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**PROGRESS REPORT ON
THE IMPLEMENTATION OF THE GEF
POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

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INTRODUCTION

1. The GEF Policy on Environmental and Social Safeguards (hereafter ESS Policy)¹, approved by the GEF Council at its 55th Meeting in December 2018, requested the Secretariat to report annually on its implementation, including on the type and level of Environmental and Social Risks and Impacts identified in GEF financed projects and programs and the management of such risks and impacts during project implementation and at project completion.²

2. This is the second Progress Report³ since the ESS Policy came into effect in July 2019. The Report covers the analysis of 104 approved Project Identification Forms (PIFs) and Program Framework Documents (PFDs) included in the December 2020 and the June 2021 Work Programs⁴. It also includes analysis of CEO Endorsements and CEO Approvals approved between July 1, 2019 and June 30, 2021, and Mid-term Reviews (MTRs) and Terminal Evaluations (TEs) submitted between July 1, 2020 and June 30, 2021^{5,6}. The analysis of projects and programs suggests improved compliance among all Agencies with respect to reporting on ESS screening procedures and risk ratings and that the ESS Policy is increasingly being translated into practice across GEF projects and programs.

BACKGROUND

3. The ESS Policy sets out the GEF's approach to enhance environmental and social outcomes and to identify and manage environmental and social risks and impacts in GEF projects and programs. The ESS Policy incorporates steps and procedures to reduce adverse impact on people and the environment as a direct result of GEF-funded projects and programs. The Policy further sets forth requirements to anticipate, and then avoid, prevent, minimize, mitigate, manage, offset or compensate adverse impacts that GEF-financed projects and programs may have on people or the environment throughout the project or program cycle. The ESS Policy further introduced important strengthened and new standards, including, Indigenous People (Free, Prior and Informed Consent); Labor and Working Conditions; Community Health, Safety and Security; as well as other key elements to improve project screening and approaches on issues related to Climate Change and Disaster, Disability Inclusion, and Gender-Based Violence and Sexual Abuse and Exploitation.

¹ GEF/C.55/07/Rev.01 (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.07.Rev_.01_ES_Safeguards.pdf)

² Para 17 of GEF/C.55/07/Rev.01

³ The first Progress Report (GEF/C.59/Inf.15) is available [here](https://www.thegef.org/council-meeting-documents/progress-report-implementation-gef-policy-environmental-and-social). (<https://www.thegef.org/council-meeting-documents/progress-report-implementation-gef-policy-environmental-and-social>)

⁴ It includes nine Full-sized Project (FSP) of the Least Developed Countries Fund (LDCF) and five Enabling Activities exceeded more than \$2 million, which have been processed as FSP.

⁵ The ESS Policy said that "For GEF-financed projects and programs under implementation, the Policy applies to all mid-term reviews and terminal evaluations submitted after one year of the date of effectiveness (para 4, Application of GEF/C.55/07/Rev.01)", which is July 1, 2020.

⁶ There were only two FSP's CEO Endorsements, which was applicable to new ESS Policy, have been approved between July 1, 2019 and June 30, 2021. Twenty-five Medium-sized projects (MSPs)' CEO Approvals have been approved during the same time, between July 1, 2019 and June 30, 2021.

4. The ESS Policy states nine minimum requirements for the Agencies to identify and manage environmental and social risks and impacts in GEF-financed projects and programs. It further requires all Agencies to have the necessary policies, procedures, systems and capabilities in place to ensure that these nine minimum standards are met at all levels of project and program implementation, including by executing partners. The GEF Secretariat presented for Council consideration, at its 57th meeting, the first Report on the Assessment of Agencies' Compliance with Minimum Standards in the GEF Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement⁷ (hereafter referred to as the 2019 Compliance Report), outlining the findings of the requested assessment of GEF Agencies' compliance with the applicable minimum standards⁸.

5. As part of the approval of the 2019 Compliance Report, Council requested Agencies to provide updates to the Secretariat on their progress implementing the actions contained in their plans of action until Agencies have come into full compliance. As concluded in the latest report to Council (December 2021)⁹, only five Agencies are still implementing their action plans, including ADB, AfDB, DBSA, FAO and BOAD.

6. In addition to assessing GEF Agency compliance, the ESS Policy further:

- (i) Stipulates requirements for Agencies to document and report on environmental and social risks and potential impacts, and their management, throughout the GEF project and program cycle (intended to enhance the flow of information on safeguards implementation across GEF-financed projects and programs); and
- (ii) Sets out a role for the Secretariat in their review of projects and programs for the availability and completeness of the information requested at the various stages of the project and program cycles as well as the monitoring of and reporting on safeguards implementation at the portfolio level.

7. The Policy also requests the Secretariat to report annually to the Council on the implementation of the Policy, including the type and level of Environmental and Social Risks and Impacts identified in GEF-financed projects and programs and the management of such risks and impacts during project implementation and at project completion.

8. In addition, the ESS Policy requires the GEF Secretariat to promptly make available on the GEF website the information of grievance cases related to the ESS Policy reported by Agencies and notify the Council as new information is made available. In line with the ESS Policy

⁷ GEF/C.57/05 (https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.57_05_Report%20on%20Assessment%20of%20Agencies%20Compliance.pdf)

⁸ In addition to this compliance assessment, Agencies' self-assessment and third-party review of Agencies' compliance with GEF Policies including the ESS Policy will take place in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7) following the "Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender, and Fiduciary Standards Implementation Modalities: Policy: ME/PL/02 (October 27, 2016)" (https://www.thegef.org/sites/default/files/documents/Monitoring_Agency_Compliance_Policy_0.pdf)

⁹ GEF/C.61/Inf.10 Progress Report on Agencies' Compliance with Minimum Standards in the GEF Policies on: Environmental and Social Safeguards; Gender Equality; and Stakeholder Engagement

and Minimum Fiduciary Standards for GEF Partner Agencies¹⁰, the summary report on grievance cases relating both to ESS and fiduciary standards can be found in a separate report.¹¹

ESS CONSIDERATIONS IN GEF PROJECTS AND PROGRAMS

9. In line with the ESS Policy requirement, the GEF Secretariat, in collaboration with Agencies, developed the Guidelines on GEF Policy on Environmental and Social Safeguards (hereafter referred to as the ESS Guidelines) to support the effective implementation of the project and program level documentation and reporting requirements set out in the Policy¹². Following the completion of the ESS Guidelines, the GEF Secretariat, in the spring of 2020, updated its templates for PIFs, PFDs, CEO Endorsements/Approvals, as well as for MTRs and TEs and programmed new sections in the GEF portal to support Agency reporting requirements, due diligence of GEF Secretariate review and the effective implementation of the ESS Policy.

10. As the Policy came into effect on July 1st, 2019, the documentation requirements set out in the Policy started to apply to PIFs and PFDs, in the GEF Work Program submitted for Council Approval starting at the 57th Council Meeting (December 2019).

ESS Risk Screening at the PIF and PFD Stage

11. The analysis of PIFs and PFDs since the ESS Policy came into effect shows continuous improvement on compliance among GEF Agencies in terms of reporting on the initial ESS risks screening (see Figure 1 below). A comparison between Work Programs from the December 2019 and the June 2021, in terms of the reporting on initial ESS risks screening at the time of PIFs and PFDs submission finds that these increased from 93 percent to 98 percent (see Figure 1. below)¹³. Two projects did not provide overall ESS risk from the June 2021 Work Programs are PIFs of Non-Grant Instrument (NGI) and Enabling Activity (EA), which were not relevant to provide overall ESS risk at PIFs stage¹⁴.

¹⁰ Policy: GA/PL/02 (December 19, 2019)

(https://www.thegef.org/sites/default/files/documents/gef_minimum_fiduciary_standards_partner_agencies_2019.pdf)

¹¹ GEF/C.61/Inf.11: Annual Report on Grievance Cases

¹² Guidelines on GEF Policy on Environmental and Social Standards: SD/GN/03:

https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf

¹³ It is important to note that the GEF ESS Guidelines were not completed until December 2019 and that many Agencies are currently in the process of updating their policies and procedures to be in full compliance with GEF minimum standards on Environmental and Social Safeguards. Minimum Standard 1 of the ESS Policy (para 4a) requires Agency systems and procedures to ensure that projects and programs are screened as early as possible to identify environmental and social risks and potential impacts considering the type of risks and potential impacts contained in the Policy.

¹⁴ The project document indicated that it is too early to classify the NGI project, “IFC-GEF Hotel Green Revitalization Program (HGRP) (GEF ID 10766, Global)”, ESS overall risk at the PIF stage. The Agency also provided information supporting exemption from the Social and Environmental Screening Procedure (SESP) screening guidelines related to EA projects, which is “[a] Preparation and dissemination of reports, documents and communication materials (preparation, printing and submission of NC, BUR and BTRs to UNFCCC).” The EA project, “Fifth National Communication, Biennial Update Report and Biennial Transparency Reports to the United Nations Framework Convention on Climate Change (UNFCCC) (GEF ID 10801, Brazil)”, was one of these projects under the Agency’s guideline.

12. The ESS Guidelines require Agencies to submit any early screening, assessment report(s), and any indicative plans and measures to address identified risks, if available¹⁵. As the Guidelines became effective and as the Secretariat began reviewing projects and programs more systematically with regards to ESS compliance, the reporting of ESS risk screening has substantially improved.

Figure 1. ESS risk screening at PIFs and PFDs stage (Dec 2019 to June 2021 Work Programs)

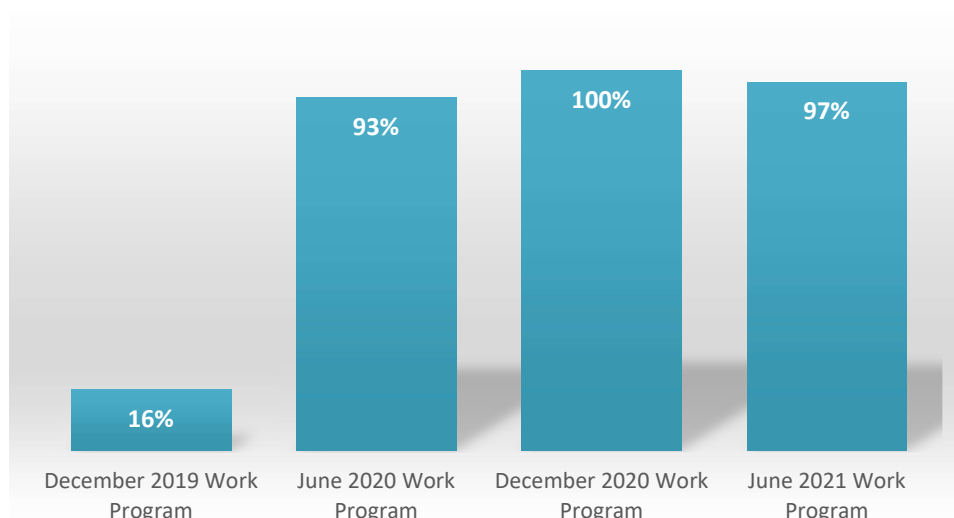
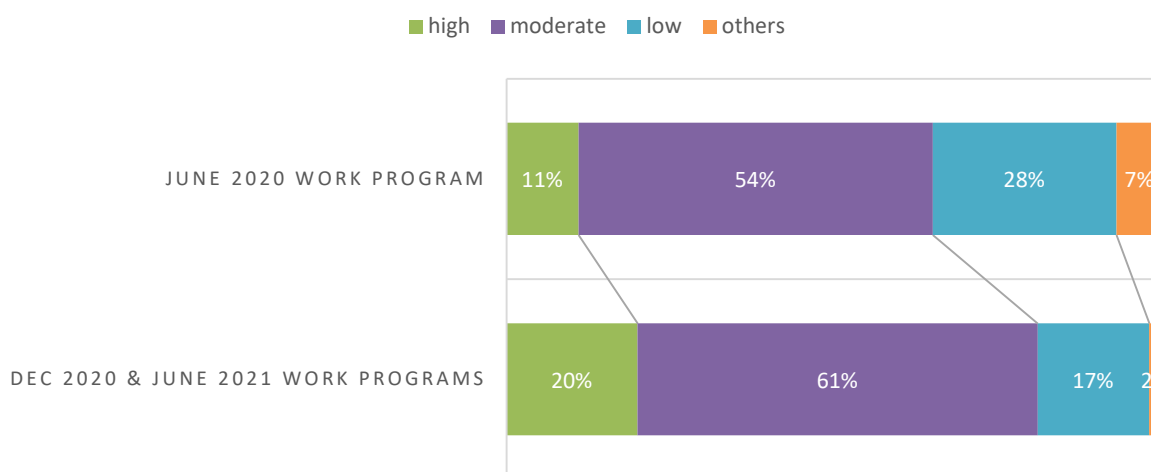


Figure 2. Comparing Initial overall risk classification of PIFs and PFDs (June 2020 Work Program vs. Dec 2020 & June 2021 Work Programs)



¹⁵ According to the ESS Policy and ESS Guidelines, Agencies are only required to submit supporting documents, such as screening reports or preliminary Environmental and Social Risk and Impact Assessment report(s) if they are available.

Risk Classification in the GEF Portfolio

13. The ESS Policy specifies that based on Agencies' environmental and social screening and risk classification procedures and systems, Agencies document and report on environmental and social risk and potential impacts associated with GEF projects or programs. The ESS Guidelines¹⁶ completed in December 2019, provided further guidance to Agencies with respect to the documentation required and the GEF Secretariat's "due diligence" in project review. The Guidelines clearly stipulate that Agencies, as part of PIF submission, provide a) Overall preliminary risk rating for project or program, and b) Types of risks and, if available, risk ratings of identified type(s).

Overall Project ESS Risk Ratings at PIFs and PFDs Stage

14. Among 104 PIFs and PFDs approved through the December 2020 and June 2021 Work Programs, 102 PIFs and PFDs or 98 percent of projects and programs provided initial ESS risk classification of overall project and program (see Figure 2 above). Based on Agencies' systems and procedures related to identifying and addressing Environmental and Social Risks and potential Impacts, and based on preliminary screening and or assessment, Agencies are asked at PIF and PFD stage to provide the initial risk classification of the overall project and program.

15. A review of the initial overall ESS risk ratings of PIFs and PFDs in the December 2020 and June 2021 Work Programs found that over half, or 61 percent, of projects and programs were classified at moderate ESS risks, and 20 percent were classified were at high or substantial ESS risks (see Figure 2 above). No significant change in the initial overall ESS risk classification is found in the June 2020 Work Program. In addition, there is no significant difference in the ESS risk classification across the different Focal Areas (see the Figure 3). The Biodiversity Focal Area tends, however, to have a slightly higher percentage of projects and programs rated high and substantial risk than other focal areas.

16. As anticipated, most projects and programs at PIF and PFD stage often have carried out only an initial ESS screening; several projects that classified their ESS risk rating as high and moderate risk, include plans to carry out additional assessments and develop management plans during project development or the first year of project implementation¹⁷. Some projects with no identified project sites refer to plans to further assess specific ESS risks once project sites have been identified. In these cases, it is too early to identify ESS risk at PIFs and PFDs stage.

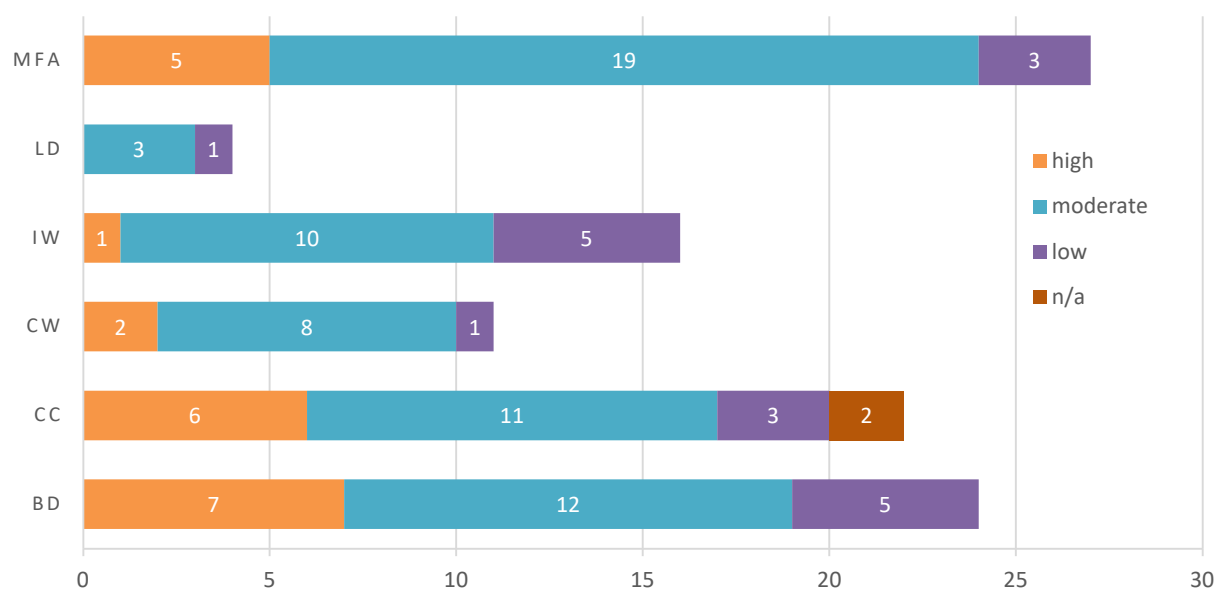
17. Depending on the overall ESS risk identified, each Agency has different internal processes and procedures to further address and manage identified risks (high/significant, moderate, and low). The GEF Secretariat reviewed fourteen Agencies' PIFs and PFDs by June 30,

¹⁶ Guidelines on GEF's Policy on Environmental and Social Safeguards (Guidelines: SD/GN/03) (https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf)

¹⁷ i.e., Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Frameworks (ESMF), Indigenous Peoples Plan (IPP), Stakeholder Engagement Plan (SEP) and Environmental and Social Management Plan (ESMP).

2021¹⁸. Sixteen out of eighteen GEF Agencies have three different risk categories: high, moderate, and low¹⁹. Five Agencies classified ESS risk of projects and programs as high/substantial at PIFs and PFDs stage²⁰, and these high/substantial risk projects required further detailed ESIA, ESMF, Strategic Environmental and Social Assessment, IPP, SEP, ESMP and others (See Figure 4 below). Some high-risk projects also committed to secure budget for monitoring every year including update in the Project Implementation Reports and hiring specialist as IEO report on “Evaluation of Institutional Policies and Engagement of the GEF”²¹ suggested. It indicates that the methodologies and processes to determine ESS risks and further procedures to manage ESS risk are different among the GEF Agencies at this stage.

Figure 3. Initial overall risk classification of PIFs and PFDs by Focal Areas (Dec 2020 & June 2021 Work Programs)



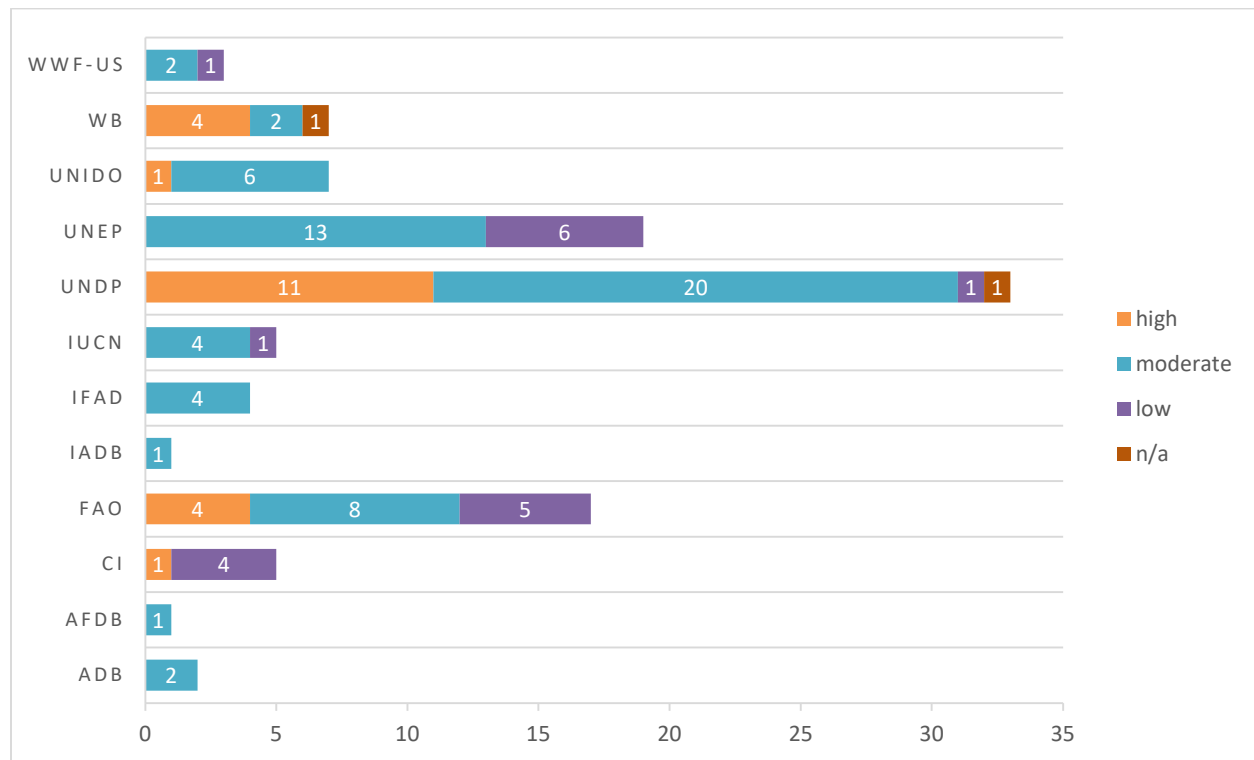
¹⁸ There is no PIF/PFD submitted by four Agencies namely BOAD, DBSA, FECO and FUNBIO after December 2019 Work Programs, which applied updated ESS Policy.

¹⁹ World Bank and UNDP have four risk classifications, high, significant, moderate and low and the report counts significant risk projects/programs as high-risk project/programs. Many Agencies also have risk category called the Financial Intermediaries, but that category is not for the GEF projects/programs.

²⁰ There is no PIF/PFD of the December 2020 and June 2021 Work Programs submitted by six Agencies namely BOAD, CAF, DBSA, EBRD, FECO and FUNBIO.

²¹ GEF/E/C.60/06 (May 25, 2021) (para 43) available at https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.E_C60_06_Policies_and_Engagement_Eval-full_final_5.pdf

**Figure 4. Initial overall risk classification of PIFs and PFDs by Agencies
(Dec 2020 & June 2021 Work Programs)**



Types of ESS Risks

18. The Policy on ESS sets out mandatory requirements for identifying and addressing Environmental and Social Risks and Impacts in GEF-financed projects and programs. Projects and programs are classified based on level and magnitude of potential risks and impacts, including considerations of direct, indirect, cumulative, transboundary impacts, the risks and impacts of Associated Facilities, and other considerations. The minimum standards (set out in Annex I.A of the Policy on ESS) indicate the types of risks that need to be considered. (see summarized in Box 1)

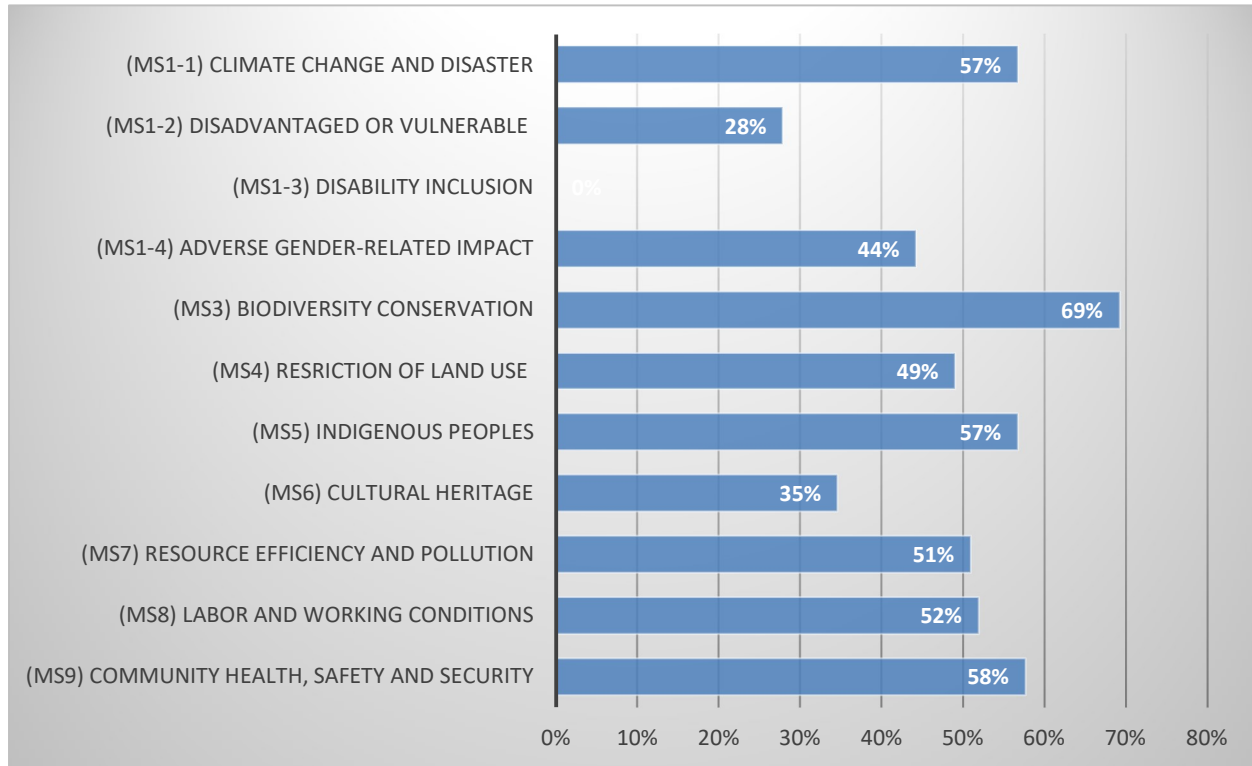
19. The analysis shows that out of the 104 PIFs and PFDs approved in December 2020 and June 2021 Work Programs³, the risk most often identified was related to Biodiversity Conservation and the Sustainable Management of Living Natural Resources (MS3), while the ones identified the least were inclusion-related risks. Biodiversity related risks were identified in 69 percent of the PIFs and PFDs followed by Community Health, Safety and Security (MS9), 58 percent of the PIFs and PFDs identified this risk. Fifty seven percent of the PIFs and PFDs identified Climate Change and Disaster (MS1) and Indigenous Peoples (MS5) related risk. In contrast, risks related to inclusion agenda such as Disadvantaged or Vulnerable Individuals and Groups (MS1-2), Disability Inclusion (MS1-3) and Adverse Gender-Related Impact including Gender-Based Violence and Sexual Exploitation and Abuse (MS1-4) are among the risks identified the least (see Figure 5. below). As the GEF-8 Policy Directions: The Enabling Environment for Transformation (August 30, 2021)²² mentioned, “the Secretariat will extend activities to further support the continued effective implementation of the policies and explore new opportunities to strengthen and realign the GEF approach to inclusion including [...] development of a practical narrative to extend the GEF inclusion agenda”. Thus, the Secretariat will further explore opportunities to strengthen application of ESS Policy on inclusion agenda.

Box 1. Types of Risks and Potential Impacts to be screened and assessed in GEF Projects & Programs

(MS1)	Climate Change and Disaster
(MS1)	Disadvantaged or Vulnerable Individuals or Groups
(MS1)	Disability Inclusion
(MS1)	Adverse Gender-related impact, including Gender-Based Violence and Sexual Exploitation
(MS3)	Biodiversity Conservation and the Sustainable Management of Living Natural Resources
(MS4)	Restrictions on Land Use and Involuntary Resettlement
(MS5)	Indigenous Peoples
(MS6)	Cultural Heritage
(MS7)	Resource Efficiency and Pollution Prevention
(MS8)	Labor and Working Conditions
(MS9)	Community Health, Safety and Security

²² GEF/R.8/06 (August 30, 2021) (para 149) Available at https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-8%20Policy%20Directions_EN_R8_06.pdf

Figure 5: Types of identified risks at PIF and PFD stage in Dec 2020 and Jun 2021 Work Programs



20. Different types of ESS risks have been identified for different focal areas projects and programs. For example, risks related to Biodiversity Conservation and the Sustainable Management of Living Natural Resources (MS3) at project design stage included unintentional result in restriction to access to natural resources, or affect the traditional use and livelihoods of local communities by efforts to halt or minimize land, and/or forest degradation. Biodiversity related risks also included unintentional damage in critical or sensitive habitats and ecosystems resulting from the implementation of land management malpractices by poorly designed or executed project activities. The introduction of new species, seeds, and agriculture crops for restoration of lands and climate change adaptation has also been identified in some projects and programs as a biodiversity related risk.

21. COVID-19 transmission risk as a result of consultations, travel of project staff were often identified as a part of risks related to Community Health, Safety and Security (MS9). Other community health and safety related risks identified in projects include the use of pesticides, herbicides or insecticides, lack of adequate guidelines on usage and storage of chemicals, and treatment of hazardous waste through different migration pathways (soil, water, or air). Several projects present separate climate change and disaster risk assessment using the same “Results climate risk screening checklist” at PIFs and PFDs stage or during preparation financed through Project Preparation Grant (PPG). Thus, Climate Change and Disaster risks (MS1-1) related assessment and management are relatively well recognized comparing with other risks.

22. Other risks often found in projects are related to management of protected and conservation areas and land use planning and management, which include restriction of land use and access to natural resources. Related to restriction of land use and access to natural resources, potential impacts on disadvantaged or vulnerable individuals and groups, women and indigenous peoples have also been identified in projects that plan to create and expand protected areas or strengthening management of conservation areas and watersheds. If the project proponent does not effectively engage and ensure participation of all stakeholders including vulnerable peoples, women, youth and indigenous peoples during the project design and the implementation phases, risks for these vulnerable communities' livelihoods may result.

23. The portfolio analysis summarized below indicates that different Focal Areas tend to have different types risk. Climate change (MS1-1), biodiversity conservation (MS3), Restrictions on Land Use and Involuntary Resettlement (MS4) and indigenous peoples (MS5) related risks have been found more in the Biodiversity Focal Area. Risks related to Resource Efficiency and Pollution Prevention (MS7), Labor and Working Condition (MS8) and community health (MS9) were found more in the Chemical and Waste Focal Area; and risks related to restrictions of land use (MS4) have been found in the Land Degradation Focal Area (See Table 1. below).

Table 1: Types of identified risks by Focal Areas (Dec 2020 and Jun 2021 Work Programs)

Type of risks	Focal Areas						Total
	BD	CC	CW	IW	LD	MFA	
(MS1-1) Climate Change and Disaster	75%	45%	45%	69%	50%	48%	57%
(MS1-2) Disadvantaged or Vulnerable	33%	27%	18%	44%	25%	19%	28%
(MS1-3) Disability Inclusion	0%	0%	0%	0%	0%	0%	0%
(MS1-4) Adverse Gender-related impact	50%	41%	27%	69%	0%	41%	44%
(MS3) Biodiversity Conservation	83%	64%	36%	56%	50%	85%	69%
(MS4) Restriction of Land Use	71%	36%	27%	56%	75%	41%	49%
(MS5) Indigenous Peoples	83%	45%	45%	31%	25%	67%	57%
(MS6) Cultural Heritage	50%	36%	9%	25%	25%	37%	35%
(MS7) Resource Efficiency and Pollution	50%	50%	91%	44%	25%	44%	51%
(MS8) Labor and Working Conditions	50%	55%	73%	38%	50%	52%	52%
(MS9) Community Health, Safety and Security	58%	45%	91%	69%	25%	52%	58%

ESS Risk of Projects in Fragility and Conflict-Affected Situations (FCS) Countries

24. The Independent Evaluation Office's report on "Evaluation of Institutional Policies and Engagement of the GEF (May 2021)" mentioned fragility and conflict issues as one of the potential areas where the GEF safeguards could eventually be further strengthened²³. However, in a current ESS Policy, Minimum Standard 9: Community Health, Safety and Security (MS9) states that "Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that: (a) Where the screening or assessment processes

²³ GEF/E/C.60/06 (May 25, 2021)(para 45) available at https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.E_C60_06_Policies_and_Engagement_Eval-full_final_5.pdf

described under Minimum Standard 1 *identify risks or potential impacts to the health, safety and security of project- or program-affected communities, further assessments are carried out, considering: [...] (iii) The particular risks that may be present in a conflict or post-conflict context* (para17, GEF Policy on Environmental and Social Safeguards 2019)".

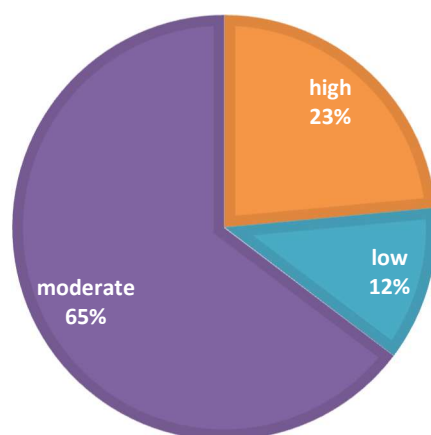
25. Out of 104 PIFs and PFDs approved in December 2020 and June 2021 Work Programs, 17 PIFs and PFDs (16 percent) are in fragility and conflict-affected situation (FCS) countries recognized in the World Bank Group's "FY21 List of Fragile and Conflict-affected Situations"²⁴ (See Table 3 below), and more than half of the projects (65 percent or eleven projects) has been classified as moderate risk. Out of these 17 projects, 23 percent (four projects) have classified the overall Project ESS risk as high and 12 percent (two projects) classified the overall ESS risk as low (see Figure 6).

Table 2: FY21 List of Fragile and Conflict-affected Situations (WBG 2020)

HIGH-INTENSITY CONFLICT	MEDIUM-INTENSITY CONFLICT	HIGH INSTITUTIONAL AND SOCIAL FRAGILITY
Afghanistan Libya Somalia Syrian Arab Republic	Burkina Faso	NON-SMALL STATES
	Cameroon	Burundi
	Central African Republic	Congo, Rep.
	Chad	Eritrea
	Congo, Dem. Rep.	Gambia, The
	Iraq	Guinea-Bissau
	Mali	Haiti
	Mozambique	Kosovo
	Myanmar	Lao PDR
	Niger	Lebanon
	Nigeria	Liberia
	South Sudan	Papua New Guinea
	Yemen, Rep.	Sudan
		Venezuela, RB
		West Bank and Gaza (territory)
		Zimbabwe
		SMALL STATES
		Comoros
		Kiribati
		Marshall Islands
		Micronesia, Fed. Sts.
		Solomon Islands
		Timor-Leste
		Tuvalu

²⁴ World Bank Group's "FY21 List of Fragile and Conflict-affected Situations" (available at <https://pubdocs.worldbank.org/en/888211594267968803/FCSList-FY21.pdf>, viewed on August 23, 2021)

Figure 6: Overall ESS risk of projects in FCS countries (Dec 2020 and Jun 2021 Work Programs)



26. Out of 17 projects in FCS countries, the four projects that classified ESS risk as high triggered Community Health, Safety and Security (MS9) of ESS Policy. Out of the eleven projects that classified ESS risk as moderate, 36 percent (four projects) of did not trigger MS9 as ESS risk. Two projects with moderate ESS risk were in the High-Intensity Conflict countries (Afghanistan and Somalia) in the World Bank Group's "FY21 List of Fragile and Conflict-affected Situations". In addition, two of the projects in countries in fragility and conflict-affected situation (Eritrea and Gambia) were classified as low ESS risk. Out of 17 projects in countries in fragility and conflict-affected situation, almost half, 47 percent (8 projects), of projects were fully or partially funded by the Least Developed Countries Fund (LDCF). While guidance on fragility, conflict, and violence (FCV) has been developed by 10 GEF Agencies²⁵, practices and process applied to GEF investments seem different by the Agencies. Thus, it is beneficial to further exchange of FCV related ESS risk assessment and management procedures and practices among the Agencies and GEF Partnership.

²⁵ These include AfDB, ADB, Conservation International, FAO, IFAD, IUCN, UNDP, UNEP, UNIDO, and the World Bank Group (IEO 2020, Evaluation of GEF Support in Fragile and Conflict-Affected Situations (GEF/E/C.59/01), page 108, para 9).

Table 3: Overall ESS risk of projects in FCS countries by Agencies and their application of MS9 (Dec 2020 and Jun 2021 Work Programs)

ESS risk level	Agencies	High-Intensity Conflict	Medium-Intensity Conflict	High Institutional and Social Fragility		ESS MS9	Focal Area	Fund
				Non-Small States	Small States			
High	UNDP		Myanmar			✓	MFA	GET
			Burundi			✓	CC	LDCF
			Mali			✓	MFA	MTF (LDCF)
	WB			Lebanon		✓	CW	GET
Moderate	UNDP	Afghanistan				✓	CC	LDCF
			Haiti			✓	BD	GET
			Nigeria			-	CC	GET
					Solomon Islands	✓	MFA	GET
	FAO		Central African Republic			-	CC	LDCF
				Venezuela		-	MFA	GET
	UNEP		Haiti			✓	CC	LDCF
			Iraq			✓	MFA	GET
					Timor-Leste	✓	MFA	MTF (LDCF)
	IFAD	Somalia				-	MFA	GET/LDCF
	ADB				Tuvalu	✓	CC	GET
Low	FAO			Eritrea		-	MFA	MTF (LDCF)
	UNEP			Gambia		✓	BD	GET

ESS Risk Management at the CEO Endorsement and CEO Approval Stage

27. The IEO's report on "Evaluation of Institutional Policies and Engagement of the GEF"²⁶ indicates that as the ESS Policy came into effect only in July 2019, it is too early to evaluate the effect of increased level of safeguards monitoring and reporting. Of the relevant projects and programs, only two CEO Endorsements (for PIFs and PFDs) and 23 CEO Approvals (for Medium-sized Projects, MSPs)²⁷ have been approved between July 1, 2019 and June 30, 2021. Thus, it is early to fully analyze ESS risk management at the CEO Endorsement and Approval. Box 2, below, shows two examples of projects that applied the ESS Policy at CEO Endorsement stage

²⁶ GEF/E/C.60/06 (May 25, 2021) (para 46, 410) available at https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.E_C60_06_Policies_and_Engagement_Eval-full_final_5.pdf

²⁷ Out of 23 CEO Approvals, seven or 30 percent of CEO Approvals are about the Capacity-building Initiative for Transparency (CBIT).

Box 2: Examples of projects that applied the ESS Policy at CEO Endorsement stage

Example 1: Lao PDR Landscapes and Livelihoods Project (ID 10499), implemented by the World Bank

- During project preparation, the World Bank categorized the project's overall ESS Risk as substantial (high in GEF risk classification). The World Bank enclosed the Appraisal stage Environmental and Social Review Summary (ESRS) and Environmental and Social Management Framework (ESMF). A Strategic Environmental and Social Assessment (SESA), ESMF, and Community Engagement Framework (CEF) incorporating Process Framework (PF), Resettlement Policy Framework (RPF) and Ethnic Group Development Framework (EGDF) were prepared before project appraisal to guide the process of ESA and the preparation and implementation of ESF management plans. The SESA will be supported during project implementation to help government in identifying possible risk and impact and mitigation measures to manage future private sector investment in industrial tree plantation and nature-based tourism. A Stakeholders Engagement Plan (SEP) was further developed by the client early in project preparation to ensure that meaningful stakeholder engagement, accessibility, accountability and cultural appropriateness.

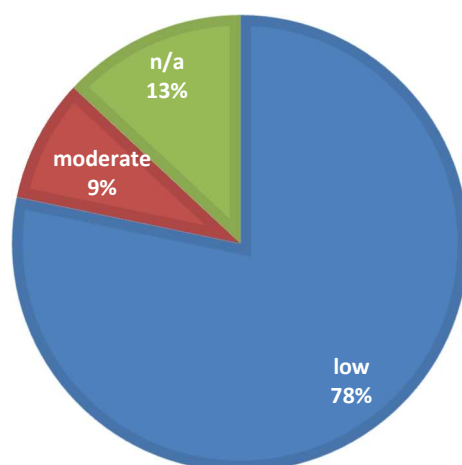
Example 2. Wildlife Conservation Bond in South Africa (ID 10330), implemented by the World Bank

- During project preparation, the World Bank categorized the project's overall ESS Risk as substantial (high in GEF risk classification). The World Bank included the ESRS, draft Environmental and Social Commitment Plan, and final draft of ESMF. The ESMF identified potential risks and impacts and identified mitigation measures which the project will implement to ensure the activities are being undertaken in an environmentally sound and socially acceptable manner. The ESMF provided guidelines and templates for implementation of sub-projects, including assessment of risks and development of site-specific Environmental and Social Management Plans (ESMPs). An inclusive SEP was prepared by the relevant agencies (the Eastern Cape Parks and Tourism Agency and South African National Parks), including a Grievance Redress Mechanism ensuring inclusion and non-discrimination of vulnerable groups.

28. The portfolio analysis at the CEO Approval stage indicates that MSPs tend to be low ESS risk projects. More than three quarter of the MSPs' ESS risk at the CEO Approval stage are low, and there is no MSP classified as high ESS risk project. Out of 23 projects at the CEO Approval stage (for MSP), 18 projects or 78 percent of projects' ESS risk classification are low (See Figure 7 below). All the CBIT projects (MSPs)' ESS risk classification at CEO Approval stage are low. Three projects or 13 percent of projects have not classified the ESS risk classification at the CEO Approval stage were either under the UNDP's Social and Environmental Screening Procedure (SESP) guidelines exempting ESS screening for projects, which is "[a] Preparation and dissemination of reports, documents and communication materials (preparation, printing and submission of NC, BUR and BTRs to UNFCCC)", or CEO Approvals were approved before the GEF ESS Guideline have been approved in December 19, 2019.

29. For the four projects with high or moderate ESS risk at CEO Endorsement and CEO Approval stage, the Agencies provided Environmental and Social Management Framework, Environmental and Social Management Plan, Ethnic Minority Management Framework, Strategic Environmental and Social Assessment and/or others in addition to their screening documents. At the CEO Approval stage, MSP projects with low ESS risk do not require any further documentation or any environmental and social risk management actions besides their environmental and social risk screening documents.

Figure 7: Overall ESS risks at CEO Approval stage (MSP) between July 1, 2019 and June 30, 2021



ESS Information in Mid-term Review and Terminal Evaluation

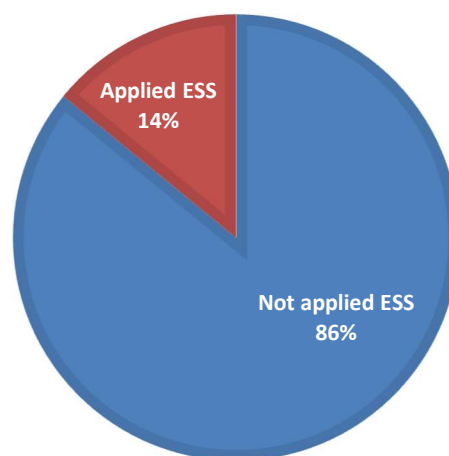
30. Between July 1, 2020 to June 30, 2021, 37 Mid-term Reviews (MTR) and 64 Terminal Evaluations (TE) have been submitted. As per the ESS policy, none of these projects, however, were subject of applying new ESS Policy. As to be expected it will and it still takes some time to see monitoring report on ESS following updated ESS Policy. Some Agencies' MTRs and TEs

include a section of ESS monitoring, but these are based on each Agency's ESS Policy and not GEF's updated ESS Policy.

Application of ESS Policy in Active Portfolio

31. The updated ESS Policy has applied for GEF projects and programs since July 1, 2019, and it remains limited number of overall GEF portfolio, only 14 percent of projects and programs applied the updated ESS Policy (See Figure 8 below). Out of all 3,062 active portfolios of GEF investments as of June 30, 2021, 431 projects and programs, or 14 percent of projects and programs, applied the new ESS policy.

Figure 8: Application of ESS Policy in active portfolio (as of June 30, 2021)



CONCLUSION AND NEXT STEPS

32. The analysis of PIFs and PFDs and CEO Endorsements since the ESS Policy came into effect shows continuous improvement of ESS policy compliance on reporting of ESS risk assessments and management plans during project preparation and implementation. As expected, there is limited information and data on the application of the ESS policy beyond the PIF and PFD levels for the time being²⁸. Many of the PIFs and PFDs, as described in the analysis above, incorporate plans to conduct more detailed environment and social assessments and to develop environmental and social management frameworks and or plans prior to CEO Endorsement and during the early stage of project implementation²⁹. The Secretariat will, in

²⁸ There are only two CEO Endorsements have been approved with full application of updated ESS Policy, and none of the projects fully applied updated ESS Policy submitted MTR nor TE as of June 30, 2021.

²⁹ For example, some high-risk projects, in line with requirements set forth on the ESS policy, included commitment to secure budgets for monitoring every year including update in the Project Implementation Reports and hiring specialist.

addition to its due diligence in project review, continue review and analyze CEO Endorsement Requests, MTRs and TEs for which the Policy on ESS are applicable.

33. As described in the Compliance Report³⁰ and following progress reports, Agencies' efforts to develop or adjust policies, procedures, and systems to be in full compliance with the GEF updated ESS minimum standards are still ongoing. Thus, it is important to note that the comprehensive implementation of the ESS Policy will still take some time.

34. In order to ensure sound implementation of the ESS Policy, the Secretariat takes note of the findings and recommendations of the recent GEF IEO report on "Evaluation of Institutional Policies and Engagement of the GEF"³¹ that broadly concluded that the GEF ESS Policy is contemporary in formulation and align with relevant inclusion-oriented global strategies. In line with the findings and recommendation the IEO report, the Secretariat will extend activities to undertake gap analyses to identify areas that GEF may need to strengthen its approach and guidance further. In addition, the Secretariat will seek to find mechanisms to facilitate exchange of experiences and lessons among the GEF Agencies on the implementation of the ESS policy, including issues related to risk identification and ratings, risk management processes to address identified and potential risks, dealing with high-risk projects and grievances, and or addressing some of the new ESS minimum standards including Gender-Based Violence and Free, Prior and Informed Consent (FPIC).

³⁰ GEF/C.57/05

³¹ GEF/E.C.60/06 (May 25, 2021) available at https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.E_C60_06_Policies_and_Engagement_Eval-full_final_5.pdf