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

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EXECUTIVE SUMMARY

1. This document marks the fifth Progress Report[1] since the effective date of the ESS Policy in July 2019. A comprehensive review of projects and programs across the project cycle demonstrates notable advancements in implementing the GEF Policy on Environmental and Social Safeguards (ESS Policy) among Agencies over the past five years. This report encompasses 102 projects and programs with Project Identification Form (PIF) or Program Framework Document (PFD) approved in the February and June 2024 Work Programs, 268 projects CEO Endorsed and 184 projects CEO Approved, one project reporting at Mid-term Review (MTR) stage and three projects reporting at Terminal Evaluation (TE) stage by June 30, 2024, all required to apply the updated ESS Policy. As of June 30, 2024, 735 projects and programs are required to adhere to the updated ESS Policy.

2. Aligned with the GEF-8 Policy Recommendations for inclusion and engagement in fragile and conflict-affected situations, the ESS Policy continues to be crucial for enhancing the quality, impact, and sustainability of GEF investments. Significant improvements are observed in screening environmental and social risks against the nine Minimum Standards outlined in the ESS Policy. All projects now include an ESS risk classification accompanied by a thorough risk assessment and mitigation plans at CEO Endorsements and Approvals stage. This progress is further evidence by the establishment of dedicated ESS system and internal resources within Agencies, facilitating the integration of ESS Policy into project design and development.

3. A quarter of projects (or 26 percent) in this report are classified as High or Substantial risk and more than half (or 56 percent) of the projects with Moderate risk at CEO Endorsement stage. High-risk projects are more prevalent in the Chemical and Waste Focal Area and Asia region. Projects and programs rated High or Substantial risk are required to provide specialize risk management plans and utilize independent expertise as stipulated in the ESS Policy Guidelines.[2] Technical assistance is also provided to safely manage hazardous materials like mercury, PCBs and HBCDs, involving expert oversight in storage, transport, and disposal.[3] The most frequently identified risk types include Biodiversity Conservation (MS3, 70 percent of February and June 2024 Work Programs), Labor and Working Conditions (MS8, 59 percent) and Climate Change and Disaster (MS1-1, 58 percent).

4. Best practices of ESS risk screening, assessment, and management are observed, encompassing considerations of conflict or post-conflict risks in Fragile and Conflict-Affected Situations (FCS), potential impacts on most vulnerable communities, Indigenous Peoples, local livelihoods, access to natural resources, and among others. Many projects incorporate ESS risk

[1] The first Progress Report (GEF/C.59/Inf.15) is available here, the second Progress Report (GEF/C.61/Inf.09) is available here, the third Progress Report (GEF/C.63/Inf.10) is available here, and the fourth Progress Report (GEF/C.66/Inf.09) is available here.

[2] GUIDELINES ON GEF'S POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS (SD/GN/03, December 19, 2019) (page 7, para 14 and 15), available here.

[3] "Environmentally sound management of hazardous wastes containing POPs and Mercury" (GEF ID 10721, Panama, CW, GET, UNDP, GEF-7).

management plans as integral components of project activities complete with dedicated budget and timelines, thereby enhancing project inclusiveness and overall quality.[4] ESS systems and internal resources are varied among the Agencies, and exchanging best practices in ESS risk classification, assessment, and management procedures during project preparation and implementation among the Agencies would be advantageous to further improve overall quality of the GEF investments.

5. The new GEF Risk Appetite and Framework will also contribute to a more thorough approach to assessing environmental and social risks, particularly those related to political and governance issues, implementation capacity, and stakeholder engagement.[5] The development of the new Guidance Note on FCS, following Council Decision 11/2024[6] is similarly intended to further strengthen risk management and monitoring in FCS contexts, complementing the ESS Policy.

6. The findings of the Independent Evaluation Office (IEO) *Evaluation of Institutional Policies and Engagement of the GEF* [7] emphasize the importance of knowledge sharing in building capacity for ESS implementation. The GEF Secretariat remains committed to reinforcing its role as a knowledge broker, in line with the GEF Strategy for Knowledge Management and Learning, by promoting exchange of lessons learned in ESS implementation.[8]

[4] "Lake Ecosystem Restoration in Indonesia through Integrated Governance, Landscape, and Community-based Approaches." (GEF ID 11422, Indonesia, Multi, IFAD), "Recovering the Sustainability of Ecosystems Affected by Drought in Northeastern Argentina" (GEF ID 11336, Argentina, LD, UNDP), "Sao Tome e Principe – Development of the Transport and Coastal Protection Sector" (GEF ID 11552, Sao Tome and Principe, CCA, WB, LDCF), "Conserving terrestrial and marine biodiversity and restoring ecosystem services in globally relevant and vulnerable sites in Somalia" (GEF ID 11414, Sudan, Multi, UNDP), "Sustainable Management of Natural Resources towards Rehabilitation and Preservation of the Key Biodiversity Area along Bataan Province to Manila Bay" (GEF ID 10704, Philippines, MFA, GET, FAO), "Environmentally sound management of hazardous wastes containing POPs and Mercury" (GEF ID 10721, Panama, CW, GET, UNDP).

[5] GEF/C.66/13 (January 4, 2024) "GEF Risk Appetite" available at here.

[6] Joint Summary of the GEF Council Co-Chairs (Decision 11/2024)

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

[8] GEF/C.66/03/Rev.01 (October 10, 2023) available at here.

INTRODUCTION

7. In December 2018, during its 55th meeting, the GEF Council approved the Policy on Environmental and Social Safeguards (ESS Policy)[9] and requested the Secretariat to report annually on its implementation. This report covers the type and levels of the environmental and social risks and Impacts identified in GEF-financed projects and programs as well as the strategies employed to manage these risks from project concept to completion.[10] The ESS Policy, through its minimum requirements and procedures, is a key instrument for the GEF, supporting the identification, minimization, and mitigation of potential negative impacts. Aligned with the GEF- 8 Policy Recommendations for inclusion and engagement in fragile and conflict-affected situations, the ESS Policy continues to be crucial for enhancing the quality, impact, and sustainability of GEF investments.

8. The latest Progress Report on GEF Agencies' Compliance with GEF Minimum Standards[11] shows that 17 Agencies were in full compliance with the ESS Policy.[12] The most recent Third Party Review of Agency Compliance with GEF Minimum Standards[13] includes ESS Policy compliance and confirmed effective implementation capacity and policy adherence across Agencies.

9. The Guidelines for the GEF Policy on Environmental and Social Safeguards[14] facilitate effective project- and program-level documentation and reporting, as outlined in the Policy. The GEF Secretariat has reviewed PIFs, PFDs, and CEO Endorsements and Approvals to ensure alignment with both the Policy and Guidelines.[15] Additionally, the ESS Policy mandates the prompt publication of grievance cases related to the ESS Policy reported by GEF Agencies on the GEF website, with a summary report on such grievances available separately.[16]

ESS CONSIDERATIONS IN GEF PROJECTS AND PROGRAMS

10. As of June 30, 2024 – five years after the ESS Policy took effect – above one-third of the GEF investments reflects the policy's principles. The ESS Policy has been systematically applied to all GEF projects and programs approved since July 1, 2019, which account for 36 percent of the 2,042 projects and programs with a Council approved concept or program framework that are yet to be completed as of June 30, 2024 (see Figure 1 below). Out of these, 735 projects and programs are required to adhere to the updated ESS Policy.

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[9] GEF/C.55/07/Rev.01

[10] Para 17 of GEF/C.55/07/Rev.01

[11] GEF/C.67/Inf.08 (June 4, 2024) available at here.

[12] ADB is implementing a comprehensive action plan to address gaps with the GEF ESS Policy.

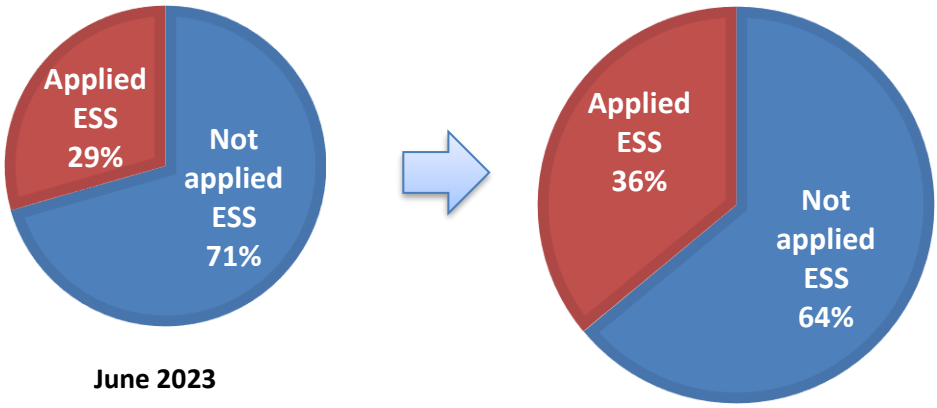
[13] GEF/C.64/Inf.09 (May 08, 2023)

[14] Guidelines on GEF Policy on Environmental and Social Standards: SD/GN/03 (December 2019): https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf

[15] The GEF Risk Appetite (GEF/C.66/13, January 4, 2024) includes provisions for how environmental and social risks will be assessed, managed and monitored at PIF/PFD, CEO Endorsement/Approval, MTR and TE stage.

[16] Annual Report on Grievance Cases Involving GEF-Funded Projects (Forthcoming)

Figure 1: Application of updated ESS Policy in GEF investments (as of June 30, 2024)



Total: 2,042 projects

ESS applied: 735 projects and programs

ESS Risk Screening at the PIF and PFD Stage

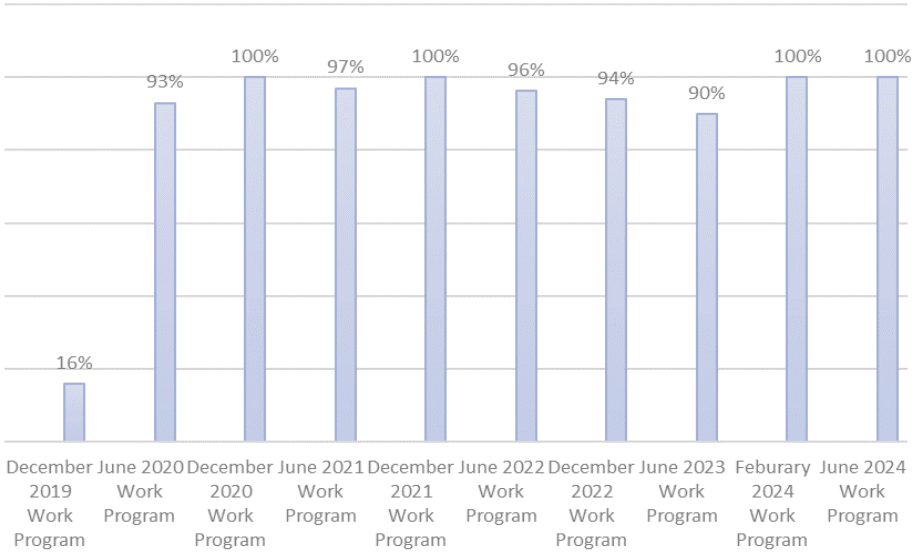
11. Analysis of PIFs and PFDs demonstrates a consistent improvement in compliance with initial ESS risk screening requirement since the ESS Policy became effective (see Figure 2).[17] This report includes an analysis of 102 approved PIFs and PFDs from the February and June 2024 Work Programs, comprising fourteen PFDs and five Non-Grant Instrument (NGI) projects.[18] All reviewed PIFs and PFDs in these Work Programs reported on their initial ESS risk screening at an early project stage, indicating notable progress in ESS risk screening by Agencies the ESS Guidelines took effect.

12. Early screening against the GEF ESS Policy's nine minimum standards is critical in guiding projects and programs on further examining environmental and social impacts during project preparation. This screening provides clear next steps for assessing and managing identified risks in the detailed project planning phase. Early identification of potential environmental and social risks is essential to avoid, minimize, mitigate, and manage these risks effectively, ensuring that risk mitigation measures are embedded within project design.

[17] 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.

[18] It also includes 28 of the Least Developed Countries Fund (LDCF) and three of the Global Biodiversity Framework Fund (GBFF) projects and programs.

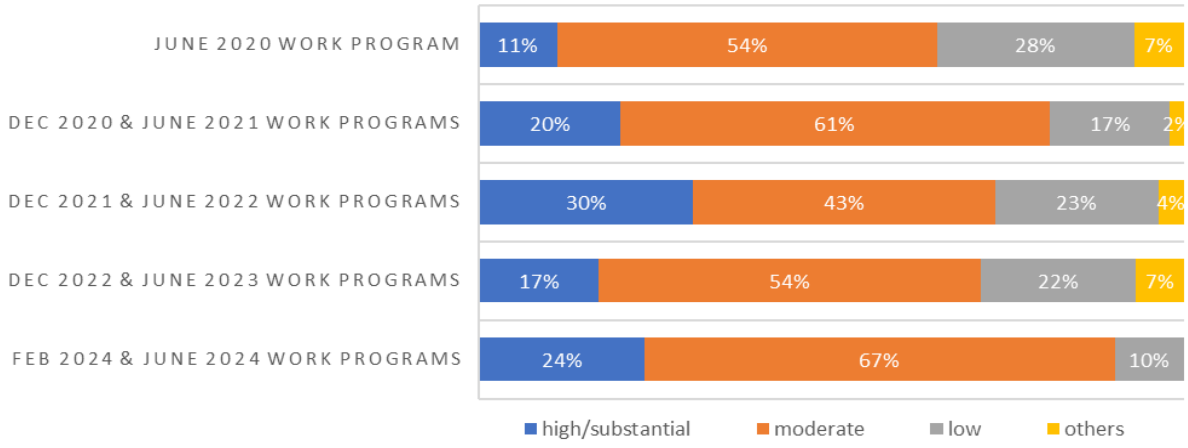
Figure 2. ESS risk screening at PIFs and PFDs stage (Dec 2019 to June 2024 Work Programs) (% of total projects included in Work Program)



Overall Project ESS Risk Ratings at PIF and PFD Stage

13. In the February and June 2024 Work Programs, all PIFs and PFDs provided initial overall ESS risk classification. Over the past five years, more than half of the projects and programs have consistently been classified under the Moderate ESS risk category. In the February and June 2024 Work Programs, specifically, 67 percent of projects and programs were rated as Moderate ESS risks, while 24 percent were classified as High or Substantial ESS risks (see Figure 3).

Figure 3. Initial Overall Risk classification of PIFs and PFDs by FY (% of total WP number of projects)

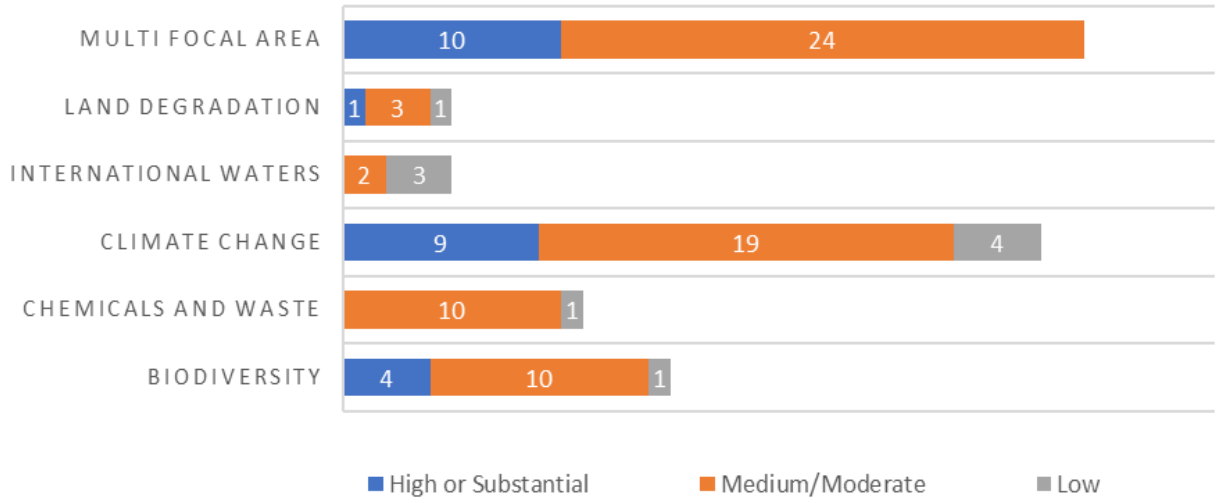


14. As in the previous Work Programs, almost one-third of the Multifocal Area projects and programs are classified as High or Substantial environmental and social risk, and three out of ten

High-risk classifications assigned to PFDs (see Figure 4). High-risk projects and programs are more prevalent in the Asia and Africa regions (see Figure 5). Notably, risk classifications varied among the Agencies involved. In the February and June 2024 Work Programs, only five Agencies - CI, FAO, IFAD, UNDP, and the World Bank – assigned a High or Substantial ESS risk rating to projects and programs at the PIF and PFD stage (see Figure 6).[19] UNDP and the World Bank, in particular, classified nearly half of their projects and programs as High or Substantial risk.

15. Each Agency employs distinct internal processes and procedures to classify, address, and manage ESS risks,[20] resulting in variations in timelines, technical expertise, budgets, and human resources dedicated to environmental and social assessment and risk management planning. Consequently, sharing best practices in ESS risk classification, assessment, and management during project preparation and implementation would be beneficial, especially for Agencies seeking to enhance their approaches.

Figure 4. Initial Overall Risk Classification of PIFs and PFDs by Focal Areas (number of projects or programs in February & June 2024 Work Programs)



[19] There is no PIF or PFD in the February and June 2024 Work Programs from four Agencies: ADB, BOAD, EBRD, and FECO.

[20] The GEF Secretariat reviewed seventeen Agencies' ESS screening processes at PIF and PFD stage by June 30, 2024. As of June 30, 2024, there were no PIF or PFD submitted by one Agency: FECO following the effective date of the new policy.

Figure 5. Initial Overall Risk Classification of PIFs and PFDs by Regions (number of projects or programs in February & June 2024 Work Programs)

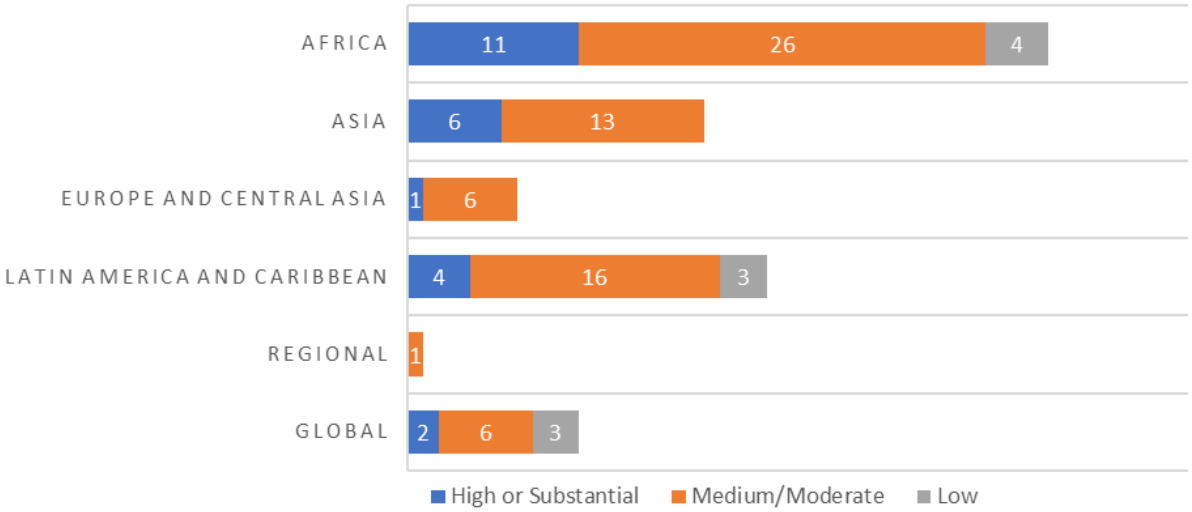
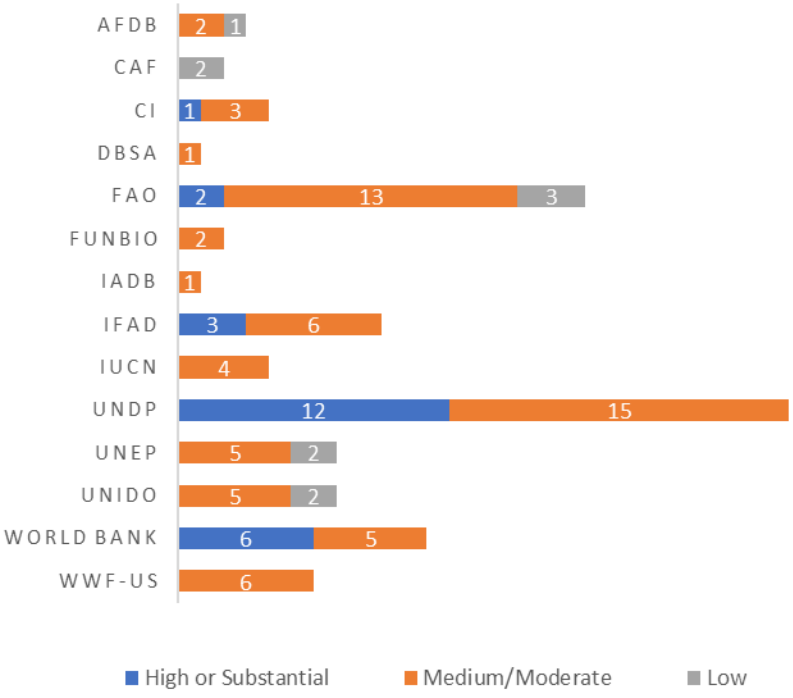


Figure 6. Initial Overall Risk Classification of PIFs and PFDs by Agencies (number of projects and programs in February & June 2024 Work Programs)



Types of ESS Risks at PIF and PFD Stage

16. Different ESS risks emerge based on type and location of projects and programs, making early-stage risk screening essential for effective risk management. The ESS Policy establishes minimum standards (outlined in Annex I.A) and specifies the types of risks that should be assessed (see in Box 1).

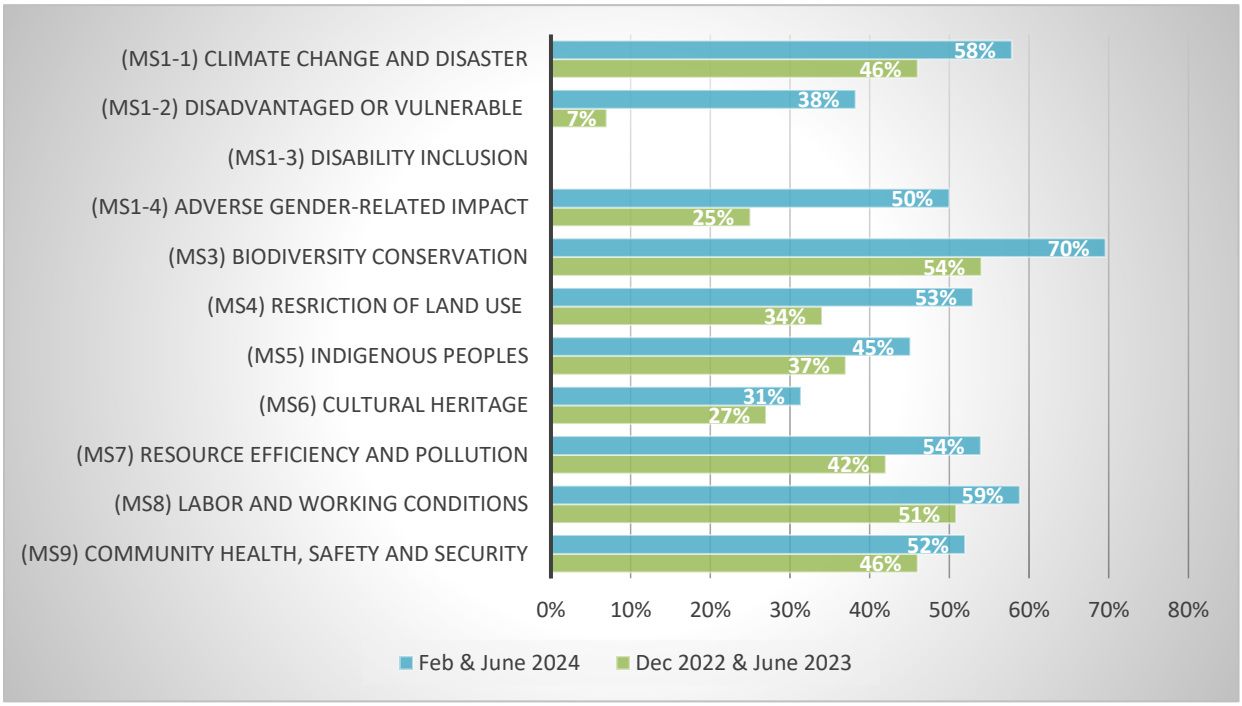
Box 1. Types of Risks and Potential Impacts to be screened and assessed in GEF Projects & Programs

(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**

17. An analysis of 102 PIFs and PFDs approved in the February and June 2024 Work Programs highlights recurring trends in risk identification. Biodiversity Conservation and the Sustainable Management of Living Natural Resources (MS3) remain primary concerns, with 70 percent of the PIFs and PFDs identifying biodiversity-related risks. Labor and Working Conditions (MS8) and Climate Change and Disaster (MS1-1) are also prevalent, appearing in 59 percent and 58 percent respectively (see Figure 7). Other frequently identified risks include Risks related to Resource Efficiency and Pollution Prevention (MS7), Restrictions of land use (MS4), Community Health, Safety and Security (MS9), and Adverse Gender-Related Impact (MS1-4) cited in 54 percent, 53 percent, 52 percent, and 50 percent of the PIFs and PFDs, respectively. These patterns align with trends observed over the past five years.

18. In contrast, social-related risks - including those affecting Disadvantaged or Vulnerable Individuals and Groups (MS1-2), Indigenous Peoples (MS5), and Cultural Heritage (MS6) - are identified less frequently compared to environmental and operational risks.

Figure 7: Types of Risks at PIF and PFD stage in FY
(% of total number of projects or programs)



ESS Risk Management at PIF and PFD Stage

19. While GEF investments aim to enhance Global Environmental Benefits and climate change adaptation, certain projects and programs face inherent environmental and social risks. For projects and programs rated as High, Substantial or Moderate risk, Agencies plan to conduct further environmental, social, and climate assessments, develop environmental and social management frameworks or plans including stakeholder engagement plans, and implement stakeholder analysis, participation, and capacity building measures during project preparation or early stage of project implementation. Many risk mitigation measures are going to be integrated into a project design and parts of the project activities to effectively manage these risks.

20. For example, a High-risk project for lake ecosystem restoration in Indonesia carries environmental and social risks associated with working with natural resource management in sensitive ecosystems as well as complex stakeholder involvement. Potential impacts include risks to **Indigenous Peoples'** rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems and culture or heritage **(MS5)**, as well as possible non-compliance with **national or international labor and working conditions (MS8).** Mitigation measures include comprehensive social, environmental and climate assessment and the development of a targeted risk management plan during project preparation.[21]

[21] "Lake Ecosystem Restoration in Indonesia through Integrated Governance, Landscape, and Community-based Approaches." (GEF ID 11422, Indonesia, Multi, IFAD)

21. Similarly, a High-risk ecosystem recovery project in Argentina identified risks regarding participation by **marginalized groups (MS1-2)** and impacts on **Indigenous Peoples (MS5)** (e.g., Toba, Mocovi, and Wichi communities) in project areas.[22] The project will manage these risks through stakeholder analysis and full participation during the project preparation grant (PPG) phase. The project also requires Free, Prior and Informed Consent and will develop an Environmental and Social Mitigation Framework (ESMF), including an Indigenous Peoples Planning Framework, to safeguard rights and manage risks. Climate-related vulnerabilities will be addressed through resilient project design.

22. A project in Sao Tome and Principe aimed at improving transport connectivity and climate resilience is classified as High (Substantial) risk due to potential impacts such as **vegetation loss (MS3)**, **soil contamination and disturbance, waste generation (MS7)**, **worker safety issues (MS8)**, and potential **land and livelihoods disruptions (MS4)**.[23] To manage these risks, the country will prepare environmental and social risks management tools, including an ESMF and a Resettlement Policy Framework (RPF). The ESMF will include executing agencies' capacity assessment to review both institutions' capability to perform E&S management functions and propose measures to address any gaps. Additionally, an Environmental and Social Impact Assessment (ESIA) was completed for the Lagarto Bay area to assess impacts of proposed coastal restoration efforts.

23. The Wildlife Conservation for Development Integrated Program (WCD IP)[24] exemplifies best practices in environmental and social risk screening at the PFD stage. With risk classification as High (three child projects), Substantial (nine child projects), and Moderate/Low (three child projects) across its 15 Child projects, the WCD IP considered program objectives, outcomes, and potential country-specific interventions, resulting in an overall program risk rating as Substantial (which is High in GEF ESS Policy). The global coordination project, focused on technical assistance and knowledge-sharing, is rated Low and will be managed as a World Bank-executed Advisory Services and Analytics (ASA) Project. The lead Agency also conducted a preliminary program-wide overview based on the nine GEF minimum standards.

24. Environmental and social risk screening for NGI projects uses distinct approaches. All five NGI projects were classified as Moderate risk at PIF stage. For example, the Indonesia Coral Bond project[25] is not expected to generate significant direct environmental impacts (Moderate risk), with social risks classified as Low at the PIF stage, through these will be reassessed as the project design advances. Similarly, South Africa's Private Sector Energy Efficiency Programme Phase 2[26] will comply with national environmental and social impact assessment regulations for its sub-project.

[22] "Recovering the Sustainability of Ecosystems Affected by Drought in Northeastern Argentina" (GEF ID 11336, Argentina, LD, UNDP)
[23]"Sao Tome e Principe – Development of the Transport and Coastal Protection Sector" (GEF ID 11552, Sao Tome and Principe, CCA, WB, LDCF)
[24] (GEF ID 11148, Global, Multi, WB)
[25] "Indonesia Coral Bond" (GEF ID 11323, Indonesia, WB, BD, GEF-8)
[26] "Private Sector Energy Efficiency Programme Phase 2 (PSEEP2)" (GEF ID 11064, CC, South Africa, DBSA)

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

25. Identifying environmental and social risks in Fragile and Conflict-affected Situation (FCS) is important for GEF Agencies to manage fragility and conflict-related challenges. The ESS Policy, particularly the Minimum Standard on Community Health, Safety and Security (MS9), requires identifying risks or potential impacts in a conflict or post-conflict setting (para 17, ESS Policy 2019).[27] In line with this mandate, at the 66th GEF Council meeting, the Secretariat presented a "Gap Analysis of GEF-Funded Activity and Engagement in Fragility, Conflict, and Violence-Affected States."[28] Following Council Decision 11/2024[29], the GEF Secretariat has developed guidance to provide practical recommendations for GEF investments in FCS contexts.

26. Among the projects approved in the February and June 2024 Work Programs, 18 percent (or 18 projects and programs) are situated in FCS countries, as defined by the World Bank Group's "FY24 List of Fragile and Conflict-affected Situations"[30] (See Table 1 and 2). Of these, nearly half (56 percent) are classified as Moderate risk, 33 percent as High risk, and only 11 percent as Low ESS risk (See Figure 8). Projects in FCS settings within these Work Programs generally have a higher proportion of High-risk classifications compared to projects in other contexts. Notably, 72 percent (or 13 projects) of these projects in FCS are funded by the Least Developed Countries Fund (LDCF).

27. Certain High-risk projects in FCS countries demonstrate best practices in recognizing and managing risks. For example, a project focused on conserving terrestrial and marine biodiversity in Sudan acknowledges that establishing and demarcating 11 Protected Areas (PA) and promoting sustainable natural resources management could lead to conflicts among communities and stakeholder. These actions could exacerbate existing conflicts over resources and land uses.[31] During the PPG phase, the project conducted stakeholder analysis and developed a Comprehensive Stakeholder Engagement Plan. This plan identifies vulnerable group, such as internally displaced persons and specific ethnic or land/resource-user groups (e.g. fisherfolk, agro-pastoralists, forest people), and includes conflict-mitigation approaches, such as collaborating with local NGOs and CBOs with experience in project implementation. The project also examines existing policies and frameworks, including customary laws (Xeer Somali) that support natural resource conservation across different communities.

[27] 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)".

[28] GEF/C.66/09, (January 4, 2024) available here.

[29] Joint Summary of the GEF Council Co-Chairs (Decision 11/2024)

[30] World Bank Group's "FY24 List of Fragile and Conflict-affected Situations" (available here, viewed on August 9, 2024)

[31] "Conserving terrestrial and marine biodiversity and restoring ecosystem services in globally relevant and vulnerable sites in Somalia" (GEF ID 11414, Sudan, Multi, UNDP).

28. When considering regional and global projects and programs that include FCS countries, 31 percent (or 32 projects and programs) of all PIFs and PFDs approved in the February and June 2024 Work Programs operate in such contexts. Of these, 28 percent are classified as High or Substantial risk, 56 percent as Moderate risk, and 16 percent having Low risk.

29. Early identification of FCS-related risks is essential for further assessment, consultation, and the development of conflict-sensitive risk management plans in partnership with local stakeholders. Among the 14 regional and global projects and programs including FCS countries, ten are PFDs (See Table 3). This finding highlights the importance of ensuring that Child Projects within FCS countries address conflict or post-conflict risks by the CEO Endorsement/Appraisal stage.

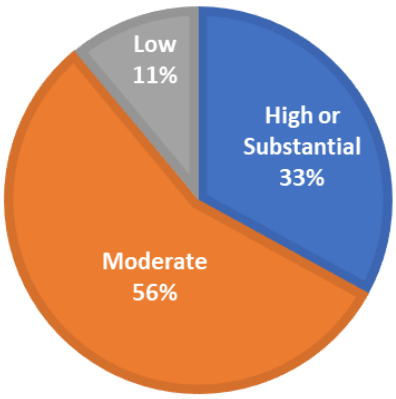
30. Recognizing the importance of addressing ESS risks in FCS contexts, twelve GEF Agencies are actively developing toolkits, guidance documents, case studies, and risk assessment tools.[32] The new guidance prepared by the GEF Secretariat builds on these resources, sharing best practices of managing FCS related risks at different stages of GEF investments. The GEF Secretariat will also facilitate the exchanges of ESS risk assessment and management strategies among Agencies to promote shared learning and effective implementation within the GEF Partnership.

[32] These are ADB, AfDB, CI, DBSA, FAO, IDB, IFAD, IUCN, UNDP, UNEP, the World Bank, and WWF-US (updated based on "Gap Analysis of GEF-Funded Activity and Engagement in Fragility, Conflict, and Violence-Affected States" (GEF/C.66/09, January 4, 2024), page 4, para 18)).

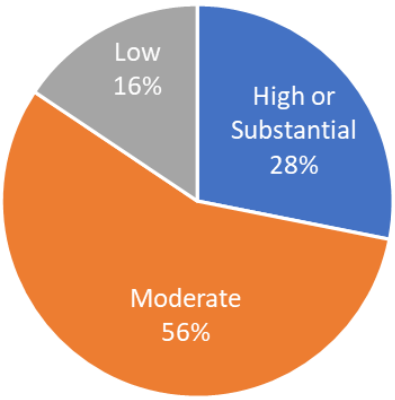
Table 1: FY24 List of Fragile and Conflict-affected Situations (WBG 2024)

CONFLICT	INSTITUTIONAL AND SOCIAL FRAGILITY
Afghanistan	Burundi
Burkina Faso	Chad
Cameroon	Comoros
Central African Republic	Congo, Republic of
Congo, Democratic Republic of	Eritrea
Ethiopia	Guinea-Bissau
Iraq	Haiti
Mali	Kiribati
Mozambique	Kosovo
Myanmar	Lebanon
Niger	Libya
Nigeria	Marshall Islands
Somalia	Micronesia, Federated States of
South Sudan	Papua New Guinea
Sudan	São Tomé and Príncipe
Syrian Arab Republic	Solomon Islands
Ukraine	Timor-Leste
West Bank and Gaza (territory)	Tuvalu
Yemen, Republic of	Venezuela, RB
	Zimbabwe

Figure 8: Overall ESS risk of projects in FCS countries
(% of projects and programs in February and June 2024 Work Programs)



Investments in FCS Countries



Investments in FCS countries including Regions/Global investments with FCS Countries

Table 2: Overall ESS risk of projects in FCS countries and application of MS9 (Feb and Jun 2024 Work Programs)

ESS risk level	Agencies	Conflict	Institutional and Social Fragility	ESS MS9	Focal Area	Fund
High/ Substantial	IFAD	Burkina Faso		✓	CCA	LDCF
	WB		Burundi	✓	CCA	LDCF
	IFAD	Mozambique		✓	CCA	LDCF
	UNDP	Somalia		✓	Multi	GET
	WB		Sao Tome and Principe	✓	CCA	LDCF
	UNDP		Sao Tome and Principe	✓	CCA	LDCF
Moderate	IFAD		Lebanon	✓	LD	GET
	FAO	Niger		-	CCA	LDCF
	IFAD	South Sudan		✓	CCA	LDCF
	UNDP		Iraq	-	Multi	GET
	IFAD		Central African Republic	-	CCA	LDCF
	CI		Timor- Leste	✓	Multi	GET
	UNEP		Yemen	✓	Multi	GET
	UNDP		Somalia	✓	CCA	LDCF
	IFAD		Chad	-	CCA	LDCF
	UNDP		Comoros	✓	CCA	LDCF
Low	FAO	South Sudan		-	CCA	LDCF
	UNEP	Ethiopia		-	CCA	LDCF

Table 3: Overall ESS risk of Regional/Global projects and programs including FCS countries (Feb and Jun 2024 Work Programs)

ESS risk level	Agencies	Regional/ Global	Conflict	Institutional and Social Fragility	ESS MS9	Focal Area	Project Type
High/ Substantial	WB	Global	Mozambique		✓	Multi	PFD
	FAO	Global	Burkina Faso, Ethiopia, Nigeria	Chad, Solomon Island	-	Multi	PFD
	CI	Regional		Guinea-Bissau	-	Multi	PFD
Moderate	FAO	Global		Venezuela	-	Multi	PFD
	IUCN	Regional	Mozambique		✓	IW	PIF (FSP)
	AfDB	Regional	Mozambique	Comoros	-	IW	PIF (FSP)
	WWF-US	Global	Ukraine		✓	Multi	PFD
	UNIDO	Global	Ethiopia, Mozambique, Somalia		✓	Multi	PFD

	UNEP	Regional	Burkina Faso, Ethiopia, Niger, Nigeria	Chad	✓	Multi	PFD
	FAO	Regional		Haiti	-	LD	PIF (FSP)
	WB	Global		Republic of Congo	✓	Multi	PFD
Low	UNIDO	Global	Nigeria		-	CCM	PFD
	AfDB	Regional	Mozambique		✓	IW	PFD
	UNIDO	Global	Ethiopia, Somalia		✓	CCA	LDCF

ESS Risk Management at the CEO Endorsement and CEO Approval Stage

31. Environmental and social risks and impacts are more precisely identified at the CEO Endorsement and Approval stage. Since the ESS Policy took effect on July 1, 2019, all CEO Endorsements (for Full-Sized Projects (FSPs), totaling 268) and CEO Approvals (for Medium-sized Projects (MSPs), totaling 184)[33] approved by June 30, 2024, have included overall ESS risk classifications, detailed risk screening, assessment and mitigation plans at various levels. Most projects have refined their ESS screening based on specific project activities and locations and developed comprehensive environmental and social risk management plan, especially for High and Moderate risk projects. These plans include Environmental and Social Management Framework/Plan, gender analysis and action plans, stakeholder engagement plans, and Indigenous Peoples Plans, complete with timelines, staffing, budget, and reporting structures.

32. Portfolio analysis at the CEO Endorsement stage (for FSPs) indicates that 56 percent of the projects are classified as Moderate ESS risk, while 26 percent fall under High or Substantial risk (see Figure 9). This distribution aligns with previous years, with the Chemicals and Waste Focal Area showing a higher proportion of High or Substantial risk projects. The Asia region also tends to host a larger share of such projects (See Figure 10 and Figure 11). Projects and programs with High or Substantial risk classifications are required to provide supporting documentation, including applicable risk management plans, and to engage independent expertise to address these risks, in accordance with ESS Policy Guidelines.[34] One example of this is a High-risk crop diversity conservation project in Indonesia, located in areas traditionally inhabited by Masyarakat Adat Indigenous Peoples.[35] To mitigate risks, the project team reviewed relevant legal frameworks, consulted with Indigenous communities, obtained Free, Prior and Informed Consent, and will conduct socio-economic and land tenure analysis, and establish benefit sharing agreements for plant genetic resources with guidance from Masyarakat Adat experts. ESS risk classification methods vary by Agencies; specifically, UNDP and the World Bank classify more

[33] Out of 184 CEO Approvals, 21 percent or 39 CEO Approvals are the Capacity-building Initiative for Transparency (CBIT).
[34] GUIDELINES ON GEF'S POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS (SD/GN/03, December 19, 2019) (page 7, para 14 and 15), available here.
[35] "Crop Diversity Conservation for Sustainable Use in Indonesia" (GEF ID 10511, Indonesia, BD, GET, FAO, GEF-7).

than half of their projects as High or Substantial risk, a pattern consistent with PIF and PFD stage (See Figure 12).[36]

33. At the CEO Approval stage (for MSPs), projects generally present Low ESS risk projects. Over 62 percent of the MSPs at this stage are classified as Low ESS risk, with only four percent categorized as High ESS risk projects (see Figure 13). These ratios reflect previous years, with all 38 Capacity-building Initiative for Transparency (CBIT) projects rated as Low risk or not applicable at this stage.[37]

Figure 9: Overall ESS risk at the CEO Endorsement stage (FSP)
(% of the total number of FSPs from July 2019 to June 2024)

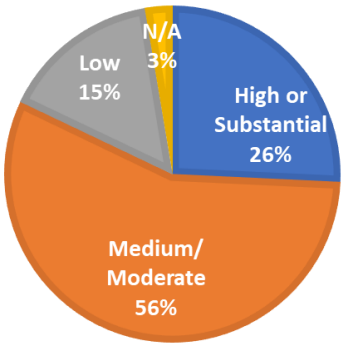
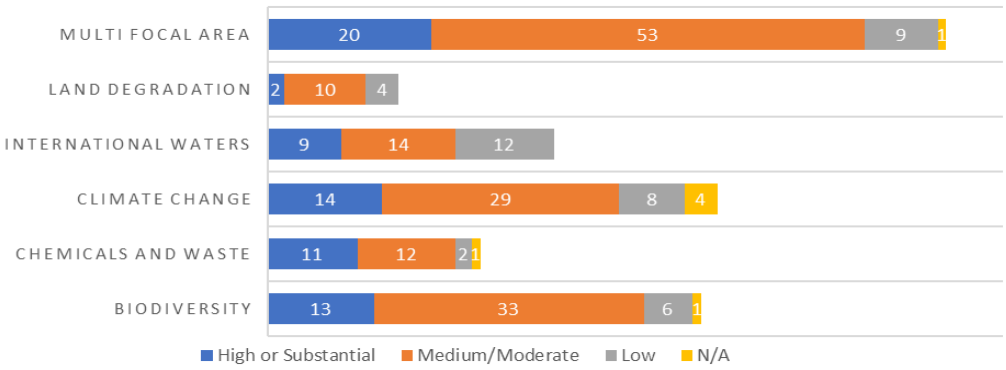


Figure 10: Overall ESS risk by Focal Areas at the CEO Endorsement stage (FSP)
(Number of projects from July 2019 to June 2024)



[36] As of June 30, 2024, there is no CEO Endorsement applying to updated ESS Policy submitted by four Agencies namely DBSA and FECO.

[37] Three of the CBIT projects implemented by UNDP 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.

Figure 11: Overall ESS risk by Regions at the CEO Endorsement stage (FSP) (Number of projects from July 2019 to June 2024)

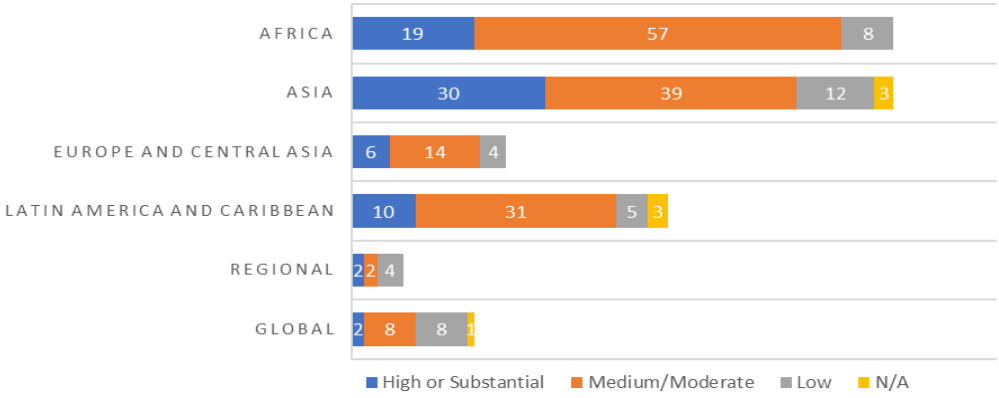


Figure 12: Overall ESS risk by Agencies at the CEO Endorsement stage (FSP) (Number of projects from July 2019 to June 2023)

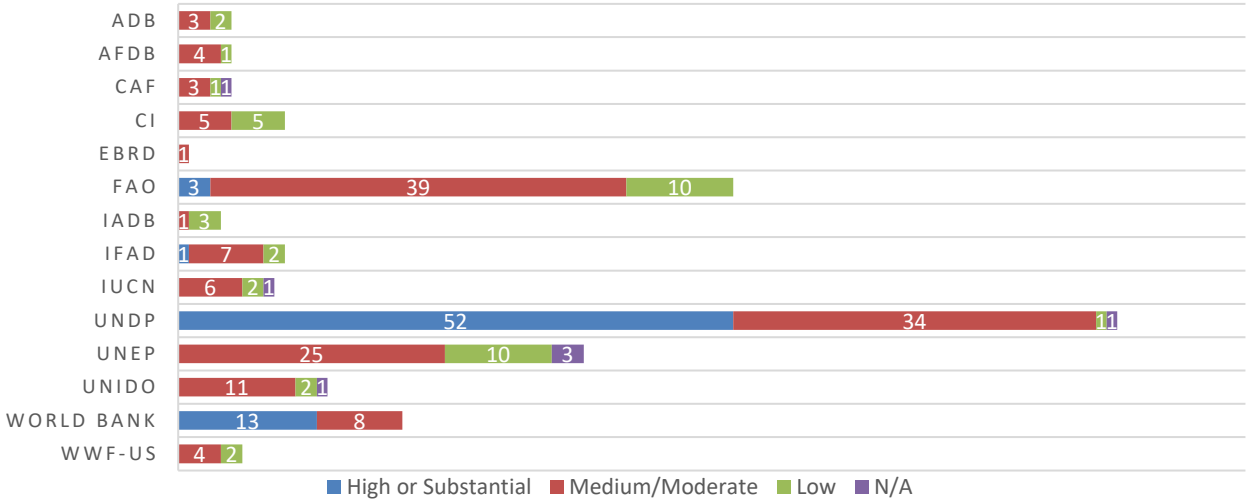
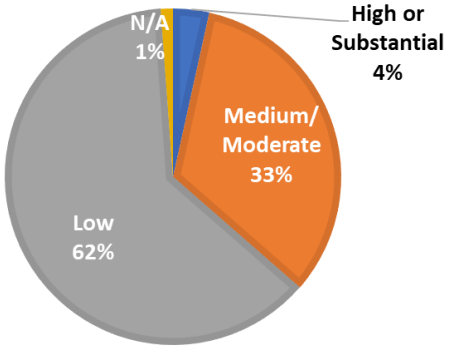


Figure 13: Overall ESS risks at the CEO Approval stage (MSP) (% of the number of MSPs from July 2019 to June 2024)



34. This report highlights effective risk management at CEO Endorsement stage. Common approaches include an environmental and social impact assessment (ESIA), Strategic Environmental and Social Assessment (SESA), Indigenous Peoples' Plan (IPP), environmental and social management framework (ESMF), and Stakeholder Engagement Plan (SEP) to facilitate better engagement with stakeholders, particularly vulnerable groups.

35. A notable example is a natural resource management project in the Philippines, where an ESMF with integrated environmental and social assessment and robust stakeholder engagement has been developed.[38] Classified as High risk due to Indigenous Peoples' presence and the proximity of project activities to protected areas, the project includes an IPP to mitigate potential impacts on these communities. Additional measures ensure interventions align with Park Management guidelines. The SEP and a Gender Action Plan facilitate inclusive engagement with all stakeholders, including vulnerable groups such as women, Indigenous Peoples and non-tenured migrants to consult and benefit from the project activities. The ESMF will be periodically reviewed and updated as necessary, with stakeholder input.

36. Another effective case is a hazardous wastes project in Panama,[39] which address substantial risks linked to improper handling during phase out interim storage, transport, and disposal of mercury containing equipment (from the health sector), PCB containing equipment (from the electricity sector), and HBCD containing stockpiles and waste (from the construction sector). The project identified risk such as potential accidental releases impacting health and safety of workers and local communities and the risk of displacement for waste pickers. Mitigation efforts include a SESA and ESIA for pilots and disposal activities, a comprehensive SEP, and a waste management plan for municipalities that considers informal waste pickers' roles.

37. Despite High or Substantial environmental and social risks, the projects are strengthening environmental and social management plans to enhance local capacities and deliver socio-economic benefits. These include improved national environmental risk management, enforcement of environmental regulations, enhanced local livelihoods, land tenures support, and strengthening stakeholder engagement with vulnerable groups, such as women, Indigenous Peoples, and the informal sector. Early identification of environmental and social risks has enabled proactive integration of mitigation measures into project designs.

[38] "Sustainable Management of Natural Resources towards Rehabilitation and Preservation of the Key Biodiversity Area along Bataan Province to Manila Bay" (GEF ID 10704, Philippines, MFA, GET, FAO, GEF-7).
[39] "Environmentally sound management of hazardous wastes containing POPs and Mercury" (GEF ID 10721, Panama, CW, GET, UNDP, GEF-7).

ESS Information in Mid-term Review and Terminal Evaluation

38. As of June 30, 2024, one MTR[40] and three TEs[41] requiring adherence to the new ESS Policy have been submitted. All three TEs are for Global and One-step MSPs, with one TE[42] previously reviewed in December 2023 report. Each reviewed MTR and TEs were MSPs with ESS risks classified as Low, as the projects focused on research and technical assistance without on-the-ground activities. Despite the Low risk, the MTR and TEs confirm that ESS risks were carefully assessed, managed, and reported. Stakeholder engagement further enhanced project quality, extending beyond ESS compliance to contribute to positively to project outcomes.

39. For instance, one TE, focused on promoting sustainability in the fashion sector, classified the project's ESS risk as Low. This project centered on supply chain mapping and identifying priority actions to advance sustainability within the international fashion industry. The TE rated Environmental and Social Safeguards implementation as "Satisfactory" due to the completion of an Accountability and Grievance Mechanism (AGM), Gender Mainstreaming Plan (GMP), and Stakeholder Engagement Plan (SEP). The project engaged 378 stakeholders through the SEP, while the Fashion Pact - a nonprofit aiming for a net-zero, nature-positive fashion industry – evolved its engagement strategy to include CEO-level meetings and broader collaborative efforts. The AGM reported no conflicts, and the overall project outcome was rated as "Satisfactory." Another TE assessed the project's environmental and social safeguard implementation as "Highly satisfactory" due to extensive engagement of stakeholders, surpassing target level.

40. The submitted MTR focused on technical assistance project with no on-the-ground activities, maintaining its Low ESS risk classification. The MTR rated the overall project outcome as "Highly Satisfactory" and confirmed the Low ESS risk classification at the time of review.

CONCLUSION AND NEXT STEPS

41. The screening of environmental and social risks against the nine Minimum Standards of the ESS Policy has significantly improved in last five years by compliance of ESS Policy, system development, projects and programs review by Agencies and the GEF Secretariat. All projects now feature an ESS risk classification with detailed risk assessment and mitigation plans at CEO Endorsements and Approvals stage. This advancement reflects the establishment of dedicated ESS system and internal resources within Agencies, which has streamlined the integration of the ESS Policy into project design and development.

[40] "Establishing the Taskforce on Nature-related Financial Disclosures (TNFD)" (GEF ID 10755, Global, BD, GET, WWF-US, GEF-7, MSP).

[41] Three projects are all Global and One-step MSPs, "Staying within Sustainable Limits: Advancing leadership of the private sector and cities" (GEF ID 10309, MFA, GET, CI, GEF-7), "Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate, and Oceans" (GEF ID 10658, MFA, GET, CI, GEF-7), and "Adaptation SME Accelerator Project (ASAP)" (GEF ID 10296, CCA, SCCF, CI, GEF-7).

[42] Since the project's CEO Approval was approved on July 30, 2019, before the ESS Guideline was approved in December 2019, the project was not classified as its overall ESS risk at the CEO Approval stage.

42. Best practices of ESS risk screening, assessment, and management are evident across various projects. These include conflict-sensitive approaches in Fragile and Conflict-Affected Situations (FCS) and attention to the needs of vulnerable communities, Indigenous Peoples, local livelihoods, and natural resources access. Many projects now incorporate ESS risk management plans as essential project components, complete with dedicated budgets and timelines, enhancing project inclusiveness and quality.

43. While current information on ESS Policy application is largely limited to PIFs, PFDs, and CEO Endorsements and Approvals, available MTR and TE assessments demonstrate effective environmental and social risks management. Rating of "Satisfactory" or "Highly Satisfactory" in these evaluations highlight the positive impact of the ESS Policy on the quality of GEF investments during project implementation.

44. Finally, knowledge sharing is important to strengthen ESS implementation capacity. [43] The GEF Secretariat is committed to enhancing its role as a knowledge hub in alignment with the GEF Strategy for Knowledge Management and Learning, [44] by facilitating exchange of lessons learned in ESS implementation.

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

[44] GEF/C.66/03/Rev.01 (October 10, 2023) available at here.