

GEF Council Meeting
November 5 – 7, 2013
Washington, D.C.

Agenda Item 15

**REVIEW OF GEF AGENCIES ON ENVIRONMENTAL AND SOCIAL
SAFEGUARDS AND GENDER MAINSTREAMING**

Recommended Council Decision

1. The Council, having reviewed Council Document GEF/C.45/10, *Review of the GEF Agencies on Environmental and Social Safeguards and Gender Mainstreaming*, requests:

- (a) Each GEF Agency that has not fully met the requirements of the *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards* and the *GEF Policy on Gender Mainstreaming* to submit to the GEF Secretariat, by December 15, 2013, an action plan explaining how it will come into compliance with those provisions not met. The GEF Secretariat shall compile these action plans and forward them to the GEF Council for information by December 31, 2013.
- (b) Each GEF Agency that has not fully met the requirements of either Policy to report to the Council at its spring 2014 meeting on the progress each has made towards fulfilling its action plans.

2. The Council requests that the GEF Evaluation Office begin its assessment of the *Policy on Agency Minimum Standards on Environmental and Social Safeguards* after the conclusion of the Pilot on Accrediting GEF Project Agencies. The Secretariat will present a revised Policy for Council consideration taking into account the findings of this evaluation and any guidance from the Council.

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INTRODUCTION

1. At its 41st session in November 2011, the Council underscored that the existing 10 GEF Agencies would be required to meet the same standards that entities applying for accreditation as GEF Project Agencies (hereafter referred to as “GEF Project Agency Applicants”) are required to meet.¹ Accordingly, the Council requested that all ten of the existing GEF Agencies be assessed on whether they meet the minimum requirements of the *Policy on Gender Mainstreaming*,² and whether nine of the existing GEF Agencies (excluding the World Bank)³ be assessed on whether they meet the eight Minimum Standards in the *Policy on Agency Minimum Standards on Environmental and Social Safeguards*. The Council asked the Secretariat to assess these Agencies and to present a report to Council that indicates those areas in which the Agencies meet or do not meet the relevant criteria. The Council decided that those Agencies found not to meet certain requirements would develop time-bound action plans to come into compliance.⁴

2. The following paper presents the results of the assessments of each Agency in separate, Agency-specific annexes. The GEF Secretariat has discussed the results of the assessments with each Agency reviewed. The annexes summarize where each Agency was found to meet or not meet a standard or subcomponent of a standard. In cases where an Agency was found not to meet a standard, the Agency and Secretariat worked to agree on items for action plans to come into compliance with the Policies. Where already agreed, these items are summarized in the relevant annexes. The Secretariat will circulate the final time-bound action plans to the Council by end-December 2013.

BACKGROUND ON TWO POLICIES

3. Both Policies require two things of the GEF Agencies as well as GEF Project Agency Applicants. First, they must demonstrate that they have adopted relevant policies (which can include procedures or guidelines) and practices that are equivalent to the relevant minimum requirements of each standard. Second, they must demonstrate that they have sufficient and acceptable “institutional capabilities” to apply such policies to projects they implement. (Hereafter, we refer to this as “implementation capacity.”)

4. The *Policy on Gender Mainstreaming* affirms the GEF’s commitment to enhance the degree to which the GEF and its Partner Agencies (e.g. both the ten GEF Agencies and new GEF Project Agencies) promote the goal of gender equality through GEF operations. The Policy calls

¹ The Council approved this policy at its May 2011. The finally formatted GEF Policy document (*Policy on Gender Mainstreaming* (PL/SD/02), based on review of Council Document GEF/C.40/10/Rev.1, *GEF Policies on Environmental and Social Safeguard Standards and Gender Mainstreaming*, can be found at:

<http://www.thegef.org/documents/environmental-and-social-safeguards-policy>. Unless otherwise stated, the present Council Document refers to the paragraph numbers in this GEF Policy document.

² The Council decided that because the requirements of the GEF Policy were derived from World Bank policies, the World Bank’s safeguard system would not be assessed.

³ The Council approved this Policy in November 2011, based Council Document GEF/C.41/10/Rev.1, *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards*. The Policy can be found at: <http://www.thegef.org/documents/environmental-and-social-safeguards-policy>. Unless otherwise stated, the present Council Document refers to the paragraph numbers in this GEF Policy document.

⁴ See Council Document GEF/C.41/10/Rev.1, paragraphs 49-50.

on the GEF and its Partner Agencies to mainstream gender into GEF operations, including efforts to analyze and address in GEF projects the specific needs and role of both women and men. It also sets out seven minimum requirements⁵ that GEF Partner Agencies must meet in order to be eligible to implement GEF-financed projects.

5. The *Policy on Agency Minimum Standards on Environmental and Social Safeguards* (hereafter referred to as the Safeguards Policy) accomplishes two primary purposes. First, it clarifies key principles that will apply specifically to GEF-financed projects, including with regard to Indigenous Peoples. Second, and more importantly, it establishes eight Minimum Standards on environmental social safeguard systems that all GEF Partner Agencies shall be expected to meet in order to be eligible to implement GEF projects. These Minimum Standards can be separated out into (i) three “core standards”⁶ that all GEF Partner Agencies must meet and (ii) five “non-core standards”⁷ for which decisions can be made on whether a certain standard, in whole or in part, is “inapplicable” to that Agency. Council Document GEF/C.40/10/Rev.1 provides general guidance for making such determinations.

ASSESSMENT METHODOLOGY AND PROCESS

6. The Secretariat employed the same assessment methodology that had been used by the GEF Accreditation Panel to assess the GEF Agencies. The Secretariat sent GEF Agencies the same questionnaires that had been sent to GEF Project Agency Applicants to provide information on whether and how they met the relevant GEF standards and minimum requirements. GEF Agencies were also asked to provide the same types of extensive documentation and evidence that GEF Project Agency Applicants had been asked to provide to prove that they have sufficient “implementation capacity” to apply relevant policies, procedures, standards, and guidelines to their projects and/or a clear track-record of their implementation experience. This evidence included, among other things, copies of relevant policies, procedures, guidelines; project documentation that demonstrated how given policies were actually applied to projects (e.g. social assessments, gender assessments or action plans, resettlement action plans, Indigenous Peoples plans/frameworks; dam safety reports; etc.); and terms of reference and/or curriculum vitae for relevant experts charged with implementing certain policies, be it as Agency staff or consultants on projects. In total, over 600 documents were reviewed for this assessment.

7. The GEF Agencies were assessed using the same type of six point scoring framework that the Accreditation Panel had used to assess GEF Project Agency Applicants. Based on the answers to the questionnaires and the evidentiary documentation received, the Secretariat performed an initial assessment of each Agency. This was then shared with each Agency, which was then given an opportunity to respond in writing and provide additional information. In cases where an Agency had not scored at least a five for a given requirement, the Agency was asked to provide additional documentation that would demonstrate it had the capacity to apply its policies to its projects. A second assessment was then produced and shared with each Agency. The

⁵ See *Policy on Gender Mainstreaming* (PL/SD/02), paragraphs 13 – 19.

⁶ The core standards are: Minimum Standard 1 (Environmental and Social Impact Assessment (ESIA)), Minimum Standard 2 (Natural Habitats), and Minimum Standard 8 (Accountability and Grievance Systems).

⁷ The non-core standards are: Minimum Standard 3 (Involuntary Resettlement), Minimum Standard 4 (Indigenous Peoples), Minimum Standard 5 (Pest Management), Minimum Standard 6 (Physical and Cultural Resources), and Minimum Standard 7 (Safety of Dams.)

Agencies and the Secretariat discussed this second set of findings and the final scores. Decisions were also made on which of the non-core Minimum Standards, or parts thereof, should not apply to an Agency. For those Agencies that were found not to meet one or more of the applicable Minimum Standards/ minimum requirements, the Secretariat and Agencies discussed what remedial actions Agencies should undertake in order to come into compliance.

ASSESSMENT RESULTS

8. The results of the Assessments for each Agency on environmental and social safeguards and gender mainstreaming are summarized below, and additional detail is provided in the ten attached Agency-specific annexes. Following the Council meeting, Agencies will complete their time-bound action plans, which will include remedial actions already agreed between the Agencies and the Secretariat or those under discussion, and submit them to the GEF Secretariat. The GEF Secretariat shall compile them and forward them to the GEF Council for information before December 31, 2013.

African Development Bank (AfDB)

9. AfDB was assessed as fully meeting Minimum Standard 3 (Involuntary Resettlement) and Minimum Standard 8 (Accountability and Grievance Systems), and except for a one requirements, it was found to meet Minimum Standard 1 (Environmental and Social Impact Assessment (ESIA)). AfDB will need to make improvements to meet the requirements for Standard 2 (Natural Habitats), Standard 4 (Indigenous Peoples), Standard 5 (Pest Management), Standard 6 (Physical and Cultural Resources), and Standard 7 (Safety of Dams.) AfDB will recommend to its Board by end-2013 a proposal for its new Integrated Safeguard System, which will bring it into compliance with those GEF Minimum Standards, or parts thereof, which it currently does not meet.

10. AfDB was found to meet all the requirements of the *Policy on Gender Mainstreaming*.

Asian Development Bank (ADB)

11. ADB was assessed as fully meeting all of the Minimum Standards on environmental and social safeguards. It also fully meets the minimum requirements of the *Policy on Gender Mainstreaming*. ADB was found to follow numerous best practices with regard to gender mainstreaming.

European Bank for Reconstruction and Development (EBRD)

12. EBRD was assessed as fully meeting Minimum Standards 1, 2, 5, 6, 7, and 8. It has agreed to revise its implementation guidelines so that it can fully meet one outstanding requirement each under under Minimum Standards 3 and 4. EBRD was assessed as meeting all the requirements of the *Policy on Gender Mainstreaming*.

Food and Agriculture Organization of the United Nations (FAO)

13. FAO was assessed as meeting most, but not all of the requirements under Minimum Standards 1, 2, 4, 5, 6, and 7. Minor improvements will be required to meet some of the requirements under each of these standards. FAO was also found to substantially meet Minimum Standard 3 (Involuntary Resettlement) because it has a clear policy ban on projects that involve involuntary resettlement. FAO will only need to undertake small improvements for it to meet the requirements of this Minimum Standard with regard to its work on protected areas. FAO will need to implement a new system with respect to accountability and grievances (for environmental and social safeguards) to meet Minimum Standard 8.

14. FAO was assessed as meeting all the requirements of the *Policy on Gender Mainstreaming*.

Inter-American Development Bank (IDB)

15. IDB was assessed as meeting all of the environmental and social safeguard standards except for minimum requirement 5.4 of Minimum Standard 5 (Pest Management), which requires GEF Agency projects to follow the FAO *International Code of Conduct on the Distribution and Use of Pesticides*, where relevant. IDB and the GEF Secretariat are discussing what measures could be put in place so that IDB can come meet this requirement. The results of these consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013.

16. IDB was assessed as meeting all the requirements of the *Policy on Gender Mainstreaming*.

International Fund for Agricultural Development (IFAD)

17. IFAD was assessed as meeting almost all requirements under Minimum Standards 1, 2, 4, and 5. The only exception was with regard to one or two minimum requirements under each standard, usually with regard to the need to disclose relevant documents prior to appraisal. The GEF Secretariat believes that IFAD will need to make some improvements to meet Standards 3, Standard 6, and Standard 7. IFAD will need to implement a new system for accountability and grievances to meet Minimum Standard 8. IFAD will need to implement a new system with respect to accountability and grievances (for environmental and social safeguards) to meet Minimum Standard 8.

18. IFAD was assessed as meeting all the requirements of the *Policy on Gender Mainstreaming*.

United Nations Development Program (UNDP)

19. UNDP was assessed as meeting most, but not all, requirements under Minimum Standards 1, 2, and 4, needing only minor improvements under each. UNDP meets parts of Minimum Standards 3, Standard 5, 6, and 7 (Safety of Dams). UNDP has agreed to revise its

Environmental and Screening Procedure and develop Social and Environmental Quality Standards in relevant areas to meet all requirements under these standards.

20. Of the UN Agencies, UNDP has done the most preparatory work to meet the requirements of Minimum Standard 8 (Accountability and Grievance Systems). It is currently piloting a comprehensive accountability mechanism and grievance redress mechanism that is based on UNDP's *Proposal for Environmental and Social Compliance Review and Dispute Resolution Processes*. When formalized across UNDP in 2014, this system will enable UNDP to fully comply this GEF Standard. The Charter of UNDP's Office of Audit and Investigation (OAI) was revised in 2013 to include compliance reviews for UNDP's social and environmental policies and procedures. UNDP has agreed to implement this system as part of its action plan.

21. UNDP was assessed as meeting all the requirements of the *Policy on Gender Mainstreaming*.

United Nations Environment Program (UNEP)

22. UNEP meets many of the requirements under Minimum Standards 1 and 2. UNEP was assessed as not fully meeting the environmental and social safeguard standards. It will need to undertake an action plan to come into compliance with most of the safeguard standards, particularly the social safeguards (numbers 3 and 4). UNEP has agreed to an action plan for doing so, which is based on its proposed Environmental and Social Sustainability Framework. UNEP will need to implement a new system with respect to accountability and grievances (for environmental and social safeguards) to meet Minimum Standard 8.

23. Given its specific environmental mandate, UNEP projects benefit the environment, and the risk of any negative, unintended environmental impacts is minimal. For this reason, UNEP has not previously developed and codified a full system of environmental and social safeguards for its operations. It can demonstrate solid implementation in terms of environmental safeguards, and some areas of social safeguards. The assessment recommends, however, that UNEP needs to codify internal operational practices, mechanisms, and tools to fully meet the GEF Minimum Standards. UNEP has agreed to do so and is developing its proposed *Environmental, Social and Economic Sustainability (ESES) Framework* to do so. Relevant measures to meet outstanding requirements through its ESES Framework will be noted in UNEP's GEF action plan.

24. UNEP has made improvements in the area of gender mainstreaming, including the approval in early 2013 of the *UNEP Gender Policy and Strategy and Gender Action Plan (2014-2015)*. The assessment found, however, that improvements were needed with regard to two minimum requirements, and UNEP already has plans in place to undertake measures to improve its performance in these areas.

United Nations Industrial Development Organization (UNIDO)

25. UNIDO was assessed as needing to make improvements in order to fully meet the Minimum Standards on environmental and social safeguard standards. Through this assessment process, UNIDO has agreed to the elements of an action plan for doing so, which are summarized in Annex IX.

26. With regard to gender mainstreaming, the assessment found that UNIDO has made notable progress in recent years. The assessment found, however, that improvements were needed with regard to two minimum requirements. UNIDO has agreed to an action plan for doing so, which is described in the attached annex.

World Bank

27. The World Bank was assessed as meeting all the requirements of the *Policy on Gender Mainstreaming*. As explained above, the World Bank was not assessed with regard to the Safeguards Policy.

REVISION OF THE SAFEGUARDS POLICY

28. In 2011, the Council requested the “GEF Evaluation Office to assess the Policy on Agency Minimum Standards on Environmental and Social Safeguards in 2014 so that the Secretariat and Council may take its recommendations into account in revising this Policy.” It also asked the “Secretariat to present a revised Policy for Council consideration in 2015.”

29. It will be important, however, for this evaluation and the revision of the GEF Policy to be able to take into account the findings of the Pilot on Accrediting GEF Project. Therefore, the Secretariat recommends to the Council that the evaluation of the Policy on Agency Minimum Standards on Environmental *and Social Safeguards* be undertaken after the conclusion of the Pilot on Accrediting GEF Project Agencies. The Secretariat will present a revised Policy for Council consideration taking into account the findings of this evaluation and any guidance from the Council in reaction to the evaluation.

ANNEX I. AFRICAN DEVELOPMENT BANK (AfDB)

AGENCY BACKGROUND

1. The AfDB Group is a multilateral development bank whose shareholders include 54 African countries (regional member countries or RMCs) and 24 non-African countries from the Americas, Asia, and Europe (non-regional member countries or non-RMCs). In 2012, 199 operations were approved totaling UA 4.25 billion,⁸ which include 55 operations of loans (UA 2.98 billion); 80 operations of grants (UA 623.0 million); and 9 equity participation operations (UA 133.9 million).
2. AfDB's mission is to promote sustainable economic growth in order to reduce poverty in Africa. The Bank prioritizes national and multinational projects and programs that promote regional economic cooperation and integration. AfDB's *Ten Year Strategy 2013-2022* centers on Inclusive Growth and a Transition to Green Growth. Under this strategy, the core priority areas are Infrastructure, Regional Integration, Private Sector, Governance, and Skills and Technology. The areas of special emphasis are Fragile States, Agriculture and Food Security, and Gender.
3. Based on Council Document GEF/C.31/5, *Comparative Advantage of the GEF Agencies*, AfDB's agreed comparative advantage in the GEF lies in investment projects at the country and regional level. The AfDB focuses on establishing a track record for environmental projects related to the GEF focal areas of Climate Change (adaptation, renewable energy, and energy efficiency), Land Degradation (deforestation, desertification), and International Waters (water management and fisheries).

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

4. As a multilateral development bank, AfDB has joined the other international financing institutions in adopting environmental and social policies, guidelines, and procedures to ensure that its operations avoid adverse impacts on people and the environment. To this end, AfDB has put in place strong policies and processes, and demonstrated its capacity to deliver on them, in areas relating to three GEF Minimum Standards: (1) Environmental and Social Impact Assessment, (3) Involuntary Resettlement, and (8) Accountability and Grievance Systems. Thus, AfDB either fully or substantially meets these three Standards. AfDB acknowledges that it does not fully meet the remaining Minimum Standards at the present time for natural habitats, indigenous peoples, pest management, physical cultural resources, and safety of dams.
5. Prior to the GEF Assessment, the AfDB had already assessed of its current environmental and social policies, guidelines, and procedures (the process started in 2009) and identified shortcomings in certain areas. As a consequence, AfDB has developed a new *Integrated Safeguards System* (ISS) to address gaps in its policies and procedures and introduce new means and measures to adequately address them. AfDB also developed the ISS to address the gaps between its current policies and practices and the GEF Minimum Standards. The reviewers for this assessment examined the ISS and believe that its implementation will enable the AfDB to come into compliance with the GEF Standards. As such, it will serve as the basis for AfDB's

⁸ 1 UA (United of Account) is approximately 1.52 United States Dollars (based on September 2013 exchange rate).

time-bound action plan. The AfDB management plans to present the ISS to the AfDB's Board of Directors for approval in the last quarter of 2013.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

6. AfDB substantially meets this Minimum Standard. AfDB has adopted various environmental and social policies and procedures in order to ensure that its projects do not cause undue harm to people and the environment. These include *Environmental and Social Assessment Procedures* (ESAP) for its public sector operations, *Environmental Review Procedures* (ERP) for its private sector operations, a *Policy on the Environment*, an *Involuntary Resettlement Policy*, etc. AfDB also has an environmental and social assessment system that includes requirements for preparation of environmental and social impact assessments (ESIAs) to prevent, minimize or mitigate any potential adverse impacts from AfDB operations. Furthermore, AfDB has extensive experience and demonstrated capacity implementing these environmental and social policies and requiring preparation and implementation of ESIAs.

7. AfDB has agreed that its GEF action plan call on AfDB to improve its a methodology for analysis of project alternatives in order to ensure a full analysis of viable alternatives, including the “no action” alternative at the sector level as part of its ongoing work to develop the revised ESAP and the revised Integrated ESIA Guidance Notes that will accompany the ISS.

Minimum Standard 2: Natural Habitats

8. AfDB does not meet this Minimum Standard. Although AfDB has its *Policy on the Environment*, it does not currently have specific policies or strategies in place to ensure protection and sustainable management of natural habitats in its projects. AfDB has agreed to develop specific operational procedures to ensure conservation and sustainable management of natural habitats in its operations as part of its ISS, which will address the specific shortcomings identified by this assessment. This will be noted in AfDB time-bound action plan for the GEF.

Minimum Standard 3: Involuntary Resettlement

9. AfDB fully meets this Minimum Standard. AfDB has an *Involuntary Resettlement Policy* (IRP) that includes operational guidelines and procedures that address both physical and economic displacement in its projects. The IRP establishes as its objective avoiding involuntary resettlement where feasible or at least minimizing it when it is unavoidable. Furthermore, the IRP aims not only to maintain but to improve the living standards of displaced persons. AfDB has extensive experience and demonstrated capacity implementing the IRP in projects involving physical and economic displacement.

Minimum Standard 4: Indigenous Peoples

10. AfDB does not meet this Minimum Standard. AfDB currently does not have specific policies or guidelines on dealing with Indigenous Peoples (IP) in its projects. Terms relating to “ethnicity” and “Indigenous Peoples” can be extremely contentious terms in Africa given their social, cultural, and political implications. The Bank acknowledges the existence of Indigenous Peoples but does not specifically target them; instead, the Bank addresses Indigenous Peoples as one of several “vulnerable groups.” The Bank's existing policies, guidelines, and procedures

emphasize assessing, supporting, and monitoring vulnerable groups through targeted means, measures, and modalities in its public and private sector operations.

11. As part of its proposed ISS, AfDB will include requirements covering “vulnerable groups, including Indigenous Peoples,” in *Operational Safeguard 1: Environmental and social assessment* (OP1) under requirement C.3 “*Scope of Environmental and Social Assessment.*” Among other things, OP1 will include specific criteria for screening for the presence of Indigenous Peoples in a project area that match those required by the GEF Policy.⁹ When implemented, OP 1 will ensure proper handling of Indigenous Peoples, consistent with the GEF Minimum Standard. Adoption and implementation of measures to address shortcomings in this area through the ISS will be included in the AfDB’s time-bound action plan.

Minimum Standard 5: Pest Management

12. AfDB does not meet this Minimum Standard. AfDB does not currently have specific policies or guidelines to ensure the use of safe pest management practices in its projects. AfDB acknowledges this and indicates that its ISS was developed to respond to existing gaps and emerging issues related to pest management. Adoption and implementation of measures to address these shortcomings through the ISS will be included in the AfDB’s time-bound action plan.

Minimum Standard 6: Physical Cultural Resources

13. AfDB does not meet this Minimum Standard. Because they do not identify physical cultural resources as such, AfDB’s ESAP and ERP assessments cannot be relied upon to ensure adequate protection of such resources. AfDB acknowledges this and indicates that its ISS was developed, in part, to respond to existing gaps and emerging issues related to protection of physical cultural resources. Adoption and implementation of measures to address these shortcomings through the ISS will be included in the AfDB’s time-bound action plan.

Minimum Standard 7: Safety of Dams

14. AfDB does not meet this Minimum Standard. In practice, AfDB has extensive experience and demonstrated capacity to ensure the safety of the dams it finances in its operations. AfDB’s main shortcoming is that it does not currently have specific operational policies or procedures in place to ensure the safety of dams in its projects. AfDB acknowledges these shortcomings, which will be adopted and implemented to address these shortcomings through the ISS will be included in the AfDB’s time-bound action plan.

Minimum Standard 8: Accountability and Grievance Systems

15. AfDB fully meets this Minimum Standard. AfDB has established an Independent Review Mechanism (IRM) that provides project-affected persons (PAPs) with the opportunity to hold AfDB accountable for failing to comply with its own environmental and social policies and procedures. The Conflict Resolution and Mediation Unit (CRMU) actually receives and handles

⁹ See Policy on Agency Minimum Standards on Environmental and Social Safeguards (PL/SD/3), Annex I, Paragraph 4.1.

the complaints and conducts both problem-solving and compliance review functions. The CRMU also responds to grievances submitted by PAPs regarding implementation of AfDB projects. AfDB has extensive experience and demonstrated capacity in resolving compliance disputes and project grievances using its independent review mechanism.

GENDER MAINSTREAMING

16. The GEF Secretariat assessed the AfDB as meeting all of the minimum requirements of the *GEF Policy on Gender Mainstreaming*. The assessment gave high marks to AfDB for its demonstrated leadership and clear commitment of budgetary resources to ensure gender mainstreaming throughout the Agency. Senior management's strong commitment and clear accountability for ensuring gender mainstreaming was identified as a key strength. Experience has shown that given the nature and sensitivity of the subject, the commitment of management is a key ingredient in the successful operationalization of gender strategies. Staff respond to signals both implicit and explicit given by the organization's leadership.

17. Some of the notable elements in AfDB's approach to gender mainstreaming are:

- (a) AfDB issued the *Gender Policy* in 2001, the *Gender Plan of Action* in 2004, and Updated Gender Plan of Action in 2009. It is currently developing a Gender Strategy. The *Gender Policy* and the *Action Plans* have strengthened the institutional capacity to mainstream gender across both public and private sectors.
- (b) The *Gender Policy* has served as the foundational basis for acknowledging gender equality as an important aspect of poverty reduction and ensuring that AfDB's operations promote gender equality. The *Gender Policy* was operationalized, and the Action Plans were formulated, to strengthen the institutional capacity and to promote gender equality for AfDB and its regional member countries.
- (c) Accountability and responsibility for gender mainstreaming are explicitly vested with senior management.
- (d) The main intervention areas are: support to investment activities which promote women's economic empowerment; support to institutional capacity building and knowledge generation; and support to governance and policy reform.
- (e) Another best practice is the relevant measures in place for avoidance, minimization, or mitigation, of adverse gender impacts provided by the gender analysis of projects. This has been the most challenging area for all the agencies, and AfDB illustrates best practice here. In addition, the various Gender Checklists outline the methodologies for assessing and mainstreaming gender concerns and taking mitigation into account.

ANNEX II. ASIAN DEVELOPMENT BANK (ADB)

AGENCY BACKGROUND

1. The ADB is an international development finance institution dedicated to a vision of an Asia and Pacific region that is free of poverty. To achieve this, it helps its 45 developing member countries to reduce poverty and improve their living conditions, especially for the 1.7 billion poor living on less than \$2 dollars a day. ADB's Strategy 2020, approved in 2008, targets 3 strategic agendas: regional integration, inclusive economic growth, and environmentally sustainable growth. ADB's main instruments comprise loans, technical assistance, grants, guarantees, equity investments, and policy dialogue. In 2012, ADB's operations totaled \$21.57 billion, of which \$13.30 billion was financed by ADB's ordinary capital resources and Special Funds Resources, and \$8.27 billion by cofinancing partners. Sovereign operations, including official and technical assistance cofinancing, totaled \$13.61 billion. Non-sovereign operations, including cofinancing, totaled \$7.96 billion.

2. Based on Council Document GEF/C.31/5, *Comparative Advantages of the GEF Agencies*, the comparative advantage of the ADB within the GEF lies in investment projects at the country and multi-country level in Asia as well as the ability to blend capacity building and technical assistance with its project lending. The ADB has strong experience in the fields of climate change mitigation, natural resource management, and adaptation to climate change.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

3. ADB has comprehensive policy requirements and procedures to promote environmental and social sustainability and to help ensure the prevention and mitigation of undue harm to people and the environment. ADB's integrated Safeguard Policy Statement (SPS), supported by mandatory procedures (Operational Manual), address key areas of GEF's environmental and social safeguards. ADB's Public Communications Policy and its Accountability Mechanism support ADB's safeguard policy framework. Since ADB meets all of the GEF Minimum Standards, no action plan items are recommended or required.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

4. ADB fully meets this Minimum Standard. ADB applies a comprehensive assessment system to its operations, including public sector, private sector, investment projects, and policy support operations. ADB requires integrated environmental and social assessments, scaled to risks and impacts. For projects and programs with potentially significant adverse impacts, SPS requires a full Environmental and Social Impact Assessment (ESIA) and relevant management plans. ADB's SPS and procedures fully address all GEF requirements under this Minimum Standard.

Minimum Standard 2: Natural Habitats

5. ADB fully meets this Minimum Standard. ADB's SPS includes policy requirements for sustainable management, protection, conservation, maintenance, and rehabilitation of natural habitats and modified habitats. ADB requires use of precautionary approach to potential impacts

on natural habitats. ADB's SPS and procedures fully address GEF's requirements under this Minimum Standard.

Minimum Standard 3: Involuntary Resettlement

6. ADB fully meets this Minimum Standard. ADB's Safeguard Policy Statement includes requirements to avoid or at least minimize involuntary resettlement (IR) and to ensure that displaced persons are assisted in improving, or at least restoring their livelihoods. The requirements apply to a full or partial, permanent or temporary physical displacement (relocation, loss of residential land, loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) resulting from involuntary acquisition of land or involuntary restrictions on land use or access to legally designate parks and protected areas. ADB's SPS and procedures fully address requirements under this Minimum Standard.

Minimum Standard 4: Indigenous Peoples

7. ADB fully meets this Minimum Standard. ADB policies, with supporting procedures and Good Practice Guidelines on Indigenous Peoples, establishes a framework for avoidance and/or minimization of impacts on indigenous communities, provision of culturally appropriate benefits, and recognition of indigenous peoples rights to participate in project decision-making. ADB's policy framework includes clearly specified scope, triggers, procedures and indicative planning documents. ADB's SPS and procedures fully address GEF requirements.

Minimum Standard 5: Pest Management

8. ADB fully meets this Minimum Standard. ADB's SPS requires avoidance and/or minimization of harmful chemicals and pesticides and their safe management. It requires Integrated Pest Management (IPM) approaches to pest management and reduction of reliance on synthetic chemical pesticides. ADB's SPS and procedures fully address GEF requirements.

Minimum Standard 6: Physical Cultural Resources

9. ADB fully meets this Minimum Standard. ADB's SPS requires avoidance and, where not possible, minimization of impacts on physical cultural resources (PCR). ADB's SPS and procedures fully address GEF requirements.

Minimum Standard 7: Safety of Dams

10. ADB fully meets this Minimum Standard. ADB's SPS requires identification, assessment, avoidance and/or mitigation of risks and impacts from construction of new dams and rehabilitation of existing dams. ADB requires development of safety plans and the use of qualified contractors and experienced experts in the construction and oversight of dam projects. ADB's SPS and procedures fully address GEF requirements under this Minimum Standard.

Minimum Standard 8: Accountability and Grievance Systems

11. ADB fully meets this Minimum Standard. ADB's Accountability Mechanism encompasses both compliance review (undertaken by the Compliance Review Panel, CRP) and grievance- and problem-solving functions (conducted by the Special Projects Facilitator). The Mechanism, operational since 2003, addresses all GEF requirements under this Minimum Standard (i.e., regarding design characteristics, accessibility, and reporting to complainants and the public). In addition, ADB requires that a local project level grievance redress mechanisms is established.

GENDER MAINSTREAMING

12. The GEF Secretariat assessed the ADB as meeting all of the requirements of the *GEF Policy on Gender Mainstreaming*. The assessment process gave high marks to ADB for its demonstrated leadership and clear commitment of budgetary resources to ensure gender mainstreaming within the Agency. In terms of its policies, practices, and demonstrated capacity, it can be said that much of ADB's work on gender issues is illustrative of "best practice" and should be looked to for lessons learned by other GEF Agencies.

13. Some of the notable features of ADB's approach to gender mainstreaming include:

- (a) Gender equality, good governance, capacity development, and private sector development are seen as equal drivers of change in Strategy 2020. ADB's medium-term strategic framework was adopted in 2008. ADB recently issued its *Gender Equality and Women's Empowerment Operational Plan*, which sets out strategic directions and a guiding framework for advancing a gender equality agenda and outcomes by 2020. This Plan sets Operational Priorities, Operational Approaches, and Organizational Requirements for gender mainstreaming across all ADB operations.
- (b) The ADB's core approach has been to develop project-specific Gender Action Plans (GAP) that state how gender issues will be proactively addressed in each project during implementation, with concrete targets and indicators for reporting against. GAPs will be covenanted as part of loan/project agreements.
- (c) The *Development Effectiveness Review Report 2012* illustrates the commitment that the ADB has to gender equality in a number of ways, including the development of a "results culture". Improved GAP implementation reporting requirements are in place to better capture gender equality results. The corporate results framework to measure performance includes concrete numerical gender mainstreaming targets that were to be met by 2012.
- (d) The corporate results framework to measure performance includes concrete numerical gender mainstreaming targets that were to be met by 2012. These targets were achieved and indeed, surpassed, with 56% of all projects, and 58% of the ADP operations including gender mainstreaming. For the second consecutive year, gender targets were attained and surpassed on an annual basis.

ANNEX III. EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

AGENCY BACKGROUND

1. The EBRD was established in 1991 to nurture a new private sector in a democratic environment. Today the EBRD uses the tools of investment to help build market economies and governance in countries from central Europe to central Asia. The EBRD is the largest single investor in the region and is owned by 61 countries and two intergovernmental institutions. EBRD provides project financing for banks, industries, and businesses, both new ventures and investments in existing companies. It also works with publicly owned companies, to support privatization, restructuring state-owned firms, and improvement of municipal services. The Bank uses its close relationship with governments in the region to promote policies that will bolster the business environment.

2. Based on Council Document GEF/C.31/5, *Comparative Advantage of the GEF Agencies*, the comparative advantage of EBRD lies in investment projects at the country and regional level. The EBRD has experience and track record in market creation and transformation, and ensuring sustainability through private sector (including small and medium-sized enterprises) and municipal environmental infrastructure projects at the country and regional level in the countries of eastern and central Europe and central Asia, especially in the fields of energy efficiency, mainstreaming of biodiversity and water management

3. The EBRD continued to deliver strong operational performance in 2012. For the third consecutive year, the EBRD sustained its annual business volume at close to € billion (€8.92 billion compared with €0.05 billion in 2011), delivered via a record number of 393 operations, up from 380 in 2011. In addition to investments, grants from donor countries, co-financing with other international financial institutions (IFIs) and funding from the EBRD Shareholder Special Fund (SSF) are crucial in addressing transition challenges in the EBRD's countries of operations. EBRD also provided €129 million in technical cooperation financing, which is crucial in addressing transition challenges in the EBRD's countries of operations.

4. The southern and eastern Mediterranean is the latest region in which the Bank is working to support economic change in emerging democracies. EBRD shareholders have given unanimous backing to the expansion of the Bank's mandate, allowing future activities in the southern and eastern Mediterranean (SEMED) region which includes Egypt, Jordan, Morocco and Tunisia. EBRD's first six commitments in SEMED region in 2012 totaled €81 million, with further project approvals in 2013. Four potential recipient countries of the SEMED region are still in the process of ratification as countries of operation by EBRD shareholders.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

5. EBRD environmental and social policies and procedures provide a comprehensive framework for the identification, avoidance, and mitigation of adverse impacts to people and the environment. EBRD's policies apply to all projects and investments. The EBRD Environmental and Social Policy (ESP, 2008) outlines EBRD's roles and responsibilities. It also contains a set of ten Performance Requirements (PR) that EBRD clients must fulfill: PR1: Environmental and Social Appraisal and Management; PR2: Labor and Working Conditions; PR3: Pollution

Prevention and Abatement; PR4: Community Health, Safety and Security; PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement; PR6: Biodiversity Conservation and Sustainable Natural Resource Management; PR7: Indigenous Peoples; PR8: Cultural Heritage; PR9: Financial Intermediaries; and PR10: Information Disclosure and Stakeholder Engagement. EBRD's Environmental and Social Procedures (2010) support and guide implementation. EBRD's safeguard framework is supported by EBRD's Access to Information Policy as well as by its Project Complaint Mechanism (accountability and grievance redress systems). EBRD plans to update its Environmental and Social Policy and Performance Requirements during 2014. The two revisions of EBRD's implementation guidelines identified under Minimum Standards 3 and 4 will be incorporated into a time-bound action plan, which will be forwarded to the GEF Council by December 31, 2013.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

6. EBRD fully meets this Minimum Standard. All EBRD projects undergo environmental and social screening to identify potential impacts and to determine type and intensity of assessment. Clients must undertake an integrated social and environmental assessment per the requirements of PR1. For projects with potentially significant adverse impacts, EBRD requires preparation of a full environmental and social impact assessment (ESIA), with supporting management plans. EBRD reviews assessments and assists clients in development of mitigation plans.

Minimum Standard 2: Natural Habitats

7. EBRD fully meets this Minimum Standard. PR6: Biodiversity Conservation and Sustainable Management of Living Natural Resources requires sustainable management, protection, and conservation of modified and natural habitats. It establishes an overarching objective of protecting and conserving biodiversity (including "no net loss" through avoidance, mitigation, or offsetting impacts) and establishes limitations on projects in modified, natural, and critical habitats.

Minimum Standard 3: Involuntary Resettlement

8. EBRD substantially meets this Minimum Standard. PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement requires avoidance, or at least minimization, of displacement (both physical and economic) and that livelihoods and standards of living of displaced persons be improved or at least restored to pre-project levels. EBRD's policy requirements apply to impacts caused by land acquisition (either through expropriation or negotiated settlements) and by access restrictions. EBRD's policies and procedures address all GEF requirements under this Minimum Standard except for one: PR5 does not mandate that resettlement entitlements (i.e., compensation, benefits) for economic displacement be provided before loss of assets or imposition of access restrictions (EBRD does require that entitlements for physical displacement be provided before relocation)

9. The assessment recommends that EBRD strengthen its policy, procedures, and/or guidelines to ensure that resettlement compensation and entitlements for economic displacement are provided prior imposition of access restrictions. EBRD has confirmed that it will take this

requirement of the GEF Policy under consideration in its forthcoming review of its Environmental and Social Policy. This review will gather feedback from multiple stakeholders and is subject to Board approval of the EBRD Board. While it is not possible at this stage for EBRD management to commit to the standards being integrated in the Policy, EBRD has confirmed that it will revise its current implementation guidelines to address these issues so as to meet this requirement from this point on.

Minimum Standard 4: Indigenous Peoples

10. EBRD substantially meets this Minimum Standard. PR7: Indigenous Peoples outlines policies and procedures that seek to avoid, or at least minimize, adverse impacts on Indigenous Peoples and to provide culturally appropriate benefits. The EBRD Performance Requirement establishes the objective of ensuring that the development process fosters full respect for the dignity, rights, and aspirations, cultures, and livelihoods of Indigenous Peoples. EBRD's policy addresses scope, triggers, procedures, and indicative planning documents. EBRD's policies and procedures address all GEF requirements under this Minimum Standard except for one: PR7 does not refer to making provisions in plans, where appropriate, to supporting activities to establish legal recognition of customary or traditional land tenure and management systems and collective rights used by project-affected Indigenous Peoples.

11. The assessment recommends that EBRD clarify its policies, procedures, and or guidelines to indicate its support, where appropriate, for activities to establish legal recognition of customary or traditional land tenure and management systems and collective rights used by project-affected Indigenous Peoples. EBRD has confirmed that it will take the requirements of the GEF policy under consideration in its forthcoming review of its Environmental and Social Policy. This review will gather feedback from multiple stakeholders and is subject to Board approval of the EBRD Board. While it is not possible at this stage for EBRD management to commit to the standards being integrated in the Policy, EBRD has confirmed that it will revise its current implementation guidelines to address these issues so as to meet this requirement from this point on.

Minimum Standard 5: Pest Management

12. EBRD fully meets this Minimum Standard. PR3: Pollution Prevention and Abatement addresses pesticide use and management in a broader performance requirement dealing with pollution prevention, wastes, hazardous substances and materials. On pesticide use and management, PR3 calls for avoidance and reduction of harmful impacts on human health and the environment from use and handling of pesticides. The policy requires clients to formulate and implement IPM/IVM approaches to pest management and, where pesticides are used, specific measures to ensure risk reduction: minimization of harmful pesticides, use of safer (non-chemical) alternatives, no financing for the most hazardous pesticides, and IPM/IVM approaches.

Minimum Standard 6: Physical Cultural Resources

13. EBRD fully meets this Minimum Standard. EBRD's PR8: Cultural Heritage establishes policy requirements and procedures to conserve and protect physical cultural resources and

intangible cultural heritage throughout the course of project development and implementation. The policy requires adherence to national laws and regulation pertaining to cultural heritage as well as to obligations under international agreements.

Minimum Standard 7: Safety of Dams

14. EBRD fully meets this Minimum Standard. EBRD generally does not finance the construction of large dams but focuses on rehabilitation of existing dams. EBRD's requirements for avoidance and/or minimization of risks posed by infrastructure, including dams, are integrated into PR4: Community Health, Safety, and Security. In addition, the general risk assessment requirements of PR1 apply to construction of new dams or rehabilitation of existing ones.

Minimum Standard 8: Accountability and Grievance Systems

15. EBRD fully meets this Minimum Standard. EBRD's Project Complaint Mechanism (PCM) came into effect in March 2010, replacing the bank's previous Independent Recourse Mechanism (IRM). The PCM encompasses both a Problem-Solving Initiative and a Compliance Review function, which reviews complaints to determine whether EBRD has complied with its Environmental and Social Policy and its Public Information Policy. The Problem-Solving Initiative applies a flexible, consensual approach to addressing grievances raised by stakeholders.

GENDER MAINSTREAMING

16. The GEF Secretariat assessed the EBRD as meeting all of the minimum requirements of the *GEF Policy on Gender Mainstreaming*. EBRD has sufficiently demonstrated its gender mainstreaming objectives throughout its operations, and has experienced gender experts and an institutional framework to carry them out.

17. EBRD adopted a *Gender Action Plan* (GAP) in 2009 which operationalized its gender equality in its operations. The GAP focuses primarily on increasing the economic participation and empowerment of women in the private sector within the region.

18. The *Strategic Gender Initiative* (SGI) was approved by the Board in April 2013. The key objective of the SGI is to initiate a more structured approach to gender considerations in the Bank's operations. The new Gender Team was established in 2012 and an experienced gender expert serves as the Chief Counsellor of Social Issues.

19. EBRD developed effective tools to facilitate addressing gender issues at all project stages, including during environmental and social due diligence, project design, project implementation, and as part of continuing operations.

20. The assessment found two good practices that can be highlighted. The first is that the EBRD's Environment and Social Policy (ESP) and its related project Performance Requirements address gender issues comprehensively from a risk mitigation perspective. The ESP contains aspirational goals of building good environmental and social standards (and implicitly gender-related opportunities). Since June 2013, EBRD's Gender Team has started to screen all new projects, including for two aspects: first, to identify potential mitigation measures that need to

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be included projects related to gender; and second, to identify entry points, to propose gender component in the projects (through the TC). The second is EBRD's use of gender experts to develop reviews like the *IDO Ferries Equal Opportunities Initiative for Best HR Practices*, which is a good example of a full gender project review.

ANNEX IV. FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)

AGENCY BACKGROUND

1. FAO's mission is to help build a food-secure world for present and future generations. It assists member countries in: reducing food insecurity and rural poverty; ensuring an enabling policy and regulatory framework for food and agriculture, fisheries and forestry; securing sustainable increases in the supply and availability of food; conserving and enhancing the natural resource base; and generating knowledge for food and agriculture, fisheries, and forestry.
2. Based on Council Document GEF/ C.31/5, *Comparative Advantage of the GEF Agencies*, FAO's agreed comparative advantage in the GEF lies in the implementation of projects relating to capacity building, technical assistance, and assessment and scientific and technical analysis in the focal areas in which it has expertise. Some of these projects do have investment components. FAO has technical capacity and experience in sustainable agriculture (fisheries and forestry) and rural development and in sustainable natural resource management. FAO has strong experience, inter alia, in integrated land and water management, sustainable forest management/REDD+, sustainable fisheries management, Climate Smart Agriculture, conservation and sustainable use of biodiversity important to agriculture, bioenergy, biosafety, integrated pest and pesticides management.
3. During 2012 the total FAO delivery reached USD 795 million. In 2011 delivery was USD 928 million. Resources mobilized during 2012 reached the amount of USD 818 million. At the end of June 2013, delivery reached USD 402 million. Overall, this represents an 11 percent increase compared to the USD 361 million delivered over the same period in 2012.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

4. FAO's Strategic Framework 2010-2019 establishes overarching organizational objectives of sustainable management and utilization of natural resources in efforts to reduce hunger and malnutrition. FAO has adopted guidelines that provide requirements for prevention and mitigation of undue harm to people and the environment. These include *FAO's Environmental Impact Assessment: Guidelines for FAO Field Projects* (2011) and a range of sector-specific guidelines and policy requirements. FAO has also adopted a Policy on Indigenous and Tribal Peoples (2010). FAO's EIA Guidelines contain mandatory safeguard-related provisions that apply to all projects.
5. These guidelines are relatively new and the Agency, given its focus on capacity building and technical assistance, has had few projects requiring full application of these requirements. FAO prohibits involuntary resettlement in its projects, including both involuntary physical and economic displacement, which requires FAO to develop voluntary approaches to addressing potential impacts caused by access restrictions to protected areas. FAO is currently considering approaches to strengthening its accountability and grievance redress systems.
6. The agreed actions outlined below necessary for FAO to comply fully with the Minimum Standards will be incorporated into a time-bound action plan, which will be forwarded to the GEF Council by December 31, 2013.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

7. FAO meets most, but not all requirements of this Minimum Standard. FAO requires varying types and extent of environmental and social assessments for FAO-supported projects, scaled to risk levels, and project type. All projects are subject to screening for potential impacts and categorized. EIA Guidelines require integrated assessment of environmental and social impacts, with highest risk projects requiring a full EIA (inclusive of social dimensions). FAO's mandatory guidelines address nearly all GEF requirements under this Minimum Standard. However, two areas require further strengthening: clarification of when use of independent expertise in high-risk projects is required, and its procedures for ensuring timely public disclosure of assessments and management plans.

8. FAO has initiated a process to enhance its system of environmental and social safeguards and ensure full implementation consistent with the GEF's Minimum Standards. As part of this initiative, FAO agrees to clarify its requirements regarding the use of independent expertise in the preparation of ESIA's and will implement a disclosure tracking system to strengthen implementation of its disclosure requirements.

Minimum Standard 2: Natural Habitats

9. FAO substantially meets this Minimum Standard. FAO's EIA Guidelines require sustainable management, protection, conservation, and maintenance of natural habitats. FAO has multiple guidelines that support its approach to biodiversity conservation, forests, and fisheries. FAO employs a precautionary approach for projects involving protected areas or critical natural habitats and ecosystems. FAO's policy requirements and mandatory guidelines address all the GEF requirements under this Minimum Standard except for ensuring timely disclosure of assessments and management plans (noted above). FAO will implement a disclosure tracking system to strengthen implementation of its disclosure requirements.

Minimum Standard 3: Involuntary Resettlement

10. FAO substantially meets this Minimum Standard. FAO has a clear policy prohibition against supporting projects that may involve involuntary physical relocation or economic displacement caused by land acquisition or loss of assets (including from access restrictions to protected areas). Given this prohibition, the GEF's requirements regarding involuntary physical relocation and economic displacement do not apply to FAO. FAO, however, does implement projects concerning the creation or expansion of protected areas, which may involve imposition of access restrictions that may result in loss of income and/or livelihood impacts. FAO's policy prohibitions indicate that it must pursue voluntary agreements for projects involving potential access restrictions; but, this approach is not reflected in FAO's requirements with sufficient clarity.

11. FAO will codify its approach of ensuring that conservation agreements/legal ownership agreements are reached with affected communities for protected area projects that may involve access restrictions. This will be included in revisions to its Environmental Impact Assessment Guidelines over the next year.

Minimum Standard 4: Indigenous Peoples

12. FAO meets most, but not all requirements of this Minimum Standard. FAO's Policy on Indigenous and Tribal Peoples (PITP, 2010) and EIA Guidelines provide a framework for identification of indigenous peoples in project areas, avoidance or minimization of impacts on indigenous communities, and recognition of indigenous rights over lands and resources. Mitigation measures and determination of culturally appropriate benefits are to be identified through a process of free prior informed consent with affected indigenous peoples. FAO's requirements address nearly all GEF requirements under this Minimum Standard. Two areas require strengthening: specification of the generic content and triggers for an Indigenous Peoples Plan, and ensuring timely disclosure of draft assessments and plans (including the Indigenous Peoples Plan).

13. FAO agrees to specify the generic content of and triggers for requiring an Indigenous Peoples Plan when it updates its EIA Guidelines. FAO will implement a disclosure tracking system to strengthen implementation of its disclosure requirements.

Minimum Standard 5: Pest Management

14. FAO substantially meets this Minimum Standard. FAO's EIA Guidelines and other guidelines provide a comprehensive framework for the avoidance of risks posed by pesticides and for promoting safe pest management practices. FAO's requirements address all GEF requirements under this Minimum Standard except for ensuring timely disclosure of assessments and management plans.

15. FAO will implement a disclosure tracking system to strengthen implementation of its disclosure requirements.

Minimum Standard 6: Physical Cultural Resources

16. FAO substantially meets this Minimum Standard. FAO's EIA guidelines require that any projects that may have adverse impacts on or limit access to physical cultural resources (PCR) will be avoided. FAO seeks to enhance positive impacts through project design and site selection. FAO applies its EIA Guidelines to identify, avoid, mitigate, and manage potential impacts on PCR. FAO's standards address all GEF requirements under this Minimum Standard except for ensuring timely disclosure of assessments and management plans.

17. FAO will implement a disclosure tracking system to strengthen implementation of its disclosure requirements.

Minimum Standard 7: Safety of Dams

18. FAO substantially meets this Minimum Standard. FAO does not support large dams. It does support small dams and irrigation projects (in most cases, of no more than 5m in height or 50,000 cubic meters of storage). As such, several standards under the GEF requirements that relate to large dam projects are found inapplicable. FAO's EIA Guidelines assess potential social and environmental risks of small dam projects. FAO applies a number of guidelines to ensure soundness and safety of small dam projects. These include FAO's *Manual on small earth dams*

and FAO Irrigation Guidelines (collection of eight separate guidelines). FAO's mandatory guidelines address all relevant GEF requirements for small dams except for ensuring timely disclosure of assessments and management plans.

19. FAO will implement a disclosure tracking system to strengthen implementation of its disclosure requirements.

Minimum Standard 8: Accountability and Grievance Systems

20. FAO does not meet this Minimum Standard. FAO country representatives may receive complaints regarding compliance of projects with FAO policies and procedures. Complainants may also address other FAO representatives if s/he feels satisfactory action has not been taken. FAO's Office of Inspector General maintains a hotline for receiving complaints regarding breaches of regulations and rules. However, FAO does not have an accessible, transparent system in place for receiving, processing, and investigating external stakeholder complaints regarding breaches of FAO's social and environmental policies. FAO also does not currently have an agency-wide grievance redress system for receiving, processing, and addressing external stakeholder complaints regarding social and environmental issues of FAO supported projects.

21. FAO is reviewing other agencies' practices and proposals for ensuring compliance review and grievance redress (including UNDP's Proposal for Environmental and Social Compliance and Grievance Processes and among UN-REDD agencies). FAO plans to meet the GEF requirements under this Minimum Standard as part of its Action Plan.

GENDER MAINSTREAMING

22. The GEF Secretariat has assessed the FAO as meeting all of the minimum requirements of the *GEF Policy on Gender Mainstreaming*. The framework for FAO's approach to gender mainstreaming its *Policy on Gender Equality: Attaining Food Security Goals in Agriculture and Rural Development* (referred to hereafter as "the Policy"), which was endorsed in March 2012. The goal of the Policy is to achieve gender equality in sustainable agricultural production and rural development for the elimination of hunger and poverty. The Policy includes a time frame for implementation, an accountability framework, and institutional mechanisms for implementation and oversight. This action is noted as being in line with intergovernmental mandates on gender mainstreaming. While FAO has just recently started implementing the policy in their reform process, it appears to have the capacity ensure gender mainstreaming in projects.

23. FAO's *Gender Equality Strategy* is specified in the Policy, describing that FAO works to address gender inequalities in two main ways: Gender mainstreaming - all FAO work will systematically examine and address women's as well as men's needs, priorities and experiences as part of the development of policies, normative standards, programs, projects, and knowledge building activities, so that inequality is not perpetuated. Women-specific targeted interventions - FAO will carry out programs and projects that specifically target women, in cases where the gender gap is so large that women have no access to available opportunities.

24. FAO will implement a set of 13 minimum standards for ensuring gender mainstreaming in all its work and for targeted interventions by 2015. It will also institute a series of institutional

mechanisms and processes to ensure the implementation of these minimum standards. FAO strives to improve its commitment to enhance gender equality objectives in the framework of the *UN System-Wide Action Plan on Gender Equality and the Empowerment of Women* (UN SWAP). FAO is the only GEF Agency to fully engage in this process.

25. The *Socio-economic and Gender Analysis* (SEAGA) approach, developed in partnership with the International Labour Organization (ILO), the World Bank and the United Nations Development Program (UNDP), is used to develop the capacity of development specialists and humanitarian officers to incorporate socio-economic and gender analysis into development initiatives and rehabilitation interventions. SEAGA is incorporated into training programs and provides field workers, development planners and policy makers with practical tools including handbooks and guides on gender analysis in specific sectors. These delineate methodologies to ensure that projects, programs and policies are built in collaboration with beneficiaries and address the needs and priorities of both men and women and of disadvantaged people.

26. FAO's Office of Evaluation (OED) addresses gender equality as a standard criterion in all evaluations. The evaluation reports contain a dedicated section related to the extent to which gender issues were incorporated in the evaluated programs, projects or activities.

27. One FAO best practice example to demonstrate to other Agencies would be the mainstreaming of gender in the Bay of Bengal Large Marine Ecosystem (BOBLME) Project which included a detailed gender audit and recommended actions for mainstreaming a gender perspective into the BOBLME project and its Strategic Action Programme (SAP).

ANNEX V. INTER-AMERICAN DEVELOPMENT BANK (IDB)

AGENCY BACKGROUND

1. The IDB is the largest source of multilateral development financing for Latin America and the Caribbean. Established in 1959, the IDB fosters the economic and social development of its borrowing member countries, both individually and collectively. In doing so, the IDB pursues two overarching objectives: reducing poverty and inequality and achieving sustainable growth. Alongside these objectives are two strategic goals: addressing the special needs of the less developed and smaller countries and fostering development through the private sector. Its sector priorities are: social policy for equity and productivity; infrastructure for competitiveness and social welfare; institutions for growth and social welfare; competitive regional and global international integration; and protection of the environment, response to climate change, promotion of renewable energy and ensuring food security. In recent years, the IDB has approved an average of \$10 billion annually to finance projects in key sectors such as infrastructure, energy, water, education, agriculture, and health. In 2012 the IDB approved a program of 169 projects for a total of \$11.4 billion in funding. Of the 2012 total approvals, \$10.8 billion was from the Ordinary Capital (OC), \$320 million from the Fund for Special Operations (FSO), and the remainder from the IDB Grant Facility.

2. Based on Council Document GEF/C.31/5, *Comparative Advantage of the GEF Agencies*, the comparative advantage of IDB lies in investment projects at the country level and regional level. IDB finances operations related to the following GEF focal areas: Biodiversity (protected areas, marine resources, productive landscapes, biotechnology), Climate Change (energy efficiency, renewable energy, transport, sustainable land use, and biofuels), International Waters (marine fisheries, watershed management, reduction of land based pollutants), Land Degradation (erosion control), and POPs (sanitation and pest management).

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

3. IDB's safeguard policies and implementation guidelines contain comprehensive requirements for prevention and mitigation of undue harm to people and the environment. IDB's main safeguard related policies include OP-703 Environmental Safeguards and Compliance Policy, OP-710 Involuntary Resettlement, OP-765 Indigenous Peoples, OP-704 Disaster Management Policy, and OP-102 Access to Information Policy. IDB's Environmental Safeguards and Compliance Policy requires screening and integrated environmental and social assessments of projects with potential impacts. IDB's safeguards framework is supported by its Access to Information Policy and its accountability mechanism, the Independent Consultation and Investigation Mechanism.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

4. IDB is assessed as meeting this Minimum Standard. IDB applies its screening assessment provisions to all programs and requires integrated environmental and social assessments of projects and programs, scaled to risks. The Environmental Safeguards and Compliance Policy requires that high-risk projects require full environmental and social impact assessments with accompanying management plans. IDB has demonstrated that independent expertise is actually

used preparing ESIA's for IDB projects and also that independent advisory panels have been used in the preparation and implementation of high risk or contentious projects that "involve serious and multi-dimensional environmental and social concerns." This meets the GEF Standard. However, the assessment believes there is room for improvement in terms of providing greater clarity with regard to the circumstances in which borrowers are *required* to use independent experts to conduct ESIA's and when it is *required* to convene independent advisory panels.

Minimum Standard 2: Natural Habitats

5. IDB fully meets this Minimum Standard. IDB's Environmental Safeguards and Compliance Policy requires promotion of environmental governance, sustainable use of natural resources, reversal of environmental deterioration for sustainable management of natural habitats as well as protective safeguards. IDB requires a precautionary approach, favoring avoidance of impacts, and where unavoidable, requiring mitigation, and if not fully mitigated, compensation.

Minimum Standard 3: Involuntary Resettlement

6. IDB fully meets this Minimum Standard. IDB's Involuntary Resettlement policy and implementation guidelines require avoidance, or at least minimization, of involuntary resettlement. Displaced persons must be assisted in improving, or at least restoring, their livelihoods. The requirements apply to any involuntary physical displacement of people, and include impacts on residential as well as livelihood related uses such as loss of access to assets and resources.

Minimum Standard 4: Indigenous Peoples

7. IDB fully meets this Minimum Standard. IDB's Operational Policy on Indigenous Peoples, with supporting guidelines, requires identification of Indigenous Peoples in project areas, avoidance and or minimization of impacts on indigenous communities, and contain standards for recognition of Indigenous Peoples rights and participation of Indigenous Peoples in project decision-making. IDB requires good faith negotiations for projects with potentially adverse impacts on Indigenous Peoples and verified agreements for very high-risk projects. IDB's policies and procedures fully address all GEF requirements under this Minimum Standard.

Minimum Standard 5: Pest Management

8. IDB substantially meets this Minimum Standard. IDB's Environmental Safeguards and Compliance Policy and supporting guidelines call for avoidance of adverse impacts to the environment and human health and safety from production, procurement, use, and disposal of hazardous material, including organic and inorganic toxic substances, pesticides. IDB's policies and procedures fully address all GEF requirements under this Minimum Standard except for one area: current guidelines do not require that FAO's International Code of Conduct on the Distribution and Use of Pesticides be followed.

9. It is recommended that IDB undertake measures to ensure that borrowers follow FAO's *International Code of Conduct on the Distribution and Use of Pesticides* in the context of relevant projects. IDB and the GEF Secretariat are discussing what measures could be put in place so that IDB can come into compliance with this part of the standard. The results of these

consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013.

Minimum Standard 6: Physical Cultural Resources

10. IDB fully meets this Minimum Standard. IDB's Environmental Safeguards and Compliance Policy includes policy requirements pertaining to the identification, protection, and management of physical cultural resources (PCR) and cultural sites. IDB's policies and procedures fully address all GEF requirements under this Minimum Standard.

Minimum Standard 7: Safety of Dams

11. IDB fully meets this Minimum Standard. Quality and safety issues related to the construction and rehabilitation of dams are addressed through IDB's Environmental Safeguards and Compliance Policy and IDB's Disaster Management Policy. Risks and impacts must be identified, assessed, avoided and/or mitigated, qualified contractors and experts must undertake construction and oversight of dams, and safety plans (both engineering studies as well as emergency preparedness plans) must be prepared. IDB's policies and procedures fully address all GEF requirements under this Minimum Standard.

Minimum Standard 8: Accountability and Grievance Systems

12. IDB fully meets this Minimum Standard. IDB's Independent Consultation and Investigation Mechanism (ICIM) encompasses both compliance review (leading to potential investigations), and grievance redress functions (applying flexible problem solving approaches). The Compliance Review Phase and Consultation Phase, as stipulated in the policy establishing the ICIM, fully meet GEF's requirements under this Minimum Standard.

GENDER MAINSTREAMING

13. The IDB as meets all seven of the requirements of the *GEF Policy on Gender Mainstreaming*. They gave high marks to IDB for its demonstrated leadership and clear commitment of budgetary resources to ensure gender mainstreaming within the Agency. IDB is clearly strengthening its efforts to mainstream gender into its activities. Particularly noteworthy is its approach to identifying, seeking to avoid, or mitigating adverse gender impacts through its safeguard system.

14. In 2010 the IDB approved a new Operational Policy on Gender Equality in Development with the goal to improve the Bank's ability to support its member countries' commitments to gender equality and women's empowerment by applying a gender perspective systematically across its operations. A *Gender Action Plan for Operations, 2011-2012* (GAP) was approved in March 2011 which provides an overarching framework for Bank-wide commitments and actions that will contribute to the implementation of the Gender Policy.

15. IDB has illustrated that in the past year it has significantly increased its capacity and ability to integrate gender through its portfolio. The GAP activities are coordinated by the IDB's Gender and Diversity Division, along with a Bank-wide network of gender focal points. A Gender and Diversity Fund now supports gender and diversity mainstreaming in LAC. Projects

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financed by the fund have supported initiatives that address gender-specific issues like violence against women, adolescent pregnancy, and women's entrepreneurship.

16. During 2012, 167 projects for gender-based risk assessment were reviewed by IDB. The *2012 Progress Report: Promoting Gender Equality to Improve Development Results* provides a status update on the IDB's progress towards implementing the Gender Policy. This report results from a yearly review of the monitoring indicators of the Gender Policy (for all loan operations approved in a given year) that is presented to senior management.

17. IDB has an institution-wide gender team of over 20 staff and consultants that is focused on gender issues and/ or providing gender mainstreaming support to IDB divisions. IDB has integrated monitoring for gender-based risks within the framework of its environmental and social safeguards review of all projects, which is considered as 'best practice'.

18. The GEF Secretariat gave high marks to IDB its leadership and commitment of budgets to ensure gender mainstreaming within the Agency, as these are key to ensuring development of gender equality. IDB is clearly strengthening its efforts to mainstream gender into its activities, but compared to other multilateral development banks it is still at an early stage.

ANNEX VI. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

AGENCY BACKGROUND

1. IFAD, a specialized agency of the United Nations, was established as an international financial institution in 1977 as one of the major outcomes of the 1974 World Food Conference. IFAD's overarching goal is to empower poor rural women and men in developing countries to achieve higher incomes and improved food security. Since starting operations in 1978, IFAD has invested more than US\$ 9.5 billion in 732 projects and programs that have reached more than 300 million rural poor people. IFAD's work is supported by its new business model of both direct supervision and increasing its country presence, with 38 country offices at the end of 2012.

2. Based on Council Document GEF/C.31/5, *Comparative Advantages of the GEF Agencies*, IFAD's comparative advantage lies in its work related to land degradation, rural sustainable development, integrated land management, and its role in the implementation of the UN Convention to Combat Desertification. Over the years, IFAD's comparative advantage has expanded to climate change adaptation and in establishing or strengthening community-based natural resource management. In 2012, IFAD launched its Adaptation for Smallholder Agriculture Programme (ASAP), a multi-year and multi-donor financing window that aims to improve the capacity of about 8 million smallholder farmers to cope with climate change through scaling up and integrating climate change adaptation across IFAD investments. IFAD has roles relating to both investment projects and projects related to capacity building and technical assistance.

3. The size and value of IFAD's on-going portfolio has been increasing steadily, as new programs and projects begin, successful interventions are scaled up and co-financing support from partners grows. Including IFAD funds and external and domestic co-financing, total investments in on-going programs rose by over 50 per cent between 2009 and 2012, from US\$7.9 billion to US\$11.9 billion. At the end of 2012, IFAD was financing 255 on-going programs and projects with investments of US\$5.3 billion in 98 countries and territories. In 2012/13, the average size of an IFAD-financing project is US\$ 30.7 million. External co-financing and funds from domestic sources for the on-going portfolio amounted to US\$6.6 billion, bringing the total value in 2012 to US\$11.9 billion.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

4. As a UN agency operating as an international financial institution, IFAD has adopted a number of environmental and social policies and procedures to ensure that its operations avoid adverse impacts on people and the environment. To this end, IFAD has put in place strong policies and processes, and demonstrated its capacity to deliver on them, in areas relating to four of GEF Minimum Standards: (1) Environmental and Social Impact Assessment, (2) Natural Habitats, (4) Indigenous Peoples and (5) Pest Management. Thus, except for improvements in terms of disclosure of ESIA's and other documents, IFAD substantially meets these four Minimum Standards. IFAD acknowledges that it does not fully meet the remaining four Standards at the present time (i.e. (3) Involuntary Resettlement, (6) Physical Cultural Resources, (7) Safety of Dams and (8) Accountability and Grievance Systems) and is discussing with the GEF Secretariat how to address meeting outstanding requirements of these Standards as part of a

GEF action plan. IFAD had already begun an update of its Environmental and Social Assessment Procedures (ESAP), which will be completed by end-2014. This update will be an opportunity through which IFAD will be able to make any required improvements to address outstanding requirements.

5. The agreed actions outlined below necessary for IFAD to comply fully with the Minimum Standards will be incorporated into a time-bound action plan, which will be forwarded to the GEF Council by December 31, 2013.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

6. IFAD meets all but two of the requirements for this Minimum Standard. The only exceptions are with regard to the timely disclosure of draft ESIA's (discussed below) and a requirement with regard to projects implemented through financial intermediaries (paragraph 1.8 of the Policy). IFAD has instituted quality enhancement/assurance processes to ensure that its projects protect people and the environment and comply with IFAD's environmental and social policies and assessment safeguards, including its Environmental and Social Assessment Procedures (ESAP), Environment and Natural Resources Management Policy (ENRMP), Climate Change Strategy, Indigenous Peoples Policy, etc. Furthermore, IFAD also has extensive experience implementing its environmental and social policies and has demonstrated its commitment to and capacity for protecting people and the environment.

7. In 2010 IFAD amended its [disclosure policy](#) to enable project design documents to be disclosed prior to the Executive Board session at which the project is to be considered. IFAD's current disclosure policy is based on "presumption of full disclosure" of documents produced by IFAD and it has been implemented since 2012. This assessment finds, however, that IFAD does not fully meet the requirement of the GEF Minimum Standard on disclosure, which reads: "disclose draft environmental and social impact assessments in a timely manner, before appraisal formerly begins (emphasis added), in a place accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them." Minimum Standards 2 through 7 have similar disclosure requirements for documents relating to them, which IFAD is also found not to fully meet.

8. IFAD and the GEF Secretariat are discussing how to address the disclosure requirement under this and the other Minimum Standards and the requirement applicable to financial intermediaries. The results of these consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013 in its action plan.

Minimum Standard 2: Natural Habitats

9. IFAD substantially meets this Minimum Standard – with the only exception being the requirement for timely and accessible disclosure of related project documentation, which is discussed under Minimum Standard 1 above. IFAD's ESAP (including Operational Statement 1: Biodiversity and Protected Area Management) and ENRM Policy (with best practice statements on biodiversity and forestry) promote environmentally sustainable development through sustainable management of the natural resource base (including natural habitats). Furthermore, IFAD has extensive experience promoting sustainable development through conservation and

sustainable management of natural resources and has demonstrated its commitment to and capacity for protecting biodiversity and natural habitats in its projects.

Minimum Standard 3: Involuntary Resettlement

10. IFAD is not involved in the creation or expansion of protected areas, so the parts of this Minimum Standard relating to protected areas do not apply to IFAD. Moreover, IFAD has explained that no IFAD funds are allocated to the purchase of land, and IFAD's "Land Policy" - Improving Access to Land and Tenure Security - articulates several important guiding principles that minimize the risk of negative economic or social impacts arising from "involuntary resettlement," as defined under the GEF Policy.¹⁰ The Land Policy requires "adherence of a 'do-no-harm' principle at all times" and "adherence to the principle of free, prior, and informed consent" for "any development intervention that might affect the land access and use rights of communities." The Policy states that IFAD "will ensure that their free, prior, and informed consent has been solicited through inclusive consultations based on full disclosure of the intent and scope of the activities planned and their implications." IFAD has explained that this policy is enforced through its Quality Assurance Process.

11. The assessment is satisfied that in light of these factors, the risk of involuntary resettlement is quite low for IFAD Projects, but this is impossible to know since IFAD does not appear to screen its projects for such impacts, including those that could be caused by other partners that are directly involved in the project or associated with it.¹¹ Moreover, IFAD's Land Policy states that "Operational guidelines and decision tools will be developed to enable IFAD to understand the context of its interventions and to ascertain, in an efficient manner, during both design and implementation, whether they may impact negatively on the land access and tenure security of poor people in the project area." IFAD has explained that it is currently working on the operational guidelines and decision tools required by its Land Policy (particularly on FPIC), in order to completely eliminate the risk of contributing directly or indirectly to involuntary resettlement, throughout its project cycle.

¹⁰ See *Policy on Agency Minimum Standards on Environmental and Social Safeguards*, Annex I, paragraph 3.2: GEF Minimum Standard 3 covers "potential economic and social impacts of the project that are caused by involuntary taking of land (e.g. relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, whether or not the affected person must move to another location) or involuntary restriction of access to legally designated parks and protected areas."

¹¹ See *Policy on Agency Minimum Standards on Environmental and Social Safeguards*, Annex I paragraph 3.3: "The Agency identifies and addresses impacts, also if they result from other activities that are (a) directly and significantly related to the proposed GEF-financed project, (b) necessary to achieve its objectives, and (c) carried out or planned to be carried out contemporaneously with the project. The Agency consults project-affected persons, host communities and local CSOs, as appropriate." IFAD reports that some projects supporting small holder farmers that have benefited from redistributive land reform (for instance agrarian reform settlements) but those projects are not involved in the redistribution itself.

12. IFAD and the GEF Secretariat are discussing how the requirements of this Minimum Standard will be addressed through the guidelines and support tools mentioned above, taking into appropriate consideration IFAD's mission and the nature of its projects. The results of these consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013.

Minimum Standard 4: Indigenous Peoples

13. IFAD substantially meets this Minimum Standard – with the only exception being the requirement for timely and accessible disclosure of project documentation, as mentioned under Minimum Standard 1 above. IFAD adopted its Indigenous Peoples policy, *Engagement with Indigenous Peoples*, in 2009 and has used it jointly with the ESAP to ensure that IFAD projects are designed and implemented in a way to provide Indigenous Peoples with appropriate economic and social benefits, avoid any adverse impacts on them during the development process and accord them full respect for their dignity, human rights and cultural uniqueness. IFAD has gained experience implementing its Indigenous Peoples policy and has demonstrated its commitment to and capacity for properly dealing with Indigenous Peoples in its projects.

Minimum Standard 5: Pest Management

14. IFAD substantially meets this Minimum Standard – with the only exception being the requirement for timely and accessible disclosure of project documentation. IFAD's ESAP (including *Operational Statement 9: Pesticides*) and ENRM Policy (including a best-practice statement on crop production) ensure safe management of pesticides, minimize environmental and health risks and promote environmentally sound alternatives for pest management. Furthermore, IFAD has extensive experience implementing its pest management policies and has demonstrated its commitment to and capacity for promoting safe pest management in its projects.

Minimum Standard 6: Physical Cultural Resources

15. IFAD has some requirements in place to ensure the protection of physical cultural resources in its projects. This includes the ESAP, where IFAD indicates that cultural properties are considered "sensitive areas." IFAD's Quality Enhancement and Quality Assurance processes check compliance with the guiding principles of ESAP... IFAD also indicates that such resources are protected by its Indigenous Peoples Policy and by its ENRM Policy. But, without specifically defining physical cultural resources and identifying measures to protect them (e.g. chance find procedures), these IFAD policies only partially provide for the protection of these resources that the GEF standard requires. As such, it is felt that IFAD does not fully meet all the requirements of this Minimum Standard.

16. IFAD is discussing with the GEF Secretariat how to address the requirements necessary to meet this Minimum Standard in its GEF action plan, taking into appropriate consideration IFAD's mission and the nature of its projects. The results of these consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013.

Minimum Standard 7: Safety of Dams

17. While IFAD does not finance large dams as defined by the GEF Policy (e.g. over 15 meters), it does implement small dams and related infrastructure in its projects. As such, this Minimum Standard should apply to IFAD with regard to the construction or rehabilitation of *small* dams, and IFAD should have requirements for ensuring the safety of such dams. This assessment finds that IFAD does not have sufficient systems or policies specifically addressing dam safety, but IFAD does have technical staff and experts on water management, irrigation systems and dam safety and ensures the use of experienced professionals or qualified engineers in its projects involving dams and related infrastructure.

18. IFAD is discussing with the GEF Secretariat how to address the outstanding requirements necessary to meet this Minimum Standard in its action plan, taking into appropriate consideration IFAD's mission and the nature of its projects involving small dams. The results of these consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013.

Minimum Standard 8: Accountability and Grievance Systems

19. IFAD does not meet this Minimum Standard. IFAD's Office of Audit and Oversight (AUO) is responsible for investigating fraud and corruption in its projects and enforcing IFAD's *Policy on Preventing Fraud and Corruption*, but AUO's mandate does not provide authority for addressing non-compliance with IFAD's environmental and social safeguard policies or handling the grievances of project-affected parties arising from IFAD projects. IFAD and the GEF Secretariat are discussing how to address the outstanding requirements necessary to meet this Minimum Standard in its action plan. The results of these consultations will be reflected in the final action plan to be delivered to the GEF Council by December 31, 2013

GENDER MAINSTREAMING

20. The GEF Secretariat assessed IFAD as fully meeting all of the requirements of the *GEF Policy on Gender Mainstreaming*. IFAD has a strong institutional framework to support the gender mainstreaming activities, and strong leadership from top management. Sufficient resources have been committed over time to ensure sustainability of gender mainstreaming. A clear 'best practice' of IFAD is the ambition to go beyond gender mainstreaming to challenge and transform unequal gender relations and to promote shared control of resources and decision making to create more gender-equitable relationships, and to build equitable social norms and structures.

21. IFAD tracks the gender sensitivity of the loans portfolio at the design, implementation and completion stage, and reports annually on the regional loan portfolios. Gender is included in the IFAD annual Report on IFAD's Development Effectiveness and annual reports on the implementation of the gender policy.

22. Some of the notable factors in IFAD's approach to gender mainstreaming are:

- (a) IFAD's first gender plan of action dates back to 2003, and its 2012 *Policy on Gender Equality and Women's Empowerment* is aligned with the IFAD Strategic Framework to 2015. IFAD also targets poor rural populations, indigenous people and youth in addition to gender equality.

Annex VI. International Fund for Agricultural Development

- (b) IFAD has sufficient gender staff at the HQ, gender focal points, and regional gender coordinators and received high marks on its strong commitment from the senior management level to institutionalize the gender policy.
- (c) IFAD's project design documents track performance regarding gender and is reported annually. Through its direct involvement in project design and implementation, or in dialogue with co-financing partners, IFAD seeks to ensure that certain key features are reflected in the design and implementation of the initiatives it supports. Project design includes: the understanding of gender differences in sectors concerned; actions to empower women economically and in decision making; operational measures to ensure gender equitable participation; and provisions for monitoring and evaluating gender differential impact and participation.

ANNEX VII. UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

AGENCY BACKGROUND

1. UNDP is the UN's global development network, an organization which partners with people at all levels of society to help build nations that can withstand crisis and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in 177 countries and territories, UNDP offers global perspective and local insight to help empower lives and build resilient nations, encouraging in all its activities, the protection of human rights, capacity development and the empowerment of women. In UNDP's Strategic Plan (2010 – 2013), managing Energy and Environment for sustainable development is one of four core areas of work for the agency.
2. Based on Council Document GEF/ C.31/5, *Comparative Advantage of the GEF Agencies*, the comparative advantage of UNDP lies in the implementation of projects relating to capacity building and technical assistance. As such, UNDP does not implement "investment" projects as defined by the GEF. UNDP assists countries in promoting, designing and implementing activities consistent with both the GEF mandate and national sustainable development plans. UNDP also has extensive inter-country programming experience.
3. For the 2012/2013 period, UNDP total program expenditures were just over \$4 billion.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

4. UNDP's policy requirements and procedures promote environmental and social sustainability and seek to prevent and/or mitigate undue harm to people and the environment. These policy requirements – articulated in its *Programme and Operational Policies and Procedures* (POPP) as well as UNDP's comprehensive social and environmental screening and assessment guidelines – address most of the GEF's eight Minimum Safeguard Standards. Strong stakeholder engagement requirements undergird its approach to ensuring that programs and projects do not cause undue harm to people or the environment. Since 2010 UNDP has undertaken a concerted effort to strengthen its environmental and social policy framework. UNDP adopted a comprehensive Environmental and Social Screening Procedure (ESSP) in 2012, which mandates project-level screening UNDP-wide. In some areas, however, UNDP's policies, guidelines, and/or procedures do not yet fully meet GEF's Minimum Standards. UNDP has demonstrated that it is proactively taking action to address these by the end of 2014.
5. UNDP is the first of the five GEF UN Agencies to pilot comprehensive accountability and grievance redress mechanism that, when formalized across UNDP in 2014, will fully comply with this GEF Standard. The Charter of the Office of Audit and Investigation (OAI) was revised early 2013 to include compliance reviews for UNDP's social and environmental policies and procedures. UNDP is also developing a set of Social and Environmental Quality Standards and is updating its ESSP, to strengthen its policy framework so as to bring its policies into full compliance with the GEF Minimum Standards.

6. The agreed actions outlined below needed for UNDP to meet fully the outstanding requirements of the Minimum Standards will be incorporated into a time-bound action plan, which will be forwarded to the GEF Council by December 31, 2013.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

7. UNDP meets most, but not all, requirements under this Minimum Standard and is on track to fully meet this Minimum Standard by end-2014. UNDP adopted a comprehensive environmental and social screening and assessment procedure in 2012 that addresses nearly all GEF requirements. UNDP requires varying types and extent of environmental and social assessments for UNDP-supported operations, scaled to risks and project type. UNDP's is strengthening its policy framework to address some gaps including analysis of alternatives (inclusion of the "no action" scenario), clearer requirements on the use of independent expertise for high-risk projects, and disclosure of draft assessments and plans.

8. UNDP has agreed to update its Environmental and Social Screening Procedure to clarify and to strengthen its requirements for the identified areas. This will form the basis of its time-bound action plan to bring it fully into compliance with the requirements of this Minimum Standard where needed.

Minimum Standard 2: Natural Habitats

9. UNDP meets most, but not all, requirements under this Minimum Standard and is on track to fully meet this Minimum Standard by end-2014 UNDP's policies and procedures require mainstreaming of environmental and social sustainability into all operations, including those regarding natural habitats. UNDP promotes sustainable management, protection, and conservation of natural habitats and their associated biodiversity and ecosystem functions. UNDP's policy and procedures address nearly all GEF requirements, including application of a precautionary approach. In a few areas, UNDP's policies will be strengthened, including to prohibit financing of projects that may significantly impact critical natural habitats/critical forest areas, and further clarified regarding forest plantation, harvesting and restoration projects.

10. UNDP will address these issues in the forthcoming development of its Social and Environmental Quality Standards and revision of its Environmental and Social Screening Procedure, which will be included in its time bound action plan for the GEF.

Minimum Standard 3: Involuntary Resettlement

11. UNDP has begun to develop a comprehensive policy framework to meet this Minimum Standard by end-2014. UNDP's policy requirements seek to avoid involuntary resettlement in its programs and projects. Issues regarding involuntary resettlement do not readily arise in UNDP programs and projects given its primary focus on capacity building and technical assistance. UNDP's policy framework, however, should contain provisions that, if need be, address risks associated with involuntary physical relocation and, in particular, economic displacement due to potential access restrictions in protected area projects. UNDP will strengthen its requirements regarding involuntary physical and economic displacement in the forthcoming development of its Social and Environmental Quality Standards and revision of its Environmental and Social Screening Procedure. This will be included in its time-bound action plan.

Minimum Standard 4: Indigenous Peoples

12. UNDP meets most, but not all requirements, of this Minimum Standard and is on track to fully meet this Minimum Standard by end-2014. UNDP policy requirements seek to ensure that its programs foster full respect for Indigenous Peoples right to self-determination, human rights, and cultural uniqueness; ensure Indigenous Peoples' full and effective participation in designing, implementing, and monitoring programs or projects that affect them; and apply the principles of free, prior and informed consent (FPIC). UNDP's *Policy on Engagement with Indigenous Peoples* (PEIP) states that UNDP promotes the recognition of indigenous rights to lands, territories and resources, and laws protecting indigenous lands. UNDP's policy framework fully addresses most GEF requirements under this Minimum Standard. In several areas UNDP's requirements could be clarified and/or strengthened including to screen for the presence of Indigenous Peoples in the project area access restrictions to protected areas (clarify application of existing requirements to issue of access restrictions), specifying the triggers for requiring an Indigenous Peoples Plan, and clarification of disclosure of draft plans and monitoring.

13. UNDP will clarify and/or strengthen its requirements regarding Indigenous Peoples in the forthcoming development of its Social and Environmental Quality Standards and revision of its Environmental and Social Screening Procedure. This will be included in its time-bound action plan.

Minimum Standard 5: Pest Management

14. UNDP is on track to meet this Minimum Standard by the end of 2014, and currently meets parts of this Minimum Standard. UNDP requires minimization of use of harmful chemicals and pesticides and promotes a precautionary approach to potential risks posed by such substances. Its screening procedure includes questions for identification of projects that may release pollutants or involve use of hazardous pesticides. UNDP is also able to demonstrate effective management of pesticides in project examples. UNDP will elaborate policy requirements regarding management of pesticides and promotion of Integrated Pest Management (IPM) and Integrated Vector Management (IVM).

15. UNDP will strengthen its requirements regarding pest management in the forthcoming development of its Social and Environmental Quality Standards and revision of its Environmental and Social Screening Procedure. This will be included in its time-bound action plan.

Minimum Standard 6: Physical Cultural Resources

16. UNDP is on track to meet this Minimum Standard by end-2014 and currently meets part of this Minimum Standard. UNDP requires that its programs and projects conserve physical cultural resources and avoid the alteration, damage or removal of any physical cultural resources (PCR). Its screening procedure identifies projects that may affect areas of physical or cultural significance. At the same time, more specific standards that fully address the GEF requirements under this Minimum Standard are absent or require strengthening. These include more targeted policy and/or procedural provisions for assessing alternatives for avoiding impacts on PCR,

collection of baseline data and use of experts for identifying potential risks to PCR, and firmer requirement for inclusion of chance find procedures in management plans.

17. UNDP will strengthen its requirements regarding physical cultural resources in the forthcoming development of its Social and Environmental Quality Standards and revision of its Environmental and Social Screening Procedure.

Minimum Standard 7: Safety of Dams

18. UNDP is on track to meet this Minimum Standard by end-2014 and currently meets part of this Minimum Standard. In terms of support for construction and/or rehabilitation of dams, UNDP generally only supports small dams and small-scale water infrastructure. UNDP applies its general environmental and social screening, assessment, and risk management procedures to such projects. These requirements will be updated to include more specific infrastructure safety policy standards that would fully address GEF's requirements under this Minimum Standard. Areas requiring strengthening include more specificity regarding development of safety and emergency preparedness plans, use of experienced professionals in all phases of dam construction and rehabilitation, including for verification and safety inspections.

19. UNDP will clarify and strengthen its requirements regarding infrastructure safety, including dams, in the forthcoming development of its Social and Environmental Quality Standards and revision of its Environmental and Social Screening Procedure. This will be included in its time-bound action plan.

Minimum Standard 8: Accountability and Grievance Systems

20. UNDP is on track to fully meet this Minimum Standard by end-2014, and is currently piloting the implementation of an agency accountability mechanism and dispute resolution processes. The Charter of the Office of Audit and Investigation (OAI) has been revised to include compliance reviews for UNDP's social and environmental policies and procedures. Compliance review experts have been working with OAI since early 2013. UNDP has agreed to implement an interim compliance review and dispute resolution process for those pilot countries. UNDP is applying the interim compliance review and dispute resolution process under the Forest Carbon Partnership Facility and with GEF-financed projects, and intends to set up these pilots in late 2013 and the first half of 2014. The interim approach is designed and implemented partly with the goal of providing lessons and expertise that will assist in the development and implementation of the permanent compliance review and dispute resolution processes. UNDP's piloted compliance and grievance systems are based on UNDP's "Proposal for Environmental and Social Compliance Review and Dispute Resolution Processes" (July 2013).

21. UNDP plans to adopt the above-described system after the piloting phase and will ensure that all GEF requirements under this Minimum Standard are addressed in the final approved mechanisms/systems. This will be included in its time-bound action plan.

GENDER MAINSTREAMING

22. UNDP meets all of the minimum requirements of the *GEF Policy on Gender Mainstreaming*. UNDP began to strengthen its competencies to advance gender equality in 2008 by adopting its *Gender Equality Strategy*. There are several institutional mechanisms that UNDP uses to ensure gender mainstreaming: the project appraisal process in accordance with the UNDP Programme and Operational Policies and Procedures (POPP) guidance document; the Gender Marker tracking system on budgeting of gender equality initiatives; and the Results Oriented Annual Report (ROAR) section on gender. Before UNDP Country Programmes are submitted to the UNDP Executive Board for approval, they are appraised and reviewed using a guidance document “Considerations for Quality Programming” available in the UNDP POPP. These include eight questions related to gender. The POPP also stipulates that a wide range of stakeholders should participate in the formulation of projects. Stakeholders include any parties with an interest in the project, including target beneficiary groups, civil society organizations, government, the media, UN agencies and donors. In particular, ‘Women’s participation, and participation of disadvantaged groups including indigenous groups as applicable, should be ensured throughout the project cycle.’

23. In terms of its GEF operations, UNDP has made obvious progress since 2011 in their gender mainstreaming or both projects and enabling activities. UNDP produced a report, *Gender in Action: 2010-2011 Gender Report of UNDP Supported GEF Financed Projects* which has reported on the terminal evaluations of projects including progress on gender indicators. This should be seen as a best practice for other Agencies and their work on gender.

24. UNDP instituted a Gender Steering and Implementation Committee (GSIC), which is the highest decision-making body on gender mainstreaming within UNDP. It has responsibility for policy setting and oversight of all offices. Chaired by the UNDP Administrator or Associate Administrator, the GSIC seeks to ensure that bureau directors and practice leaders systematically integrate gender equality in each area of work and demonstrate leadership on gender equality. The GSIC is, in effect, a senior management peer review committee to which bureau directors report annually on their programmatic and institutional results. The GSIC makes recommendations to strengthen action in each area of work.

25. UNDP also updated its *Gender Equality Strategy*, based on the recommendations of UNDP’s Evaluation Office. The institutional framework includes sufficient staffing complements to ensure gender mainstreaming.

26. While UNDP met all the minimum requirements for compliance with the GEF Gender Mainstreaming Policy, there are several areas where UNDP could improve its performance. One area is in terms of monitoring and evaluation. UNDP clearly meets the minimum standard, but a more strategic use of its screening checklist would help ensure more consistent monitoring across projects. Second, UNDP should strengthen its Environmental and Social Screening Procedure (ESSP) to improve its performance in terms of the identification, avoidance, or mitigation of adverse impacts gender impacts.

ANNEX VIII. UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

AGENCY BACKGROUND

27. UNEP's mission is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations. UNEP's mandate is to coordinate the development of environmental policy consensus by keeping the global environment under review and bringing emerging issues to the attention of governments and the international community for action.

28. Based on Council Document GEF/ C.31/5, *Comparative Advantage of the GEF Agencies*, the agreed comparative advantage of UNEP lies in the implementation of projects relating to capacity building, technical assistance, and assessment and scientific and technical analysis in the focal areas where it has expertise. UNEP is the only United Nations organization with a mandate derived from the General Assembly to co-ordinate the work of the United Nations in the area of environment and whose core business is the environment. As reaffirmed in Rio+20, UNEP is mandated to be the leading authority on the global environment. In 2003, UNEP's Governing Council asked it to provide guidance to countries to follow all United Nations policies (substantive as well as procedural), including those set out in Agenda 21, Rio Principles, the Millennium Declaration, etc. UNEP's comparative strength is in providing the GEF with a range of relevant experiences, proof of concept, testing of ideas, and the best available science and knowledge upon which it can base its investments. It also serves as the Secretariat to three of the multilateral environmental agreements (MEAs), for which GEF is the/a financial mechanism. UNEP's comparative advantage also includes its ability to serve as a broker in multi-stakeholder consultations.

29. Excluding the GEF operations, the Multilateral Fund of the Montreal Protocol (for which UNEP serves as Trustee), and funds for the MEAs that it hosts, UNEP's Programme of Work for 2012-13 Biennium was US\$ 474 million (equal to US\$ 237 million a year for 2012 and 2013).

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

30. As the United Nations' premier environmental agency, UNEP has been instrumental in developing policies and programs for the United Nations system on environmental and social assessment, natural resources management, Indigenous Peoples, environmental and social sustainability, etc. Given its overall mandate and specific environmental program, UNEP projects benefit the environment, and the risk of any negative impacts on the environment generally minimal. For this reason, UNEP had not previously developed and codified a full system of environmental and social safeguards for its operations. It can demonstrate actual implementation in using environmental safeguards, and some areas of social safeguards. There have been no recorded instances where UNEP's actions have created harm; to the contrary UNEP conducts assessments for governments and at the global scale, to identify harmful actions on the environment. However, by not codifying internal operational practices, mechanisms and tools that would apply to its projects, the assessment finds that UNEP does not fully meet the GEF Minimum Standards. UNEP acknowledges that it can and will codify its operational

procedures, and will make improvements with regard to the areas of social safeguards (e.g. involuntary resettlement and Indigenous Peoples).

31. UNEP is currently leading the process of reviewing and strengthening its safeguards, approaches, or measures for ensuring environmental and social sustainability of United Nations Agencies across the United Nations system. As part of this process, UNEP will be strengthening the sustainability of its own operations through its proposed *Environmental, Social and Economic Sustainability (ESES) Framework*. UNEP has committed to ensure that its ESES Framework, which is currently under development, is finalized and implemented in a manner so that UNEP can have the equivalent measures and mechanisms to meet all of the GEF Minimum Standards, and even to do more in regards to environmental safeguards.

32. UNEP and the GEF Secretariat will conclude discussions on how it will address outstanding requirements that are applicable to UNEP through its ESES Framework. Commitments in this regard will be recorded in its GEF action plan, which will be delivered to the GEF Secretariat by December 31, 2013.

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

33. UNEP's mission and business model are dedicated to promoting environmental management and protection, and UNEP has been a leader to build country capacity around the world on environmental assessment. Because its projects benefit the environment, it has built a full system for ESIA's that fully meet the GEF standard. UNEP has developed training manuals for countries and practitioners. UNEP has developed various environmental, social and economic screening tools and checklists (i.e. *Policy Note on Environmental and Social Safeguards* in UNEP/GEF projects, including the *Checklist for Environmental and Social Safeguards* for GEF projects); and policies (e.g. *Indigenous Peoples Policy Guidance*) to address sustainability issues and risk factors in the course of its operations. But, these checklists and policies stop short of the GEF Minimum Standard because they do not clearly prescribe management plans or other measures for its operations to identify and fully prevent or mitigate undue harm to people and the environment. This is an area in which the assessment believes UNEP should improve the codification of its *operational* policies, procedures, and guidelines.

Minimum Standard 2: Natural Habitats

34. UNEP's mission and business model are clearly dedicated, among other things, to conservation of biodiversity and protection of natural habitats. UNEP, for example, is host to the Convention on Biological Diversity and to several other multilateral environmental conventions pertaining to endangered and migratory species. Furthermore, UNEP's current program of work includes an Ecosystem Management Programme as one of 6 programs, and UNEP has developed a *Strategic Agenda on Forest Ecosystems*. Operationally, UNEP's *Checklist for Environmental and Social Safeguards* focuses on identifying threats to biodiversity and natural habitats early in project preparation. Most UNEP projects do not involve the siting of physical infrastructure, and when they do, it is at a small scale. Therefore, the risk to critical natural habitats and other natural habitats is minimal. UNEP has explained that when any potential trade-offs arise between the siting of small-scale infrastructure and its mission for habitat protection, its *Checklist on Environmental and Social Safeguards* trigger EIAs that guide the siting of infrastructure (or

identifying alternatives) in ways to protect critical and other natural habitats. Overall, however, UNEP could codify corporate *operational procedures and guidelines* for its own program and projects.

Minimum Standard 3: Involuntary Resettlement

35. UNEP's agreed comparative advantage in the GEF is to support projects relating to technical assistance, capacity building, and scientific assessment. It does not implement investment projects that involve the purchase of land. For this reason, a number of requirements in this Minimum Standard do not apply to UNEP. But, UNEP does implement projects "concerning the creation or expansion of protected areas", which, by their nature can involve the involuntary restriction of access or associated livelihood impacts covered by parts of this Minimum Standard. Therefore, the requirements involving restriction of access under this Minimum Standard should apply to UNEP. This assessment has found that UNEP does not fully meet all applicable requirements under this Minimum Standard. This is an area in which the assessment believes UNEP should improve and codify its *operational* policies and procedures.

Minimum Standard 4: Indigenous Peoples

36. UNEP meets some but not all of its requirements under this Minimum Standard. UNEP has adopted a new *Indigenous Peoples Policy Guidance* (2012) and is preparing operational guidelines, a checklist and a training toolkit to facilitate its full implementation (by-end 2013). The *Indigenous Peoples Policy Guidance* and operational guidelines are intended to ensure UNEP's engagement with Indigenous Peoples in its policies and projects. In practice, UNEP has demonstrated its capacity for dealing with Indigenous Peoples in its projects in the past, but this assessment believes that UNEP needs to expand its capacity for implementing its *Policy Guidance* and put in place *operational* guidelines in the future; completion of the operational guidelines will help UNEP meet the requirements of this Minimum Standard.

Minimum Standard 5: Pest Management

37. UNEP hosts the Stockholm Convention and other conventions addressing hazardous chemicals, including pesticides. Its sub-program on Harmful Substances and Hazardous Waste works to minimize the use of harmful chemicals and pesticides and promotes a precautionary approach to potential risks. UNEP does, however, implement projects in the areas of sustainable land management (including forest management), so there could be some risk that non-POPs pesticides might be used in some UNEP projects. UNEP has demonstrated capacity with IVM projects (e.g. particularly concerning the phase-out of DDT) but lacks experience with IPM projects. UNEP hosts the Stockholm Convention and states that it abides by all relevant UN Policies, but it does not have codified *operational* policies, procedures, or guidelines in place for ensuring safe pest management and promoting integrated pest management (IPM) or integrated vector management (IVM) in its own projects.

Minimum Standard 6: Physical Cultural Resources

38. UNEP does not implement investment projects that pose significant threats to physical cultural resources. UNEP states that it follows the policies and strategies of UNESCO on physical cultural resources, but does not have specific operational policies, procedures, or

guidelines of its own especially in regards to chance find. The assessment believes that this is an area for improvement for UNEP.

Minimum Standard 7: Safety of Dams

39. UNEP does not finance the construction of large dams (e.g. over 15 meters), but UNEP does implement projects that involve small dams for electricity generation, watershed management and other purposes. As such, this Minimum Standard should apply to UNEP with regard to the construction or rehabilitation of small dams, and UNEP should have requirements for ensuring the safety of such dams. UNEP does not have sufficiently clear and codified *operational* procedures or guidelines, so this is an area for future improvement.

40. UNEP is discussing with the GEF Secretariat how to address the outstanding requirements necessary to meet this Minimum Standard as part of a GEF action plan, taking into appropriate consideration UNEP's mission and the nature of its operations. UNEP has committed to incorporating necessary requirements into its ESES Framework.

Minimum Standard 8: Accountability and Grievance Systems

41. UNEP states that it follows the UN-wide system of accountability and grievances. But it is not clear to the assessment how this system is sufficient for ensuring the accountability for or enforcement of UNEP's compliance with its own environmental and social safeguards. It is also not clear how this system is sufficient to redress grievances raised by parties affected by the implementation of UNEP projects. UNEP states that its current accountability and enforcement system is contained in the legal agreements it signs with its partners and fund recipients. UNEP has demonstrated experience with taking remedial action in reaction to a recent stakeholders' grievance case with one of its partners. UNEP has staff to respond to grievances, including a legal team and a Major Groups and Stakeholders Branch whose mandate is to promote stakeholder engagement. UNEP was mandated by its governing body to develop an updated "*Access to Information Policy*". This assessment concludes that UNEP does not fully meet the Minimum Standard because it does not have in place a mechanism within UNEP to ensure accountability and addressing grievances related to its environmental and social safeguards.

42. UNEP is discussing with the GEF Secretariat how to address the outstanding requirements necessary to meet this Minimum Standard as part of a GEF action plan, taking into appropriate consideration UNEP's mission and the nature of its operations. UNEP has committed to incorporating these requirements into its ESES Framework.

GENDER MAINSTREAMING

43. The assessment found that UNEP met the majority (five of seven) of the requirements, but it found that that UNEP should make further improvements with regard to the following requirements:

- (e) Identification of measures to avoid, minimize, and/or mitigate adverse gender impacts (paragraph 16 of the *Policy on Gender Mainstreaming*), and

- (f) Monitoring and evaluating progress in gender mainstreaming, including the use of gender disaggregated indicators.

44. UNEP's Evaluation Office (EO) conducted a review of its own performance in terms of gender mainstreaming in 2012. It found that gender perspectives were not systematically integrated into corporate and thematic policies. In the few documents that featured gender at that time, the focus was found to be generally minimal. The UNEP EO found that the main reasons for this deficiency were inadequate policy review mechanisms and the limited engagement of the Senior Gender Advisor (SGA) in the policy development process by management. Given this review, management has begun to address these deficiencies within the Agency. In August 2012, the Executive Director appointed a Gender Task Team (GTT) to review the recommendations of the Evaluation and provide the way forward in implementing the Review's recommendations.

45. The GTT submitted its report in January 2013 and the Gender Unit will be tasked with implementing its recommendations. The priority documents include the *UNEP Gender Policy and Strategy; Gender Action Plan (2014-2015), Monitoring and Evaluation Mechanism*, and the *Capacity Development Plan*. A new *Gender Policy and Plan of Action* will be developed, which will focus on the integration of gender considerations in human resources, program and project planning, implementation and in monitoring and evaluation processes". UNEP has also developed its own time bound action plan beginning in mid-2013, entitled *Matrix of Recommendations for Achieving Gender Equality in UNEP's Institutional and Programmatic Systems and Follow up Actions in the GTT Report*.

46. Where the Senior Gender Adviser (SGA) has reviewed project documents, these projects have clearly been strengthened. UNEP has made notable progress in the past few months in terms of strengthening its institutional capacity to mainstream gender in its operations. The draft UNEP Mid Term Strategy, includes a document on gender is still only aspirational: "UNEP's emphasis on results will also mean further integration of gender considerations in program planning and delivery, entailing integration of a gender perspective into all phases of UNEP's program cycle, from planning to monitoring and evaluation. This process will entail the development of a gender action plan, which shows how gender considerations are factored into project planning."

47. UNEP met the minimum requirements in several areas, but it did not in the two areas mentioned above. Accordingly, it is recommended that it agree to undertake several actions to improve its performance on gender mainstreaming. These will be further discussed with UNEP, with a view towards coming to agreement on a time-bound action plan that will be forward to the GEF Council by December 31, 2013.

- (g) UNEP has adopted its own time-bound action plan on gender. It should implement this plan and strengthen its framework for monitoring and evaluation in accordance with it.
- (h) UNEP should approve and implement its ESES Framework so that it is able to identify and implement measures to avoid, minimize, and/or mitigate adverse gender impacts" in its projects.

ANNEX IX. UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

AGENCY BACKGROUND

1. As defined in its Constitution adopted in 1979, UNIDO's overall mandate is "the promotion and acceleration of industrial development in the developing countries" and the promotion of "industrial development and co-operation on global, regional and national, as well as on sectoral levels."¹²
2. Based on Council Document GEF/ C.31/5, *Comparative Advantage of the GEF Agencies*, the comparative advantage of UNIDO lies in the implementation of projects relating to capacity building, technical assistance, and assessment and scientific and technical analysis in the focal areas where it has expertise. UNIDO can involve the industrial sector in GEF projects in the following areas: industrial energy efficiency, renewable energy services, water management, chemicals management (including POP and ODS), and biotechnology. UNIDO also has extensive knowledge of small and medium enterprises (SME's) in developing and transition economy countries. Given its mandate and agreed comparative advantage in the GEF, UNIDO does not engage in investment projects as defined by the GEF.
3. Over the 2012 fiscal year UNIDO's project portfolio financing from a range of donors, including the GEF, amounted to US\$ 189 million. Within this portfolio an average size of a UNIDO-GEF intervention varied from around US\$ 660,000 for enabling activities and medium-sized projects, to around US\$ 5 million for UNIDO-GEF full-size projects. Given the overall size of UNIDO's annual project portfolio and the relatively small average project size, UNIDO operations generally do not pose significant risks of in terms of adverse environment and social impacts.

ENVIRONMENTAL AND SOCIAL SAFEGUARDS

4. UNIDO's industrial development mandate and its GEF comparative advantage in capacity building, technical assistance, and scientific and technical analysis have limited UNIDO's need to adopt environmental and social policies, guidelines, and procedures to ensure that its operations avoid adverse impacts on people and the environment. For this reason, UNIDO does not currently have in place the full set of environmental and social policies, impact assessment processes, and safeguard procedures that are necessary to meet the GEF Minimum Standards.
5. UNIDO acknowledges the need to adopt appropriate environmental and social policies and procedures in order to meet the requirements of the GEF Minimum Standards, and has agreed, as set out below, to revise its Project Screening and Appraisal System, Guidelines for Technical Cooperation Projects, and Procurement Manual to address the requirements of the GEF Standards. These revisions will be incorporated into a time-bound action plan, to be forwarded to the GEF Council by December 31, 2013.

¹² UNIDO Constitution, Article 1 "Objectives".

Minimum Standard 1: Environmental and Social Impact Assessment (ESIA)

6. UNIDO does not currently meet this GEF Standard. While UNIDO has a collection of policies, programs, and systems that clearly commit it to environmental protection, sustainable development, and the prevention and mitigation of harm to people and the environment, it does not have a complete set of policies or procedures that are necessary to support the environmental and social assessment system required for its programs and projects. In practice, UNIDO has extensive experience promoting sustainable development through its programs and projects and has demonstrated its commitment to and capacity for protecting environmental and social conditions in its work program.

7. UNIDO has agreed to complete a system of environmental and social policies and assessment safeguards, including an ESIA policy and corresponding guidelines, as part of its time-bound action plan.

Minimum Standard 2: Natural Habitats

8. UNIDO does not currently meet this GEF Standard. UNIDO does not have any policies or procedures for promoting sustainable development through conservation and sustainable management of natural habitats. But, given the nature of its projects, UNIDO does not (and will not) have many projects that will have significant adverse impacts on critical or other natural habitats. UNIDO has agreed to prepare a general policy on protection of natural habitats, with a statement that UNIDO will not engage in any projects dealing with critical habitats. This will be included in a time-bound action plan for the GEF.

Minimum Standard 3: Involuntary Resettlement

9. Given its mandate and agreed comparative advantage in the GEF, UNIDO does not engage in investment projects, nor does it engage in projects involving the creation or expansion of protected areas. The risk that involuntary resettlement impacts would, therefore, arise from UNIDO projects is extremely low. Because of this, and consistent with guidance contained in the Safeguards Policy, this Minimum Standard largely does not apply to UNIDO projects. However, in order to ensure that no involuntary resettlement actually occur in UNIDO's projects in the future, UNIDO has agreed to put in place a policy statement banning projects that would result in involuntary resettlement. To enforce this policy statement, UNIDO has agreed to introduce in its Project Screening and Appraisal System an early screening process to screen for any such potential impacts resulting from its projects. As such, UNIDO would not move forward with projects that resulted in involuntary resettlement. This will be included in a time-bound action plan for the GEF.

Minimum Standard 4: Indigenous Peoples

10. UNIDO does not currently meet this GEF Standard. It does not have the policies or procedures in place to properly identify and adequately address Indigenous Peoples in its projects. Since the mandate of the Organization is focused on promoting industrial development, UNIDO rarely works in the more remote and rural areas where Indigenous Peoples are present. UNIDO has, nevertheless, agreed to introduce an Indigenous Peoples policy with corresponding

guidelines to ensure that projects are designed and implemented fostering full respect for Indigenous Peoples. This will be included in a time-bound action plan for the GEF.

Minimum Standard 5: Pest Management

11. UNIDO does not implement projects involving sustainable land or forest management, agricultural production or pest management; as such this Minimum Standard largely does not apply to UNIDO. To ensure that UNIDO does not procure or use pesticides contrary to this GEF Standard in the future, UNIDO has agreed to develop guidelines to add to its Procurement Manual to ensure that (i) any procurement of pesticides complies with WHO regulations, (ii) procurement of any persistent organic pollutants (POPs) identified by the Stockholm Convention is banned, and (iii) any management and disposal of pesticides complies with the FAO International Code of Conduct.

Minimum Standard 6: Physical Cultural Resources

12. Given its mandate and agreed comparative advantage in the GEF (i.e. it only implements technical assistance and capacity building projects), UNIDO is not likely to implement projects that would have potential adverse effects on physical cultural resources. For this reason, this Minimum Standard largely does not apply to UNIDO. However, in order to ensure that UNIDO's projects do not adversely impact physical cultural resources, UNIDO has agreed to adopt a policy banning projects that involve or adversely impact physical cultural resources, including procedures in case chance finds occur, and introduce in its Project Screening and Appraisal System an early screening step employing a precautionary approach to ensure enforcement of this policy.

Minimum Standard 7: Safety of Dams

13. UNIDO does not currently meet this GEF Standard. UNIDO does not engage in projects that involve large-scale dams. Therefore, the parts of this GEF Standard that would be applicable to large dams are inapplicable to UNIDO (i.e. minimum requirements 7 (b), 7.2, and 7.3). But in its Small Hydropower Programme, UNIDO does construct micro dams (i.e. 1-3 m. in height) for hydropower purposes and should have policies for ensuring the safety of these dams. UNIDO has agreed to develop guidelines to ensure quality and safety in the design and construction of new dams and the rehabilitation of existing dams on the micro scale appropriate to the Agency's mission. This will be done taking as the basis UNIDO's project-based experience with micro dams.

Minimum Standard 8: Accountability and Grievance Systems

14. UNIDO does not currently meet this GEF Standard. UNIDO does not currently have a system or mechanism for (i) ensuring accountability for or enforcement of environmental and social safeguards policies or (ii) receiving and responding to complaints from parties affected by implementation of its projects. UNIDO has agreed to create an inspection panel to address accountability and enforcement issues with respect to its environmental and social safeguards and to respond to address complaints from parties affected by implementation of its projects.

GENDER MAINSTREAMING

15. UNIDO meets five of the seven minimum requirements under the GEF Policy, but the assessment found that it did not have sufficient implementation capacity to meet the two minimum requirements below.

- (a) Institutional Framework for Gender Mainstreaming
- (b) Monitoring and Evaluation

16. UNIDO adopted its *Policy on Gender Equality and the Empowerment of Women* in 2009 and recently revised its *Implementation Strategy and Action Plan 2011-2013* to operationalize the Gender Policy, making gender equality a cross-cutting theme in UNIDO programs, policies, and organizational practices. This Action Plan is structured around six main elements: accountability; results-based management for gender equality; oversight through monitoring, evaluation, audit and reporting; human and financial resources; capacity development; and coherence, coordination and knowledge management. Gender has been mainstreamed into UNIDO's *Program and Budgets 2012-2013*, including the formulation of performance indicators. It also instructs all branches to incorporate a gender perspective in their planning.

17. While the implementation of UNIDO's Gender Policy is very recent, there is evidence that progress has been made in mainstreaming gender into its programs and projects. For example, project managers are starting to integrate gender dimensions into new projects. To enable the continuation of assistance to all branches (provided by gender experts/ consultants), the financial resources for the current gender team are expected to be further increased with support from an external donor. However, this current dependence on external donors rather than being supported through UNIDO core budget resources could raise a concern about the sustainability of the gender team in the long run unless it becomes part of UNIDO's core budget.

18. UNIDO has a policy on equal representation of women within the Organization: "Human Resource Management Framework (HRMF)," (UNIDO/AI/2010/01), issued on 25 May 2010. The HRMF upholds UNIDO's policy on Gender Equality and the Empowerment of Women, which outlines the overall guidelines for implementing UNIDO's gender mainstreaming strategy. This strategy ensures, inter alia, that a gender perspective is reflected in UNIDO's programs, policies and organizational practices, and it accelerates the Organization's efforts to achieve the goal of gender balance, in particular at decision-making levels. Affirmative measures, including in the areas of recruitment, learning, as well as monitoring and reporting gender mainstreaming results, will be adopted following the elaboration of such measures and of monitoring and reporting tools by the Gender Mainstreaming Steering Committee. In this context, UNIDO may review the gender ratio of its Executive Board. In addition, the HRMF calls for a: "Special attention [...] [to] be given to reach the goal of 50/50 gender balance within the Organization in the Professional and higher categories. The Organization's progress in this regard [...] [is to] be reviewed annually by Human Resources Management Branch, which will report to the Executive Board."

Annex IX. United Nations Industrial Development Organization

19. One of UNIDO's strengths is its ability to self-assess the need to increase their capacity on gender mainstreaming. Another good practice is the project screening and appraisal system, to ensure screening for adverse gender impacts and provide inputs on how to mitigate such risks.

20. The assessment found that while UNIDO has made notable progress in recent years, it was determined that further improvement was needed in two areas. UNIDO has agreed to the following recommendations, which will be reflected in the final action plan to be forwarded to the GEF Council prior by December 31, 2013.

- (a) UNIDO should further strengthen its institutional framework for gender mainstreaming and their capacity to implement its policy and action plan by undertaking the actions already considered and planned by senior management, including the establishment of its new Gender Unit. The Gender Office needs more staffing and an increased budget. More senior gender experts should be recruited to this office.
- (b) UNIDO should further strengthen its policies and actual practice with regards to the monitoring and evaluation of gender-related impacts by developing indicators and project Gender Action Plans. UNIDO's ISAP already contains Objective 3, titled "Monitoring – Oversight through Monitoring, Evaluation, Audit and Reporting". It should continue implementation of this strategy.

ANNEX X. WORLD BANK

AGENCY BACKGROUND

1. The World Bank is the world's leading international financial institution and finances projects in a broad range of sectors that are related to the GEF's focal areas. The World Bank's investment lending focuses on institution building, social development, and public policy needed to facilitate private sector activity, and capital investments.
2. Based on Council Document GEF/C.31/5, *Comparative Advantage of the GEF Agencies*, the World Bank Group's agreed comparative advantage for the GEF lies implementing investment projects and in its status as a leading international financial institution that works at the global scale across a number of sectors at the country and multi-country levels. The World Bank has strong experience in international development through investment lending focusing on institution building, infrastructure development and policy reform, across all the focal areas of the GEF.
3. During fiscal year 2013, the World Bank Group committed \$52.6 billion in loans, grants, equity investments, and guarantees to help promote economic growth, increase shared prosperity, and fight extreme poverty in developing countries.

GENDER MAINSTREAMING

4. The World Bank has a strong system for mainstreaming gender into its operations. It was assessed as meeting the seven minimum requirements of *GEF's Policy on Gender Mainstreaming*. The World Bank's strategy for mainstreaming gender-responsive actions into its development assistance work, *Integrating Gender into the World Bank's Work: A Strategy for Action*, dates back to January 2002. It includes country-level gender assessments, integration of the gender dimension into relevant analytical and quality assurance work, support for the strategic integration of gender issues into the Bank's operations, aligning resources with the strategy's elements, and systematically monitoring and evaluating results.
5. In 2012, all the Bank's six Regions launched regional Gender Action Plans so now gender mainstreaming spans the Bank's six operational regions. Gender specialists, for whom specific competencies have been developed, are housed throughout the organization, both in regions and networks, across the social and economic spheres, in order to ensure effective mainstreaming of gender issues across and between sectors and thematic areas. The World Bank has established a country-level, strategic approach to mainstreaming gender issues in Bank work that specifies the objective of the policy and how gender issues are to be reflected in the Country Assistance Strategy. In sectors and thematic areas where the CAS has identified the need for gender-responsive interventions, the Bank's assistance to the country incorporates measures designed to address this need.
6. A good practice introduced in the Bank's results management system in 2012 is the 'gender flag', which facilitates tracking of whether gender inequalities are systematically considered and addressed in bank operations. This tool is meant, among other things, to flag whether projects include mechanisms to "facilitate monitoring and/or evaluation of gender

Annex X. World Bank

impacts.” Such impacts can include negative impacts to be avoided, as well as the positive impacts that are the goal of development projects.

7. The World Bank applies a comprehensive M&E system to determine progress and outcomes of gender mainstreaming activities, which has recently been enhanced with the new gender flag system. In addition, the World Bank has developed numerous publications, guidance notes, good practice examples, promising approaches, tools for mainstreaming gender issues in specific sectors, operational guides for specific sectors, and training programs geared to increase awareness about gender and development issues and provide support to managers and staff.