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INVESTING IN OUR PLANET

**POLICY: SD/PL/03**  
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## **Agency Minimum Standards on Environmental and Social Safeguards**

**Summary:** This Policy states the principles that the GEF shall apply to those operations that it finances. It also lists the criteria and minimum requirements on environmental and social safeguard systems that all GEF Partner Agencies shall be expected to meet in order to implement GEF-financed projects.

**Background:** The GEF Council approved this Policy at its 41<sup>st</sup> Meeting in November 2011 Meeting, based on Council Document GEF/C.41/10/Rev.1, *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards*. The present updated version matches that dated November 20, 2012 except for changes in the numbering of paragraphs in Annex 1. Provisions for how the Policy should be applied in the assessment of existing GEF Agencies and entities that apply for accreditation as GEF Project Agencies may be found in GEF Guideline Document SD/GN/03, *Application of Policy on Agency Minimum Standards on Environmental and Social Safeguards*. As described in GEF Council Document GEF/C.40/10/Rev.1, *GEF Policies on Environmental and Social Safeguard Standards and Gender Mainstreaming*, the criteria and minimum requirements contained in the eight Minimum Standards in Annex 1 of the present Policy were derived from the Objectives and Operational Principles contained in World Bank *Operational Policy 4.00: Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank Supported Projects*.

**Applicability:** This Policy applies to the GEF Agencies, GEF Project Agency Applicants, and the GEF Secretariat. (As noted in Council Document GEF/C.41/10/Rev.1, the safeguard system of the World Bank will not be assessed under this Policy.) The GEF Council or the GEF Accreditation Panel may determine that Safeguard Standards 3, 4, 5, 6, or 7 are inapplicable to a given Agency based on the guidance on applicability/inapplicability listed under each of these Standards.

**Dates of Effectiveness and Revision:** This policy has been in effect since its adoption by the GEF Council on November 18, 2011. In November, 2013, the Council requested that the GEF Evaluation Office begin an assessment of this Policy after the Pilot on Accrediting GEF Project Agencies has concluded. Following this, the Secretariat will propose a revised Policy for Council consideration taking into account the findings of this evaluation and any guidance from the Council.

**Sponsors:** Operations and Business Strategy Team, GEF Secretariat

**Key Words:** Accreditation, forest, Indigenous Peoples, natural habitat, safeguard

## I. Definitions

1. **Accreditation Panel:** The panel constituted by the GEF to review Stage 2 Applications for accreditation of GEF Project Agencies.
2. **Accreditation Panel Review:** A criteria-based review to be performed by the Accreditation Panel, which will include the assessment of project performance capacity, agencies' governance framework, environmental and social safeguards, and other issues as determined by Council.
3. **Agency Systems/ Agency Safeguard Systems:** When used in this policy, “Agency Systems” or “Safeguard Systems” shall mean a GEF Partner Agency’s legal and institutional framework, including all applicable policies, regulations, rules and procedures. For National Institutions accredited as GEF Project Agencies, it shall include a country’s applicable national, sub-national, or sectoral laws, policies, regulations, rules, and procedures.
4. **Applicant:** An entity that requests or seeks accreditation as a GEF Project Agency.
5. **Complainant:** A potentially project-affected party that brings a complaint about a GEF-financed project forward, either to a local or country-level dispute resolution system, a GEF Partner Agency, or the GEF Resolution Commissioner.
6. **Critical natural habitats<sup>1</sup>:** (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of the World Conservation Union [IUCN] classifications<sup>2</sup>), areas protected by Indigenous Peoples and traditional local communities, and sites that maintain conditions vital for the viability of these protected areas (as determined by the environmental assessment process); or (ii) sites identified on supplementary lists prepared by authoritative sources. Such sites may include areas recognized Indigenous Peoples and traditional local communities; areas with known high suitability for biodiversity conservation; and sites that are critical for rare, vulnerable, or endangered species.<sup>3</sup> Listings should be based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, vulnerability of component species; representativeness; and integrity of ecosystem processes.
7. **Degradation:** modification of a critical or other natural habitat that substantially reduces the habitat's ability to maintain viable populations of its native species.

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<sup>1</sup> Biodiversity outside of natural habitats (such as within agricultural landscapes) is not covered under this policy. It is good practice to take such biodiversity into consideration in project design and implementation. .

<sup>2</sup> IUCN categories are as follows: I (a) Strict Nature Reserve/ (b) Wilderness Area: protected area managed for science or wilderness protection; II--National Park: protected area managed mainly for ecosystem protection and recreation; III--Natural Monument or feature: protected area managed mainly for conservation of specific natural features; IV--Habitat/Species Management Area: protected area managed mainly for conservation through management intervention; V--Protected Landscape/Seascape: protected area managed mainly for landscape/seascape conservation and recreation; and VI—Protected area with sustainable use of natural resources: protected area managed mainly for the sustainable use of natural ecosystems. Further information on IUCN’s management goal categories and classification of governance types maybe be found in Dudley, N. (Editor) (2008) *Guidelines for Applying Protected Area Management Categories*. Glad, Switzerland: IUCN.

<sup>3</sup> Rare, vulnerable, endangered, or similarly threatened, as indicated in the IUCN Red List of Threatened Animals, BirdLife World List of Threatened Birds, IUCN Red List of Threatened Plants, or other credible international or national lists..

8. **Environmental and Social Impact Assessment (ESIA):** An Instrument to identify and assess the potential environmental and social impacts of a proposed project; evaluate alternatives; and design appropriate mitigation, management and monitoring measures.
9. **GEF Agency:** Any one of the 10 institutions that have direct access to the GEF Trust Fund resources as of November 2010. They include the following organizations: the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Food and Agriculture Organization (FAO) of the United Nations (UN), the Inter-American Development Bank (IDB), the International Bank for Reconstruction and Development (IBRD), the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), and the United Nations Industrial Development Organization (UNIDO).
10. **GEF Partner Agency:** One of the agencies eligible to request and receive GEF resources directly for the design, implementation, and supervision of GEF Projects. This category includes both GEF Agencies and GEF Project Agencies. It does not include agencies designated by countries that request resources from the GEF Secretariat for the execution of activities under direct access modalities, including for Convention reports and National Portfolio Formulation Exercises.
11. **GEF Project Agency:** Any institution that the GEF has accredited to receive GEF resources on behalf of countries to implement GEF-financed projects under the provisions of paragraph 28 of the Instrument apart from the ten GEF Agencies.
12. **GEF-financed Project or Operation:** Any project or operation financed with resources from any GEF-managed trust fund, including the GEF Trust Fund, the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), and the Nagoya Protocol Implementation Fund (NPIF).
13. **Natural habitats:** land and water areas where (i) the ecosystems' biological communities are formed largely by native plant and animal species, and (ii) human activity has not essentially modified the area's primary ecological functions. All natural habitats have important biological, social, economic, and existence value. Important natural habitats may occur in tropical humid, dry, and cloud forests; temperate and boreal forests; Mediterranean-type shrub lands; natural arid and semi-arid lands; mangrove swamps, coastal marshes, and other wetlands; estuaries; sea grass beds; coral reefs; freshwater lakes and rivers; alpine and sub alpine environments, including herb fields, grasslands, and paramos; and tropical and temperate grasslands.
14. **Stage 1 Application:** The initial application of Applicant submitted to the GEF Secretariat for Accreditation as a GEF Project Agency. It provides the information needed to perform the Value-added Review by the GEF Secretariat.
15. **Stage 2 Application:** The second application of an Applicant, which will provide information on how the entity meets the GEF Minimum Fiduciary Standards, GEF environmental and social safeguard standards, and other issues, as required by Council and will be reviewed by the Accreditation Panel.

16. **Significant conversion or loss:** elimination or severe diminution of the integrity of a critical or other natural habitat caused by a major, long-term change in land or water use. Significant conversion may include, for example, land clearing; replacement of natural vegetation (e.g., by crops or tree plantations); permanent flooding (e.g., by a reservoir); drainage, dredging, filling, or channelization of wetlands; or surface mining. In both terrestrial and aquatic ecosystems, conversion of natural habitats can occur as the result of severe pollution. Conversion can result directly from the action of a project or through an indirect mechanism (e.g., through induced settlement along a road).

## **II. Introduction**

1. Since its inception, the GEF's mission has been to support sustainable development by providing new and additional financing to meet the agreed incremental costs of measures to protect the global environment. The GEF's provision of financing to help countries adapt to the negative impacts of climate change (provided through the GEF-managed Least Developed Countries Fund [LDCF] and Special Climate Change Fund [SCCF]) has further strengthened the GEF's contribution to sustainable development.<sup>4</sup>
2. A key principle that the GEF has followed, which is integral to sustainable development, is that GEF-financed operations that achieve benefits in one area should not lead to adverse environmental or social impacts in other areas. All efforts should be made to avoid adverse impacts, and if avoidance is not feasible, then they should be minimized, mitigated, and offset, as appropriate. While there is little evidence that GEF financing leads to adverse impacts, as the GEF partnership expands to include new agencies (e.g. GEF Project Agencies), as a precautionary measure, it is important to ensure that all implementers of GEF projects can demonstrate sufficient dedication to sustainable development. A key factor in assessing this is whether they have established adequate systems for environmental and social safeguards that require them to avoid, minimize, and mitigate adverse environmental and social impacts in the design, implementation, and evaluation of their projects.
3. The GEF Policy on Fiduciary Standards sets forth the minimum requirements that GEF Partner Agencies must meet to implement GEF projects. They will serve as a key benchmark for the accreditation of GEF Project Agencies. While the Policy on Fiduciary Standards requires that GEF Partner Agencies' project appraisal processes include environmental and social safeguard measures, it does not set clear minimum standards in this area that can be used as a basis for making decisions on accreditation. The GEF Council has, therefore, established the present policy to clarify the GEF's policies for avoidance, minimization, and mitigation of adverse environmental and social impacts in the context of the operations that it supports, including minimum standards for GEF Partner Agencies in terms of environmental and social safeguards.

## **III. Purpose**

4. The purpose of this Policy is to support environmentally sustainable development by ensuring that the GEF and its Partner Agencies undertake sufficient efforts to avoid, minimize, mitigate, and where appropriate, offset any adverse impacts to people and the environment from GEF-financed operations. This purpose is accomplished in two ways:
  - (a) clarification of the principles that shall apply specifically to GEF financed operations; and
  - (b) establishment of the minimum standards on environmental and social safeguard systems that all GEF Partner Agencies shall be expected to meet in order to implement GEF-financed projects.

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<sup>4</sup> The GEF's climate adaptation mission is particularly relevant since Principle 2 of the Rio Declaration on Environment and Development states that "the right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.

#### **IV. Key Principles for GEF Operations**

5. The principles<sup>5</sup> below will apply to GEF-financed projects, or to the use of GEF resources in such projects, as specified in each paragraph.<sup>6</sup>

- (a) The GEF shall not finance activities that degrade or convert critical natural habitats.
- (b) The GEF shall not finance the construction or rehabilitation of large or complex dams.<sup>7</sup>
- (c) The GEF shall not finance the introduction or use of potentially invasive, non-indigenous species.
- (d) GEF projects shall seek to avoid involuntary resettlement. Where it is not feasible to avoid resettlement, all efforts will be made to minimize involuntary resettlement and all viable alternatives will be explored. In this context, GEF will not finance the cost of the physical relocation or displacement of people.<sup>8</sup>
- (e) GEF-financed projects shall not use or promote the use of any substances listed under the Stockholm Convention on Persistent Organic Pollutants.

#### **V. Indigenous Peoples**

6. The GEF recognizes that the identities and cultures of Indigenous Peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. The GEF is dedicated to ensuring that its operations fully respect the dignity, human rights, economies, cultures, and traditional knowledge of Indigenous Peoples and their members. In furtherance of this objective, the GEF adopts a standard of free, prior and informed consent (FPIC) for GEF-financed projects for which FPIC is required by virtue of the relevant state's ratification of ILO Convention 169. While there is no universally accepted definition of FPIC, for the purposes of this paragraph, GEF Partner Agencies will ensure that project executors document: (i) the mutually accepted consultation process between the project proponent and affected indigenous communities and (ii) evidence of agreement between the parties as the outcome of the consultations. FPIC does not necessarily require unanimity and may be achieved even when individuals or groups within the community explicitly disagree.

7. For other projects, GEF Partner Agencies will rely on their systems for consultation with Indigenous Peoples and will ensure that such consultations result in broad community support for the GEF-financed operation being proposed.

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<sup>5</sup> These principles do not alter or affect the minimum standards included in Appendix A.

<sup>6</sup> GEF resources include resources from any GEF-managed trust funds.

<sup>7</sup> Large dams are defined as those of 15 meters or more in height. Complex dams are those of a height between 10 and 15 meters that present special design complexities, including an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, or retention of toxic materials.

<sup>8</sup> The physical relocation and displacement of people includes the involuntary acquisition of land. It does not include the involuntary restriction of access to legally designated parks and protected areas (which does not include the acquisition of land) that may result in adverse impacts on the livelihoods of local people or communities.

## **VI. GEF Minimum Safeguard Standards for Agency Systems**

8. The minimum standards for GEF Partner Agencies with regards to environmental and social safeguards included in Annex I. All GEF Partner Agencies shall meet the criteria for Minimum Standard 1 (Environmental and Social Impact Assessment) and Minimum Standard 2 (Natural Habitats). GEF Partner Agencies will also be expected to meet Minimum Standards 3 through 7. However, on a case-by-case basis, the GEF Council (for the ten GEF Agencies) or the GEF Accreditation Panel (for GEF Project Agencies) may find that one or more of Minimum Standards 3 (Involuntary Resettlement), 4 (Indigenous Peoples), 5 (Pest Management), 6 (Physical Cultural Resources), and 7 (Safety of Dams), are “inapplicable” to the Agency given its agreed or expected comparative advantage within the GEF, based on an understanding of the type of projects it normally implements, both with and without GEF support. Such findings will be made in accordance with the guidance on applicability/inapplicability listed under each Standard.

9. In order to meet each criterion, GEF Partner agencies will need to demonstrate that each has relevant policies and systems in place that can satisfy the minimum requirements that are listed under each criterion. Moreover, the Agency will also need to demonstrate that it has sufficient institutional capabilities to apply the standard to GEF-financed projects, including for projects that are executed by a separate entity through an agreement with the Agency.

10. If one of the existing GEF Agencies does not meet a given Standard, the Council may agree for the Agency to implement a time-bound action plan to come into compliance. During the implementation of the time-bound action plans, the GEF Agency will continue to be eligible to put forward project proposals. If the Agency fails to implement its time-bound action plan adequately, the Council may determine that the Agency is ineligible for further GEF funding until it determines otherwise.

## **VII. Role of GEF Conflict Resolution Commissioner**

11. Potentially affected parties may bring disputes and complaints about GEF projects directly to the Conflict Resolution Commissioner at the GEF Secretariat. The Commissioner will work directly with the complainant, the GEF Partner Agency, and recipient country concerned to help address complaints and resolve disputes and other issues of importance to GEF operations. The GEF website will include contact information and procedures for the GEF Conflict Resolution Commissioner.

12. GEF Partner Agencies will report annually, as part of their submissions for the Annual Monitoring Review (AMR), on cases that have been reported to their respective resolution systems and how they are being addressed.

## VIII. Revision of the Policy

13. The GEF understands that mainstreaming environmental and social safeguard standards is a long-term undertaking, which will require the updating of policies as practice and approaches evolve. In November 2013, the Council requested that the GEF Evaluation Office begin an assessment of this Policy after the conclusion of the Pilot on Accrediting GEF Project Agencies. The Secretariat will propose a revised Policy for Council consideration taking into account the findings of this evaluation and any guidance from the Council<sup>9</sup>.

## IX. Related Documents and References

[GEF Policy on Minimum Fiduciary Standards \(GA/PL/02\)](#)

[Application of Policy on Agency Minimum Standards on Environmental and Social Safeguards \(SD/GN/03\)](#)

GEF Council Document, [GEF/C.41/10/Rev.01, GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards](#) (November 18, 2011)

[World Bank Operational Policy 4.00: Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank Supported Projects](#)

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<sup>9</sup> See Summary of the Chairs, 45<sup>th</sup> Council Meeting, November 5-7, 2013, dated November 7, 2013, paragraph 26.

## GEF Minimum Environmental and Social Safeguard Standards

### *Minimum Standard 1: Environmental and Social Impact Assessment*

#### Criteria

1. Established Agency Systems<sup>10</sup> ensure that the Agency conducts Environmental and Social Impact Assessments of proposed projects to help ensure their environmental and social soundness and sustainability;

#### Minimum Requirements

- 1.1. The Agency uses a screening process for each proposed project, as early as possible, to determine the appropriate extent and type of environmental and social impact assessment<sup>11</sup> required of the project so that appropriate studies are undertaken proportional to potential risks and to direct, and, as relevant, indirect, cumulative, and associated impacts. The Agency also uses strategic, sectoral or regional environmental assessment, when appropriate.
- 1.2. Assesses potential impacts of the proposed project to physical, biological, socioeconomic, cultural, and physical cultural resources, including transboundary concerns, and potential impacts on human health and safety;
- 1.3. Assesses the adequacy of the applicable legal and institutional framework, including applicable international environmental agreements, and confirm that project activities that will contravene such international obligations are not financed;
- 1.4. Feasible investment, technical, and siting alternatives, including the “no action” alternative, are assessed, as well as potential impacts, feasibility of mitigating these impacts, their capital and recurrent costs, their suitability under local conditions, and the institutional, training and monitoring requirements associated with them;
- 1.5. Agency policy requires executors of projects receiving GEF funds to place a priority on the prevention of harmful social and environmental impacts. And where not possible to prevent such impacts, project executors are required to at least minimize, or compensate adverse project impacts and enhance positive impacts through environmental planning and management that includes the proposed mitigation measures, monitoring, institutional capacity development and training measures, an implementation schedule, and cost estimates;
- 1.6. Involve stakeholders, including project-affected groups, indigenous peoples, and local CSOs, as early as possible, in the preparation process and ensure that their views and concerns are made known to decision makers and taken into account. Continue consultations throughout project implementation as necessary to address environmental and social impact assessment-related issues that affect them;

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<sup>10</sup> See Annex I.

<sup>11</sup> See Annex I.

- 1.7. Use independent expertise in the preparation of environmental and social impact assessments, where appropriate. Use independent advisory panels during preparation and implementation of projects that are highly risky or contentious or that involve serious and multi-dimensional environmental and/or social concerns;
- 1.8. Provide for application of the minimum requirements to subprojects under investment and financial intermediary activities;
- 1.9. Disclose draft environmental and social impact assessments in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

## *Minimum Standard 2: Protection of Natural Habitats*

### Criteria

2. Established policies, procedures, and guidelines require the Agency to ensure that environmentally sustainable development is promoted by supporting the sustainable management, the protection, conservation, maintenance, and rehabilitation of natural habitats and their associated biodiversity and ecosystem functions;

### Minimum Requirements

- 2.1. Use a precautionary and ecosystem approach to natural resource conservation and management to ensure opportunities for environmentally sustainable development. Determine if project benefits substantially outweigh potential environmental costs;
- 2.2. Give preference to siting physical infrastructure investments on lands where natural habitats have already been converted to other land uses;
- 2.3. Avoid significant conversion or degradation of critical natural habitats, including those habitats that are:
  - a) Legally protected,
  - b) Officially proposed for protection,
  - c) Identified by authoritative sources for their high conservation value, or
  - d) Recognized as protected by traditional local communities.
- 2.4. Where projects adversely affect non-critical natural habitats, proceed only if viable alternatives are not available, and if appropriate conservation and mitigation measures,<sup>12</sup> including those required to maintain ecological services they provide, are in place. Include also mitigation measures that minimize habitat loss and establish and maintain an ecologically similar protected area.
- 2.5. Screen as early as possible for potential impacts on health and quality of important ecosystems including forests, and on the rights and welfare of the people who depend on them.
- 2.6. Do not finance projects that will involve significant conversion or degradation of critical natural habitats, including forests, or that will contravene applicable international environmental agreements.

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<sup>12</sup> These are measures that remove or reduce adverse impacts on natural habitats or their functions, keeping such impacts within socially defined limits of acceptable environmental change. Specific measures depend on the ecological characteristics of the given site. They may include full site protection through project redesign; strategic habitat retention; restricted conversion or modification; reintroduction of species; mitigation measures to minimize the ecological damage; post development restoration works; restoration of degraded habitats; and establishment and maintenance of an ecologically similar protected area of suitable size and contiguity. Such measures should always include provision for monitoring and evaluation to provide feedback on conservation outcomes and to provide guidance for developing or refining appropriate corrective actions.

- 2.7. Do not finance natural forest harvesting or plantation development that will involve conversion or degradation of critical forest areas<sup>13</sup> or related critical natural habitats.
- 2.8. Ensure that forest restoration projects maintain or enhance biodiversity and ecosystem functionality and that all plantation projects are environmentally appropriate, socially beneficial and economically viable.
- 2.9. Consult appropriate experts and key stakeholders, including local nongovernmental organizations and local communities, and involve such people in design, implementation, monitoring, and evaluation of projects, including mitigation planning.
- 2.10. Disclose draft mitigation plan in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders, including project affected groups and CSOs, in a form and language understandable to them.

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<sup>13</sup> Critical forest areas are those forest areas that qualify as critical natural habitats as defined under this policy. Critical forest areas are the subset of natural forest lands that cover: (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of the IUCN classifications as noted in Annex I of this policy), areas initially recognized as protected by traditional local communities, and sites that maintain conditions vital for the viability of these protected areas (as determined by the environmental assessment process); or (ii) sites identified on supplementary lists prepared by authoritative sources. Such sites may include areas recognized by traditional local communities, areas with known high suitability for biodiversity conservation, and sites that are critical for rare, vulnerable, migratory, or endangered species. (Rare, vulnerable, endangered species or similarly threatened species are those indicated in the IUCN Red List of Threatened Animals, BirdLife World List of Threatened Birds, IUCN Red List of Threatened Plants, or other credible international or national lists. Identified sites also include those based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes.)

### ***Minimum Standard 3: Involuntary Resettlement***

#### Criteria

3. Established policies, procedures, and guidelines require the Agency to ensure that involuntary resettlement is avoided or minimized. Where this is not feasible, the Agency is required to ensure displaced persons are assisted in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher;

#### Minimum Requirements

- 3.1. Agency policies require it to assess all viable alternative project designs to avoid, where feasible, or minimize involuntary resettlement;
- 3.2. Through census and socio-economic surveys of the affected population, the Agency identifies, assesses, and addresses the 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;
- 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.
- 3.4. For projects that involve the involuntary restriction of access to legally designated parks and protected areas, policies require the Agency to design, document and disclose before appraisal a participatory process for: (a) preparing and implementing project components; (b) establishing eligibility criteria; (c) agreeing on mitigation measures<sup>14</sup> that help improve or restore livelihoods in a manner that maintains the sustainability of the park or protected area; (d) resolving conflicts; and (e) monitoring implementation.
- 3.5. If resettlement is required, provide persons to be resettled with opportunities to participate in the planning, implementation, and monitoring of the resettlement program, especially in the process of developing and implementing the procedures for determining eligibility for compensation benefits and development assistance (as documented in a resettlement plan), and for establishing appropriate and accessible grievance mechanisms. Pay particular attention to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation;

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<sup>14</sup> "Mitigation Measures" include, as appropriate, minimizing habitat loss (e.g., strategic habitat retention and post-development restoration) and establishing and maintaining an ecologically similar protected area. The GEF accepts other forms of mitigation measures only when they are technically justified.

- 3.6. Inform persons to be resettled of their rights, consult them on options, and provide them with technically and economically feasible resettlement alternatives and assistance. For example (a) prompt compensation at full replacement cost for loss of assets attributable to the project; (b) if there is relocation, assistance during relocation, and residential housing, or housing sites, or agricultural sites of equivalent productive potential, as required; (c) transitional support and development assistance, such as land preparation, credit facilities, training or job opportunities as required, in addition to compensation measures; (d) cash compensation of land when impact of land acquisitions on livelihoods is minor; (e) provision of civic infrastructure and community services; and (f) give preference to land-based resettlement strategies for persons whose livelihoods are land-based;
- 3.7. For those without formal legal rights to lands or claims to such land that could be recognized under the laws of the country, provide resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods;
- 3.8. Disclose draft resettlement plans and/or plans to address involuntary restriction on access to protected areas, including documentation of the consultation process, in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them. Apply these minimum requirements described in the involuntary resettlement section, as applicable and relevant, to subprojects requiring land acquisition.
- 3.9. Implement all relevant resettlement plans before project completion and provide resettlement entitlements before displacement or restriction of access. For projects involving restriction of access, impose the restrictions in accordance with the timetable in the plan of actions.
- 3.10. Upon completion of the project, the Agency assesses whether the objectives of the project resettlement plan have been achieved, taking into account the baseline conditions and the results of resettlement monitoring.

#### Guidance for Applicability/Inapplicability

- 3.11. This safeguard will be applicable to any Agency that implements (a) investment projects as part of its regular operations, and (b) projects concerning the creation or expansion of protected areas. The minimum requirements relating to physical relocation of people (i.e. in paragraphs 3.5, 3.6, 3.7, 3.8, and 3.10) will not apply to those agencies that have policies prohibiting them from supporting the physical relocation of people.

## *Minimum Standard 4: Indigenous Peoples*

### Criteria

4. Established policies, procedures, and guidelines require the Agency to ensure that projects are designed and implemented in such a way that fosters full respect for Indigenous Peoples' and their members' dignity, human rights, and cultural uniqueness so that they (a) receive culturally appropriate social and economic benefits; and (b) do not suffer adverse effects during the development process.

### Minimum Requirements

- 4.1. Screen early for the presence of Indigenous Peoples in the project area, who are identified through criteria that reflect their social and cultural distinctiveness. Such criteria may include: self-identification and identification by others as Indigenous Peoples, collective attachment to land, presence of customary institutions, indigenous language, and primarily subsistence-oriented production.
- 4.2. Undertake free, prior, and informed consultations with affected Indigenous Peoples to ascertain their broad community support<sup>15</sup> for projects affecting them and to solicit their full and effective participation in designing, implementing, and monitoring measures to (a) ensure a positive engagement in the project (b) avoid adverse impacts, or when avoidance is not feasible, minimize, mitigate, or compensate for such effects; and (c) tailor benefits in a culturally appropriate way.
- 4.3. Undertake the environmental and social impact assessment, with involvement of Indigenous Peoples, to assess potential impacts and risks when a project may have adverse impacts. Identify measures to avoid, minimize and/or mitigate adverse impacts.
- 4.4. Provide socioeconomic benefits in ways that are culturally appropriate, and gender and generationally inclusive. Full consideration should be given to options preferred by the affected Indigenous Peoples for provision of benefits and mitigation measures.
- 4.5. Make provisions in plans, where appropriate, to support activities to establish legal recognition of customary or traditional land tenure and management systems and collective rights used by project affected Indigenous Peoples.
- 4.6. Where restriction of access of Indigenous Peoples to parks and protected areas is not avoidable, ensure that affected Indigenous Peoples fully and effectively participate in the design, implementation, monitoring and evaluation of management plans for such parks, protected areas, and species and share equitably in benefits from the parks and protected areas.
- 4.7. Refrain from utilizing the cultural resources or knowledge of Indigenous Peoples without obtaining their prior agreement to such use.

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<sup>15</sup> This refers to a culturally appropriate and collective decision-making process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of projects. It does not constitute a veto right for individuals or groups.

- 4.8. For those projects where the environmental and social impact assessment identifies adverse effects on Indigenous Peoples, Agency policies require that the project develop an Indigenous Peoples plan or a framework that (a) specifies measures to ensure that affected Indigenous Peoples receive culturally appropriate benefits, (b) identifies measures to avoid, minimize, mitigate or compensate for any adverse effects, (c) includes measures for continued consultation during project implementation, grievance procedures, and monitoring and evaluation arrangements, and (d) specifies a budget and financing plan for implementing the planned measures. Such plans should draw on indigenous knowledge and be developed in with the full and effective participation of affected Indigenous Peoples.
- 4.9. Disclose documentation of the consultation process and the required Indigenous Peoples plan or framework, in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders, including project affected groups and CSOs, in a form and language understandable to them.
- 4.10. Monitor, by experienced social scientists, the implementation of the project (and any required Indigenous Peoples plan or framework) and its benefits as well as challenging or negative impacts on Indigenous Peoples and address possible mitigation measures in a participatory manner.

#### Guidance for Applicability/Inapplicability

- 4.11. Any Agency that desires to implement projects with activities in regions inhabited by Indigenous Peoples would need to meet this standard. The GEF Council or Accreditation Panel will only find this policy inapplicable if the Agency has not and most likely will not implement projects with activities in regions inhabited by Indigenous Peoples.

## *Minimum Standard 5: Pest Management*

### Criteria

5. Established policies, procedures, and guidelines require the Agency to ensure that the environmental and health risks associated with pesticide use are minimized and managed, and that safe, effective, and environmentally sound pest management is promoted and supported.

### Minimum Requirements

- 5.1. Promote the use of demand driven, ecologically-based biological or environmental pest management practices (referred to as Integrated Pest Management [IPM] in agricultural projects and Integrated Vector Management [IVM] in public health projects) and reduce reliance on synthetic chemical pesticides. Include assessment of pest management issues, impacts and risks in the EA process.
- 5.2. The Agency requires that, in the context of projects that it supports, pesticides are procured contingent on an assessment of the nature and degree of associated risks, taking into account the proposed use and intended users. The Agency also does not allow the procurement or use of formulated products that are in World Health Organization (WHO) Classes IA and IB, or formulations of products in Class II unless there are restrictions that are likely to deny use or access to lay personnel and others without training or proper equipment<sup>16</sup>.
- 5.3. The Agency also does not allow the procurement or use in its projects pesticides and other chemicals specified as persistent organic pollutants identified under the Stockholm Convention.
- 5.4. Follow the recommendations and minimum standards as described in the United Nations Food and Agriculture Organization (FAO) International Code of Conduct on the Distribution and Use of Pesticides (Rome, 2003) and its associated technical guidelines and procure only pesticides, along with suitable protective and application equipment that will permit pest management actions to be carried out with well defined and minimal risk to health, environment and livelihoods.
- 5.5. Support policy reform and institutional capacity development to (a) enhance implementation of IPM- and IVM-based pest management, and (b) regulate and monitor the distribution and use of pesticides.
- 5.6. Disclose draft mitigation plans in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

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<sup>16</sup> Reference: WHO's "Recommended Classification of Pesticides by Hazard and Guidelines to Classification" (IOMC, 2000-2002).

### Guidance on Applicability/Inapplicability

- 5.7. Any Agency that implements projects in the areas of sustainable land management (including sustainable forest management), agricultural production and pest management, or public health vector control will need to meet this standard. Agencies for which this safeguard is found inapplicable will not be permitted to implement projects in these areas.

## ***Minimum Standard 6: Physical Cultural Resources***<sup>17</sup>

### Criteria

6. Established policies, procedures, and guidelines require the Agency to ensure that physical cultural resources (PCR) are appropriately preserved and their destruction or damage is appropriately avoided. PCR includes archaeological, paleontological, historical, architectural, and sacred sites including graveyards, burial sites, and unique natural values. The impacts on physical cultural resources resulting from project activities, including mitigating measures, may not contravene either the recipient country's national legislation or its obligations under relevant international environmental treaties and agreements.<sup>18</sup>

### Minimum Requirements

- 6.1. Analyze feasible project alternatives to prevent or minimize or compensate for adverse impacts and enhance positive impacts on PCR, through site selection and design.
- 6.2. If possible, avoid financing projects that could significantly damage PCR. As appropriate, conduct field-based surveys using qualified specialists to evaluate PCR.
- 6.3. Consult local people and other relevant stakeholders in documenting the presence and significance of PCR, assessing the nature and extent of potential impacts on these resources, and designing and implementing mitigation plans.
- 6.4. Provide for the use of "chance find" procedures that include a pre-approved management and conservation approach for materials that may be discovered during project implementation.
- 6.5. Disclose draft mitigation plans, in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

### Guidance on Applicability/Inapplicability

- 6.6. Any Agency that desires to implement investment projects would need to meet this standard.

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<sup>17</sup> Also known as "cultural heritage," cultural patrimony, "cultural assets," or "cultural property." PCR includes archaeological, paleontological, historical, architectural, and sacred sites including graveyards, burial sites, and unique natural values.

<sup>18</sup> This includes the Convention concerning the Protection of the World Cultural and Natural Heritage.

## ***Minimum Standard 7: Safety of Dams***

### Criteria

7. Agency systems require the Agency to ensure quality and safety in the design and construction of new dams, and the rehabilitation of existing dams, on a scale that is appropriate to the Agency's mission. In addition, the Agency undertakes appropriate measures to ensure the quality and safety in the performance of existing dams on which the project may have an impact or that may affect the outcome of the project.

### Minimum Requirements

- 7.1. Use experienced and competent professionals to design and supervise the construction, operation, and maintenance of dams and associated works.
- 7.2. Develop plans, including for construction supervision, instrumentation, operation and maintenance and emergency preparedness.
- 7.3. Use independent advice on the verification of design, construction, and operational procedures.
- 7.4. Use contractors that are qualified and experienced to undertake planned construction activities.
- 7.5. Carry out periodic safety inspections of new/rehabilitated dams after completion of construction/rehabilitation, review/monitor implementation of detailed plans and take appropriate action as needed.
- 7.6. Disclose draft plans, in a timely manner, before appraisal formally begins, in a place accessible to key stakeholders, including project affected groups and CSOs, in a form and language understandable to them.

### Guidance on Applicability/Inapplicability

- 7.7. This safeguard will apply to those agencies that wish to implement investment projects regarding water management infrastructure, including adaptation projects. Any Agency that desires to implement projects that (a) design and construct new dams, (b) rehabilitate existing dams, or (c) finance agriculture or water resource management infrastructure projects that are highly dependent on the performance of dams or that potentially affect their performance would need to meet this standard. It is inapplicable to other Agencies.

## *Minimum Standard 8: Accountability and Grievance Systems*

### Criteria

- 8(a). GEF Partner Agencies shall have accountability systems or measures that are designed to ensure enforcement of its environmental and social safeguard policies and related systems.
- 8(b). GEF Partner Agencies shall also have systems or measures for the receipt of and timely response to complaints from parties affected by the implementation of the Partner Agencies' projects and which seek resolution of such complaints. Such systems are not intended to substitute for the country-level dispute resolution and redress mechanisms.

### Minimum Requirements

- 8.1. GEF Partner Agencies' accountability systems shall be:
  - a. Designed to address potential breaches of a GEF Partner Agency's policies and procedures;
  - b. Independent, transparent, and effective;
  - c. Accessible to project-affected people;
  - d. Required to keep complainants abreast of progress with cases brought forward; and
  - e. Required to maintain records on all cases and issues brought forward for review.
- 8.2. With regard to systems for the receipt and response to complaints, GEF Partner Agencies shall:
  - a. Designate staff or a division that is available to receive and respond to complaints related to the implementation of its projects.
  - b. Work proactively with the complainant and other parties to resolve the complaints or disputes determined to have standing.
  - c. Maintain records on all cases and issues brought forward, with due regard for confidentiality of information.
  - d. Publicly designate the contact information for the staff and/or division responsible for receiving and responding to complaints. This information should preferably be designated both on the Agency's website and on separate websites, if established, for specific projects. For individual projects, this information should be provided in local languages.
  - e. Inform project stakeholders of the existence of the Agency's Accountability and Grievance Systems during consultations and inform stakeholders how they may file complaints, including provision of contact information for the responsible staff or division.