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

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## INTRODUCTION

1. The GEF Policy on Environmental and Social Safeguards (hereafter ESS Policy)<sup>1</sup>, approved by the GEF Council at its 55<sup>th</sup> Meeting in December 2018, envisages that the Secretariat report annually on its implementation, including on the type and level of Environmental and Social Risks and Impacts identified in GEF financed projects and programs and the management of such risks and impacts during project and at project completion.<sup>2</sup> The ESS Policy does not only set minimum requirements and procedures but it also represents an instrument for the GEF to identify, minimize and address any environmental and social risks and impacts. Considering the GEF-8 Policy Direction on the inclusion agenda such as attention to youth, and activity and engagement in fragility, conflict and violence-affected states, this is a critical tool to improve quality, impacts and sustainability of GEF investments.
2. This is the third Progress Report<sup>3</sup> since the ESS Policy came into effect in July 2019. The Report covers the analysis of 56 approved Project Identification Forms (PIFs) and Program Framework Documents (PFDs) included in the December 2021 and the June 2022 Work Programs<sup>4</sup>. It also includes analysis of CEO Endorsements (199 projects) and CEO Approvals (89 projects) approved between July 1, 2019 and June 30, 2022.<sup>5</sup>
3. Implementation of environmental and social risks and impacts on management of projects will be seen in a few years in the Mid-term implementation Reviews (MTRs): at this stage, the GEF Secretariat has not received any MTR; the ESS policy does not require projects to provide updates on ESS in their Project Implementation Reports (PIR).

## KEY FINDING

4. The analysis of projects and programs suggests improved implementation among all Agencies with respect to identifying ESS related risks and impacts, and reporting on ESS screening procedures and risk ratings. The analysis also indicated that the ESS Policy is increasingly being translated into practice in the design and development of GEF projects and programs. All projects completed the screening process by the time of CEO Endorsements and Approvals and have classified their overall ESS risk. Most of the projects provided updated ESS screening forms based on the detailed project activities and sites at CEO Endorsement and Approval stage. Some good practices of ESS risk management including projects in FCS

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<sup>1</sup> [GEF/C.55/07/Rev.01](#))

<sup>2</sup> Para 17 of GEF/C.55/07/Rev.01

<sup>3</sup> The first Progress Report (GEF/C.59/Inf.15) is available [here](#) and the second Progress Report (GEF/C.61/Inf.09) is available [here](#).

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

<sup>5</sup> There were 199 FSP's CEO Endorsements, which was applicable to new ESS Policy, have been approved between July 1, 2019 and June 30, 2022. Eighty-nine Medium-sized projects (MSPs)' CEO Approvals have been approved during the same time, between July 1, 2019 and June 30, 2022. There is no MTR and TE fully applied a new ESS Policy.

countries, risks of child labor and risks on ethnic minority groups can be observed in some projects at CEO Endorsement stage.

5. As expected, there is limited information and data on the application of the ESS policy beyond project design stage, CEO Endorsement and Approval. For the time being, it is too early to observe implementation and impacts of ESS risk. The Secretariat will continue to review and analyze PIFs and PFDs, and CEO Endorsements and Approvals before their approvals, monitor how MTRs and TEs reflect implementation of the ESS Policy, and report annually to Council. The Third-Party Review of Agency compliance with GEF minimum standards (including ESS) will also provide additional information on the capacity and effectiveness of ESS Policy implementation by each Agency.

6. Considering the emerging experiences and expertise within the GEF Agencies, the Secretariat will explore cost-effective ways to take advantage of its position as knowledge broker. The GEF could consider increasing its facilitative role in targeted knowledge sharing on challenging safeguard-related issues. The GEF Secretariat recognizes the important role that the GEF can play to increase knowledge and learning on specific areas outlined in the ESS Policy, including new areas such as labor and working conditions, community health and safety, Free, Prior, Informed Consent (FPIC) and Gender based Violence.<sup>6</sup>

## **BACKGROUND**

7. The ESS Policy sets out the GEF's approach to enhance environmental and social outcomes and to identify and manage environmental and social risks and impacts in GEF projects and programs. The ESS Policy established nine minimum requirements for the GEF Agencies to identify and manage environmental and social risks and impacts in GEF-financed projects and programs. It requires all Agencies to have the necessary policies, procedures, systems and capabilities in place to ensure implementation of these nine minimum standards, including by executing partners.

8. The GEF Secretariat presented the first Report on the Assessment of Agencies' Compliance with Minimum Standards in the GEF Policies on Environmental and Social Safeguards, Gender Equality, and Stakeholder Engagement<sup>7</sup> (hereafter referred to as the 2019 Compliance Report) at its 57<sup>th</sup> Council meeting.<sup>8</sup> As concluded in the latest progress report<sup>9</sup> to the 62<sup>nd</sup> Council meeting in June 2022, only five Agencies, ADB, AfDB, DBSA, FAO and BOAD, are

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<sup>6</sup> [MANAGEMENT RESPONSE TO: EVALUATION OF INSTITUTIONAL POLICIES AND ENGAGEMENT OF THE GEF](#), GEF/E/C.60/09 (June 6, 2021) (para 10, page 3)

<sup>7</sup> GEF/C.57/05 (June 2019) available at [here](#).

<sup>8</sup> In addition to this compliance assessment, Agencies' self-assessment and third-party review of Agencies' compliance with GEF Policies including the ESS Policy will take place in the final year of the seventh replenishment of the GEF Trust Fund (GEF-7) following the "Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender, and Fiduciary Standards Implementation Modalities: Policy: ME/PL/02 (October 27, 2016)", which is available [here](#).

<sup>9</sup> GEF/C.62/Inf.06 [Progress Report on Agencies' Compliance with Minimum Standards in the GEF Policies on: Environmental and Social Safeguards; Gender Equality; and Stakeholder Engagement](#)

still implementing their action plans to comply with GEF Policies and they are making good progress to fully comply with the policy.

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

- (i) Stipulates requirements for Agencies to document and report on environmental and social risks and potential impacts, and their management, throughout the GEF project and program cycle; and
- (ii) Sets out a role for the Secretariat in their review of projects and programs for the availability and completeness of the information at the various stages of the project and program cycles.

The Policy also requires the Secretariat to report annually to the Council on the implementation of the Policy.

10. In addition, the ESS Policy requires the GEF Secretariat to promptly make available on the GEF website the information of grievance cases related to the ESS Policy reported by the GEF Agencies and Minimum Fiduciary Standards for GEF Partner Agencies<sup>10</sup>, the summary report on grievance cases relating both to ESS and fiduciary standards can be found in a separate report.<sup>11</sup>

11. In line with the ESS Policy requirement, the GEF Secretariat, in collaboration with Agencies, developed the Guidelines on GEF Policy on Environmental and Social Safeguards (hereafter referred to as the ESS Guidelines)<sup>12</sup> to support the effective implementation of the project and program level documentation and reporting requirements set out in the Policy. Since the ESS Guidelines were completed in December 2019, the GEF Secretariat reviewed all PIFs and PFDs, and CEO Endorsements and Approvals of GEF investments to be approved to ensure adherence to the new Policy and Guidelines.

12. The Guidelines stipulate that Agencies, as part of PIF or PFD submission, provide:

- (i) Initial risk classification of project or program;
- (ii) Types of risks and, if available, risk ratings of identified risk type(s); and
- (iii) Screening document or preliminary environmental and social risk assessment reports, if available.

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

([https://www.thegef.org/sites/default/files/documents/gef\\_minimum\\_fiduciary\\_standards\\_partner\\_agencies\\_2019.pdf](https://www.thegef.org/sites/default/files/documents/gef_minimum_fiduciary_standards_partner_agencies_2019.pdf))

<sup>11</sup> GEF/C.63/Inf.12: Annual Report on Grievance Cases Involving GEF-Funded Projects (November 2022)

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

[https://www.thegef.org/sites/default/files/documents/guidelines\\_gef\\_policy\\_environmental\\_social\\_safeguards.pdf](https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf)

As a part of the CEO Endorsement and Approval submission, Agencies are expected to provide:

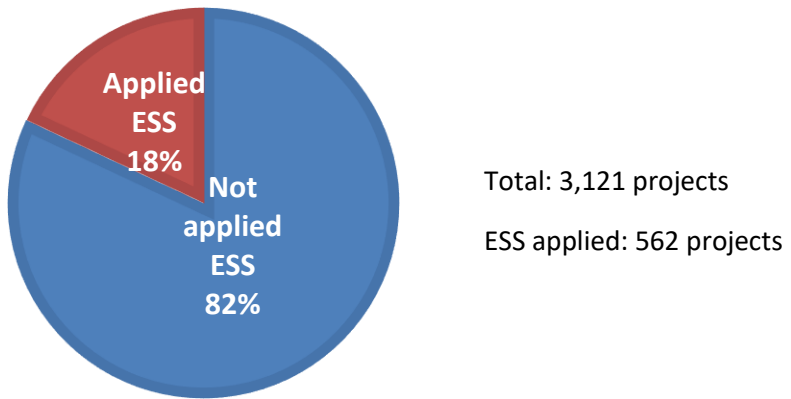
- (i) Revised risk classification of project or program;
- (ii) Updated types of risks and risk ratings for each risk;
- (iii) Updated screening reports and other assessment reports; and
- (iv) Environmental and Social Management Plans to address identified risks, if available.

Projects and programs classified as “High” or “Substantial” risk are required to provide supporting documents such as management plans or frameworks.

**ESS CONSIDERATIONS IN GEF PROJECTS AND PROGRAMS**

13. The ESS Policy has applied for all GEF projects and programs approved since July 1, 2019, representing 18 percent of current operational (active) projects and programs (See Figure 1 below). Out of 3,121 active GEF investments as of June 30, 2022, the updated ESS policy applied to 562 projects and programs, representing 18 percent of the total.

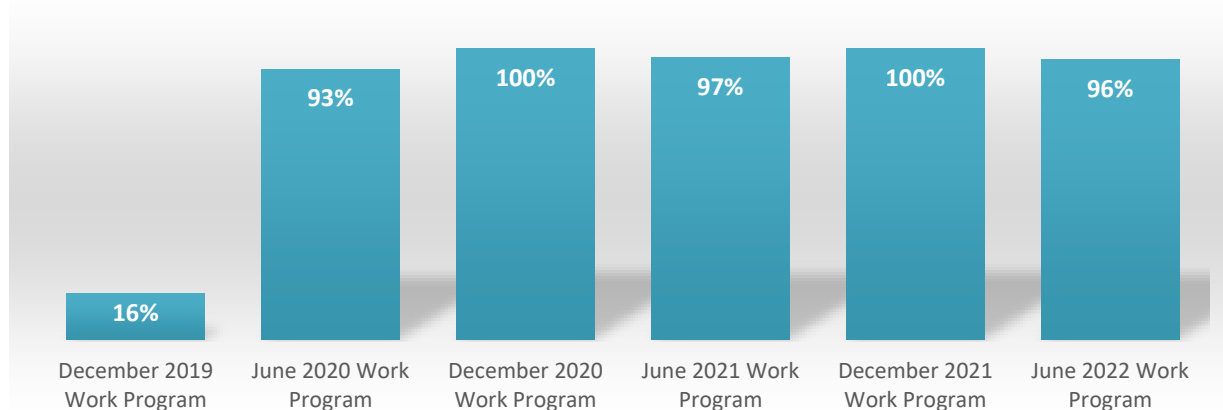
***Figure 1: Application of updated ESS Policy in active portfolio (as of June 30, 2022)***



## ESS Risk Screening at the PIF and PFD Stage

14. It is important to identify different types of environmental and social risks and impacts of projects and programs at an early stage to avoid, reduce, mitigate and manage these risks and impacts. The initial environmental and social risk screening is a very first step in managing these risks and impacts. The analysis of PIFs and PFDs shows continuous improvement on compliance among GEF Agencies in terms of reporting on the initial ESS risks screening since the ESS Policy came into effect (see Figure 2 below).<sup>13</sup> In the December 2021 and June 2022 Work Programs, 100 percent and 96 percent of projects and programs provided ESS screening information respectively. All 56 PIFs and PFDs recognized needs for ESS screening in the early stage of the project. One of the Non-Grant Instrument (NGI) PIFs<sup>14</sup> in the June 2022 Work Program mentioned that an overall ESS risk rating was not available at the PIF stage, but the Agency committed to conduct ESS screening during the Project Preparation Grant (PPG) stage. One of the PIFs<sup>15</sup> in the December 2021 Work Program indicated this research project was not subject to the Agencies Environmental and Social Framework and so did not have an ESS risk rating.

**Figure 2. ESS risk screening at PIFs and PFDs stage (Dec 2019 to June 2022 Work Programs) (% of total projects included in Work Program)**



15. All the projects and programs in the December 2021 and June 2022 Work Program provided either ESS screening information or a clear plan for future ESS screening. ESS screening at the PIF stage has tended to be more challenging for NGI projects. For many

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

<sup>14</sup> "The Selva Fund" (GEF ID 10397), Regional, CI, Multi-Focal Area.

<sup>15</sup> "Accelerating investment in nature-based solutions (NBS) to help address climate adaptation in Least Developed Countries (LDCs)" (GEF ID 10961), Global, WB, Climate Change Focal Area.

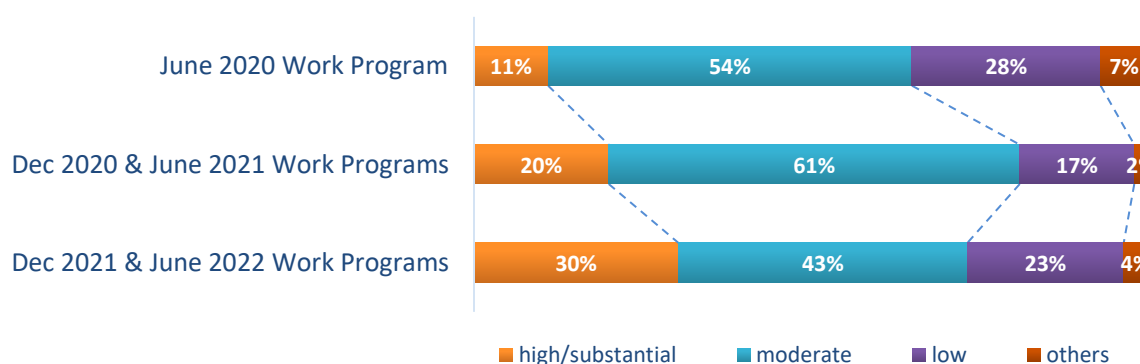
projects and programs, Agencies stated that they will revisit ESS screening during the PPG stage, when the projects and programs have specific project sites or more detailed implementation plans. As the Guidelines became effective after the December 2021 Council meeting and the Secretariat began reviewing projects and programs, the reporting of ESS risk screening by Agencies has substantially improved.

*Overall Project ESS Risk Ratings at PIF and PFD Stage*

16. Through an initial ESS risk screening, ESS risk will be classified as low, moderate and high/substantial. Depends on this initial categorization of ESS risk, further environmental and social assessment and risk management process including planning, timeline, technical expertise, budget and human resources will be different. Thus, an initial categorization in early stage of the projects and programs is important. An initial ESS risk categorization also provides an overview of the scale of potential environmental and social risks in the GEF portfolio.<sup>16</sup>

17. Almost all PIFs and PFDs (96 percent or 54 PIFs and PFDs) approved in the December 2021 and June 2022 Work Programs provided initial overall ESS risk classification. A review of the initial overall ESS risk ratings of PIFs and PFDs in the December 2021 and June 2022 Work Programs found that almost half (or 43 percent) of projects and programs were classified at moderate ESS risks, and 30 percent of projects and programs were classified as high or substantial ESS risks (see Figure 3). There was no significant change in the initial overall ESS risk classification from the June 2020 Work Program to June 2022. The rate of projects or programs classified as high or significant ESS risk has increased slightly each year. In contrast, projects or programs classified as moderate ESS risk are decreasing. There is no notable trend in the overall ESS risk classification across the different Focal Areas (see Figure 4).

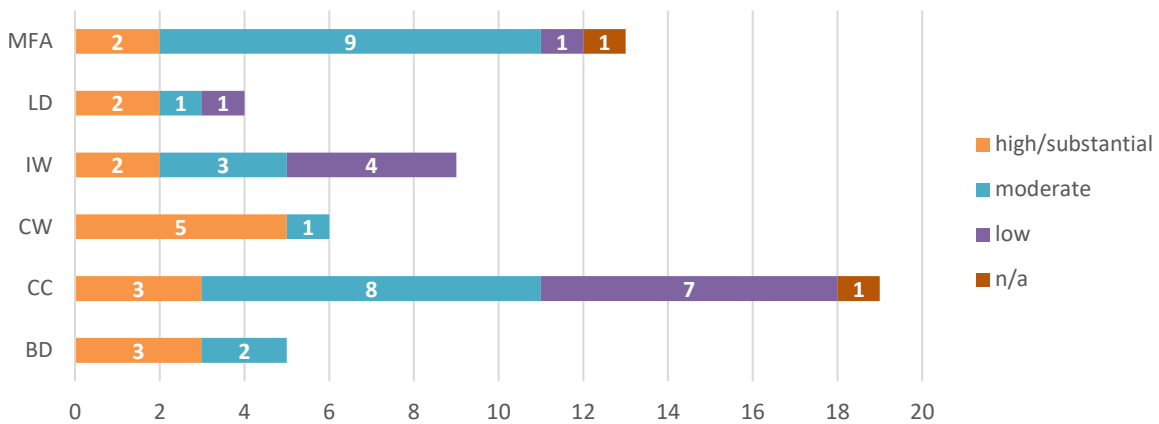
**Figure 3. Comparing Initial overall risk classification of PIFs and PFDs (% of total WP number of projects)**



<sup>16</sup> GEF/E/C.60/06 (May 25, 2021) “Evaluation of Institutional Policies and Engagement of the GEF” (para 407) available at [here](#).



**Figure 4. Initial overall risk classification of PIFs and PFDs by Focal Areas (number of projects or programs in Dec 2021 & June 2022 Work Programs)**



18. As anticipated, for most projects and programs at PIF and PFD stage, often only an initial ESS screening has been carried out. For many projects with high and moderate risk ratings, Agencies present plans to carry out additional assessments and develop management plans to appropriately address project’s environmental and social risks and impacts during project development or the first year of project implementation. These assessments and management plans include Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Frameworks (ESMF), Indigenous Peoples Plans (IPP), Stakeholder Engagement Plans (SEP), Gender analysis and action plans, Environmental and Social Management Plans (ESMP), and others. For some projects without specific project sites identified at the PIF and PFD stage, Agencies referred to plans for further screening and assessment once project sites have been identified before the CEO Endorsements.

19. Depending on the overall ESS risk identified, each Agency has different internal processes and procedures to address and manage identified risks. The GEF Secretariat reviewed fourteen Agencies’ ESS screening processes at PIF and PFD stage by June 30, 2022.<sup>17</sup> Sixteen out of eighteen GEF Agencies use three different risk categories: high, moderate, and low.<sup>18</sup> In the December 2021 and June 2022 Work Programs, only two Agencies (World Bank and UNDP) classified overall ESS risk of projects and programs as high or substantial at PIF and PFD stage (See Figure 5)<sup>19</sup>, while CI, FAO and UNIDO classified some projects as high risk in the December 2020 and June 2021 Work Programs. For some high or substantial and moderate risk projects,

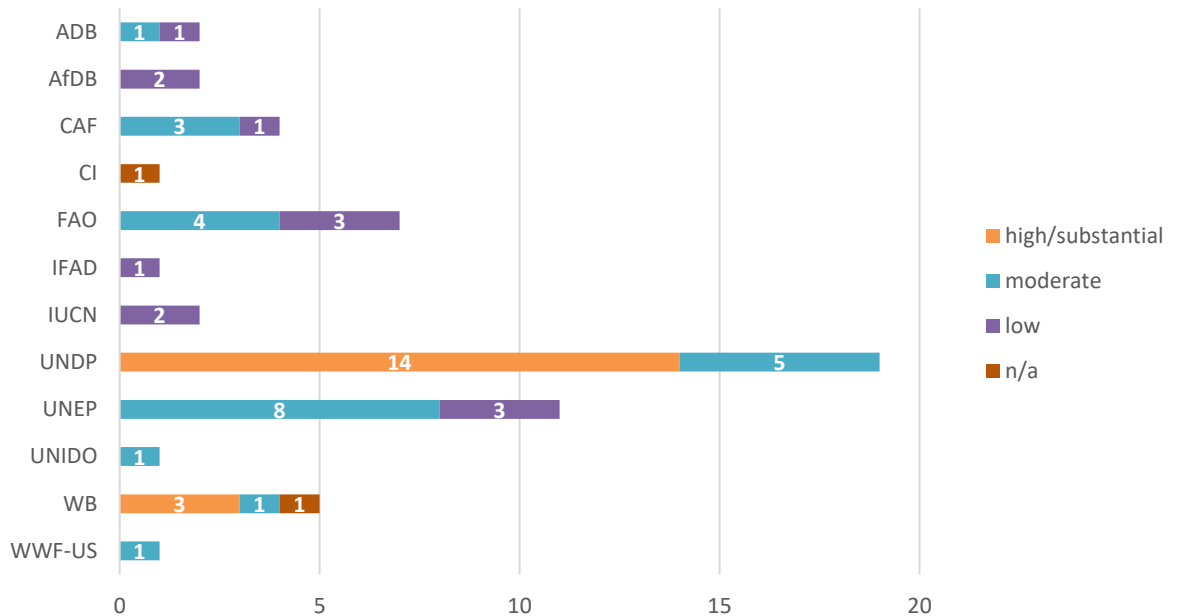
<sup>17</sup> There is no PIF or PFD submitted by four Agencies namely BOAD, DBSA, FECO and FUNBIO after December 2019 Work Programs, which applied updated ESS Policy.

<sup>18</sup> World Bank and UNDP have four risk classifications, high, significant, moderate and low and the report counts significant risk projects/programs as high/significant-risk project/programs. Many Agencies also have a risk category called the Financial Intermediaries (FI), but there is no FI risk category for the GEF projects/programs.

<sup>19</sup> There is no PIF or PFD of the December 2021 and June 2022 Work Programs submitted by seven Agencies namely BOAD, CAF, DBSA, EBRD, FECO, FUNBIO and IADB.

Agencies committed to secure resources (staff and budget) and action plans for risk management and monitoring ESS risks, including updates in the Project Implementation Reports and hiring specialists, as suggested by the Independent Evaluation Office (IEO).<sup>20</sup>

**Figure 5. Initial overall risk classification of PIFs and PFDs by Agencies (number of projects and programs in Dec 2021 & June 2022 Work Programs)**



20. As the methodologies and processes to determine ESS risks and further procedures to manage ESS risks are different among the GEF Agencies, it will be beneficial for Agencies to exchange ESS risk determination, management procedures and best practices during project preparation and implementation.

<sup>20</sup> GEF/E/C.60/06 (May 25, 2021) "Evaluation of Institutional Policies and Engagement of the GEF" (para 43, 401) available at [here](#).

### *Types of ESS Risks at PIF and PFD Stage*

21. Based on the type and location of projects and programs, different ESS risks may be identified. It is vital to screen all the potential risks and impacts to be identified in early stage of projects and programs for better risk management. The ESS Policy sets out the minimum standards (set out in Annex I.A of the ESS Policy) indicate the types of risks that need to be considered (See in Box 1). Projects and programs are classified by level and types of potential risks and impacts, including direct, indirect, cumulative, transboundary impacts.

22. The analysis shows that out of the 56 PIFs and PFDs approved in December 2021 and June 2022 Work Programs, the risk most often identified was related to Biodiversity Conservation and the Sustainable Management of Living Natural Resources (MS3). Biodiversity related risks were identified in 93 percent of the PIFs and PFDs, followed by Climate Change and Disaster (MS1-1), 63 percent (see Figure 6). Risks related to Labor and Working Conditions (MS8) were identified in 59 percent of the PIFs and PFDs. Risks related to the inclusion agenda such as Disadvantaged or Vulnerable Individuals and Groups (MS1-2) and Adverse Gender-Related Impact including Gender-Based Violence and Sexual Exploitation and Abuse (MS1-4) increased slightly compared to 2021. Identification of risks related to Indigenous Peoples (MS5) and Restrictions of land use and involuntary resettlement (MS4) remained the same.

23. Different types of ESS risks have been identified in GEF funded projects and programs. For example, risks related to Biodiversity Conservation and the Sustainable Management of Living Natural Resources (MS3) at project design stage including unintentional results related to restriction of access to natural resources or affecting traditional use and livelihoods of local communities by efforts to halt or minimize land, and/or forest degradation. Related to restriction of land use and access to natural resources, potential impacts on disadvantaged or vulnerable individuals and groups, women and indigenous peoples have also been identified in projects and programs. The introduction of new species, seeds, and agriculture crops for restoration of lands and climate change adaptation has also been identified in some projects and programs as a biodiversity related risk.

24. Ensuring the right to access land and fisheries in and around protected areas, the impacts on livelihoods of local communities and good communication and engagement with them appeared to be critical issues in the Annual Report on Grievance Cases Involving GEF-

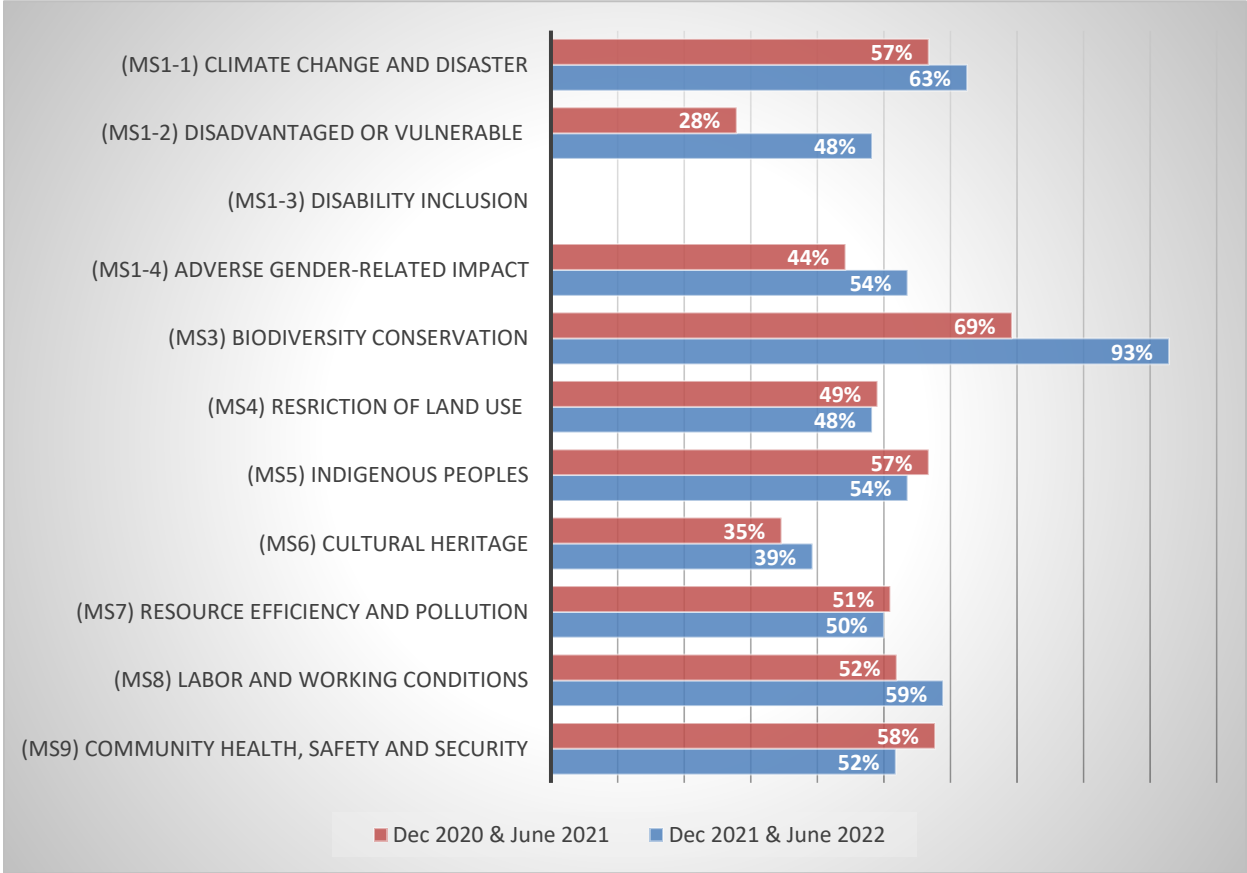
#### **Box 1. Types of Risks and Potential Impacts to be screened and assessed in GEF Projects & Programs**

- (MS1-1) Climate Change and Disaster**
- (MS1-2) Disadvantaged or Vulnerable Individuals or Groups**
- (MS1-3) Disability Inclusion**
- (MS1-4) Adverse Gender-related impact, including Gender-Based Violence and Sexual Exploitation**
- (MS3) Biodiversity Conservation and the Sustainable Management of Living Natural Resources**
- (MS4) Restrictions on Land Use and Involuntary Resettlement**
- (MS5) Indigenous Peoples**
- (MS6) Cultural Heritage**
- (MS7) Resource Efficiency and Pollution Prevention**
- (MS8) Labor and Working Conditions**
- (MS9) Community Health, Safety and Security**

Funded Projects. Out of fourteen grievances related to ESS Policy, nine (or 64 percent) of the cases are about traditional right to access land and fisheries in and around protected areas and impacts on livelihoods of local communities. Lack of stakeholder engagement and communication and consultation are another major issue on ESS Policy related grievances in seven cases (or half of grievance cases).

25. COVID-19 transmission risk as a result of consultations and travel of project staff were often identified as risks related to Community Health, Safety and Security (MS9). Many consultations and stakeholder engagement needed to be postponed due to Covid-19 and many projects planned to have further consultation and engagement with local stakeholders in the fields later stage during PPG stage or early stage of project implementation. Other community health and safety related risks include the use of pesticides, herbicides or insecticides, lack of adequate guidelines on usage and storage of chemicals, and treatment of hazardous waste through different migration pathways (soil, water, or air). To address the Climate Change and Disaster (MS1-1) risk, many projects and programs included separate climate change and disaster risk assessments using the “Results climate risk screening checklist” at PIF and PFD stage or PPG stage based on the September 2020 climate risk screening training organized by the STAP and World Bank.

**Figure 6: Types of identified risks at PIF and PFD stage in Dec 2021 and June 2022 Work Programs**  
 (% of total number of projects or programs)



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

26. The IEO's report highlighted fragility and conflict as one potential area where the GEF safeguards could eventually be further strengthened.<sup>21</sup> The current ESS Policy, Minimum Standard 9: Community Health, Safety and Security (MS9) requires identifying risks or potential impacts in a conflict or post-conflict context (para 17, ESS Policy 2019).<sup>22</sup>

27. Identifying environmental and social risks in Fragile and Conflict-affected Situation (FCS) countries is a great first step for GEF to manage this risk. Out of 56 PIFs and PFDs approved in December 2021 and June 2022 Work Programs, 11 projects (representing 20 percent of the total) are in FCS countries, as recognized in the World Bank Group's "FY22 List of Fragile and Conflict-affected Situations"<sup>23</sup> (See Table 1). Out of these 11 projects in FCS countries, almost half (46 percent, or five projects) are classified as moderate risk, and 36 percent (or four projects) are classified as high risk. In contrast, 18 percent (or two projects) have overall ESS risk classified as low (see Figure 7). Some projects clearly identify security issues in the project area and heavy presence of military and security personnel who may be requested to ensure the project site and equipment security. For these projects, the ESS screening form indicated that awareness raising and sensitization will be included, targeting security personnel.<sup>24</sup> Some projects in FCS countries avoided situating specific project sites in intensive conflict areas.<sup>25</sup>

28. It is critical to identify risks in FCS countries at an early stage and plan for further assessment, consultation and development of a risk management plan, in collaboration with local partners. Out of 11 projects in FCS countries, a little more than half of projects (55 percent, or six projects) identified the Community Health, Safety and Security (MS9) risk under the ESS Policy (See Table 2). Guidance on operating in Fragile, Conflict, and Violence-affected (FCV) areas has been developed by 10 GEF Agencies<sup>26</sup>, with varying practices and process applied to GEF investments. Thus, it would be beneficial to further exchanges pertaining to FCV related ESS risk assessment and management procedures and practices among the Agencies and GEF Partnership. The GEF Secretariat will find mechanisms to facilitate the exchange of

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<sup>21</sup> GEF/E/C.60/06 (May 25, 2021) "Evaluation of Institutional Policies and Engagement of the GEF" (para 45) available at [here](#).

<sup>22</sup> Minimum Standard 9: Community Health, Safety and Security (MS9) states that "Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that: (a) Where the screening or assessment processes described under Minimum Standard 1 identify *risks or potential impacts to the health, safety and security of project- or program-affected communities, further assessments are carried out, considering: [...] (iii) The particular risks that may be present in a conflict or post-conflict context* (para 17, ESS Policy 2019)".

<sup>23</sup> World Bank Group's "FY22 List of Fragile and Conflict-affected Situations" (available at [here](#), viewed on August 11, 2022)

<sup>24</sup> "Innovative approach to protect Ouadis through the promotion of non connected mini-grid solar energy in 3 municipalities (MAO, Kekedena and Nokou) of Kanem region-Chad" (GEF ID 10998, Chad, MFA, UNEP).

<sup>25</sup> "Strengthening the resilience of small farmers through Climate Smart Agriculture (PRP-AIC) techniques in Tahoua Region" (GEF ID 11004, Niger, UNDP, LDCF).

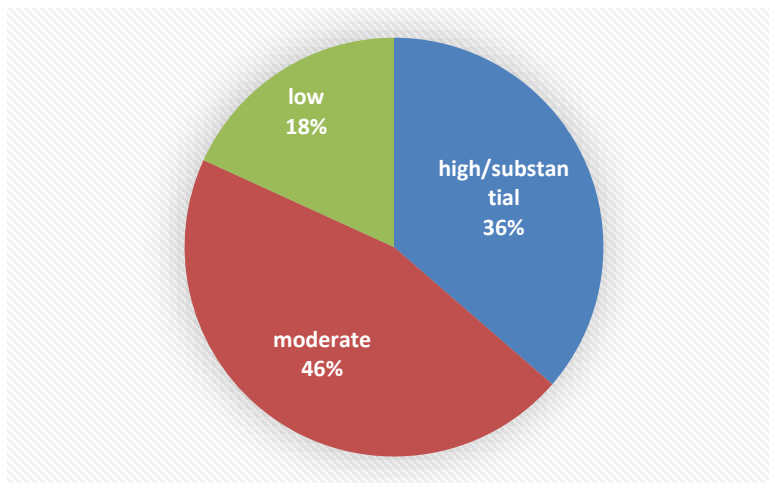
<sup>26</sup> These include AfDB, ADB, Conservation International, FAO, IFAD, IUCN, UNDP, UNEP, UNIDO, and the World Bank Group (IEO 2020, "Evaluation of GEF Support in Fragile and Conflict-Affected Situations" (GEF/E/C.59/01), page 108, para 9)).

experiences and lessons among the GEF Agencies on the implementation of the ESS policy including FCV.

**Table 1: FY22 List of Fragile and Conflict-affected Situations (WBG 2023)**

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

**Figure 7: Overall ESS risk of projects in FCS countries  
(% of projects and programs in Dec 2021 and Jun 2022 Work Programs)**



**Table 2: Overall ESS risk of projects in FCS countries by Agencies and their application of MS9 (Dec 2021 and Jun 2022 Work Programs)**

ESS risk level	Agencies	High-Intensity Conflict (Int'l)	Medium-Intensity Conflict	High Institutional and Social Fragility		ESS MS9	Focal Area	Fund
				Non-Small States	Small States			
<b>High</b>	UNDP		Burkina Faso			-	LD	GET
			Niger			✓	CC	LDCF
					Micronesia	✓	MFA	GET
	WB		Iraq			-	CW	GET
<b>Moderate</b>	FAO		Nigeria			-	BD	GET
					Marshall Islands	-	MFA	GET
	UNDP	Armenia				✓	MFA	GET
	UNEP		Chad			✓	MFA	GET
	WB				Solomon Islands	✓	CC	LDCF
<b>Low</b>	IUCN				Marshall Islands	-	CC	GET
	UNEP		South Sudan			✓	MFA	GET

### ESS Risk Management at the CEO Endorsement and CEO Approval Stage

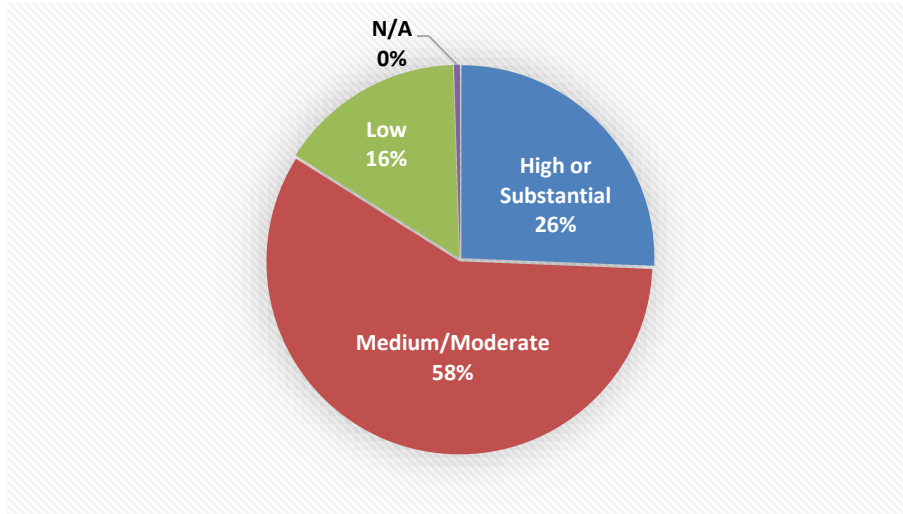
29. Environmental and social risks and impacts can be identified more explicitly at CEO Endorsement and Approval stage. Since the ESS Policy became effective on July 1, 2019, all CEO Endorsements (FSPs, 199 projects) and CEO Approvals, (for Medium-sized Projects, MSPs, 89 projects)<sup>27</sup> approved by June 30, 2022, completed any required ESS screening process by the time of CEO Endorsements and Approvals and an overall ESS risk assigned. Beyond an initial environmental and social risk screening, all projects at the CEO Endorsement and CEO Approval stage further developed more detailed risk screening of the project and risk mitigation plans in different levels. Most of the projects provided an updated ESS screening form based on the detailed project activities and sites. For some projects, the overall ESS risk and types of ESS risks were re-classified based on more detailed project activities and sites.

30. The portfolio analysis at CEO Endorsement stage (FSP) indicates that 58 percent of the projects are classified as moderate ESS risk, and 26 percent classified as high or substantial risk (See Figure 8). There is no significant trend in overall ESS risk by Focal Area (See Figure 9). Reflecting different ESS risk identification processes applied by GEF Agencies, only four Agencies (FAO, IADB, UNDP and WB) classified projects as high or substantial risk, and almost

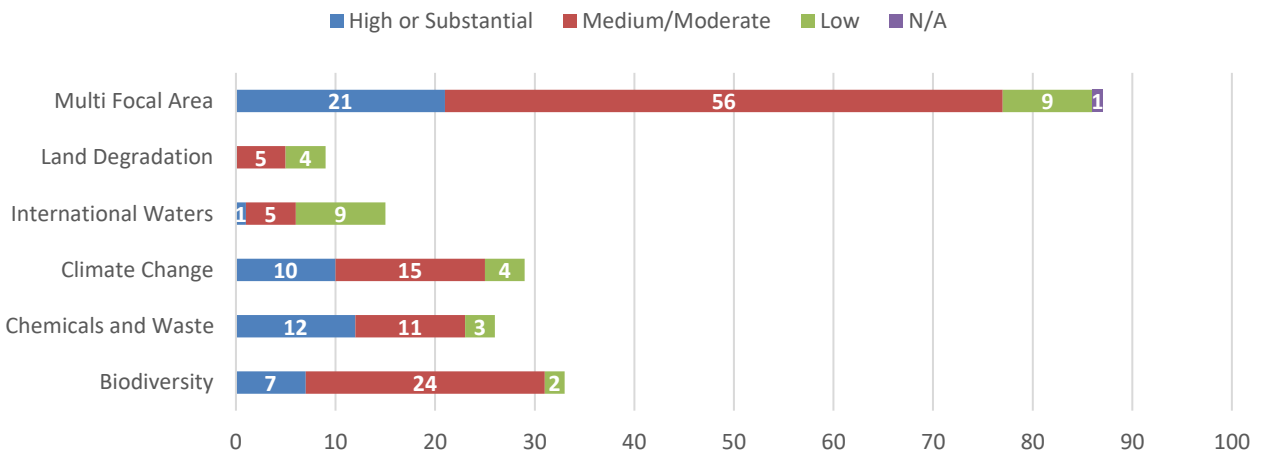
<sup>27</sup> Out of 89 CEO Approvals, 27 percent or 24 CEO Approvals are about the Capacity-building Initiative for Transparency (CBIT).

half of the UNDP and WB projects are classified as high or substantial risk (See Figure 10)<sup>28</sup>, as similar trend observed at PIF and PFD stage.

**Figure 8: Overall ESS risk at CEO Endorsement stage (FSP)  
(% of total number of FSPs from July 2019 to June 2022)**



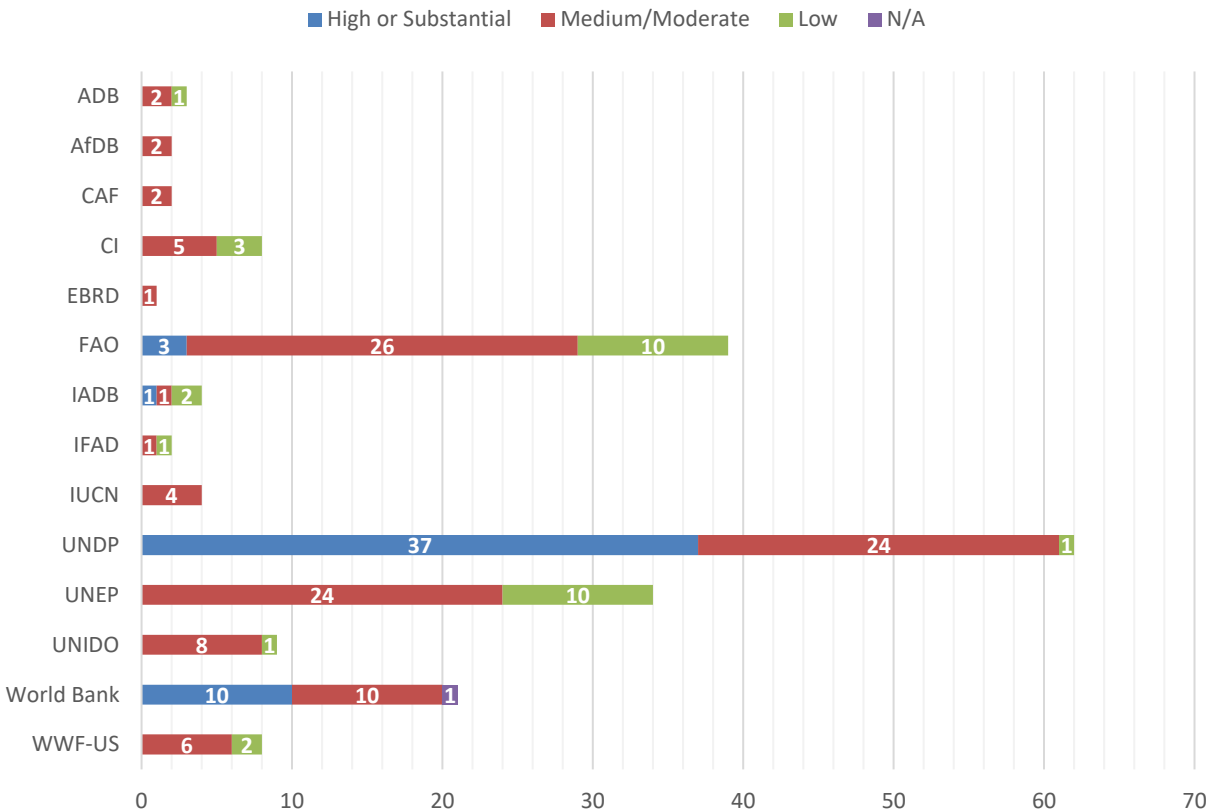
**Figure 9: Overall ESS risk by Focal Areas at CEO Endorsement stage  
(% of total number of projects from July 2019 to June 2022)**



<sup>28</sup> There is no CEO Endorsement applying to updated ESS Policy submitted by four Agencies namely BOAD, DBSA, FECO and FUNBIO.



**Figure 10: Overall ESS risk by Agencies at CEO Endorsement stage  
(number of projects from July 2019 to June 2022)**



31. To manage different environmental and social risks, it is vital to ensure a clear management plan of the risks including clear mitigation measures, continuous consultation with key stakeholders, experts’ advice, monitoring, timeline, staff and budget. At the CEO Endorsement stage, most of the projects rated moderate and high or substantial risk were accompanied by risk management plans such as Environmental and Social Management Framework, gender analysis and action plans, stakeholder engagement plans, and indigenous peoples plans. Some Agencies also planned to develop further Environmental and Social Impact Assessment and/or Strategic Environmental and Social Assessment, Environmental and Social Management Plans during the early stage of the project implementation. Most of the Environmental and Social Management Frameworks and Plans include more detailed activity plans, staffing, budgets and reporting activities.

32. The IEO report highlighted potential areas where the ESS Policy could eventually be further strengthened included fragility and conflict issues and more explicit alignment with human rights frameworks.<sup>29</sup> Following are some observed examples of managing different types of risks including fragility and conflict issues, child labor, and access restriction for

<sup>29</sup> GEF/E/C.60/06 (May 25, 2021) “Evaluation of Institutional Policies and Engagement of the GEF ” (para 45) available at [here](#).

indigenous peoples and local communities (IPLC). In the project in FCS countries<sup>30</sup>, the project activities were designed with conflict prevention in mind, and a security plan was developed during the PPG phase to integrate these aspects in the design of the project. Specifically, the project will create, and in some cases revitalize, community-based natural resource management committees and support them to serve as platforms for negotiating and resolving natural resource conflicts between user groups. For the project may have a risk related child labour<sup>31</sup>, the child project's Impact Program team will include two experts (national and international) on gender and safeguards, and TORs of these experts shall include assessment and development of mitigation measures to address child labor – including identifying entry points to address this issue across all the project components. Within the first 4 months of implementation, the project team shall develop a child labor mitigation plan to be communicated within the project and with partners and communities in project states and landscapes.

33. For the project investing in natural wealth and resilience in forest landscapes<sup>32</sup>, access restriction could impact natural resources-based livelihoods and customary land use and tenure of vulnerable groups, particularly women and ethnic minority groups. Provision of a Village Livelihood Block Grant (VLBG) and technical support for their alternative livelihood improvement and vocational training and income generating opportunities could also be potential risks of inequity or 'Elite capture' in benefit sharing particularly in those villages with multi-ethnic composition. Thus, an Ethnic Group Engagement Framework (EGEF) is prepared to be applied under the project to manage and mitigate risks and adverse impacts on the ethnic groups. EGEF is incorporated into the Community Engagement Framework (CEF). The EGEF will also include a Grievance Redress Mechanism to be built on existing country's system and adjusted to the local context and ethnic groups under the project to receive and respond or resolve grievances and feedback that may be raised by project affected people and stakeholders of ethnic groups.

34. The portfolio analysis at the CEO Approval stage indicates that MSPs tend to be classified as low ESS risk projects. Fifty two percent of the MSPs' ESS risk at the CEO Approval stage are low, and only nine percent of MSPs were classified as high ESS risk projects (See Figure 11). All 24 Capacity-building Initiative for Transparency (CBIT) projects (MSPs)' ESS risk classifications at CEO Approval stage are low.<sup>33</sup> All high or substantial ESS risk projects (8 projects) are implemented by UNDP. Agencies also provided Environmental and Social Management Frameworks and planned to develop Environmental and Social Management

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<sup>30</sup> "Climate security and sustainable management of natural resources in the central regions of Mali for peacebuilding" (GEF ID 10687, Mali, MFA, GET & LDCF, UNDP).

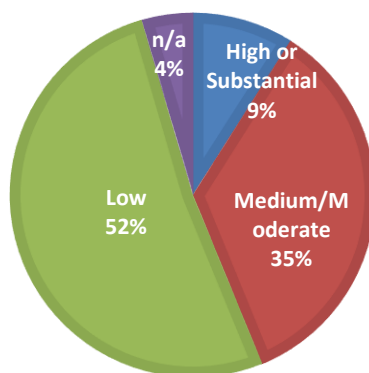
<sup>31</sup> "Promoting Integrated Landscape Management and Sustainable Food Systems in the Niger Delta Region in Nigeria" (GEF ID 10481, Nigeria, MFA, FAO).

<sup>32</sup> "Lao PDR Landscapes and Livelihoods Project" (GEF ID 10499, Lao PDR, MFA, WB).

<sup>33</sup> Four of the CBIT projects implemented by UNDP<sup>33</sup> were exempt from UNDP's screening requirement due to the nature of the projects i.e. consisting solely of preparation and dissemination of a report, documents and communication materials; organization of an event, workshop, training; and strengthening capacities of partners to participate in international negotiations and conferences.

Plans, Ethnic Minority Management Frameworks, Strategic Environmental and Social Assessments and/or others in addition to their screening documents.

**Figure 11: Overall ESS risks at CEO Approval stage (MSP)  
(% of number of MSPs from July 2019 to June 2022)**



### **ESS Information in Mid-term Review and Terminal Evaluation**

35. By June 30, 2022, no Mid-term Reviews (MTR) or Terminal Evaluations (TE) applying the new ESS Policy had been submitted, as to be expected based on the project cycle; it will take some time before such reports reflect the updated ESS Policy. The next annual progress report may be able to include some MTR's information. Some Agencies' MTRs and TEs include a section of ESS monitoring, but these are based on each Agencies ESS Policy and not GEF's updated ESS Policy.

### **CONCLUSION AND NEXT STEPS**

36. The analysis of projects and programs suggests improvement in implementation of the ESS Policy among all Agencies with respect to identifying ESS-related risks and impacts, and reporting on ESS screening procedures and risk ratings. The analysis also indicated that the ESS Policy is increasingly being translated into practice in the design and development GEF projects and programs. All projects completed the screening process by the time of CEO Endorsements and Approvals and have classified their overall ESS risk. Most of the projects provided updated ESS screening forms based on the detailed project activities and sites at CEO Endorsement and Approval stage. Some good practices of ESS risk management including projects in FCV areas, risks of child labor and risks on ethnic minority groups can be observed in some projects at CEO Endorsement stage.

37. As expected, there is limited information and data on the application of the ESS policy beyond the project design stage, the CEO Endorsements and Approvals. For the time being, it is too early to observe implementation and impacts of ESS risk. However, as described in the analysis above, many PIFs and PFDs, and CEO Endorsements and Approvals, incorporate plans

to conduct more detailed environment and social assessments and to develop environmental and social management plans during the early stage of project implementation.<sup>34</sup> The Secretariat will continue to review and analyze PIFs and PFDs, and CEO Endorsements and Approvals before their approvals, monitor MTRs and TEs applying to ESS Policy, and report annually to the Council. The Third-Party Review of Agency compliance with GEF minimum standards (including ESS) will also provide additional information on the capacity and effectiveness of ESS Policy implementation by each Agency.

38. As indicated in the IEO report<sup>35</sup>, knowledge sharing contributes to capacity development, broader capacity support programs such as institutional strengthening, training and there is an interest among some Agencies on how best to tackle a range of challenging safeguard implementation issue areas. The report also stated that Agency representatives, particularly among smaller Agencies, expressed their interest in knowledge exchange such as the September 2020 climate risk screening training organized by the GEF STAP and World Bank. Agency representatives also feel that GEF is well-placed to help leverage such cross-partnership learning according to the report.

39. Considering the emerging experiences and expertise within the GEF Agencies, the Secretariat will explore cost-effective ways to take advantage of its position as knowledge broker. The GEF could consider increasing its facilitative role in targeted knowledge sharing on challenging safeguard-related issues. The GEF Secretariat recognizes the important role that GEF can play to increase knowledge and learning on specific areas outlined in the ESS Policy, including new areas such as labor and working conditions, community health and safety, Free, Prior, Informed Consent (FPIC) and Gender-based Violence.<sup>36</sup> The last two ESS progress reports also state exploring options in this area.

40. The IEO report<sup>37</sup> broadly concluded that the ESS Policy is contemporary in formulation and aligns with relevant inclusion-oriented global strategies. As the final GEF-8 Revised Policy Recommendations<sup>38</sup> states, the GEF Secretariat will undertake a gap analysis of 1) relevant GEF Policies and Guidelines to identify areas and 2) GEF-funded activity and engagement in fragility, conflict and violence-affected states that GEF may need to strengthen its approach and guidance.

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<sup>34</sup> For example, some high-risk projects, in line with requirements set forth on the ESS policy, included commitment to secure budgets for monitoring every year including update in the Project Implementation Reports and hiring specialist.

<sup>35</sup> GEF/E/C.60/06 (May 25, 2021) "Evaluation of Institutional Policies and Engagement of the GEF" (para 44, 412, 413) available at [here](#).

<sup>36</sup> [Management Response to: Evaluation of Institutional Policies and Engagement of the GEF](#), GEF/E/C.60/09 (June 6, 2021) (para 10, page 3)

<sup>37</sup> GEF/E/C.60/06 (May 25, 2021) "Evaluation of Institutional Policies and Engagement of the GEF" (para 42) available at [here](#).

<sup>38</sup> GEF/R.08/32 (April. 4, 2022) available at [here](#).