



**ADAPTATION FUND**

# **LEADING ADAPTATION FINANCE, DELIVERING TANGIBLE IMPACT**

## **Compliance with the Environmental and Social Policy**

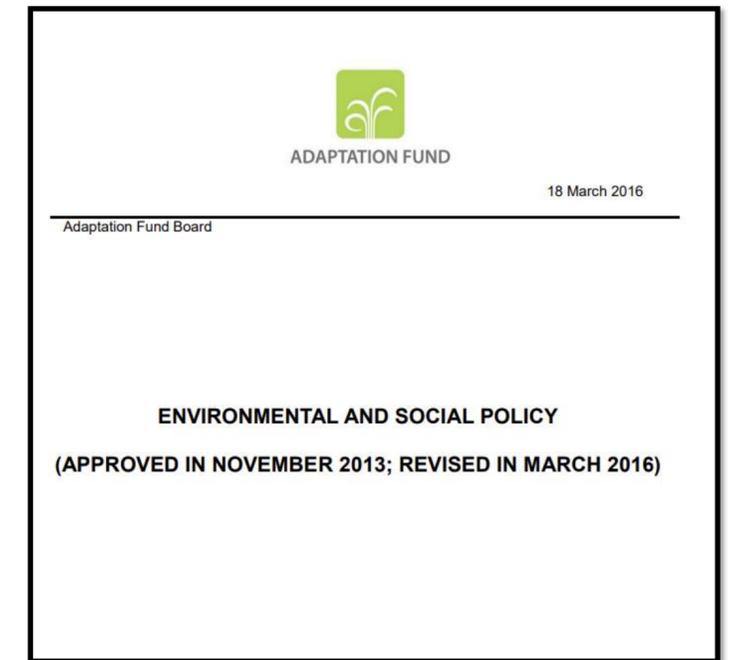
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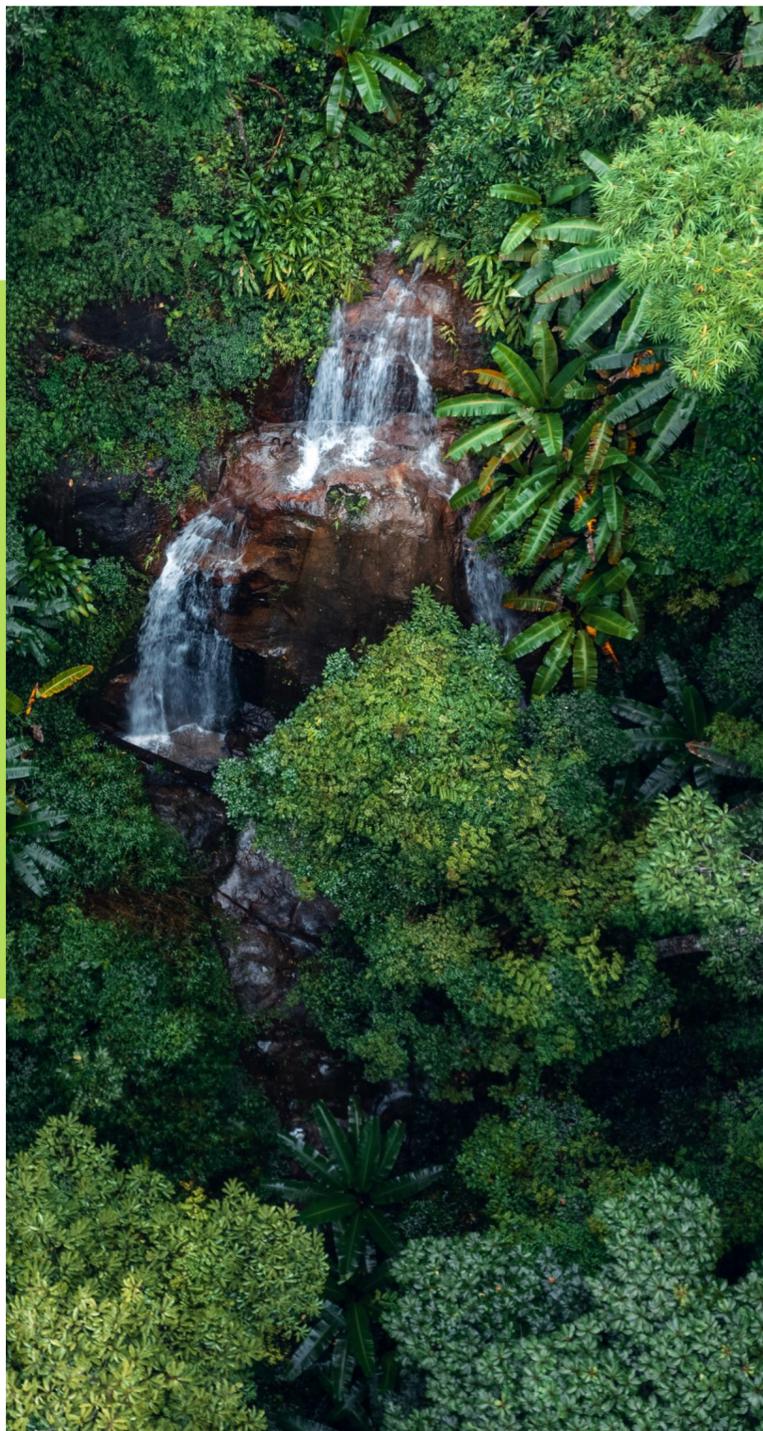
# Environmental and Social Policy (ESP)

- Ensures projects and programmes **promote positive environmental and social benefits**, and **mitigate or avoid adverse environmental and social risks and impacts**
- ESP is operationalized during two key processes:
  1. Accreditation
  2. Project and programme review





# Key Considerations



## ■ Equitable Benefits & Inclusion

- Clearly identifies **vulnerable beneficiaries** (e.g., rural communities, coastal households)
- Ensures **equitable distribution** of benefits, including **targeted actions** for Indigenous or marginalized groups
- Covers **economic, social, and environmental gains** with some quantification

## ■ Avoiding Harm & Maladaptation

- Project design **avoids negative development trade-offs**
- Does **not increase vulnerability** of any group (beneficiaries or otherwise)
- Aligned with the AF's mandate to reduce risks and build resilience

## ■ Unidentified Sub-Projects (USPs)

- USPs are **justified clearly** and included **only where relevant** (e.g., under LLA or Innovation funding windows)
- Safeguards and risk screening mechanisms for USPs are in place
- Compliance with ESP during implementation is addressed



# Key Considerations



## ■ Core Principles of the ESP

- Applies to **all projects and all activities**—no exceptions.
- Is **evidence-based**: claims must be backed by verifiable facts.
- Is **risk-based**: the nature and scale of risk determine the level of assessment.
- Risks are identified against **15 ESP principles** (e.g., human rights, biodiversity, gender equity)

## ■ Proportionality and Process

- **Commensurate approach**: Big risks → thorough assessment; small risks → proportionate effort.
- **Impact assessments** are required for identified risks (if relevant).
- **Environmental and Social Management Plan (ESMP)** must outline measures to avoid, minimize, or mitigate risks.

## ■ Flexibility in Compliance

- ESP is **non-prescriptive**: any method may be used if principles are met. **IE safeguard systems are not pre-cleared** for equivalency—each project must show direct compliance.



# Key Considerations



## ■ Stakeholder Engagement

- **Consultation is mandatory** throughout the project cycle.
- All projects must have a **grievance mechanism** for addressing complaints.

## ■ Risk Identification & Compliance

- Potential **environmental and social risks** are identified and described
- **ESP checklist completed**, with risks justified and **assessments and mitigation** measures integrated
- Fulfills ESP requirements on risk categorization and management.

## ■ Risk Categorization

- Projects are categorized based on the **severity of potential negative environmental and social impacts: Category A** – High risk, **Category B** – Moderate risk, **Category C** – Low/no risk
- The **ESP process requirements remain the same**, regardless of category—only the **depth of assessment** varies.



# 15 ESP Principles



1. Compliance with the Law
2. Access and Equity
3. Marginalized and Vulnerable Groups
4. Human Rights
5. Gender Equality and Women's Empowerment
6. Core Labour Rights
7. Indigenous Peoples
8. Involuntary Resettlement
9. Protection of Natural Habitats
10. Conservation of Biological Diversity
11. Climate Change
12. Pollution Prevention and Resource Efficiency
13. Public Health
14. Physical and Cultural Heritage
15. Lands and Soil Conservation



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# Environmental and Social Policy (ESP)

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## Checklist

Have environmental and social risks been identified? And presented against each of the 15 ESP principles?

Have national standards been identified and does the proposal explain how these will be met?

Does the project include activities with considerable inherent risks?

Is there an environmental and social setting with considerable risks?

Project with USPs? (Concept note needs a justification)

Is the project a resubmission of a previous concept or full proposal application with ESP issues?

Does the project include a summary of the findings of impact assessments that were carried out for the principles for which risks have been identified? (if relevant)

Have management measures been identified for the impacts that were assessed?

Has meaningful consultation taken place of stakeholders on the findings of the risks identifications, and of the impact assessments?

Have consultation outcomes been integrated in the project design?



# Environmental and Social Policy (ESP)

Checklist	Concept Note	Full Proposal
Have environmental and social risks with measures been identified? And presented against each of the 15 ESP principles?	✓	✓
Has the project been categorised?	✓	✓
Have the identified safeguard measures been integrated into an Environment and Social Mitigation Programme (ESMP)?		✓
Does the ESMP contain clearly allocated roles and responsibilities for its implementation?		✓
Does the ESMP include opportunities for adaptive management?		✓
Does the ESMP include opportunities for consultation?		✓
Are there credible budget provisions, as needed, for the implementation of the ESMP?		✓
Are there clear arrangements for the IE to supervise executing entities for implementation of ESMP?		✓
Are there clear monitoring and evaluation arrangements for ESP compliance?		✓
Are the required USP arrangements in place?		✓
Are there arrangements to monitor during implementation for unanticipated environmental and social risks?		✓
Is grievance mechanism present and is it easily accessible and without undue access restrictions or conditions?		✓



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# Case study : Enhancing the resilience of vulnerable small Island Communities to climate change Hazards (ENRICH) - Grenada

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## ■ Key Principles Applied in the Grenada Proposal

### Neutral framing

The proposal **avoids attributing positive outcomes within the risk screening section**. For instance, instead of stating “the project will empower women,” it objectively identifies risks such as potential risks of gender disparities and proposes practical mitigation measures (e.g., capacity building, prioritization criteria for women and women's representation).

### No positive attribution

While the project aims to promote innovative agricultural technologies and women's empowerment, these are **not used to negate or justify potential risks**. For example, biodiversity-related risks are acknowledged (e.g., potential loss of biodiversity due to construction or rehabilitation works)..

### Evidence-driven

Risk assessments are grounded in:

- Consultations with communities
- National and international data
- Grenada's legal framework



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# Case study – Grenada (continued)

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## ■ What the Proposal Includes

**Clear identification** of activities that may trigger risks:

- Infrastructure construction (soil erosion or land degradation risk)
- Water infrastructure rehabilitation (temporary disruption of livelihoods risk)
- Accidents can occur during the construction (core labour rights risk)

**Justification of risk levels:**

- Most are rated “low risk” and the proposal was classified as Category B.

**Mitigation measures** integrated into the ESMP:

- Vocational training activities
- Protected areas will be excluded from the project target zones
- Business Development Services (BDS) will empower women and youth



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# Common Mistakes

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✓ **Saying:** “There’s a risk that agrochemical waste may impact soil and water if not managed”

✗ **Not saying:** “The project will promote healthy soils and empower local farmers”

✓ **Saying:** “Women’s availability may be limited unless structural constraints are addressed”

✗ **Not saying:** “Women will gain decision-making power through the project” (though that may be an intended benefit, it’s addressed in the design, not in risk screening)

✓ **Saying:** “Marine species disturbance is a risk if eco-tourism and oyster farming are not properly managed”

✗ **Not saying:** “Oyster farming will strengthen biodiversity conservation”



## Case study – Grenada (continued)

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the Law		<p><b>Low risk:</b> The project will comply with all relevant laws and regulations. The project will be executed by the government, therefore the risk of non-compliance with the law is highly unlikely.</p> <p>There is however a low risk of non-compliance with environmental regulations by service providers, however mitigation measures will be put in place to ensure compliance by ensuring permits and approvals are obtained whenever required and through the monitoring and supervision of the PCU and IFAD.</p>
Access and Equity		<p><b>Low risk:</b> There is a risk of a low participation of vulnerable groups (youth and women) in the project activities. However, through a participatory and inclusive approach, the project will enable fair and equitable access to project benefits to all participants, including marginalised and vulnerable groups. The project emphasizes targeted support and outreach, particularly to youth and women, through specialized entrepreneurship and vocational training activities and will offer flexible grants, job placement support, and practical climate-resilient skills training, which will address the barriers these groups face, promoting active participation. This risk will also be mitigated by adhering to the project’s targeting and gender strategies and action plans which are developed to promote access, equity and inclusion.</p>



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# Environmental and Social Management Plan

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## ■ What is the ESMP?

The ESMP outlines how a project will **identify, manage, and monitor** environmental and social risks aligned with the Adaptation Fund's policies. It translates ESP risk findings into **concrete actions, measurable indicators, and oversight mechanisms.**

## ■ Key Features from the Grenada Project ESMP

Risk-Based and Principle-Driven

Each of the 15 ESP principles is assessed for:

- Potential risk or impact
- Avoidance or mitigation measures
- Indicators and means of verification to track implementation
- Timeline and responsible entity
- Public consultation activities



# Case study – Grenada (continued)

ESMP Matrix							
ESP	Environmental, Social and Climate impacts	Mitigation measures	Public consultation activities	Institution responsible for implementation	Monitoring indicators	Means of verification	Verification frequency
ESP 1	Non-compliance with permit requirements	Obtain relevant permits and approvals from the PPU as relevant	Consultations with relevant government agencies	Rural Development Unit (RDU)	Number of permits obtained	Copies of permits and approvals obtained.	Annual
ESP 2 ESP 3	Low participation of vulnerable groups (youth and women)	Conduct targeted outreach through community workshops, information sessions, and partnership with local organisations to engage women and youth.	Stakeholder engagement workshops to gather input from vulnerable groups.	Rural Development Unit (RDU)	Number of women and youth participating in activities.	Attendance records and feedback surveys.	Biannual



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# ESMP continued

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## ■ ESMP Best Practices

**Evidence-driven:** Risks validated with local data, stakeholder feedback, and regulatory context.

**Integrated into project design:** Actions mapped to specific project components.

**Actionable:** Measures are feasible, community-appropriate, and designed to build local capacity.

**Monitored** periodically by a responsible agency.

**Cost-effective:** Risk mitigation is mainstreamed into existing activities—no separate or excessive cost line.



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# ESMP continued

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## ■ Important Lessons

**Not all risks require mitigation.** But if a principle is not triggered, justification must be clear (e.g., no Indigenous Peoples in the project area).

**“Unidentified Sub-Projects” (USPs)** still require early planning for how risk screening and ESMP integration will occur during implementation.

**Grievance redress and transparency** are integrated into oversight by requiring formal and informal feedback loops, especially for human rights and labor concerns.



# Summary of Screening and Risk Management for USPs – Grenada proposal

Stage	Action	Requirements	Responsible entity
<b>Initial Screening</b>	Categorization	Assess risk category (A, B, C) based on ESP principles.	RDU/ Safeguards Specialist
<b>E&amp;S risk assessment</b>	Development of ESMPs for category B sub-projects	Detailed ESMP development with specific mitigation measures.	RDU/Safeguards Specialist
<b>Consultation</b>	Stakeholder Engagement	Multi-stage consultations, feedback integration, and information sharing.	RDU, Stakeholders and Beneficiaries
<b>Gender Action Plan</b>	Gender Analysis	Inclusion of gender considerations in screening and management plans.	RDU/Gender Specialist
<b>Implementation</b>	ESMP Execution	Ensure mitigation measures are applied effectively.	RDU/Contractors
<b>Monitoring</b>	Compliance Checks	Regular reviews and adaptive management based on findings.	RDU



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# Resources

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- Adaptation Fund Environmental and Social Policy: [Available](#)
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy: [Available](#)



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# THANK YOU

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