported by the AF do not result in unwanted environmental and social harms?**



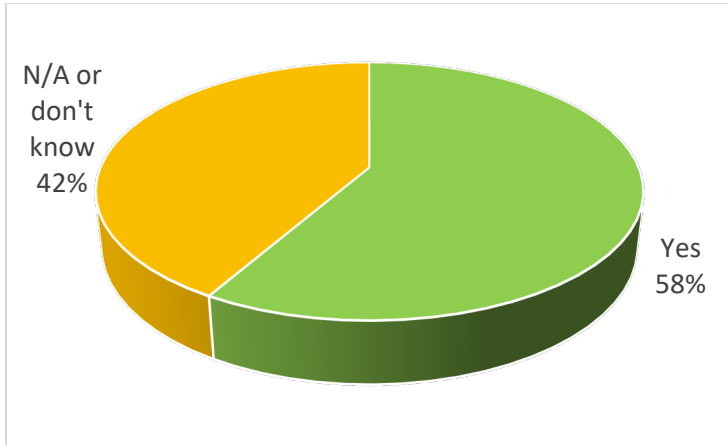
**Q4.A: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF concept notes and project proposals?**



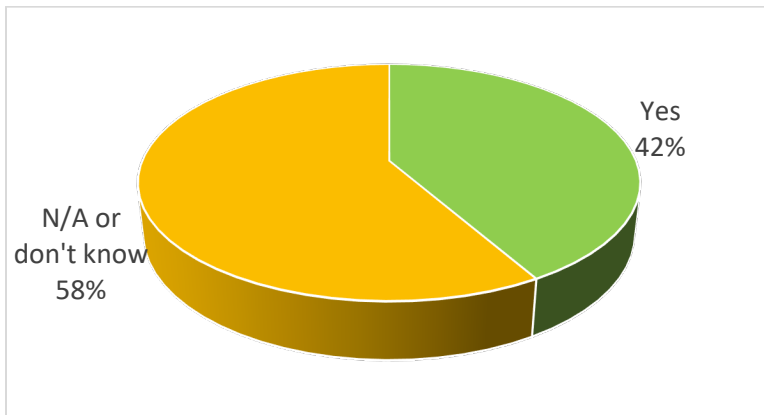
**Q4.B: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Accreditation and re-accreditation processes?**



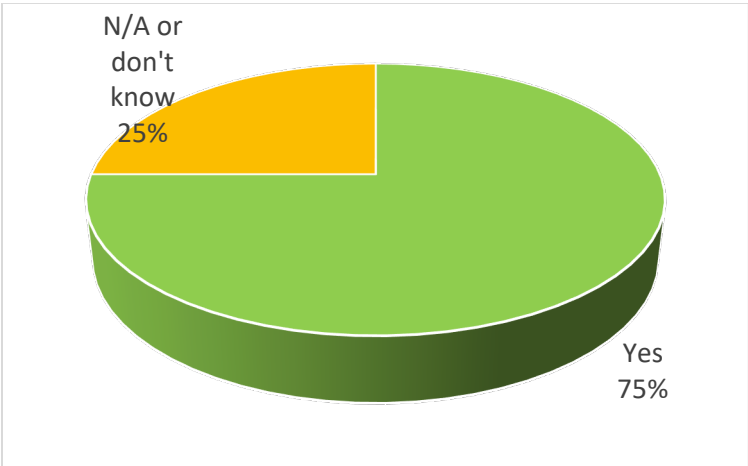
**Q4.C: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Readiness programme?**



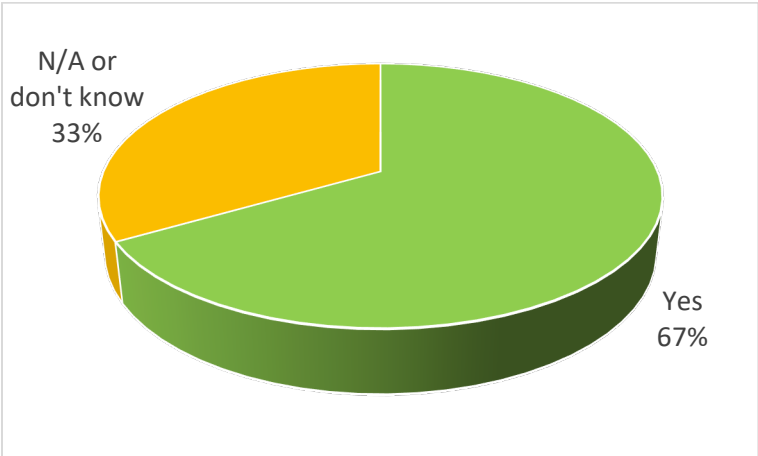
**Q4.D: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in Discourses in the AF Board?**



**Q4.E: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in Reporting of AF results?**



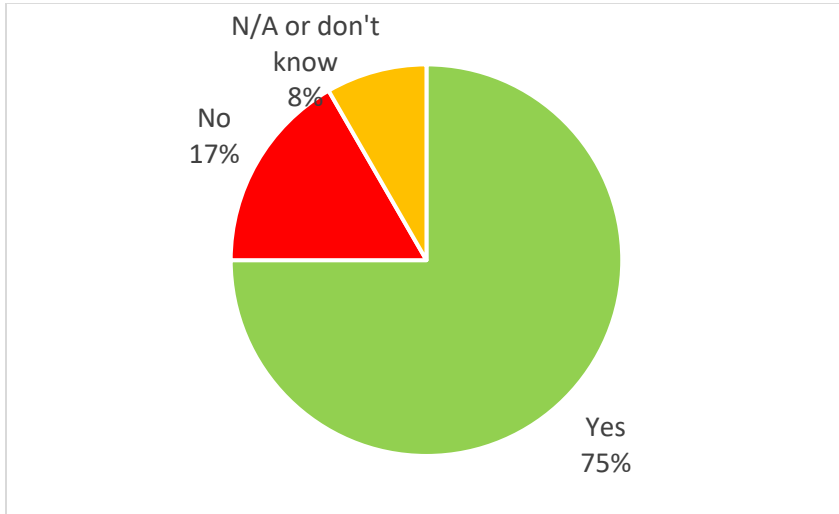
**Q4.F: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF external outreach and public communications (via website, documents and news bulletin, events and workshops)?**



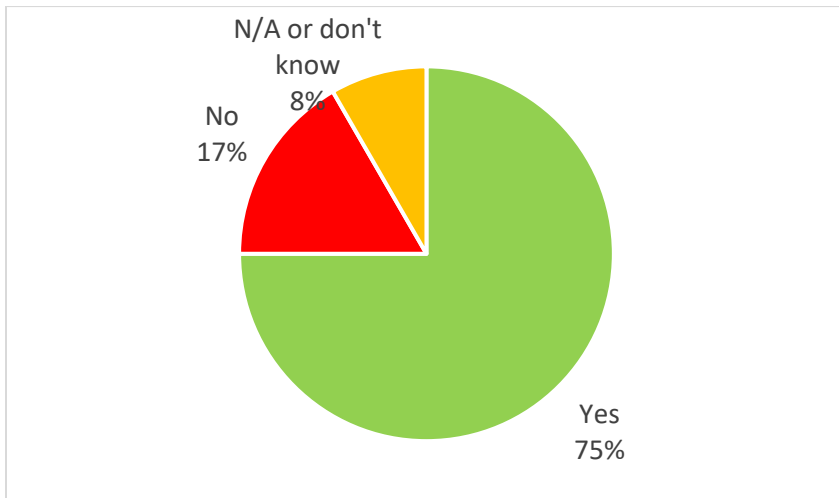
**Comments:**

<p>The Environmental and Social Policies have also served to obtain project results. In addition, they have served to design national and international events in which the agenda items are addressed in a coherent manner, respecting the points of view of the diversity of participants, thereby achieving the expectations of those who are involved in them and responds to the interests of different sectors.</p>
<p>AF needs to periodically conduct training/resource development for AF partners (IE), particularly regarding ESP.</p>

**Q5.A: 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?**



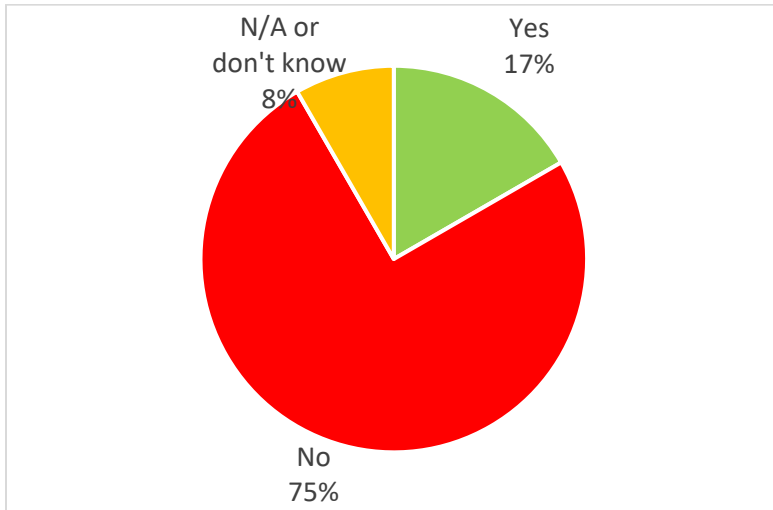
**Q5.B: Do you feel that you have access to sufficient/adequate guidance on how to comply with the AF ESP in project design, implementation, monitoring and reporting/evaluation through the AF templates, operational or specialized guidance documents (e.g., Project Performance Report template, the updated guidance on unidentified sub-projects (USPs))?**



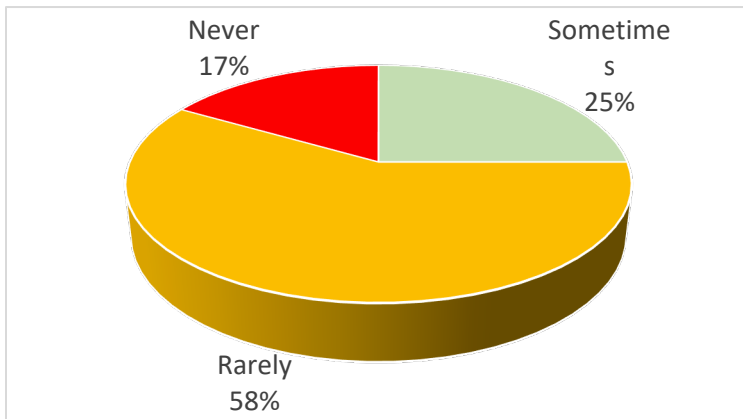
**Comments:**

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.

**Q6: As part of the (re) accreditation requirements related to ESP, entities need to show “commitment and ability to comply with” the ESP, including its environmental and social management system (ESMS) and grievance mechanism. Do you consider that requirement challenging to fulfill?**

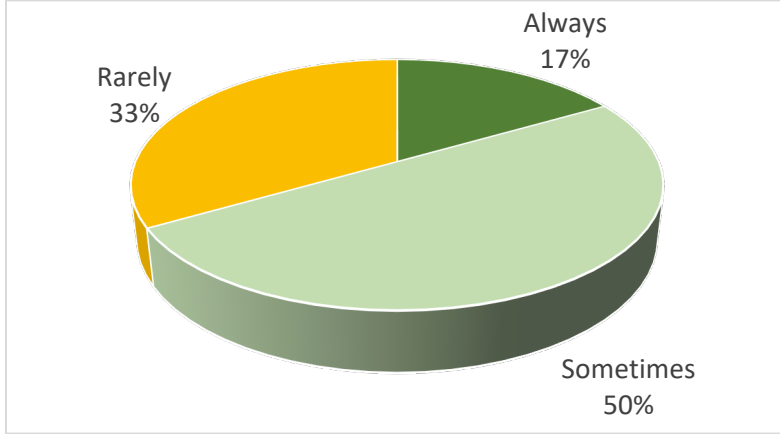


**Q7.A: When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to identify environmental and social risks according to the 15 principles of the AF ESP?**

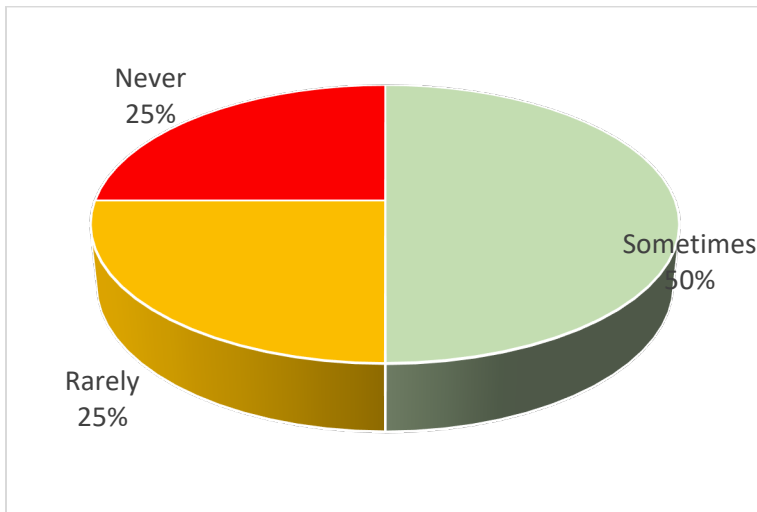




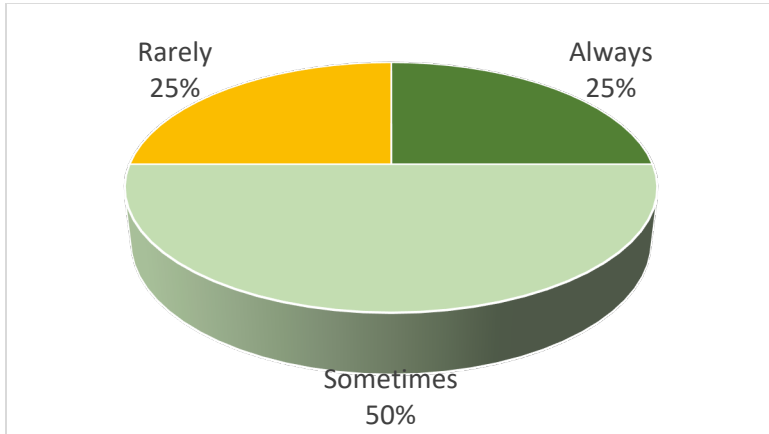
**Q7.B: When preparing concept notes and full project/programme proposals in compliance with ESP, do you rely on external expertise (including from dedicated offices within your organization) for risks identification and the identification of any management arrangements?**



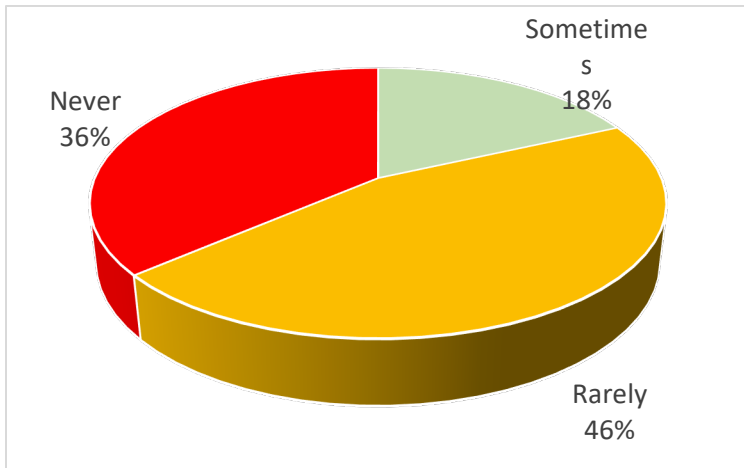
**Q7.C: When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to design an Environmental and Social Management plan (ESMP)?**



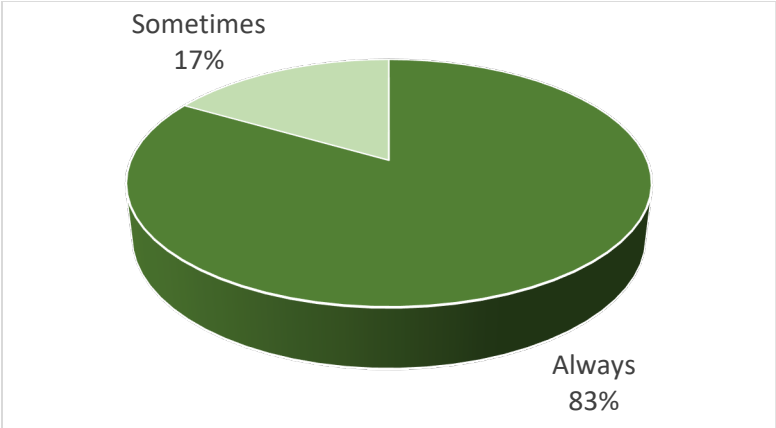
**Q7.D: When preparing concept notes and full project/programme proposals in compliance with ESP, do you have enough resources and time for adequate stakeholder consultations?**



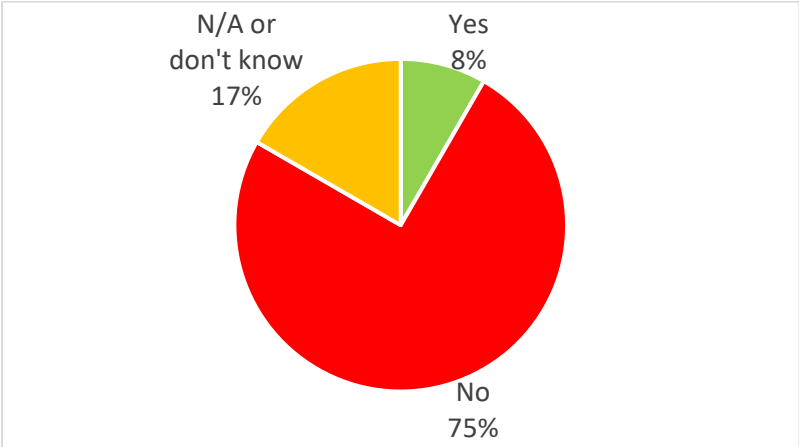
**Q7.E: When preparing concept notes and full project/programme proposals in compliance with ESP, do you find it difficult to define an accessible and effective grievance mechanism for the projects or programme?**



**Q7.F: 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 unidentified sub-projects (USPs)?**



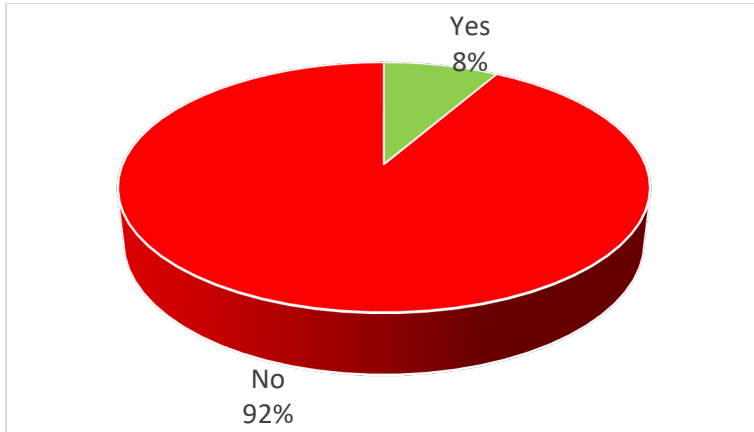
**Q8: In your view, are there environmental or social risks that are not addressed and should be added to the 15 principles of the AF ESP?**



**Comments:**

Climate risk management with a gender approach and adaptation to climate change.

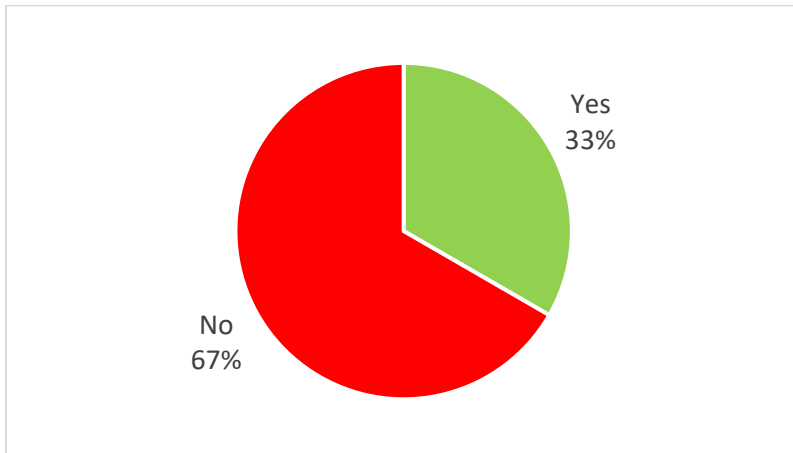
**Q9: Have any of your concept notes or project/programme proposals ever been not endorsed by the Designated Authority due to insufficient or lacking compliance with AF ESP?**



**Comments:**

The endorsement of projects by the NDA doesn't seem to take into consideration compliance with the AF ESP, it is mostly based on government priorities and the relevant ministry.  
With support of a development partner, we hire a consultant to work to address the concerns of the DA.

**Q10: Have any of your concept notes or project/programme proposals ever been not endorsed or approved by the AF Board due to insufficient or lacking compliance with AF ESP?**



**Comments:**

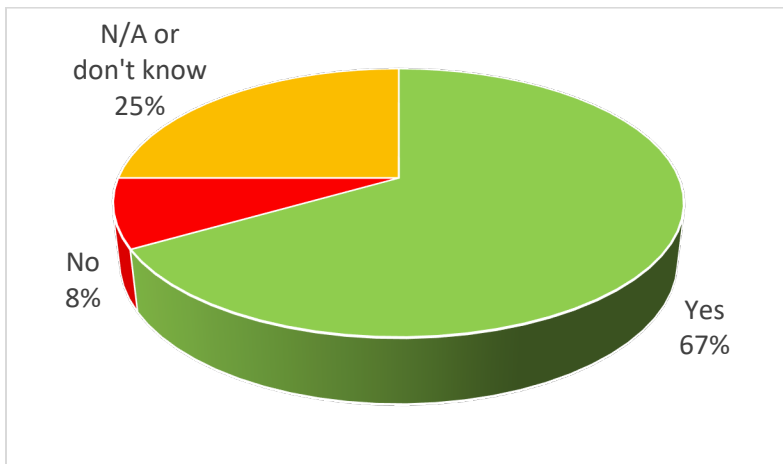
When revising the proposal based on the AF Board review/decision, we took the necessary steps to better articulate how the project will ensure that the AF ESP are considered and supported. The addition of qualitative and quantitative data was used in the project proposal and clear mitigation measures were identified when risks and barriers exist. Personalized support from the AFB Secretariat would be beneficial for NIEs to better populate this part of

the project proposals, as the country context may not be adequately contextualized in the proposal.

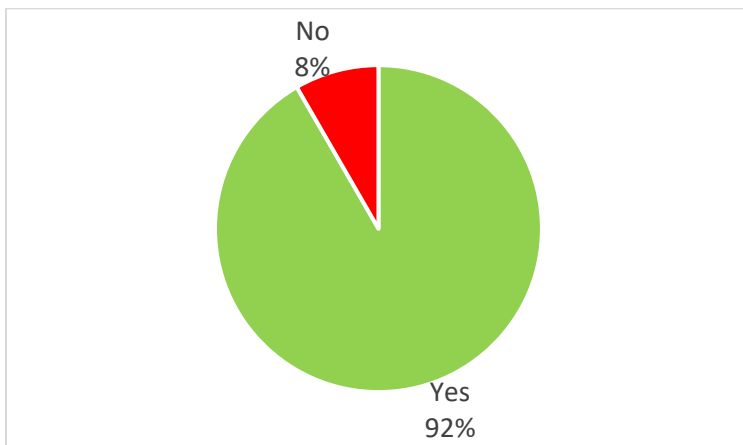
We have a precedent of submitting Concept Notes under the two-step modality, where the final technical review required the assessment of the 15 principles of AF ESP. As part of the evaluation process, a detailed point-by-point analysis was conducted to accurately identify potential risks and ensure their proper application to the proposed project.

Identifying and reviewing (both independently and involving multi-stakeholders) the 15 ESP principles that are likely to be affected as material for improving the methods/strategies in the proposal, including: screening, assessment and supervision.

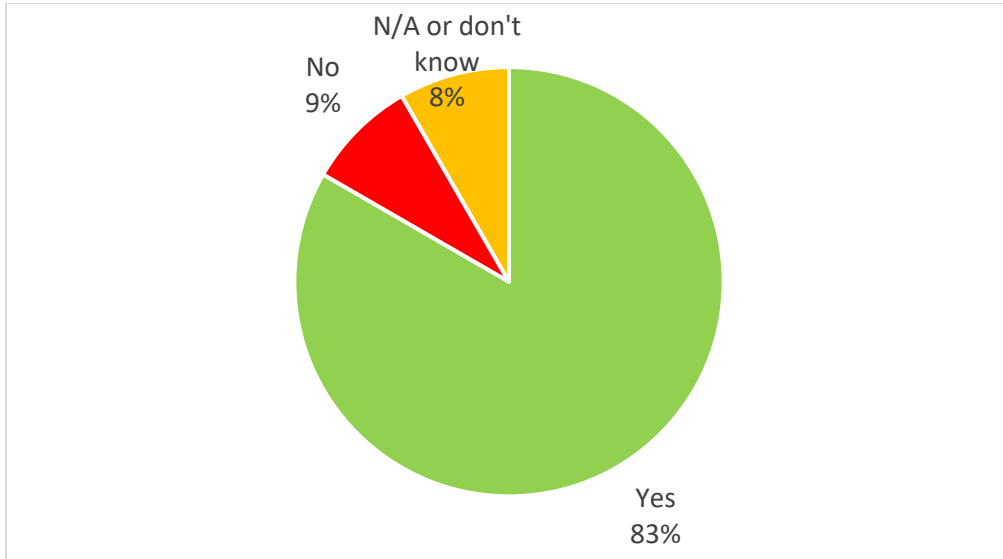
**Q11: Have you made use of or are you planning to use Project Formulation Grants (PFG) to help with complying with the AF ESP in project formulation?**



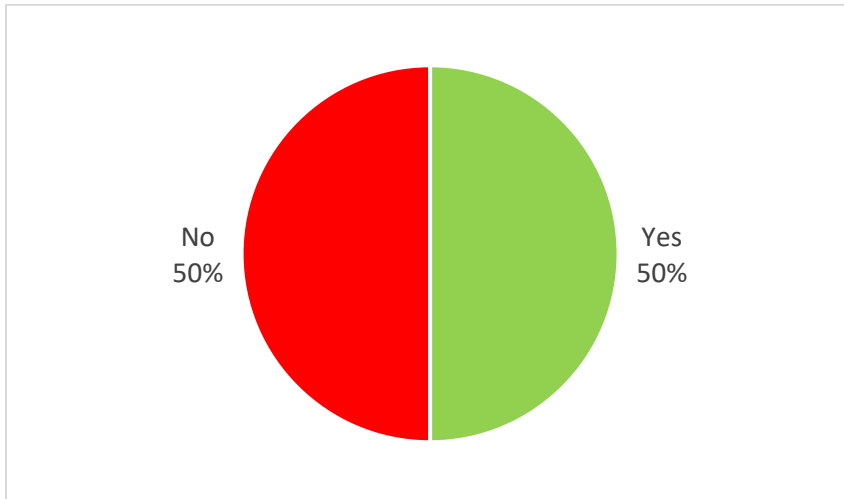
**Q12.A: Have you made use of or are you planning to use Technical Assistance Grants (TA-ESGP or TA-GP) to help with management of ESP and GP risks through external capacity building support?**



**Q12.B: 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?**



**Q12.C: Are those financial resources provided sufficient?**



**Comments:**

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.

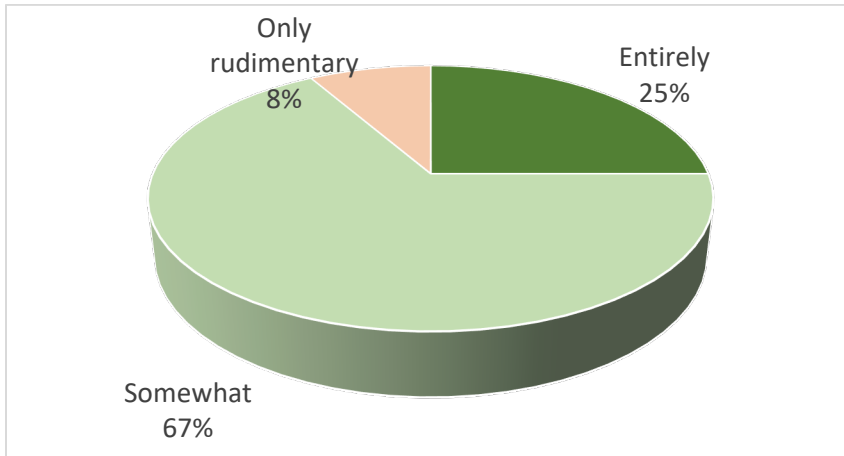
We suggest increasing the allocations because taking environmental issues into account is expensive.

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 Technical Assistance.

**Q13: 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?**



**Comments:**

As we have very limited staff on the Environment service and as it new concept and policies for the other directions in ADA, unfortunately we don't have enough resources and capacity building support

**Q14: Are there any other comments or thoughts you want to provide on the review and update of the AF Environmental and Social Policy?**

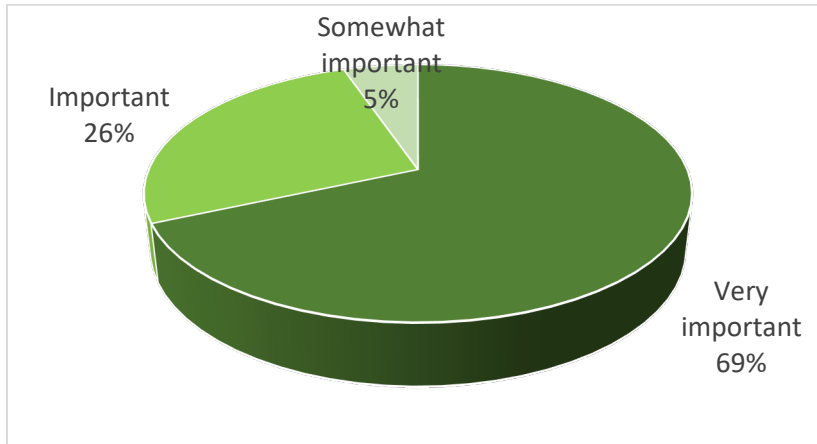
Governance aspects could be considered for inclusion in ESP.

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.

**ESP Survey of AF Designated Authorities – 19 responses**

**Q1: In your view, how important are environmental and social safeguards for successful action on adaptation?**



**Q2: If you answered ‘very important’ or ‘important’ or ‘not important,’ to the above question, please share your views on why do you think that way.**

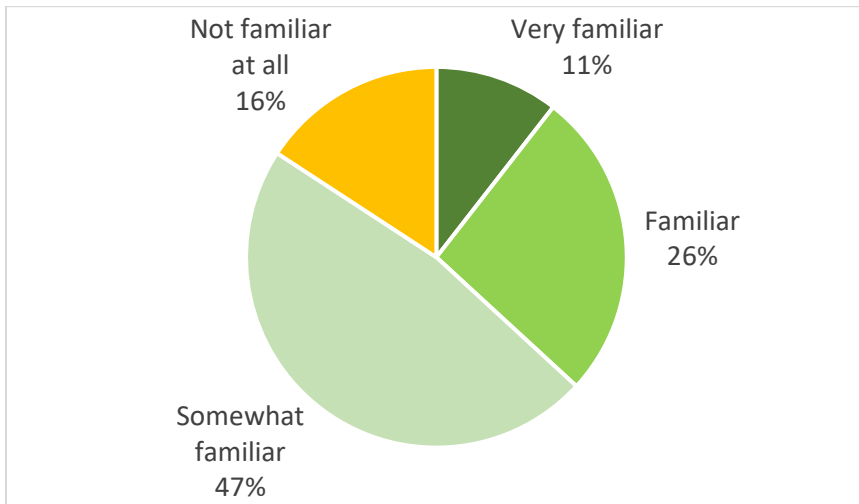
**Comments:**

To avoid maladaptation.
It is t to ensure that the implemented projects and programmes under AF addressing climate vulnerability and risks ado not cause negative environmental and social impact.
The effectiveness of the adaptation response is determined by the degree of safeguards compliance.
Environmental and social safeguards for successful action on climate adaptation are important because of environmental and social risk screening, environmental and social risk assessment, environmental and social safeguards plan, reporting, monitoring, and evaluation and grievance reporting and redressal mechanisms.
Because climate change has a significant impact on environmental components and people.
Because environmental and social safeguards measures are necessary on climate adaptation.
This is to ensure integrity in the adaptation actions.
Since the adaptation actions are very crucial particularly in Africa contexts since we are the most vulnerable countries with the climate impacts, with this also community, ecosystems are the most vulnerable for the impacts so that this being needs plans, strategy and policy to lead the effective implementation of climate policy
Developments usually then to impact on environment so ensuring a social safeguard is for sustainable development.
In all projects, environmental and social aspects must be taken into account in order to maintain resilience of communities benefiting from a given project. In addition to that any project assessment focuses on positive/negative social impact caused by the project on beneficiaries.

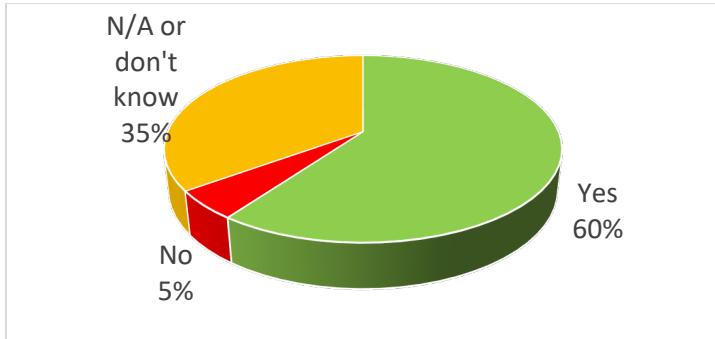


Integration of environmental and social safeguards in any development programs in very good. It makes development more sustainable
This is to control potential negative environmental impacts and thus avoid maladaptation or bad governance of adaptation
It's essential to guarantee the safety of the staff working on a certain project to ensure carrying out that project successfully.
Unlike mitigation, adaptation require nature based solutions to enhance the resilience of the most vulnerable and less-privileged social groups. So therefore, environmental and social safe guards are essential.
It's very necessary for any kind of project design to first identify and then try to avoid, mitigate and minimize adverse environmental and social impacts that may arise in the implementation of development project or adaptation projects as well.
It allows the identification of social and environmental risks. Moreover, it allows to determine measures to mitigate their impact. It fosters engagement with communities.
Environmental and social safeguards are important to ensure that environmental and social factors are systematically considered at the project development and decision-making level. In terms of adaptation, they make it possible to ensure that the solutions proposed do not accentuate the fragility of the system and that the environmental and social aspects are taken into account to strengthen the resilience of populations.

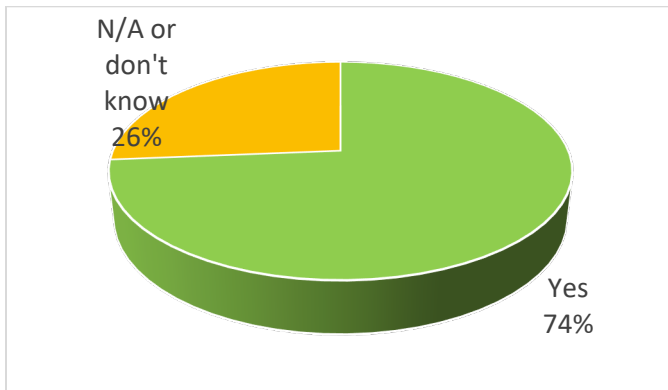
**Q3: How familiar are you with the Adaptation Fund’s Environmental and Social Policy (ESP) and its Guidance document for implementing entities?**



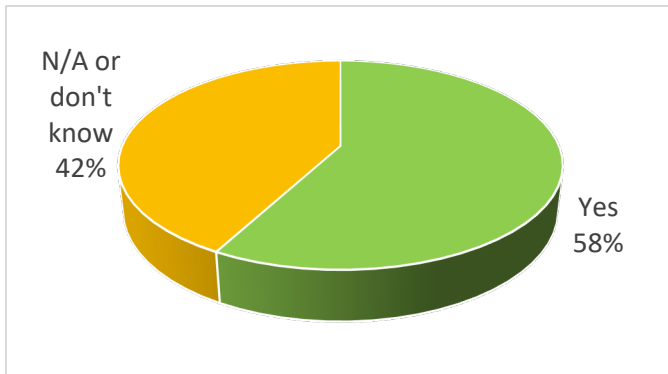
**Q4: In your view, does the current AF ESP provide an adequate policy framework to ensure that projects and programmes supported by the AF do not result in unwanted environmental and social harms?**



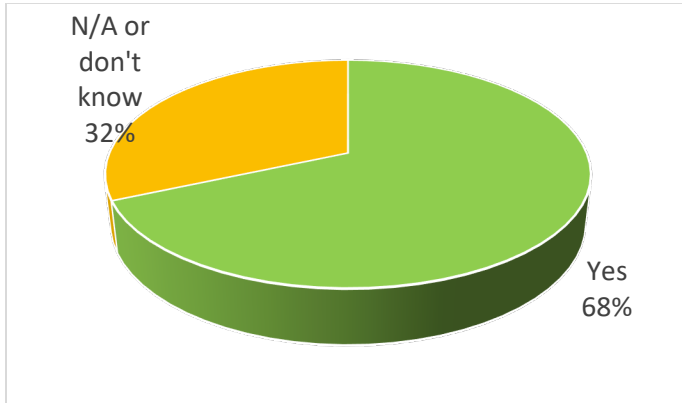
**Q5: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF concept notes and project proposals?**



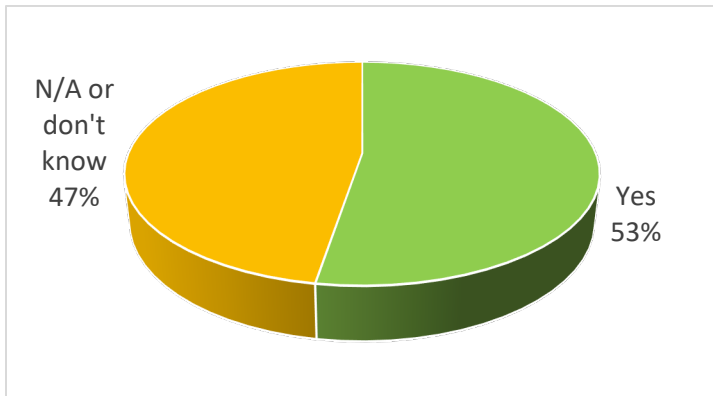
**Q6: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Accreditation and re-accreditation processes?**



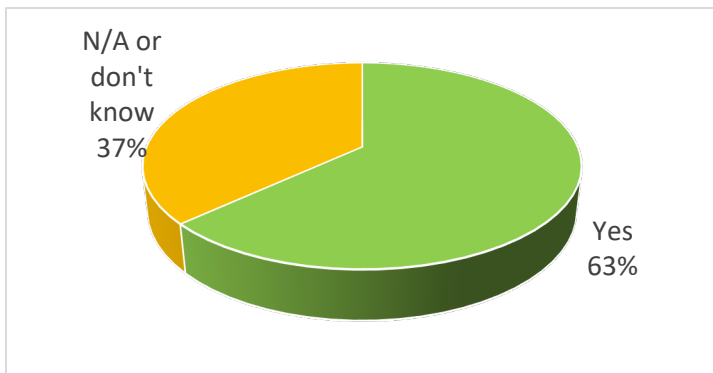
**Q7: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Readiness programme?**



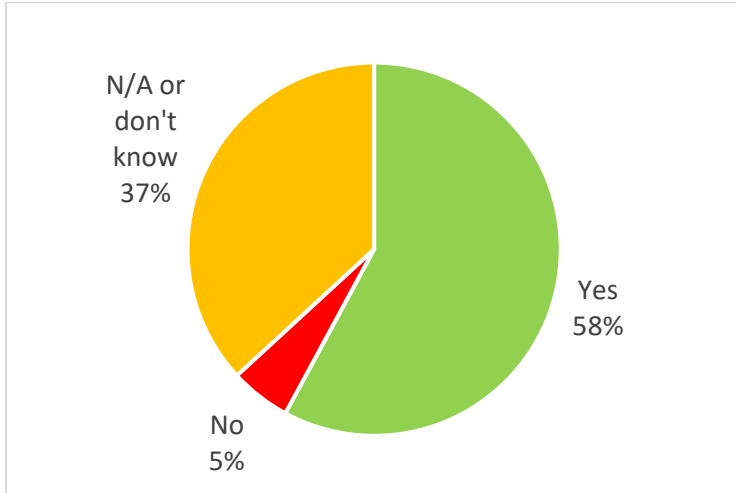
**Q8: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in discourses in the AF Board?**



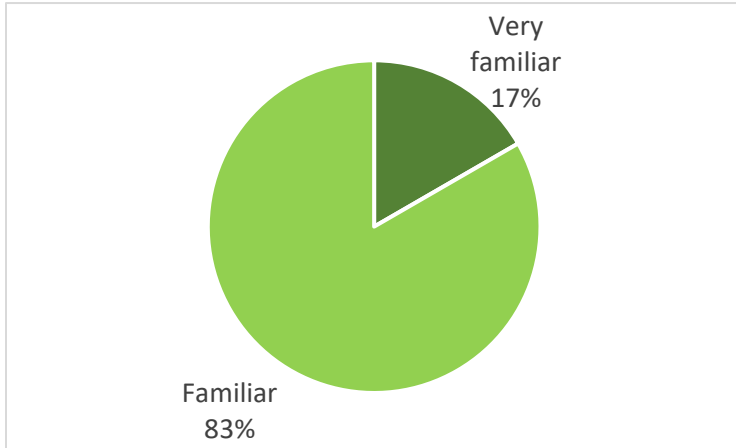
**Q9: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in reporting of AF results?**



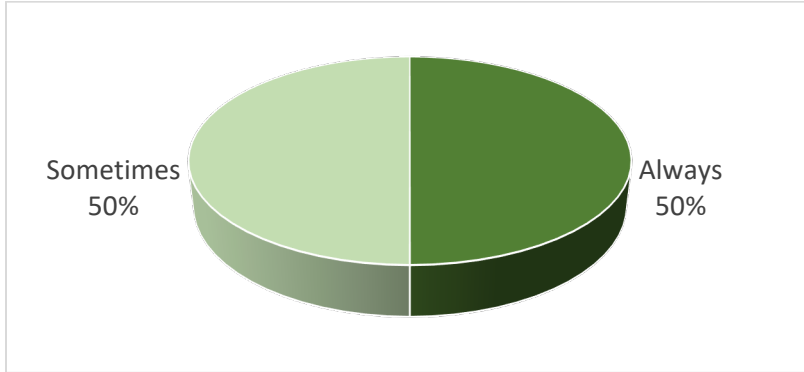
**Q10: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF external outreach and public communications (via website, documents and news bulletin, events and workshops)?**



**Q11: Are you familiar with your country's laws, policies and regulations related to environmental and social safeguards?**



**Q12: Do you reach out for guidance, consultation or advice to environmental and social safeguards experts within your governments (such as relevant departments, agencies, committees) before making the decision to endorse an AF concept note/project proposal?**

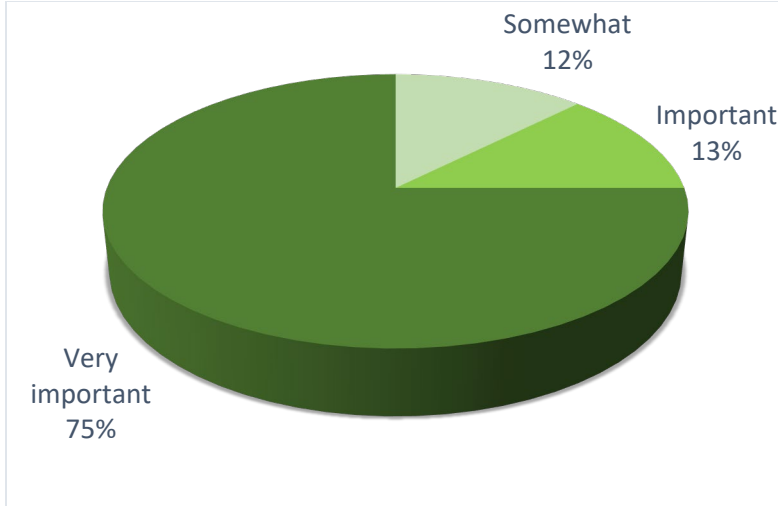


**Q13: Are there any other comments or thoughts you want to provide on the review and update of the AF Environmental and Social Policy?**

Ensure community engagement for the project. Assure sustainability of the project.
Further strengthen the consideration of adverse effects that can disrupt the resilience of women in vulnerable areas.
I do not know what the process of formulation, review and updating was like, but it must be socialized and not only at a high level, but should go down to the technical level, for better involvement in the communities.
It should include the issue of risk and disaster damage.

**ESP Survey of AF CSO Network – 8 responses**

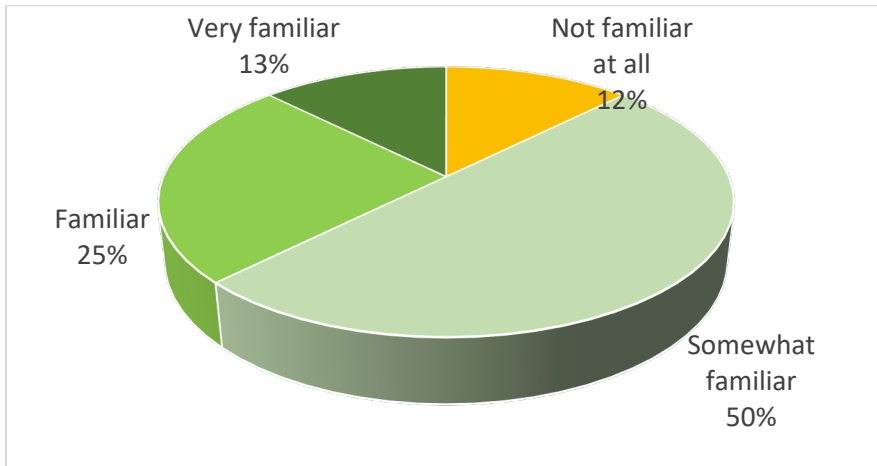
**Q1: In your view, how important are environmental and social safeguards for successful action on adaptation?**



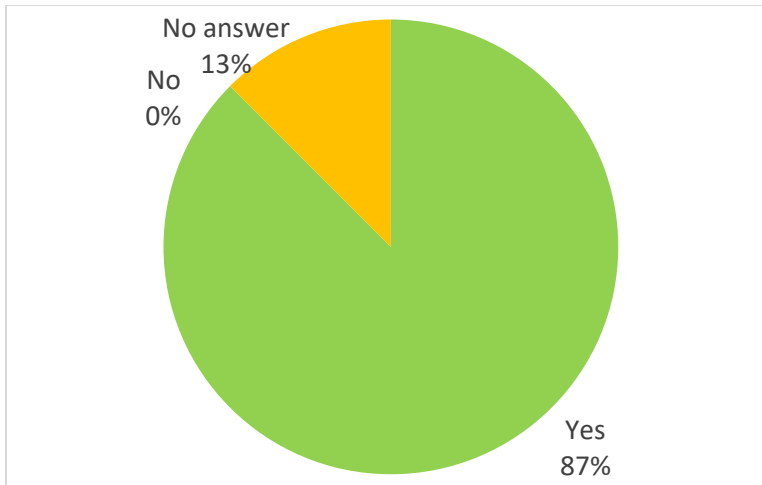
**Q2: If you answered ‘very important’ or ‘important’ or ‘not important,’ to the above question, please share your views on why do you think that way.**

Environmental and social safeguard policies are important for ensuring projects/programmes supported by the Fund, does not result in unnecessary environment and social harm.
The harm that can come from not having proper environmental and social checks in place can have negative and sometimes irreversible implications for the communities being targeted. This can therefore defeat the entire purpose of the adaptation interventions.
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.
Safeguards have not only ensured project sustainability, they have also avoided maladaptation for projects.
We need to protect the environment and the people for the future of new generations
Incorporating safeguards are essential tools to prevent and mitigate undue harm to people and their environment in the development process, especially when thinking on a climate change program.
if environment and social safeguards are found in a given region, there will not be big impact that expect Adaptation actions to implemented.

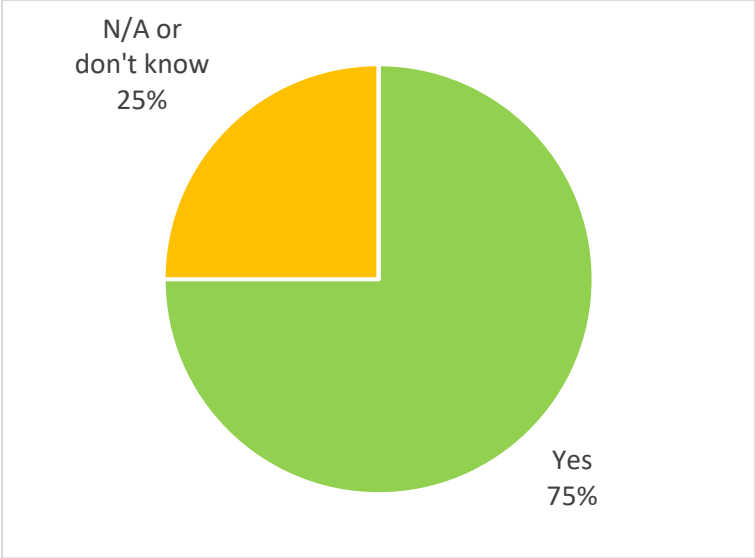
**Q3: How familiar are you with the Adaptation Fund’s Environmental and Social Policy (ESP) and its Guidance document for implementing entities on compliance with the AF ESP?**



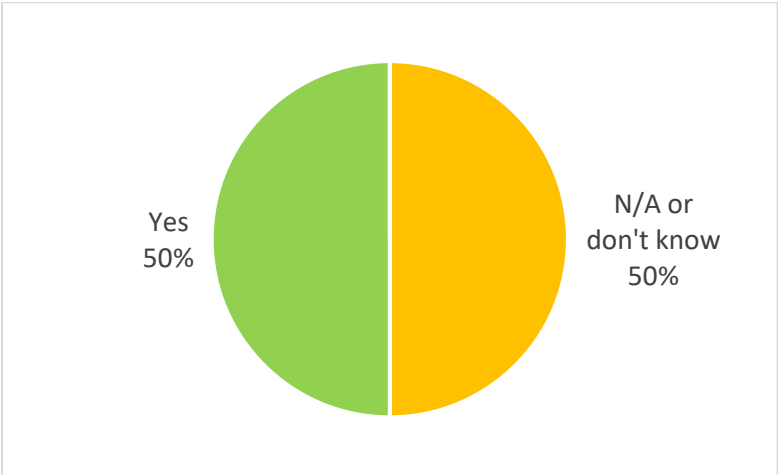
**Q4: In your view, does the current AF ESP provide an adequate policy framework to ensure that projects and programmes supported by the AF do not result in unwanted environmental and social harms?**



**Q6: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF concept notes and project proposals?**

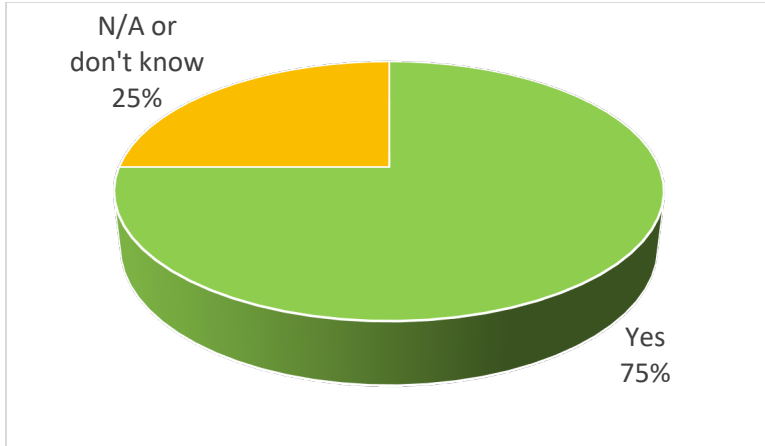


**Q7: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Accreditation and re-accreditation processes?**

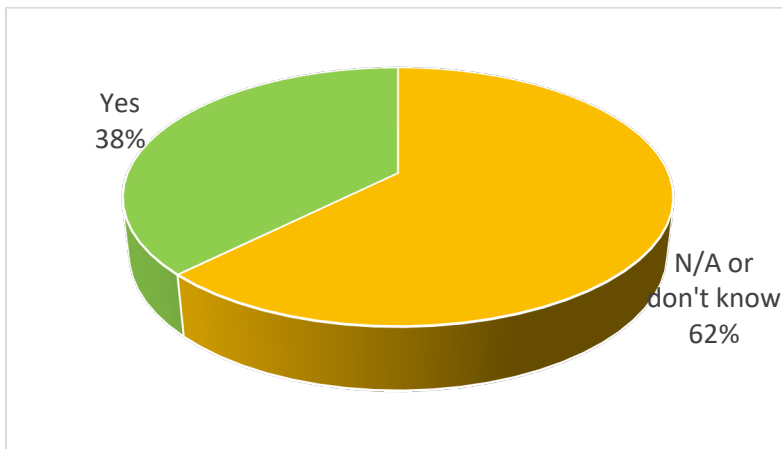


**Q8: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF Readiness programme?**

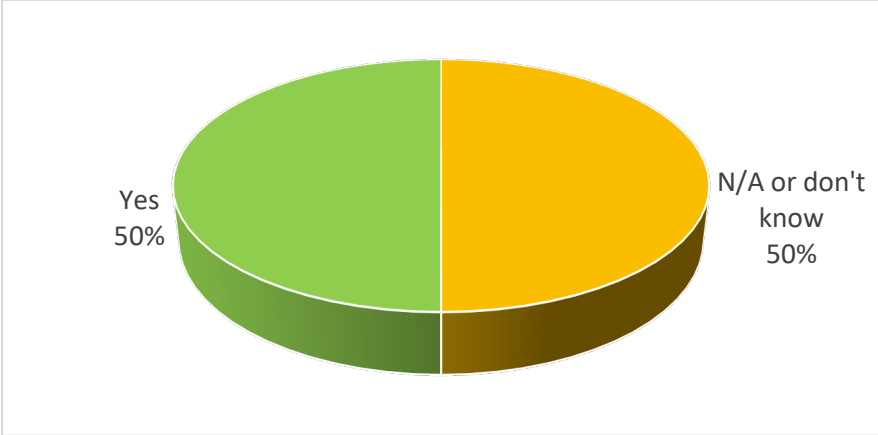




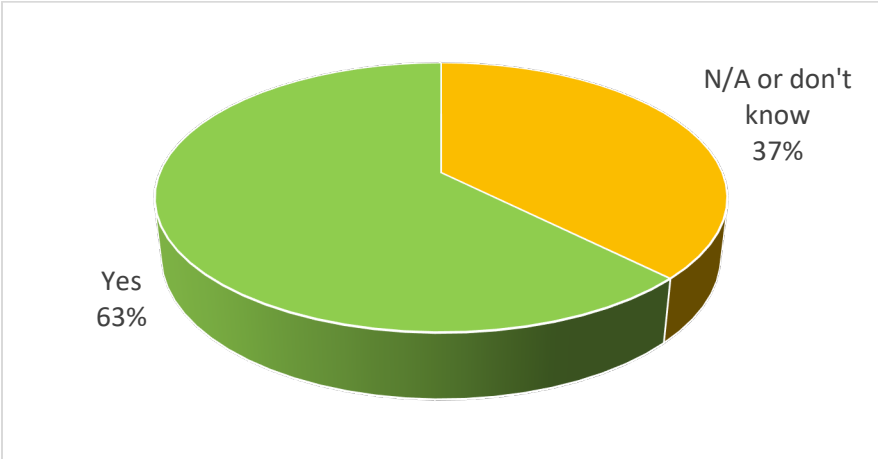
**Q9: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in Discourses in the AF Board?**



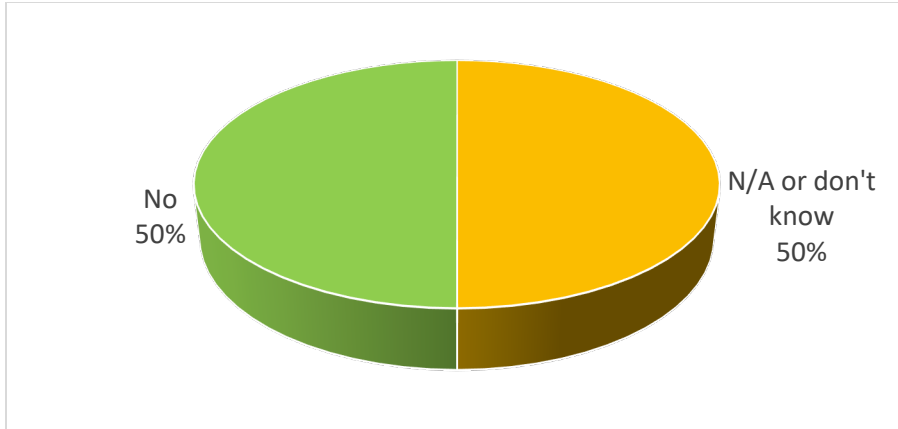
**Q10: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in Reporting of AF results?**



**Q11: Do you feel that with the AF Environmental and Social Policy (adopted in November 2013 and revised in March 2016) has contributed to the improvement of the environmental and social safeguards in AF external outreach and public communications (via website, documents and news bulletin, events and workshops)?**



**Q12: In your view, are there environmental or social risks that are not addressed and should be added to the 15 principles of the AF ESP?**



**Q14: 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 (including AF Board members/Board Committees, the AFB Secretariat, Designated Authorities, Implementing Entities)?**

We feel that there is an adequate level of engagement here, although outreach especially with the government entities and designated authorities on environmental and social 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 .

**Q15: 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
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