



GEF/C.55/07/Rev.01  
December 20, 2018

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55<sup>th</sup> GEF Council Meeting  
December 18 – 20, 2018  
Washington, D.C.

Agenda Item 06

## **UPDATED POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

**Recommended Council Decision**

The Council, having reviewed document GEF/C.55/07/Rev.01, *Updated Policy on Environmental and Social Safeguards*, approves the Policy contained in Annex I to the document, which supersedes the 2011 Policy on Agency Minimum Environmental and Social Safeguard Standards (Council document GEF/C.41/10/Rev.01).

Further, the Council requests the Secretariat to propose a procedure to inform the Council of possible non-compliance with the minimum standards contained in the Policy, where reputational risks for the GEF may arise, for the Council's consideration at its 56th meeting in the Spring of 2019.

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## INTRODUCTION

1. The Council, at its 53<sup>rd</sup> meeting in November 2017, having reviewed the document GEF/C.53/07, *Plan to Review the GEF's Environmental and Social Safeguards*<sup>1</sup>, welcomed the plan and requested the Secretariat to present an updated policy on environmental and social safeguards for consideration at its 55th meeting in December 2018<sup>2</sup>.
2. Pursuant to the Council's decision, this document presents for Council consideration an updated *Policy on Environmental and Social Safeguards* (Annex I) that would supersede the 2011 *Policy on Agency Minimum Environmental and Social Safeguard Standards*<sup>3</sup>.

## BACKGROUND

3. This section describes the evolution of GEF policy and guidelines on environmental and social safeguards, and the process to develop the proposed updated policy.

### Evolution of GEF Policy and Guidelines on Environmental and Social Safeguards

4. The Council approved a *Provisional Policy on Environmental and Social Safeguard Standards*<sup>4</sup> in May 2011, in connection with its decision to pilot an expansion of the GEF Partnership<sup>5,6</sup>. Following Council guidance, the current policy on *Agency Minimum Standards on Environmental and Social Safeguards* was approved at the subsequent Council meeting in November 2011<sup>7</sup>. The policy was introduced with a view to ensuring that all Agencies that implement GEF-financed activities – including any new Agencies accredited as part of the pilot to broaden the Partnership – have robust systems in place to avoid, minimize and mitigate any potentially adverse environmental and social impacts.

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<sup>1</sup> ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.07\\_Safeguards\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.07_Safeguards_1.pdf))

<sup>2</sup> *Joint Summary of the Chairs, 53<sup>rd</sup> GEF Council Meeting, November 28–30, 2017*

([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53\\_Joint\\_Summary\\_of\\_the\\_Chairs.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53_Joint_Summary_of_the_Chairs.pdf))

<sup>3</sup> SD/PL/03

([http://www.thegef.org/sites/default/files/documents/Policy\\_Environmental\\_and\\_Social\\_Safeguards\\_2015.pdf](http://www.thegef.org/sites/default/files/documents/Policy_Environmental_and_Social_Safeguards_2015.pdf))

<sup>4</sup> GEF/C.40/10/Rev.1 ([http://www.thegef.org/sites/default/files/council-meeting-documents/C.40.10.Rev\\_1.GEF\\_Policies\\_on\\_Safeguards\\_and\\_Gender.May\\_25\\_2011\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/C.40.10.Rev_1.GEF_Policies_on_Safeguards_and_Gender.May_25_2011_1.pdf))

<sup>5</sup> GEF/C.40/09, *Broadening the GEF Partnership under Paragraph 28 of the GEF Instrument*

([http://www.thegef.org/sites/default/files/council-meeting-documents/C.40.09\\_Broadening\\_the\\_GEF\\_Partnership.04\\_26\\_11\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/C.40.09_Broadening_the_GEF_Partnership.04_26_11_1.pdf))

<sup>6</sup> *Joint Summary of the Chairs, 40<sup>th</sup> GEF Council Meeting, May 24–26, 2011*

<sup>7</sup> *Joint Summary of the Chairs, 41<sup>st</sup> GEF Council Meeting, November 8–10, 2011*

([http://www.thegef.org/sites/default/files/council-meeting-documents/Joint\\_Summaries\\_11.10.11\\_0\\_4.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/Joint_Summaries_11.10.11_0_4.pdf))

5. The policy was supported by guidelines for its application<sup>8</sup>. The guidelines focus on the assessment of prospective GEF Project Agencies' and existing GEF Agencies' compliance with the minimum standards.

6. At its 48<sup>th</sup> meeting, in June 2015, the Council noted that all ten GEF Agencies<sup>9</sup> had achieved compliance with the GEF's minimum standards on environmental and social safeguards. By that time, the pilot expansion of the Partnership had also been completed, and the eight new GEF Project Agencies<sup>10</sup> had been found to be in compliance with applicable minimum standards.

### **Independent Evaluations**

7. In May 2017, the Independent Evaluation Office (IEO) presented the findings, conclusions and recommendations of its *Review of the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards*<sup>11</sup>.

8. The review found, *inter alia*, that:

- (a) GEF Safeguards have served as a catalyst among many Agencies to strengthen existing safeguard policies and, in a number of cases, adopt comprehensive safeguard policy frameworks.
- (b) Unlike some peer institutions, the GEF does not have requirements in place for monitoring and reporting on safeguards implementation.
- (c) A high-level comparison of the GEF's policy with more recently adopted frameworks suggests that there are several, possible gaps and/or areas that could merit greater emphasis, including:
  - (i) human rights, nondiscrimination, and equity;

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<sup>8</sup> SD/GN/03, *Application of Policy on Agency Minimum Standards on Environmental and Social Safeguards* ([http://www.thegef.org/sites/default/files/documents/Guidelines\\_Application\\_of\\_Environmental\\_and\\_Social\\_Safeguard\\_Policy\\_2015.pdf](http://www.thegef.org/sites/default/files/documents/Guidelines_Application_of_Environmental_and_Social_Safeguard_Policy_2015.pdf))

<sup>9</sup> The term GEF Agency refers to the ten institutions that were entitled to receive GEF Trust Fund resources directly as of November 2010, including (a) the three Implementing Agencies, as identified in the GEF Instrument: the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank; and (b) the seven Agencies previously granted access to GEF resources under Paragraph 28 of the Instrument: the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD), and the United Nations Industrial Development Organization (UNIDO).

<sup>10</sup> These are: Conservation International (CI), the Development Bank of Latin America (CAF), Development Bank of Southern Africa (DBSA), Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO), Brazilian Biodiversity Fund (FUNBIO), International Union for Conservation of Nature (IUCN), West African Development Bank (BOAD), World Wildlife Fund (WWF-US).

<sup>11</sup> GEF/ME/C.52/Inf.08 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52\\_Inf.08\\_Safeguard\\_May\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52_Inf.08_Safeguard_May_2017.pdf))

- (ii) stakeholder engagement;
- (iii) climate change and disaster risk;
- (iv) biodiversity offsets;
- (v) invasive alien species;
- (vi) supply chains;
- (vii) sustainable resource management;
- (viii) community health, safety and security;
- (ix) hazardous materials;
- (x) involuntary resettlement;
- (xi) indigenous peoples and the application of free, prior informed consent (FPIC);
- (xii) cultural heritage; and
- (xiii) labor and working conditions.

9. In light of the above findings, IEO recommended that the GEF’s minimum standards on environmental and social safeguards be reviewed to fill critical gaps while avoiding an excessive burden on Agencies. The review further recommended that safeguards monitoring and reporting be improved at the project and portfolio levels, and that capacity development and knowledge sharing be strengthened to enable a more effective dissemination of safeguards-related expertise and experience across the GEF Partnership. The Secretariat, in its management response<sup>12</sup>, agreed with the main conclusions and recommendations of the review, and the Council endorsed IEO’s recommendations<sup>13</sup>.

10. The need to strengthen the GEF’s policy on environmental and social safeguards was further supported by IEO’s *Review of the GEF’s Engagement with Indigenous Peoples*<sup>14</sup>, which was presented to the Council in November 2017. The review recommended that the GEF update relevant policies and guidelines to reflect best practice standards concerning indigenous peoples. Specifically, it recommended that attention be given to “the right to self-

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<sup>12</sup> GEF/ME/C.52/02, Management Response to the Semi-Annual Evaluation Report of the Independent Evaluation Office: May 2017 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52.02\\_MR\\_to\\_SAER.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52.02_MR_to_SAER.pdf))

<sup>13</sup> *Joint Summary of the Chairs, 52<sup>nd</sup> GEF Council Meeting, May 23–25, 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.52\\_Joint\\_Summary\\_of\\_the\\_Chairs.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.52_Joint_Summary_of_the_Chairs.pdf))

<sup>14</sup> GEF/ME/C.53/Inf.07 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.07\\_GEF\\_Eng\\_Indigenous\\_People\\_Nov\\_2017\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.07_GEF_Eng_Indigenous_People_Nov_2017_1.pdf))

determination and to free, prior and informed consent (FPIC) as they pertain to consultations with indigenous peoples concerning GEF projects”.<sup>15</sup>

### **Process to Develop an Updated Policy**

11. Following the IEO review and associated Council decision, the Secretariat presented in November 2017 a plan to update the 2011 policy by the fall of 2018<sup>16</sup>. The plan set out a collaborative process spearheaded by a multi-stakeholder working group of interested representatives of, *inter alia*, the Council, Agencies, the CSO Network, the Indigenous Peoples Advisory Group, IEO, and recipient country Operational Focal Points. The plan also proposed a preliminary timeline to guide the process. The Council welcomed the plan as proposed<sup>17</sup>.

12. In accordance with the agreed plan and timeline, the Secretariat has conducted a consultative process to develop an updated policy for Council consideration (Annex I). Table 1 summarizes the key steps taken.

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<sup>15</sup> See also GEF/ME/C.53/02, *Management Response to the Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.02\\_MR\\_to\\_SAER\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.02_MR_to_SAER_0.pdf)); and *Joint Summary of the Chairs, 53<sup>rd</sup> GEF Council Meeting, November 28–30, 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53\\_Joint\\_Summary\\_of\\_the\\_Chairs.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53_Joint_Summary_of_the_Chairs.pdf))

<sup>16</sup> GEF/C.53/07, *Plan to Review the GEF’s Environmental and Social Safeguards* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.07\\_Safeguards\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.07_Safeguards_1.pdf))

<sup>17</sup> *Joint Summary of the Chairs, 53<sup>rd</sup> GEF Council Meeting, November 28–30, 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53\\_Joint\\_Summary\\_of\\_the\\_Chairs.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53_Joint_Summary_of_the_Chairs.pdf))

**Table 1: Overview of the Collaborative Process to Develop an Updated Policy on Environmental and Social Safeguards**

February 2018	<p>The Secretariat prepared an approach paper for the process to develop the updated policy. The approach paper was circulated to Council members, alternatives and advisors; focal points in recipient countries; Agencies; Convention Secretariats; the CSO Network; and the Indigenous Peoples Advisory Group.</p> <p>Stakeholders were also invited to join a multi-stakeholder Working Group on Environmental and Social Safeguards.</p> <p>As of November 2018, 48 stakeholders had joined the Working Group.</p>
March–April 2018	<p>The Secretariat, in collaboration with the Working Group and Agencies, carried out further analysis of the possible gap areas in the current policy, and the evolution of environmental and social policies across the GEF Partnership.</p> <p>The Secretariat found, <i>inter alia</i>, that a large majority of Agencies had taken steps to strengthen their safeguards policies, procedures, guidelines and systems after they had been found to comply with the GEF’s minimum standards in 2012–2015.</p> <p>Progress and next steps were discussed with representatives of Agencies at an inter-Agency retreat in Washington, DC.</p>
June 2018	<p>A first draft of the updated policy was circulated to the Working Group, and an in-person consultation with interested stakeholders was held in connection with the sixth GEF Assembly in Da Nang, Viet Nam.</p>
July–August 2018	<p>The Secretariat developed a revised draft policy, responding to the comments received from stakeholders.</p>
September–October 2018	<p>The revised draft policy was circulated for further review and comments by the Working Group on August 31 and posted on the GEF website for public review and input from September 6 to October 16.</p> <p>The revised draft policy was also translated into French and Spanish. The translated versions were made available for public review and input from October 1 to 16.</p> <p>In addition to the Working Group, the Secretariat made targeted efforts reach out to representatives of civil society and indigenous peoples’ organizations. The latest draft was also discussed with representatives of Agencies at another inter-Agency retreat in Washington, DC.</p>



## OVERVIEW OF THE PROPOSED POLICY

13. Taking into account the findings, conclusions and recommendations of the aforementioned IEO reviews, the additional analysis carried out by the Secretariat in collaboration with the multi-stakeholder Working Group, as well as the input provided by stakeholders over the past months, the proposed updated policy (Annex I) introduces several important changes to the current policy. The key features of the proposed policy are summarized in Table 2.

**Table 2: Key Features of the Proposed Policy**

Scope	<p>Consistent with the current policy, the proposed policy sets forth minimum standards on environmental and social safeguards that Agencies would be required to meet using their own policies, procedures and systems.</p> <p>The proposed policy also retains the provisions related to the GEF's Conflict Resolution Commissioner.</p> <p>The proposed policy would include new requirements for the documentation of and reporting on environmental and social risks and potential impacts, and their management, throughout the GEF project and program cycle. These requirements are intended to enhance the flow of information on safeguards implementation across GEF-financed projects and programs.</p>
Roles and Responsibilities	<p>In line with the current approach, Agencies would be responsible for the systematic identification, assessment, management and monitoring of environmental and social risks and potential impacts in GEF-financed projects and programs.</p> <p>In addition, the proposed policy sets out a role for the Secretariat in the review of projects and programs for the availability, clarity and completeness of the information requested at the various stages of the project and program cycles; and the monitoring of and reporting on safeguards implementation at the portfolio level.</p>
Minimum Standards	<p>The proposed, updated policy expands and strengthens the minimum standards in line with good international practice. New areas addressed in the proposed policy include, <i>inter alia</i>:</p> <ul style="list-style-type: none"><li>• labor and working conditions;</li><li>• community health, safety, and security;</li><li>• climate and disaster risks;</li><li>• disability inclusion;</li><li>• disadvantaged or vulnerable individuals or groups; and</li><li>• adverse gender-related impacts, including gender-based violence and sexual exploitation and abuse.</li></ul> <p>The proposed policy also strengthens protections for indigenous peoples.</p> <p>In the proposed policy, all minimum standards would apply to all Agencies.</p>

## EFFECTIVENESS AND IMPLEMENTATION

14. The Secretariat proposes that the updated Policy on Environmental and Social Safeguards come into effect on July 1, 2019 and that it apply to all new projects and programs submitted for GEF financing on or after the date of effectiveness. For GEF-financed activities under implementation, the Secretariat proposes that the Policy apply to all mid-term reviews and terminal evaluations submitted after one year from the date of effectiveness.
15. Following Council approval of the proposed policy, the Secretariat would update project templates consistent with the new project-level documentation requirements. In addition, the Secretariat, in consultation with the multi-stakeholder Working Group on Environmental and Social Safeguards, would finalize guidelines to support (i) the assessment of Agencies against the proposed minimum standards and (ii) the application of the proposed project- and program-level documentation and reporting requirements. Once finalized and approved by the CEO, the Secretariat would post the guidelines on the GEF website and notify the Council and other stakeholders accordingly.
16. The Secretariat would facilitate an assessment of all Agencies against the proposed minimum standards, starting in 2019. In accordance with the proposed policy, the Secretariat would present the findings of the assessment to the Council within six months of the date of effectiveness, i.e. at the 57<sup>th</sup> Council meeting in the Fall of 2019. Following publicly available and easily accessible guidelines, the assessment would consider Agencies' relevant policies, procedures, guidelines, and systems, and evidence of their effective implementation. After the initial assessment, Agencies' compliance will be subject to periodic monitoring consistent with the 2016 *Policy on Monitoring Agencies' Compliance*<sup>18</sup>. With a view to minimizing transaction costs and harnessing synergies with other GEF policies, the Secretariat would carry out the initial assessment of Agencies' compliance with the proposed updated policy jointly with the *Policy on Stakeholder Engagement*<sup>19</sup> and the *Policy on Gender Equality*<sup>20</sup>.
17. The Secretariat proposes that the Council decide on the need to review and revise the policy. In assessing the need to review the policy, the Council could consider evaluative evidence and the evolution of international good practice. In addition, as per the proposed policy, the Secretariat would 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, the management of such risks and impacts during project implementation and at project completion, as well as cases reported to and addressed by Agencies' accountability, grievance and conflict resolution mechanisms.

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<sup>18</sup> SD/PL/04 ([http://www.thegef.org/sites/default/files/documents/Monitoring\\_Agency\\_Compliance\\_Policy\\_0.pdf](http://www.thegef.org/sites/default/files/documents/Monitoring_Agency_Compliance_Policy_0.pdf))

<sup>19</sup> SD/PL/01 ([http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf))

<sup>20</sup> SD/PL/02 ([http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf))

18. In addition to the formal steps to bring into effect the proposed policy, the Secretariat will continue to work with Agencies with a view to fostering learning and knowledge sharing on safeguards design and implementation across the GEF Partnership.

## ANNEX I: POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

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## Definitions

**Associated Facility** means a facility or addition to an existing facility not funded as part of the project that is necessary for the financial and/or operational viability of the project or program, and would not have been constructed or expanded if the project or program did not exist

**Biodiversity** means the variability among living organisms from all sources, including diversity within species, between species, and of ecosystems; encompassing, *inter alia*, terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are a part

**CEO Approval** means the approval of a fully developed Medium-Sized Project or Enabling Activity by the GEF CEO

**CEO Endorsement** means the endorsement of a fully developed Full-Sized Project by the GEF CEO

**Chance Find** means previously unknown Cultural Heritage encountered in connection with the identification, design or implementation of a project or program

**Complainant** means an individual or group that is potentially affected by a project, program, or other issue of importance to GEF operations, and brings forward a complaint about that project, program, or issue to an accountability, grievance or conflict-resolution system or the Conflict Resolution Commissioner

**Complex Dam** means a dam that could cause safety risks, such as an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, retention of toxic materials, or potential for significant downstream impacts

**Council** means the 32 members that make up the GEF Council as set out in the Instrument

**Critical Habitat** means a Habitat with high Biodiversity value, including (i) Habitats of significant importance to Critically Endangered or Endangered species, as listed on the International Union for the Conservation of Nature (IUCN) Red List of threatened species or equivalent national approaches, (ii) Habitats of significant importance to endemic or restricted-range species, (iii) Habitats supporting globally or nationally significant concentrations of migratory or congregatory species, (iv) highly threatened or unique ecosystems, and (v) ecological functions or characteristics that are needed to maintain the viability of the Biodiversity values described in (i) to (iv)

**Cultural Heritage** means both tangible and intangible cultural heritage, including movable or immovable objects, sites, structures, natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance, located in urban or rural settings, above ground, underground or under water; as well as practices, representations, expressions, knowledge, or skills – as well as the instruments, objects, artifacts and cultural spaces associated therewith – that communities, groups, and in

some cases individuals, recognize as part of their heritage, as transmitted from generation to generation and constantly recreated by them in response to nature and a shared history

**Cumulative Impact** means the collective impact of a project's or program's incremental impact added to the impacts of other relevant past, present and reasonably foreseeable future developments, as well as the unplanned but predictable activities enabled by the project that may occur later or at a different location

**Disadvantaged or Vulnerable Groups or Individuals** means those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources, may be more likely to be adversely affected by the impacts of a project or program and/or more limited than others in their ability to take advantage of its benefits

**Economic Displacement** means loss of land, assets, or access to land or assets, and restrictions on land use and access to land, including those that lead to loss of income sources or other means of livelihood, whether permanent or temporary

**Enabling Activity** means a project for the preparation of a plan, strategy or report to fulfill commitments under a Convention

**Environmental and Social Impact** means any change, potential or actual, to the physical, natural, or cultural environment, and related impacts on surrounding communities and workers, resulting from a project or program, including direct, indirect, cumulative and transboundary impacts and the impacts of Associated Facilities, and including both adverse and beneficial impacts

**Environmental and Social Risk** means a combination of the probability of a certain hazard occurrence and the severity of impacts resulting from such an occurrence

**Environmental and Social Risk and Impact Assessment** means an assessment of the project or program's potential environmental and social impacts and risks that is appropriate to the nature and scale of the potential impacts, including comprehensive environmental and social impact assessments for projects with significant risks, strategic or regional impact assessments for programs, and more limited assessments for projects of limited scope and potential impact

**Environmental and Social Management Plan** means a document that identifies the Environmental and Social Risks and Impacts that are relevant for a project or program, and measures to anticipate, avoid, prevent, minimize, mitigate, manage, offset or compensate any adverse Environmental and Social Risks and Impacts, to monitor such risks and impacts throughout the project or program life-cycle, and to enhance environmental and social outcomes

**Focal Area** means a focal area in which the GEF provides funding to achieve global environmental benefits as set out in the Instrument

**Free, Prior and Informed Consent (FPIC)** means, for the purposes of this policy, the collective support of an affected Indigenous People for project or program activities, reached through a process of Meaningful Consultation in a culturally appropriate manner, and properly documented describing the mutually accepted process to carry out good faith negotiations, and the outcome of such negotiations, including dissenting views. There is no universally agreed definition of FPIC. FPIC does not require unanimity and may be achieved even when individuals or groups within the community explicitly disagree

**Full-Sized Project** means a project with GEF Project Financing exceeding US\$2 million

**GEF Partner Agency** means an agency eligible to request and receive GEF resources directly for the design, implementation, and supervision of GEF projects and programs

**Gender-Based Violence** means any harmful act that is perpetrated against a person's will and that is based on socially ascribed differences between male and female individuals, including acts that inflict physical, mental, or sexual harm or suffering; threats of such acts; and coercion and other deprivations of liberty, whether occurring in public or in private life

**Gender Equality** means the equal rights, responsibilities and opportunities of women and men and of girls and boys. Equality does not mean that women and men will become the same but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female

**Habitat** means a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment

**Harvesting of Living Natural Resources** means productive activities that include the harvesting and extraction of these resources, including fish and all other types of aquatic and terrestrial organisms (including farmed fish and animals), and timber and other forest and plantation products, from natural and modified ecosystems and Habitats

**Indigenous Peoples**<sup>21</sup> means people belonging to a distinct social and cultural group characterized in varying degrees by (i) self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct Habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas; (iii) customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or

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<sup>21</sup> This clarification is intended solely for the purpose of this Policy, given that there is no universally accepted definition of Indigenous peoples, and given that these terms and concepts are subject to national legislation and to the different national circumstances of each country, taking into account that many countries have specific interpretations for terms and concepts that already apply within their jurisdictions. Indigenous peoples have the right to determine their own identity or membership in accordance with their customs and traditions.

culture; and (iv) a distinct language or dialect, often different from the official language or languages of the country or region in which they reside. “To varying degrees” reflects the fact that some characteristics may be less, or no longer, evident, but have been present and are relevant in identifying Indigenous Peoples

**Indirect Impacts** means impacts that are caused by a project or program and are later in time and further removed in distance than a direct impact, but are still reasonably foreseeable, including the commonly known externalities of the type of project or program under consideration, and including, but not limited to, the Environmental and Social Impacts of increased economic growth, increased access to Habitat and changes in land use that result from a project or program

**Instrument** means the Instrument for the Establishment of the Restructured Global Environment Facility, effective July 7, 1994 and as amended

**Integrated Pest Management** means a mix of farmer-driven, ecologically based pest control practices that seeks to reduce reliance on synthetic chemical pesticides, involving (i) managing pests rather than seeking to eradicate them, (ii) integrating multiple methods to keep pest populations low, and (iii) selecting and applying pesticides, when they have to be used, in a way that minimizes adverse effects on beneficial organisms, humans, and the environment

**Integrated Management of Vectors and Intermediate Hosts** is a rational decision-making process for the optimal use of resources for the management of vectors and intermediate hosts, seeking to improve the efficacy, cost-effectiveness, ecological soundness and sustainability of disease management, and the management of vectors and intermediate hosts

**Involuntary Resettlement** means resettlement when affected persons do not have the right to refuse Land Acquisition or Restrictions on Land Use that result in Physical or Economic Displacement, whether permanent or temporary

**Land Acquisition** means any way in which land is obtained for the purposes of a project or program, including outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way, including but not limited to: (a) acquisition of unoccupied or unutilized land, whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies

**Large Dam** means a dam with a height of 15 meters or greater from the lowest foundation to crest, or a dam between 5 meters and 15 meters impounding more than 3 million cubic meters;

**Meaningful Consultation** means a two-way process, that:



- (a) begins early in the project or program planning process to gather initial views on the project or program proposal and inform design;
- (b) encourages Stakeholder feedback, particularly as a way of informing project or program design and Stakeholder Engagement in the identification and mitigation of Environmental and Social Risks and Impacts;
- (c) is carried out on a continuous basis, as Environmental and Social Risks and Impacts arise;
- (d) is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables consultations with Stakeholders in a culturally appropriate format, in relevant local language(s), and is understandable to Stakeholders;
- (e) considers and responds to feedback;
- (f) supports active and inclusive engagement with project-affected parties;
- (g) is free of external manipulation, interference, coercion, discrimination, and intimidation; and
- (h) is documented and disclosed by the executing agency

**Medium-Sized Project** means a project with GEF Project Financing of up to US\$2 million

**Modified Habitat** means a Habitat that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified the area's primary ecological functions and species composition, including, for example, areas managed for agriculture, forest plantations, reclaimed coastal zones, and reclaimed wetlands

**Natural Habitat** means a Habitat composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified the area's primary ecological functions and species composition

**Net Gain** means additional conservation outcomes that can be achieved for the Biodiversity values for which a Natural or Critical Habitat was designated

**No Net Loss** means the point at which project- or program-related Biodiversity losses are balanced by gains resulting from measures taken to avoid and minimize these impacts, to undertake on-site restoration, and to offset significant residual impacts, if any, on an appropriate geographic scale

**Physical Displacement** means relocation, loss of residential land, or loss of shelter, whether permanent or temporary

**Pollution** means both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases; as well as thermal discharge to water, emissions of short- and long-lived

climate pollutants, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts, including light

**Production of Living Natural Resources** means the cultivation or rearing of plants or animals, including, but not limited to, annual and perennial crop farming, animal husbandry (including livestock), aquaculture, and plantation forestry

**Program Framework Document** means the document that sets forth the concept of a program that is proposed for GEF financing

**Project Identification Form** means the document that sets forth the concept of a Full-Sized Project or Medium-Sized Project that is requesting GEF financing

**Resettlement Action Plan** means a document that describes, *inter alia*, the potential impacts of a project in terms of Restrictions on Land Use and Involuntary Resettlement, relevant baseline information on affected persons, the legal and institutional framework, the criteria for determining eligibility for compensation and other assistance, and mechanisms for Stakeholder participation, grievance, and redress

**Restrictions on Land Use** means limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of a project or program, including but not limited to restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones

**Secretariat** means the GEF Secretariat that services and reports to the GEF Assembly and the Council as set out in the Instrument

**Sexual Exploitation and Abuse** means any actual or attempted abuse of a position of vulnerability, differential power, or trust for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another; and, specifically in the case of Sexual Abuse, the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions

**Stakeholder** means an individual or group that has an interest in the outcome of a GEF project or program or is likely to be affected by it, such as local communities, Indigenous Peoples, civil society organizations, and private sector entities, comprising women, men, girls and boys

**Stakeholder Engagement** means a process involving Stakeholder identification and analysis, planning of Stakeholder Engagement, disclosure of information, consultation and participation, monitoring, evaluation and learning that begins as early as possible and is carried out throughout the project cycle, addressing grievances, and with on-going reporting to stakeholders

**Worker** means a person employed or engaged directly by an entity that executes a project or program to work specifically in relation to the project or program, or through third parties to perform work related to core functions of the project or program, regardless of location

**Work Program** means a group of Full-Sized Projects and/ or Programmatic Approaches that is presented for Council approval in a Council meeting

## Introduction

1. The GEF was established to support “the protection of the global environment and promote thereby environmentally sound and sustainable economic development”. The Instrument also provides for “consultation with, and participation as appropriate of, major groups and local communities throughout the project cycle”.<sup>22</sup>
2. In accordance with the purpose of the GEF and relevant provisions of the Instrument, this Policy sets out the GEF’s approach to anticipating, and then avoiding, preventing, minimizing, mitigating, managing, offsetting or compensating any adverse impacts that GEF-financed projects and programs may have on people or the environment throughout the project or program cycle; thereby enhancing the environmental and social outcomes of such projects and programs.
3. In addition to this Policy, the GEF’s approach to identifying and addressing relevant Environmental and Social Risks and Impacts is supported by the *Policy on Stakeholder Engagement*<sup>23</sup>, the *Policy on Gender Equality*<sup>24</sup>, and the *Minimum Fiduciary Standards for GEF Partner Agencies*<sup>25</sup>.

## Application

4. This Policy applies to the Secretariat and all GEF Partner Agencies (hereafter “Agencies”). The Policy applies to all new GEF-financed projects and programs<sup>26</sup> submitted on or after the date of effectiveness of July 1, 2019. 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.

## Policy Requirements

5. This Policy sets out mandatory requirements for identifying and addressing Environmental and Social Risks and Impacts in GEF-financed projects and programs; and for documenting, monitoring, and reporting on associated measures throughout the project and program cycles, and at the portfolio level.

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<sup>22</sup> Instrument for the Establishment of the Restructured Global Environment Facility

([http://www.thegef.org/sites/default/files/documents/GEF\\_Instrument-Interior-March23.2015.pdf](http://www.thegef.org/sites/default/files/documents/GEF_Instrument-Interior-March23.2015.pdf))

<sup>23</sup> SD/PL/01 ([http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf))

<sup>24</sup> SD/PL/02 ([http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf))

<sup>25</sup> GA/PL/02

([http://www.thegef.org/sites/default/files/documents/GA.PL\\_02\\_Minimum\\_Fiduciary\\_Standards\\_0.pdf](http://www.thegef.org/sites/default/files/documents/GA.PL_02_Minimum_Fiduciary_Standards_0.pdf))

<sup>26</sup> This includes activities funded through any GEF-managed trust fund, unless decided otherwise by the LDCF/SCCF Council in response to guidance from the Conference of the Parties of the United Nations Framework Convention on Climate Change.

### *Minimum Standards for Agency Policies, Procedures, Systems and Capabilities*

6. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to meet minimum standards 1–9 contained in Annex I.A of this Policy.

7. The Secretariat facilitates an assessment of Agencies' compliance with the requirements set out in Paragraph 6, to be presented for Council review and decision within six months of the date of effectiveness of this Policy. The assessment considers Agencies' relevant policies, procedures, guidelines, and systems, and evidence of their effective implementation. The Secretariat prepares publicly available and easily accessible guidelines for the assessment process.

8. If an Agency does not meet one or more of the minimum standards, the Agency, in consultation with the Secretariat, develops a concrete, time-bound action plan to achieve compliance. The Secretariat, on behalf of the Agency, submits the action plan for review and approval by the Council. The Council decides whether the Agency may continue to seek GEF financing while it implements the time-bound action plan.

9. Once an Agency has been found to meet all Minimum Standards, the Agency and the Secretariat carry out periodic reporting and monitoring of compliance using the modalities set out in the *Policy on Monitoring Agencies' Compliance*<sup>27</sup>.

10. The Secretariat and Agencies update, where applicable, their Memoranda of Understanding to reflect the relevant provisions of this Policy.

### *Documentation and Reporting in GEF-Financed Projects and Programs*

11. In Project Identification Forms and Program Framework Documents submitted for Work Program entry or CEO Approval, Agencies provide indicative information regarding any Environmental and Social Risks and potential Impacts associated with the proposed project or program; and any measures to address such risks and impacts.

12. At CEO Endorsement/Approval, Agencies provide additional information regarding the relevant Environmental and Social Risks and Impacts associated with the proposed project, and associated measures to address such risks and impacts, including any environmental and social assessments carried out, and any Environmental and Social Management Plans or the equivalent.

13. The Secretariat, in its review of Project Identification Forms, Program Framework Documents and Requests for CEO Endorsement/Approval, assesses whether the Environmental

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<sup>27</sup> SD/PL/04 ([http://www.thegef.org/sites/default/files/documents/Monitoring\\_Agency\\_Compliance\\_Policy\\_0.pdf](http://www.thegef.org/sites/default/files/documents/Monitoring_Agency_Compliance_Policy_0.pdf))

and Social Risks, Impacts and management measures are adequately documented, consistent with the requirements set out in paragraphs 12–13 above.<sup>28</sup>

14. Agencies provide information on the implementation of relevant environmental and social management measures at project mid-term, if applicable, and at project completion.

15. Agencies report annually to the Secretariat any cases reported to their respective accountability, grievance and conflict resolution mechanisms in connection with GEF-financed projects or programs, and how such cases have been addressed, consistent with the requirements set out in Minimum Standard 2 in Annex I.A of this Policy.

16. The Secretariat prepares, updates and maintains publicly available and easily accessible templates and guidelines to support the effective implementation of this Policy.

#### *Portfolio Monitoring and Reporting*

17. The Secretariat reports annually to the Council on the implementation of this Policy, including the type and level of Environmental and Social Risks and Impacts identified in GEF-financed projects and programs, the management of such risks and impacts during project implementation and at project completion, as well as cases reported to and addressed by Agencies' accountability, grievance and conflict resolution mechanisms.

#### *GEF Conflict Resolution Commissioner*

18. In addition to the accountability, grievance and conflict resolution mechanisms required as per Minimum Standard 2 in Annex I.A of this Policy, the GEF Conflict Resolution Commissioner is available to receive complaints related to GEF-financed projects and programs and other issues of importance to GEF operations. The Commissioner facilitates actions among relevant parties, including Complainants, Agencies, recipient countries and other Stakeholders. The Secretariat ensures that the contact information and relevant procedures for the Conflict Resolution Commissioner, as well as complaints received, are publicly available and accessible on the GEF website.

#### **Review of This Policy**

19. The Council decides on the review and revision of this Policy.

#### **Effectiveness**

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<sup>28</sup> Council members can also review and provide comments on how Environmental and Social Risks and Impacts have been addressed in GEF-financed Full-Sized Projects and in programs. Consistent with the Project and Program Cycle Policy, Project Identification Forms for Full-Sized Projects and Program Framework Documents that seek Work Program entry are circulated for Council review and comments for a period of four weeks. For selected Full-Sized Projects, the CEO Endorsement Requests and Final Project Documents are also circulated for Council review and comments prior to CEO Endorsement. (OP/PL/01

[\[http://www.thegef.org/sites/default/files/documents/Project\\_Program\\_Cycle\\_Policy\\_OPPL01.pdf\]](http://www.thegef.org/sites/default/files/documents/Project_Program_Cycle_Policy_OPPL01.pdf))

20. This Policy will come into effect on July 1, 2019 and will remain in effect until amended or superseded by the Council.

## **References and Related Documents**

### *Policies*

- *Minimum Fiduciary Standards for GEF Partner Agencies (GA/PL/02)*
- *Monitoring Agencies' Compliance (SD/PL/04)*
- *Monitoring and Evaluation Policy*
- *Project and Program Cycle (OP/PL/01)*
- *Policy on Gender Equality (SD/PL/02)*
- *Policy on Stakeholder Engagement (SD/PL/01)*

### *Guidelines*

- *Guidelines on the Project and Program Cycle Policy (GEF/C.52/Inf.06)*
- *Guidelines on Gender Equality in GEF Projects and Programs (SD/GN/02)*
- *Guidelines on Stakeholder Engagement (forthcoming)*

## Annex I.A: Minimum Standards for Agency Policies, Systems and Capabilities

1. The Policy on Environmental and Social Safeguards sets out the following nine Minimum Standards for Agency policies, procedures, systems and capabilities related to identifying and addressing Environmental and Social Risks and Impacts in projects and programs:

- (a) Environmental and Social Assessment, Management and Monitoring;
- (b) Accountability, Grievance and Conflict Resolution;
- (c) Biodiversity Conservation and the Sustainable Management of Living Natural Resources;
- (d) Restrictions on Land Use and Involuntary Resettlement;
- (e) Indigenous Peoples;
- (f) Cultural Heritage;
- (g) Resource Efficiency and Pollution Prevention;
- (h) Labor and Working Conditions; and
- (i) Community Health, Safety and Security.

2. Agencies ensure that the Minimum Standards are met at all levels of project and program implementation, including by executing partners.

3. In implementing the policies, procedures and systems required as per the below Minimum Standards, Agencies ensure compliance with the *Policy on Stakeholder Engagement*<sup>29</sup>, the *Policy on Gender Equality*<sup>30</sup>, and the *Minimum Fiduciary Standards for GEF Partner Agencies*<sup>31</sup>.

### *Minimum Standard 1: Environmental and Social Assessment, Management and Monitoring*

4. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) Projects and programs are screened as early as possible to identify Environmental and Social Risks and potential Impacts, including all risks referred to in Minimum Standards 3–9 below. This screening informs the overall process of managing relevant Environmental and Social Risks and Impacts, and related Stakeholder Engagement, including decisions on the appropriate Environmental and Social Risk and Impact Assessments that will be carried out;
- (b) Projects and programs are classified based on the level and magnitude of potential risks and impacts, including considerations of:

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<sup>29</sup> SD/PL/01 ([http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf))

<sup>30</sup> SD/PL/02 ([http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf))

<sup>31</sup> GA/PL/02 ([http://www.thegef.org/sites/default/files/documents/GA.PL\\_.02\\_Minimum\\_Fiduciary\\_Standards\\_0.pdf](http://www.thegef.org/sites/default/files/documents/GA.PL_.02_Minimum_Fiduciary_Standards_0.pdf))



- (i) Direct, indirect, cumulative, and transboundary Environmental and Social Risks and potential Impacts, and the risks and impacts of Associated Facilities;
  - (ii) Physical, biological, socio-economic (including livelihoods), other social (including on social organization, health and human safety), and cultural resources; and
  - (iii) Applicable national and local laws as well as directly relevant provisions of international treaties and agreements;
- (c) Projects and programs are assessed, designed and implemented consistent with the mitigation hierarchy, ensuring that any Environmental and Social Risks and potential adverse Environmental and Social Impacts are anticipated and then, in order: avoided or prevented, where feasible; minimized; mitigated and managed; and as a last resort, residual impacts are offset or compensated where avoidance or prevention, minimization, mitigation, and management are not feasible;
- (d) Depending on the nature and scale of Environmental and Social Risks and potential Impacts identified<sup>32</sup>, appropriate assessments are carried out, based on recent environmental and social baseline data at an appropriate level of detail, recognizing that periodicity (e.g., seasonal variation) or other variability over time may require more robust baseline data than relatively constant conditions, and including an assessment of alternatives that includes the no-project alternative;
- (e) In response to the findings of the relevant environmental and social assessments, an appropriately-scaled and adequately budgeted management plan – such as an Environmental and Social Management Plan or another appropriate instrument – is developed, following the mitigation hierarchy, and implemented and monitored throughout the project or program cycle, with adaptive management to ensure that problems that arise during implementation are identified at early stages and addressed appropriately, so as to achieve planned environmental and social outcomes;
- (f) Independent expertise is used in the assessment of Environmental and Social Risks and Impacts, where appropriate, including where specialized knowledge may be needed, and independent advisory panels are used to support the preparation and implementation of projects and programs where the level and magnitude of risks and potential impacts is deemed high;
- (g) Third party (e.g., independent expert, local community, other) monitoring and/or independent audits are used, where appropriate, to monitor project

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<sup>32</sup> See Paragraph 4(a) above.

implementation and/or assess if Environmental and Social Risk and Impact mitigation objectives are being or have been achieved; and

- (h) The steps described in paragraphs 4.a.–g. above are documented, and relevant documents are disclosed by Agencies and project implementing entities in line with Agencies' applicable policies, procedures and systems for information disclosure, so as to provide Stakeholders with timely, relevant and understandable information about projects and programs, and allow Stakeholders to participate in Meaningful Consultations, starting as early as possible<sup>33</sup> in the project or program cycle, and continuing throughout the life-cycle of the project or program<sup>34</sup>;

#### Climate Change and Disaster Risks

- (i) Short- and long-term risks posed by climate change and other natural hazards are considered systematically in the screening, assessment and planning processes described in paragraphs 4.a.–g. above, based on established methodologies, and significant risks and potential impacts are addressed throughout the design and implementation of projects and programs;

#### Disadvantaged or Vulnerable Individuals or Groups

- (j) Disadvantaged or Vulnerable Groups or Individuals that are or may be affected by a project or program are identified as early as possible<sup>35</sup>, and associated risks and potential impacts are assessed to ensure that:
  - (i) Differentiated mitigation measures are incorporated so that risks and impacts do not fall disproportionately on Disadvantaged or Vulnerable Individuals or Groups; and
  - (ii) Disadvantaged or Vulnerable Individuals or Groups do not face discrimination or prejudice in accessing benefits and resources;
- (k) The special needs and circumstances of Disadvantaged or Vulnerable Groups or Individuals are addressed in any Environmental and Social Management Plan, or equivalent;

#### Disability Inclusion

- (l) The differentiated risks and potential impacts of projects and programs on persons with disabilities are addressed systematically in the screening,

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<sup>33</sup> Such as during screening

<sup>34</sup> See also Policy on Stakeholder Engagement (SD/PL/01

[\[http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf\]](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf)).

<sup>35</sup> Such as during screening

assessment and planning processes described in paragraphs 4.a.–g. above in such a way that ensures non-discrimination and equality, and aims to provide opportunities for persons with disabilities to participate in and benefit from projects and programs on an equal basis with others;

Adverse Gender-Related Impacts, Including Gender-Based Violence and Sexual Exploitation and Abuse<sup>36</sup>

- (m) Any risks or potential adverse impacts on women, men, girls and boys are identified as early as possible as part of project or program screening and reflected in relevant safeguards instruments, and differentiated by gender where relevant, including adverse impacts on Gender Equality, Gender-Based Violence (GBV), and Sexual Exploitation and Abuse;
- (n) Discrimination against women or girls, or gender-based discrimination are prevented; and
- (o) In case incidences of Gender-Based Violence and/or Sexual Exploitation and Abuse occur, there are:
  - (i) Established reporting and response protocols in place, with specific procedures for GBV including confidential reporting with safe and ethical documenting of GBV cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; and
  - (ii) Modalities to provide services and redress to survivors.

*Minimum Standard 2: Accountability, Grievance and Conflict Resolution*

- 5. Agencies demonstrate that they have in place an accountability system that:
  - (a) Identifies potential breaches of Agency policies and procedures related to the identification, management and monitoring of Environmental and Social Risks and Impacts;
  - (b) Is independent, transparent and effective;
  - (c) Is accessible and broadly advertised to Stakeholders;
  - (d) Keeps Complainants abreast of progress with cases brought forward;
  - (e) Maintains records on all cases and issues brought forward for review, with due regard for the confidentiality of Complainants' identity and of information; and
  - (f) Takes appropriate and timely measures to minimize the risk of retaliation to Complainants.

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<sup>36</sup> See also Policy on Gender Equality (SD/PL/02 [[http://www.thegef.org/sites/default/files/documents/Gender\\_Equality\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf)]).

6. Agencies demonstrate that they have in place grievance and conflict resolution systems at the appropriate level that:

- (a) Receive and address complaints related to the implementation of projects and programs in a timely and culturally appropriate manner;
- (b) Include contact information made available on the Agency's website and on a project- or program-specific website, when such a website exists, including in local languages;
- (c) Work proactively with Complainants and other parties to resolve the complaints or disputes determined to have standing;
- (d) Are independent of teams preparing and supervising projects and programs, transparent, and effective as neutral third parties able to assist in resolving disputes between Complainants and project implementers;
- (e) Keeps Complainants abreast of progress with cases brought forward;
- (f) Maintain records on all cases and issues brought forward, with due regard for the confidentiality of Complainants' identity and of information;
- (g) Take appropriate measures to minimize the risk of retaliation to Complainants;
- (h) Are readily accessible and broadly advertised to Stakeholders; and
- (i) Includes a locally-available option at the project or program level that is established early, proportionate to the potential risks and impacts of the project or program, readily accessible, culturally appropriate, and with appropriate confidentiality protections.

*Minimum Standard 3: Biodiversity Conservation and the Sustainable Management of Living Natural Resources*

7. Agencies do not propose for or implement with GEF funding projects or programs that would:

- (a) Involve adverse impacts on Critical Habitats, including forests that are Critical Habitats, including from the procurement of natural resource commodities, except for adverse impacts on a limited scale that result from conservation actions that achieve a Net Gain of the Biodiversity values associated with the Critical Habitat;
- (b) Contravene applicable international environmental treaties or agreements; or
- (c) Introduce or use potentially invasive, non-indigenous species.

8. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) When potential adverse impacts on Biodiversity or Habitats are identified as part of the screening or assessment processes described under Minimum Standard 1, a precautionary approach is applied, and such impacts are assessed further, considering:
  - (i) The significance of the Biodiversity or Habitats, including their vulnerability and irreplaceability and, if protected, their protected status;
  - (ii) The significance of the Biodiversity or Habitats to local communities, including for the provision of livelihoods, ecosystem services, conservation needs, development priorities, and cultural heritage;
  - (iii) Relevant, potential threats to the Biodiversity, such as Habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, Pollution and incidental take, as well as the current or projected effects of climate change and other natural hazards;
  
- (b) Where avoidance of adverse impacts is not feasible, and no viable alternatives are available, such adverse impacts are minimized, mitigated, managed or, as a last resort according to the mitigation hierarchy, offset considering the type of Habitat that would be affected<sup>37</sup>:
  - (i) Where Modified Habitats are affected, projects and programs proceed only after appropriate mitigation measures are put in place;
  - (ii) Where Natural Habitats are affected, projects and programs proceed only after appropriate mitigation measures are put in place to achieve No Net Loss and preferably a Net Gain of the associated Biodiversity values over the long term; and a robust long-term Biodiversity action plan that describes the conservation outcomes, implementation, monitoring and evaluation plan is in place;
  - (iii) Where Natural Habitats are affected, projects and programs proceed only after appropriate mitigation measures are put in place to achieve No Net Loss and preferably a Net Gain of the associated Biodiversity values over the long term; and a robust long-term Biodiversity action plan or equivalent document that describes the conservation outcomes, implementation, monitoring and evaluation plan is in place;
  - (iv) Compensation, or offsets, are used to mitigate adverse impacts on Biodiversity and ecosystems in rare cases, only as a last resort, and only in specific instances where: all other technically feasible avoidance, minimization or restoration measures have been considered; supported

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<sup>37</sup> Please refer to Paragraph 7.a. regarding Critical Habitats.

by rigorous, sound science; developed in consultation with independent experts; when sustainable management, support and financing have been secured; and consistent with best practice<sup>38</sup>;

- (c) The procurement of natural resource commodities that may contribute to significant conversion or degradation of Natural Habitats is avoided, where feasible, or limited to suppliers that can demonstrate that they are not contributing to significant conversion or degradation of Natural Habitats;
- (d) Any project- or program-supported production or harvesting of living natural resources is carried out consistent with good sustainable management practices, including industry-specific standards, where such standards exist;
- (e) Projects and programs involving forest restoration maintain or enhance Biodiversity and ecosystem functionality, and are environmentally appropriate, socially beneficial and economically viable;
- (f) Project- and program supported activities conform with applicable frameworks and measures related to access and benefit sharing in the utilization of genetic resources.

*Minimum Standard 4: Restrictions on Land Use and Involuntary Resettlement*

9. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) All viable alternatives are assessed to avoid Economic Displacement or Physical Displacement from Restrictions on Land Use and Involuntary Resettlement;
- (b) Where viable and feasible alternatives do not exist, adverse impacts from Restrictions on Land Use and Involuntary Resettlement are minimized, managed or compensated, based on Meaningful Consultations, and with particular attention to any affected Disadvantaged or Vulnerable Individuals or Groups, so that affected peoples' standards of living and livelihoods are improved, or at least restored;
- (c) Good faith efforts are undertaken to secure negotiated settlements;
- (d) Where Involuntary Resettlement occurs, a Resettlement Action Plan or equivalent is developed to aid implementation of this process, including:
  - (i) A robust baseline assessment of the socio-economic conditions of affected people, as well as their legal tenure and rights;

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<sup>38</sup> See e.g.: <https://www.iucn.org/theme/business-and-biodiversity/our-work/business-approaches-and-tools/biodiversity-offsets>

- (ii) A definition of people eligible for assistance, including people with formal legal rights to land or assets; people without formal legal rights, but with a claim to land or assets that is recognized or recognizable under national law; and people who have no recognizable legal right or claim to the land or assets they occupy or use, but who are occupying or using the land prior to a project-specific cut-off date;
  - (iii) Adequate budget for effective implementation; and
  - (iv) Resettlement activities that are conceived as sustainable development activities, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant;
- (e) With respect to Economic and Physical Displacement, affected persons are engaged in Meaningful Consultations<sup>39</sup> and:
- (i) Informed of their rights and the existence of available accountability, grievance and conflict resolution systems;
  - (ii) Provided with technically and economically feasible resettlement alternatives and assistance;
  - (iii) Provided opportunities to participate in the development, implementation and monitoring of Resettlement Action Plans or the equivalent, considering sustainability and development impact; and
  - (iv) Included in the process to determine compensation and the provision of benefits from the project or program to displaced persons, as the nature of the project or program may warrant;
- (f) Where Physical Displacement occurs, displaced persons with title or a claim recognizable under national law are provided with:
- (i) Choices among feasible resettlement options – including land-based compensation where possible – equal to the existing land in productive potential, location, and security of tenure, ownership and use rights;
  - (ii) Adequate replacement housing and/ or cash compensation, access to services, and resources/organization to support maintenance of social organization and social cohesion;
  - (iii) Relocation assistance suited to their needs; and

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<sup>39</sup> See also Policy on Stakeholder Engagement (SD/PL/01 [[http://www.thegef.org/sites/default/files/documents/Stakeholder\\_Engagement\\_Policy.pdf](http://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy.pdf)]).

- (iv) Assistance to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the start of project implementation, whichever is higher;
- (g) Where Economic Displacement occurs, affected persons with title or a claim recognizable under national law are provided with:
  - (i) Prompt and adequate compensation for the loss of assets or access to assets, such as sites of productive activity, with replacement property of equal or greater value, or cash compensation at replacement cost;
  - (ii) Assistance to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the start of project implementation, whichever is higher; and
  - (iii) Transitional support, as necessary;
- (h) For persons without formal legal rights to land, or claims to such land that could be recognized under national laws, resettlement assistance is provided in case of Physical or Economic Displacement, in lieu of compensation for land, to help improve or at least restore their livelihoods in another location; and in cases of physical resettlement, arrangements to allow them to obtain adequate housing with security of tenure, and compensation for assets other than land (such as dwellings), where feasible;
- (i) Forced eviction without the provision of and access to appropriate forms of legal and other protection is prohibited; and
- (j) Compensation, assistance, and benefits to affected persons are provided in a timely manner, before project or program activities begin on the acquired land.

*Minimum Standard 5: Indigenous Peoples<sup>40</sup>*

10. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that the Free, Prior and Informed Consent (FPIC) of affected Indigenous Peoples is obtained when a project or program may cause:

- (a) Impacts on land and natural resources, including Restrictions on Land Use or loss of access to natural resources, subject to traditional ownership or under customary use or occupation, or the location of a project or program on such land or the commercial development of such natural resources;
- (b) Relocation of Indigenous Peoples from land and natural resources subject to traditional ownership, or under customary use or occupation; or

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<sup>40</sup> Throughout this Minimum Standard, the term “Indigenous Peoples” can refer to one or more indigenous persons or a community or part of a community of indigenous persons. It does not necessarily refer only to an entire Indigenous People.



- (c) Significant impacts on an Indigenous People's Cultural Heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous People's lives, or the use of such Cultural Heritage for commercial purposes;

11. Agencies further demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) Where the presence of Indigenous Peoples is identified as part of the screening or assessment processes described under Minimum Standard 1, any potential risks or adverse economic, social, cultural or environmental impacts on Indigenous Peoples are, in consultation with those Indigenous Peoples, assessed and avoided, where feasible;
- (b) Where alternatives have been explored and adverse impacts are unavoidable, such impacts are minimized, mitigated, managed or compensated in a culturally appropriate manner, proportionate to the nature and scale of the impacts and the form and degree of vulnerability of the affected Indigenous Peoples;
- (c) Mitigation and compensation plans are developed through Meaningful Consultations with the affected Indigenous Peoples that are gender and inter-generationally inclusive, involve their traditional representative bodies and organizations, provide sufficient time for their decision-making processes, and allow for the affected Indigenous Peoples to effectively participate in the design of mitigation measures and the provision or sharing of benefits;
- (d) Affected Indigenous Peoples are actively engaged to ensure their ownership and participation in the development, implementation, and monitoring of Environmental and Social Management Plans or equivalent instruments, projects, and programs;
- (e) Grievance and conflict resolution systems are established, which are culturally appropriate, available in local languages, accessible to affected Indigenous Peoples, and take into account the availability of customary dispute settlement mechanisms among Indigenous Peoples;
- (f) When project or program activities involve the acquisition of lands and territories that have been traditionally owned or customarily used by Indigenous Peoples, or where otherwise appropriate and/or necessary, support is provided towards activities that would result in the legal recognition of such ownership and customary use;
- (g) When project or program activities include the commercial development of lands and natural resources central to Indigenous Peoples' identity and livelihood, or commercial use of Indigenous Peoples' Cultural Heritage, the project or program informs the affected people of their rights under national law and of the scope, nature and impacts of the potential use, enabling the

Indigenous Peoples to share equitably in the benefits from such commercial development or use;

- (h) When entitled to benefits, Indigenous Peoples are engaged through Meaningful Consultations and/ or provided opportunities for negotiation concerning the sharing of benefits, recognizing that benefits can take many forms, including participation in a project, and may not be financial;
- (i) Where a project may restrict the access of Indigenous Peoples to parks and protected areas, at a minimum, the project involves the affected Indigenous Peoples in the planning and management of the park or protected area, and key species;
- (j) Where a project or program may affect Indigenous Peoples in voluntary isolation, appropriate measures are taken to recognize, respect, and protect their lands and territories, environment, health, and culture, as well as to avoid all undesired contact; and aspects of the project or program that would result in such undesired contact are not processed further.

*Minimum Standard 6: Cultural Heritage*

12. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) Any Cultural Heritage identified as part of the screening or assessment processes described under Minimum Standard 1 is appropriately preserved throughout the project or program cycle;
- (b) Qualified experts, local people, and other relevant Stakeholders are consulted, and field-based surveys are used, in assessing the nature, extent and significance of Cultural Heritage that may be affected by the project; assessing whether destruction or damage can be avoided; and assessing plans for minimizing/ mitigating risks and impacts;
- (c) Qualified experts, local people, and other relevant Stakeholders are also consulted on whether disclosure is appropriate, given that information regarding Cultural Heritage may be confidential, if disclosure would compromise or jeopardize the safety or integrity of the Cultural Heritage or would endanger sources of information;
- (d) Qualified experts, local people, and other relevant Stakeholders are also consulted on whether disclosure of information regarding Cultural Heritage is appropriate, given that disclosure would in some cases compromise or jeopardize the safety or integrity of the Cultural Heritage or endanger sources of information, and should be avoided;
- (e) Where viable and feasible alternatives do not exist to avoid adverse impacts to Cultural Heritage, appropriate measures to minimize or mitigate such adverse

impacts are developed through Meaningful Consultations with Stakeholders and relevant authorities;

- (f) Where a project or program introduces restrictions to Stakeholder access to Cultural Heritage, continued access is arranged in consultation with Stakeholders, where feasible subject to overriding safety and security considerations;
- (g) Where a project or program involves the commercial use of Cultural Heritage, project- or program-affected parties are informed of their rights under national law and of the scope, nature and impacts of the potential use, and arrangements are made to provide for the fair and equitable sharing of benefits from such use; and
- (h) Chance Finds are reported to relevant authorities, protected from further disturbance, and managed through Meaningful Consultation with Stakeholders, based on a pre-defined approach.

*Minimum Standard 7: Resource Efficiency and Pollution Prevention*

13. Agencies do not propose for or implement with GEF funding projects or programs that would promote the trade in or use of any substances listed under the Stockholm Convention on Persistent Organic Pollutants, or other chemicals or hazardous materials subject to international bans, restrictions or phaseouts due to high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential depletion of the ozone layer, consistent with relevant international treaties and agreements.

14. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) The screening or assessment processes described under Minimum Standard 1 consider significant Environmental and Social Risks and potential Impacts related to Pollution and resource use, the use of pesticides and hazardous materials, the generation of wastes and effluents, and emissions of short- and long-lived climate pollutants;
- (b) Where relevant risks and impacts are identified; further assessments are undertaken and measures are put in place to:
  - (i) Avoid the release of pollutants, where feasible, or minimize and control the intensity, concentration, and mass flow of their release, including routine, non-routine and accidental releases;
  - (ii) Apply control measures and performance levels consistent with applicable laws and good international industry practice;
  - (iii) Avoid or minimize project- or program-related greenhouse gas emissions and black carbon;

- (iv) Avoid the generation of hazardous and non-hazardous wastes, where feasible, or minimize waste generation, and reuse, recycle and recover waste in a safe manner, with environmentally sound waste treatment and disposal;
  - (v) Treat hazardous waste in accordance with national laws, applicable international treaties and agreements, and/or good international industry practice, whichever is most stringent; and
  - (vi) Avoid the use and release of hazardous materials, where feasible, or minimize and control such use and release across production, transportation, handling, storage, and use;
- (c) Where projects and programs involve pest management measures, Integrated Pest Management or Integrated Management of Vectors and Intermediate Hosts are applied, where feasible;
- (d) Where pesticides are procured or used:
- (i) The products used do not contain active ingredients that are banned or restricted under applicable international treaties and agreements, or meet the criteria of carcinogenicity, mutagenicity, or reproductive toxicity as set forth by relevant international agencies;
  - (ii) Adequate restrictions, skills, equipment and facilities are in place to ensure their safe use, taking into account the pesticide's potential risks;
  - (iii) Projects and programs avoid, where feasible, or minimize the use of pesticides that damage non-target species or the natural environment, or contribute towards the development of resistance in pests and vectors;
- (e) Projects and programs promote an efficient use of energy, water and other resources and material inputs, and where significant water consumption is involved, adopt measures to avoid or reduce water use to avoid significant adverse impacts on communities, other water users, and the environment.

*Minimum Standard 8: Labor and Working Conditions*

15. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:

- (a) Where the screening or assessment processes described under Minimum Standard 1 identify risks or potential adverse impacts to Workers, further assessments are undertaken, and plans are developed, implemented and monitored to manage the risks and potential adverse impacts in such a way that is consistent with this Minimum Standard and respects and protects the fundamental rights of workers, consistent with the International Labour

Organization's (ILO)<sup>41</sup> Declaration on the Fundamental Principles and Rights at Work, including:

- (i) Freedom of association and the effective recognition of the right to collective bargaining;
  - (ii) The elimination of discrimination, in respect of employment and occupation;
  - (iii) The prevention of child labor; and
  - (iv) The elimination of all forms of forced or compulsory labor.
- (b) Written labor management procedures are established in accordance with applicable national laws, and the requirements of this Minimum Standard;
  - (c) Workers are provided with clear and understandable documentation of employment terms and conditions, including their rights under national law related to hours of work, wages, overtime, compensation and benefits, and those arising from this minimum standard;
  - (d) Workers are provided regular and timely payment of wages; adequate periods of rest, holiday, sick, maternity, paternity, and family leave; and written notice of termination and severance payments, as required under national laws and the labor management procedures referenced in Paragraph 15.b. above;
  - (e) Decisions relating to any aspect of the employment relationship, including recruitment, hiring and treatment of workers, are made based on the principles of non-discrimination, equal opportunity and fair treatment, and not on the basis of personal characteristics unrelated to inherent job requirements;
  - (f) Appropriate measures are in place to prevent harassment, intimidation, and exploitation, and to protect vulnerable Workers, including but not limited to women, children of working age, migrants and persons with disabilities;
  - (g) Workers who participate, or seek to participate, in Workers' organizations and collective bargaining, do so without interference, are not discriminated or retaliated against, and are provided with information needed for meaningful negotiation in a timely manner;
  - (h) Forced labor and child labor are not used in connection with a project or program. Child labor includes both (i) labor below the minimum age of employment and (ii) any other work that may be hazardous, may interfere with the child's education, or may be harmful to the child's health or to the child's physical, mental, spiritual, moral, or social development;

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<sup>41</sup> Including ILO conventions 29 and 105, and the protocol to the convention 29 (forced labour), 87 (freedom of association), 98 (right to collective bargaining), 100 and 111 (discrimination), 138 (minimum age) 182 (worst forms of child labour).

- (i) Occupational health and safety (OHS) measures are applied to establish and maintain a safe and healthy working environment, and such measures are designed and implemented to address:
  - (i) Identification of potential hazards to Workers, particularly those that may be life threatening;
  - (ii) Provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances;
  - (iii) Training of Workers and maintenance of training records;
  - (iv) Documentation and reporting of occupational accidents, diseases and incidents;
  - (v) Emergency prevention and preparedness and response arrangements to emergency situations; and
  - (vi) Remedies for adverse impacts such as occupational injuries, deaths, disability and disease;
- (j) Workers are informed of applicable grievance and conflict resolution systems provided at the workplace level, which conform to the requirements of Minimum Standard 2; and
- (k) Workers may use these mechanisms without retribution, and the grievance and conflict resolution systems does not impede access to other judicial or administrative remedies available under the law or through existing arbitration procedures, or substitute for grievance systems provided through collective agreements.

*Minimum Standard 9: Community Health, Safety and Security*

- 16. Agencies do not propose for or implement with GEF funding projects or programs that would involve the construction or rehabilitation of Large or Complex Dams;
- 17. Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that:
  - (a) Where the screening or assessment processes 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:
    - (i) The potential exposure of communities to both accidental and natural hazards, particularly where the structural elements of the project or program are accessible to members of the affected community, or where their failure could result in injury to the community;

- (ii) The special needs and exposure of Disadvantaged or Vulnerable Groups or Individuals, including in particular women and children;
  - (iii) The particular risks that may be present in a conflict or post-conflict context;
  - (iv) The impacts of the project on provisioning and regulating ecosystem services, as they are directly relevant to community health and safety; and
  - (v) The current or projected effects of climate change and other natural hazards;
- (b) Appropriate measures are designed, implemented and monitored to prevent or avoid any adverse impacts on community health, safety and security, where feasible, or minimized or mitigated, where avoidance or prevention are not feasible;
  - (c) When structural elements or components, such as dams, tailings dams, or ash ponds are situated in high-risk locations, and their failure or malfunction may threaten the safety of communities, projects or programs engage one or more external experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation, and decommissioning;
  - (d) Emergency preparedness plans are developed, implemented and monitored in collaboration with Stakeholders and relevant authorities, where relevant;
  - (e) Projects and programs avoid, where feasible, or minimize the risk of community exposure to disease and other relevant health risks, taking into account differentiated levels of exposure, and the needs and exposure of Disadvantaged or Vulnerable Groups or Individuals; and
  - (f) Any security arrangements to safeguard personnel or property are proportional and consistent with applicable national laws and good international industry practice.