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Agenda Item 15

GEF POLICIES ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND GENDER MAINSTREAMING

Recommended Council Decision

The Council, having reviewed document GEF/C.40/10, *GEF Policies on Environmental and Social Safeguards and Gender Mainstreaming*, approves of the Policy on Environmental and Social Safeguards included in Annex I, as well as provisions for the application of the policy to the existing GEF Agencies and GEF Project Agencies contained in the document. The Council asks the Secretariat to reference this policy in relevant sections of the GEF Fiduciary Standards when they are updated in the future.

The Council approves the Policy on Gender Mainstreaming included in Annex II, as well as provisions for the application of the policy to GEF Partner Agencies as described in the document.

The Council directs the Secretariat to ensure that the GEF Accreditation Panel includes an individual with extensive experience with and knowledge of environmental and social safeguards and gender mainstreaming so that the panel has adequate capacity to assess whether GEF Project Agency applicants meet the criteria contained in the two policies.

The Council requests the Secretariat to recruit consultants having significant experience with and knowledge of environmental and social safeguards and gender mainstreaming to assess whether the existing GEF Agencies meet the applicable criteria in the two policies.

EXECUTIVE SUMMARY

1. This document proposes the adoption of two related policies by the GEF Council: a GEF Policy on Environmental and Social Safeguards (referred to hereafter as “the safeguards policy”) and a GEF Policy on Gender Mainstreaming. Both policies respond to Council discussions of the reform to broaden the GEF partnership, and the November 2010 Council decision that agencies that apply for accreditation as GEF Project Agencies “shall be required to meet the environmental and social safeguards criteria, as will be presented for approval by the Council in spring 2011.” During discussions on this issue, several Council members recommended that the GEF develop a policy on gender issues. This paper aims to outline these two policies and show how they would be applied to the ten existing GEF Agencies and to the accreditation of new GEF Project Agencies”.¹

2. The main objective of the safeguards policy is to prevent and mitigate any unintended negative impacts to people and the environment that might arise through GEF operations. The main objective of the gender mainstreaming policy is to further the goal of gender equity in the context of GEF operations

3. The mandate of the GEF is to finance the incremental costs of projects related to the provision of global environmental benefits. Through the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), the GEF finances the additional costs of recipient country efforts to adapt to the negative impact of climate change. As such, “doing good” is the GEF’s focus. The GEF has not, however, had a set of clear policies to prevent or mitigate any unintended negative impacts to people and the environment that might arise through GEF operations. This is the objective of the GEF Policy on Environmental Social Safeguards. Given new changes and approaches to gender mainstreaming, is appropriate that the GEF renew and expand its commitment towards gender equity through a policy on gender mainstreaming.

4. The Secretariat used the approach and criteria contained in the World Bank's *Operational Policy 4.00: Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank Supported Projects* as a point of departure in crafting the proposed safeguards policy. It made amendments based on inputs and advice from the GEF Secretariat, the GEF Agencies, the GEF Subcommittee on Broadening the GEF Partnership, and members of the GEF NGO Network. Both policies build upon the GEF's existing Public Participation Policy.

5. The safeguards policy includes criteria on the following seven safeguard standards: (1) Environmental Assessment; (2) Natural Habitats; (3) Involuntary Resettlement; (4) Indigenous Peoples; (5) Pest Management; (6) Physical Cultural Resources; and (7) Safety of Dams. The GEF Policy on Gender Mainstreaming includes policy provisions that will apply to both the GEF Secretariat and the GEF Agencies.

¹ Council approved document GEF/C.39/8/Rev.2 defines a “GEF Project Agency” as an agency that has been accredited under Paragraph 28 of the GEF Instrument to receive GEF resources directly to implement and execute GEF-financed projects, apart from the ten existing “GEF Agencies.” The term “GEF Partner Agencies” will be used to refer collectively to all “GEF Agencies” and “GEF Project Agencies.”

6. In order to be accredited as a GEF Partner Agency, applicants will generally need to demonstrate to the GEF Accreditation Panel that they have policies and systems that comply with the criteria of all seven safeguard standards as well as the criteria of the Policy on Gender Mainstreaming. As such, the GEF Accreditation Panel will include an expert on environmental and social safeguards and gender mainstreaming policies and their application.

7. The paper proposes that the Secretariat hire consultants with significant experience with and knowledge of environmental and social safeguards and gender issues to assess whether the existing GEF agencies meet the criteria above policies. The GEF will apply the standards in an equitable manner to all GEF Partner Agencies. However, because the criteria on safeguard standards are derived from those of the World Bank, the GEF will not assess the World Bank's compliance with the safeguards policy as this would not be cost-effective. The consultants will, however, assess the World Bank's compliance with the Policy on Gender Mainstreaming.

8. In the context of the review of the GEF Agencies, the GEF Council will have the ability to make a finding of “inapplicability” for Safeguard Standards 3 through 7 if it is found that the Agency would not reasonably need to apply such a safeguard in the context of its GEF operations, as defined by its agreed comparative advantage. Accreditation Panel would have the ability make a similar finding for agencies that apply for accreditation as a GEF Project Agency, taking into account their expected comparative advantage in the GEF. There will be no GEF Secretariat level screening of compliance with either policy by GEF Partner Agencies on a project-by-project basis.

TABLE OF CONTENTS

BACKGROUND.....	1
DESCRIPTION AND RATIONALE.....	2
OVERVIEW OF GEF POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS.....	4
OVERVIEW OF GEF POLICY ON GENDER MAINSTREAMING POLICY	5
APPLICATION OF POLICIES TO THE ACCREDITATION OF GEF PROJECT AGENCIES	6
APPLICATION TO THE TEN GEF AGENCIES	7
ANNEX I: GEF POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS	8
ANNEX II: GEF POLICY ON GENDER MAINSTREAMING.....	18

BACKGROUND

1. In November 2010, the Council reviewed a proposal for broadening the GEF Partnership, which was outlined in two documents: GEF/C.39/7/Rev.2, *Broadening of the GEF Partnership under Paragraph 28 of the GEF Instrument: Key Policy Issues* and GEF/35/8/Rev.2, *Accreditation Procedure for GEF Project Agencies*. This proposal recommended that the GEF Accreditation Panel assess whether agencies that apply to become GEF Project Agencies² have adopted and are applying adequate environmental and social safeguard policies to their projects. This recommendation was the result of the input of members of the GEF Council Subcommittee on broadening the GEF partnership (hereafter referred to as the Subcommittee). The intent is to ensure that the delivery of GEF assistance does not lead to negative environmental and social impacts.
2. The November 2010 Council documents on broadening the GEF partnership recommended that the GEF adopt a principle-based approach to assess whether GEF Project Agency applicants have adopted and were applying adequate environmental and social safeguard policies to their projects. This would require the GEF Accreditation Panel to assess whether GEF Project Agency applicants were able to meet certain criteria on environmental and social safeguards; namely, whether they have adopted relevant policies and have sufficient systems in place to ensure that the safeguard standards are applied to the design, implementation, and monitoring and evaluation of GEF projects. Document GEF/35/8/Rev.2 proposed a set of criteria (i.e. policy objectives and operational principles) that were based on those included in the World Bank's *Operational Policy (OP) 4.00: Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank Supported Projects*. The GEF's policy on environmental and social safeguards set forth in this policy is a further development along these lines.
3. The Council asked the Secretariat to present a proposal on environmental social safeguard criteria for approval at the Spring 2011 meeting. The Council also decided that any new GEF policies applied to GEF Project Agencies should be applied to the existing GEF Agencies,³ as appropriate, in order to maintain a level playing field. This paper recommends that the GEF adopt a Policy on Environmental and Social Safeguards, the draft of which is attached at Annex I. In addition, several Council members asked that the GEF develop a policy on gender in this context. For this reason, this paper recommends that the GEF also adopt a Policy on Gender Mainstreaming, the draft of which is attached at Annex II. Both policies will

² Council document, GEF/C.39/8/Rev.2 defines a "GEF Project Agency" is an agency that has been accredited (under Paragraph 28 of the GEF Instrument) to receive GEF resources directly to implement and execute GEF-financed projects, apart from the existing ten GEF Agencies.

³ As noted in document GEF/C.39/8/Rev.2, the term GEF Agency refers to the 10 institutions that were entitled to receive GEF Trust Fund resources directly as of November 2010. It includes (a) the GEF's three Implementing Agencies, as identified in the GEF Instrument: the United Nations Development Programme, the United Nations Environment Programme, and the World Bank; enshrined in and as such pursuant to the GEF Instrument; and (b) the seven agencies previously granted access to GEF resources under Paragraph 28: the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, the International Fund for Agricultural Development, and the United Nations Industrial Development Organization.

be applied to the ten existing GEF Agencies and to the accreditation of new GEF Project Agencies⁴ as described in this paper.

4. This paper should be read in conjunction with Council approved document GEF/C.39/8/Rev.2, which defines the accreditation procedure for GEF Project Agencies. The safeguard systems of GEF Project Agency applicants will be assessed during Stage 2 of the Accreditation Procedure (called the “Accreditation Panel Review”) and the panel will need to include an independent expert with extensive experience on environmental and social safeguards and gender mainstreaming and their application.

DESCRIPTION AND RATIONALE

5. The GEF was established as a financial instrument to provide resources to developing countries and countries with economies in transition to assist them in protecting and benefiting the global environment. Through its management of the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF), the GEF also provides resources to assist countries to adapt to the negative impacts of climate change, including variability. As such, “doing good” – both for the global environment and in terms of helping communities adapt to the negative impacts of climate change – is firmly established at the core of the GEF’s mission. Environmental and social safeguard procedures are an important way to minimize possible unintended negative impacts, especially for investment projects, which often invest in physical capital that can lead to such impacts. The intent of the recommended safeguards policy is to couple a “do-no-harm” approach to environmental management together with the GEF’s already existing “do good” approach. The Policy on Gender Mainstreaming will further the GEF’s “do good” approach by ensuring that each Agency that receives GEF resources is committed to gender equity has made a policy commitment to mainstream gender consideration into its operations.

6. The GEF Policy on Minimum Fiduciary Standards already requires that the GEF Agencies have environmental and social safeguard standards as part of their project appraisal processes. New GEF Project Agencies will need to meet the GEF Fiduciary Standards, but these standards do not include the degree of specificity that will enable an Accreditation Panel⁵ to assess whether an applicant’s safeguard systems are of sufficient scope and robustness to merit accreditation. For this reason, the GEF Council agreed in November 2010 that the GEF should develop a more specific set of environmental and social safeguard standards. Several Council Members recommended that the GEF also develop a policy on gender mainstreaming.

7. It is recommended that the GEF safeguards policy adopt a “principles-based” approach in setting broadly defined minimum standards that GEF Partner Agencies are required to meet, similar to the approach used by the World Bank in its Operational Policy 4.00. GEF Policy on Environmental and Social Safeguards and the GEF Policy on Gender Mainstreaming. Such an approach will enable agencies to meet the applicable criteria for each safeguard standard as long

⁴ As noted in Document GEF/C.39/8/Rev.2, the GEF will refer in this paper to the GEF Agencies and GEF Project Agencies collectively as “GEF Partner Agencies.”

⁵ Document GEF/C.39/8/Rev.2 requires that the GEF Accreditation Panel will include an independent expert on environmental and social safeguard policies and their application.

as it can demonstrate that it has relevant systems, policies, and capacity in place, regardless of the construct of the Agency's policies and safeguard system. This means, for example, that an Agency does not need to have in place a policy or set of procedures titled "natural habitats" or "safety of dams" in order to meet the relevant GEF safeguards in these areas. Rather, it will need to demonstrate that its practices under its current system can meet the criteria and minimum requirements of the proposed GEF standards. Agencies receiving GEF resources will also need to demonstrate that their environmental and social safeguard systems include mechanisms for ensuring enforcement and accountability for the application of their policies.

8. It will be important to take into account each Agency's agreed or proposed comparative advantage when assessing their compliance with the GEF safeguard standards. In June 2007, the Council agreed to a policy that categorized and described the comparative advantages of the GEF agencies and requested that the Agencies focus their involvement in GEF projects within their respective comparative advantages.⁶ The agreed description of the Agencies' comparative advantages focused on their ability to develop and manage the different types of projects with a GEF portfolio and sought to establish a clear division of labor among the Agencies. Under the GEF's approach, the assessment of each Agency's comparative advantage is made based on its institutional role and core functions, as described in its official mandate, mission statement, and policies; the Agencies' actual capacity, expertise, and experience, as reflected in its business plan and project portfolio; the agency's ability to ensure delivery and management of projects through field presence or well-established contact networks at the national regional level; and the agency's overall performance in implementing projects.

9. Comparative advantage in the GEF is defined according to both the type of intervention (i.e. investment related interventions, capacity building and technical assistance, and technical and scientific analysis) and according to the focal area of intervention (e.g. climate change, biodiversity, etc.) The GEF's 2007 policy on comparative advantage also noted that it is critical to take into account "agencies capacity to manage different types of projects," which relies not only on the Agencies' portfolio of GEF projects but also on the expertise and experience derived from preparing and implementing projects outside of the GEF. The GEF policy notes "the existence of environmental and social safeguard procedures is an important aspect, especially for investment projects. Some of the agencies have fully developed safeguard policies that are accessible to the public while others have indicated that they have internal procedures or in the process of developing explicit policies."⁷

10. The multilateral development banks that serve as GEF Agencies have in place policies on environmental and social safeguards. Recently, Agencies within the UN System have been engaged in discussions concerning the harmonization of social and environmental safeguard standards. Simultaneously, the international community has embraced efforts to strengthen recipient country institutions and systems. In this area, the World Bank and the Asian Development Bank have established policies for the use of country systems in the application of environmental and social safeguard standards, which use principles-based approaches to assess the equivalency and acceptability of country systems in this area.

⁶ See document GEF/C.31/5 *Comparative Advantages of the GEF Agencies*, May 2007.

⁷ GEF/C.31/5 *Comparative Advantages of the GEF Agencies*, paragraph 18.

11. It will be up to each GEF Partner Agency to apply its system of safeguards to the projects that it implements, whether externally or internally executed. The GEF Secretariat will not conduct a project-by-project review of the application of either the safeguards policy or the Policy on Gender Mainstreaming. If a GEF Partner Agencies' safeguards system or gender mainstreaming policies are more stringent or protective than those required by the GEF, then it is presumed that the Agency will be required by its governing body to follow its own policies when implementing GEF projects.

OVERVIEW OF GEF POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

12. The recommended GEF Policy on Environmental and Social Safeguards is attached as Annex I. As a point of departure, the GEF used the World Bank principles included in its Policy 4.00, coupled with inputs and advice from the GEF Secretariat, the GEF Council Subcommittee on Broadening the GEF Partnership, the GEF Agencies, and the GEF NGO Network. It requires that, as a condition for receipt of GEF resources for project implementation, each GEF Partner apply their own safeguard policies and systems consistent with the GEF safeguard criteria and requirements.

13. The proposed policy covers the following safeguard standards:⁸

1. Environmental Assessment;
2. Natural Habitats;
3. Involuntary Resettlement;
4. Indigenous Peoples;
5. Pest Management;
6. Physical Cultural Resources; and
7. Safety of Dams

14. The GEF Partner Agencies will generally need to demonstrate that they have policies and systems that comply with all seven safeguard standards. There are, however, considerable differences among the Agencies in terms of their comparative advantages, and this diversity will expand after the GEF begins accrediting GEF Project Agencies. It will be necessary, therefore, to apply the policy with regards to Safeguards Standards 3 through 7 with a degree of flexibility because not all agencies will implement projects that could be expected to require the application of each and every one of these five safeguard standards. For example, some GEF Partner Agencies do not, and will not, implement projects in focal areas where the application of a safeguard on pest management or safety of dams is relevant. Other Agencies will not implement projects that would require the application of the resettlement safeguard standard.

15. If a GEF Partner Agency can demonstrate that a particular safeguard standard would not apply to it because its area of work simply would never cause the safeguard to be applied, then the GEF can decide that the safeguard is "inapplicable" to that Agency. The GEF Council would then have the ability to make a determination concerning the "inapplicability" for one of the

⁸ These safeguard standards, and not others, have been included in the document because discussions with safeguard experts have emphasized the need to follow best practices. In general, WB safeguard policies are seen as best practice.

current ten GEF Agencies and the GEF Accreditation Panel would have the ability to do so for the GEF Project Agencies. This would be coupled with an understanding that the Agency would not expand its areas of work in ways that would require such safeguards to be applied.

16. Findings of “inapplicability” would only be allowed for safeguard standards 3 (Involuntary Resettlement), 4 (Indigenous Peoples), and 5 (Pest Management), 6 (Physical Cultural Resources and), and 7 (Safety of Dams), taking into account guidance on applicability listed under each standard. No exceptions for safeguard standards 1 (Environmental Assessment) and 2 (Natural Habitats) will be allowed, although the GEF Agencies will be allowed to develop time-bound action plans for coming into compliance with these safeguards (as well as the other five safeguards found to be applicable to them), during which time they will continue to be eligible to put forward project proposals.

17. The rationale for making Safeguard 1 compulsory for all GEF Partner Agencies is that the environmental assessment is the umbrella policy framework within which application of all the other safeguard standards occur. The reason for requiring compliance with Safeguard 2 in all cases is that it is in keeping with the GEF’s long-standing policy that GEF projects in one focal area do not cause harm another focal area. In this case, GEF projects in other focal areas should not harm natural habitats, which are critical to the preservation of biodiversity.

18. For those Agencies that are assessed as meeting all seven of the proposed GEF safeguard standards, this policy will not result in any restrictions on the scope of projects that they will be able to implement.⁹ Moreover, because the GEF safeguard standards are derived from a version of the World Bank's safeguard standards (e.g. contained in World Bank Operational Policy 4.00), it is understood that the World Bank already meets the standards. For this reason, the GEF will not assess the World Bank with regard to this policy as it would not be cost effective.

19. There will be no GEF Secretariat level screening of safeguards on a project-by-project basis, as this would inappropriately place the GEF Secretariat in a matter that is under the jurisdiction of the GEF Agencies. Moreover, it would needlessly complicate and delay the GEF Secretariat project review process. Since the GEF Secretariat does not have much experience in this regard, it would also be costly and inefficient to build such capacity.

OVERVIEW OF GEF POLICY ON GENDER MAINSTREAMING POLICY

20. The proposed Policy on Gender Mainstreaming aims to enhance the degree to which the GEF and its Agencies promote the goal of gender equality through GEF operations. The policy calls on the GEF and its Agencies to mainstream gender into GEF operations, including efforts to analyze and address in GEF projects the specific needs and role of both women and men, as appropriate to each intervention.

21. The Policy includes several requirements for the GEF Secretariat and GEF Partner Agencies, including the following:

⁹ Other GEF policies, such as the policy on comparative advantage, might, however limit the scope of projects that an agency can implement.

- (a) In order to be eligible to receive GEF financing for GEF projects, all GEF Partner Agencies will be required to have established either (a) policies, (b) strategies, or (c) action plans that promote gender equality;
- (b) The policies, strategies, or action plans of each GEF Partner Agency will need to satisfy the minimum criteria on gender mainstreaming that are included in the policy for the Agency's systems to be assessed as adequate;
- (c) To support the application of the gender policy, the GEF Secretariat will coordinate the development of corporate-wide guidance for use by the GEF Agencies and GEF Secretariat program managers on the inclusion of gender aspects in the design of projects and on the monitoring and evaluation of gender dimensions in the context of its projects. Such guidance will take into account that not all GEF projects involve gender aspects in equal measure, depending on the focal area and scope of the project.¹⁰
- (d) The GEF Agencies shall incorporate such guidance into their project and program proposals submitted to the Secretariat for review.

APPLICATION OF POLICIES TO THE ACCREDITATION OF GEF PROJECT AGENCIES

22. The GEF Accreditation Panel will include an expert on environmental and social safeguards and gender mainstreaming policies and their application. The GEF Accreditation Panel will assess whether each applicant has the policies and systems in place to ensure that the applicant is able to meet the criteria contained in both policies and apply the relevant safeguards and measures to their GEF projects.

23. If the GEF Accreditation Panel determines that an applicant can effectively apply the criteria to its projects for a given safeguard standard, it will be assessed as complying with that standard. As a bare minimum, an applicant will need to demonstrate that it can effectively apply the criteria to its projects for Safeguard Standards 1 (Environmental Assessment) and 2 (Natural Habitats) to be accredited as a GEF Project Agency. The GEF Accreditation Panel will generally require that applicants comply with the other Safeguards to be accredited but may find that the following Safeguards Standards are not applicable given the Agency's expected comparative advantage within the GEF: Safeguard Standards 3 (Involuntary Resettlement), 4 (Indigenous Peoples), 5 (Pest Management), 6 (Physical Cultural Resources) and 7 (Safety of Dams), but only in accordance with the guidance for granting such exceptions listed under each Standard.

24. The GEF Accreditation Panel will require that all applicants demonstrate compliance with the Policy on Gender Mainstreaming in order to be accredited as a GEF Project Agency.

¹⁰ For example, gender integration is essential for some areas, such as livelihoods and sustainable forest management, in SLM or biodiversity, while for other areas gender inclusion is less apparent, such as industrial chiller replacement, and POPs production phase-out. Guidance should reflect this and will focus on gender analysis for a specific project to determine adequate measures.

APPLICATION OF POLICIES TO THE TEN GEF AGENCIES

25. The Secretariat will need to hire consultants with significant expertise in the area of environmental and social safeguard standards to assess whether each of the existing ten GEF Agencies complies with the GEF Policy on Environmental and Social Safeguards and the Policy on Gender Mainstreaming. The assessment will be implemented in a transparent way; Terms of References of these consultancies and the assessment process in general will be discussed with the GEF Agencies. The consultant will consolidate the results of this assessment in a report to the Secretariat, which will clearly indicate those areas in which the Agency meets the relevant criteria (e.g. on the different safeguards and the gender mainstreaming policy) and where the Agency does not. The Secretariat shall convey this report to the Council together with a Council paper containing recommendations.

26. In cases where an Agency does not meet a safeguard standard, the consultants will collaborate with the GEF Agency to develop a time-bound action plan for coming into compliance with the relevant standard. This process should follow a participatory process between the consultants and the GEF Agency. Agencies will continue to be able to seek GEF financing while they are implementing their time-bound action plans. After consulting with the GEF Agency and the consultants, the GEF Secretariat may also recommend that certain of safeguard standards 3, 4, 5, 6, and 7 be found inapplicable to particular Agencies given their agreed comparative advantage within the GEF. The GEF Secretariat and Agencies will collaborate so that the report, associated recommendations, and time-bound action plans can be presented to the Council at its spring 2012 meeting.

27. As noted above, the World Bank will not be assessed according to the safeguards policy, but it will be assessed according to the Policy on Gender Mainstreaming. The GEF will apply the policies in an equitable manner in which GEF Partner Agencies are treated fairly.

ANNEX I: GEF POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Introduction

1. Since its inception, the GEF has been dedicated to protecting the global environment, and as such, working towards a broader understanding of sustainability. Through its management of the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), the GEF also supports countries in adapting to the negative impacts of climate change. A key principle for the GEF has been that the implementation of projects to achieve a global environmental benefit in one focal area, including climate change adaptation, should not lead to negative environmental or socioeconomic impacts in other focal areas. The GEF Policy on Fiduciary Standards requires that the project appraisal processes of the GEF Agencies include environmental and social safeguards measures as a means to deliver on this principle, but greater specificity is needed in terms of what these safeguards shall include. The following policy specifies the criteria for environmental and social safeguard standards that all GEF Partner Agencies¹¹ will need to meet in order to implement GEF-financed projects.¹²
2. The objective of the present policies is to prevent and mitigate undue harm to people and the environment through GEF operations. The policies provide minimum requirements that GEF Partner Agencies need to meet in terms of the safeguard standards that will need to be applied in the identification, preparation, and implementation of GEF programs and projects. This policy will apply equally to the existing ten GEF Agencies as well as to the accredited GEF Project Agencies, which will need to demonstrate that they have adequate policies and systems to comply with all seven safeguard standards to implement GEF projects. Agencies receiving GEF resources will also need to demonstrate that their environmental and social safeguard systems include mechanisms for ensuring enforcement and accountability for the application of their policies.
3. All GEF Partner Agencies will be expected to meet the criteria for Safeguard Standards 1 (Environmental Assessment) and 2 (Natural Habitats). GEF Partner Agencies will also be expected to meet Safeguard 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 Safeguard 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

¹¹ The term “GEF Partner Agency” includes the ten GEF Agencies and any GEF Project Agencies accredited to implement GEF projects. The ten GEF Agencies are those agencies that were entitled to receive GEF resources directly as of November 2010. It includes (a) the GEF’s three Implementing Agencies, as identified in the GEF Instrument: the United Nations Development Programme, the United Nations Environment Programme, and the World Bank; and (b) the seven agencies previously granted access to GEF resources under Paragraph 28: the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Food and Agriculture Organization of the United Nations, the Inter-American Development Bank, the International Fund for Agricultural Development, and the United Nations Industrial Development Organization.

¹² This includes projects provided with resources provided out of any of the GEF managed trust funds, including the GEF Trust Fund, the LDCF, and the SCCF.

GEF. Such findings will be made in accordance with the guidance on applicability/inapplicability listed under each Standard.

4. If one of the ten 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 and. During the implementation of the time-bound action plans, the ten GEF Agencies will continue to be eligible to put forward project proposals.

5. The GEF understands that mainstreaming environmental and social safeguard standards is a long-term undertaking, which includes necessitates updating of policies as practice and approaches evolve. Taking into account such evolution and the harmonization of environmental and social safeguards at the international level, the GEF will review this Policy in 2015.

GEF Safeguard Standards

Environmental Assessment

Criteria:

6. Established policies (including relevant laws and regulations) require the Agency to ensure environmental assessments of the potential impacts of proposed projects are conducted in a manner that helps to ensure their environmental and social soundness and sustainability;

7. The Agency's system and processes for environmental assessment satisfy the minimum requirements listed below;

8. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

9. The Agency uses a screening process for each proposed project, as early as possible, to determine the appropriate extent and type of environmental assessment (EA) 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;

10. Assesses potential impacts of the proposed project to physical, biological, socioeconomic and physical cultural resources, including transboundary and global concerns, and potential impacts on human health and safety;

11. 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;

12. 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;
13. Agency policy requires executors of projects receiving GEF funds to place a priority on prevention. And where not possible to prevent, 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;
14. Involve stakeholders, including project-affected groups (e.g. indigenous peoples) and local nongovernmental organizations (NGOs), 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 EA-related issues that affect them;
15. Use independent expertise in the preparation of EA 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;
16. Provide for application of the minimum requirements to subprojects under investment and financial intermediary activities;
17. Disclose draft EA in a timely manner, before appraisal formally begins, in a place and accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

Natural Habitats

Criteria:

18. Established policies (including relevant laws and regulations) 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 functions;
19. The Agency’s systems, policies, and procedures satisfy the minimum requirements below;
20. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

21. Use a precautionary approach to natural resources management to ensure opportunities for environmentally sustainable development. Determine if project benefits substantially outweigh potential environmental costs;
22. Give preference to siting physical infrastructure investments on lands where natural habitats have already been converted to other land uses;
23. 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.
24. Where projects adversely affect non-critical natural habitats, proceed only if viable alternatives are not available, and if appropriate conservation and mitigation measures, 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.
25. 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. As appropriate, evaluate the prospects for new markets and marketing arrangements.
26. 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.
27. Do not finance natural forest harvesting or plantation development that will involve conversion or degradation of critical forest areas¹³ or related critical natural habitats.
28. 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.
29. 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.
30. Disclose draft mitigation plan in a timely manner, before appraisal formally begins, in a place and accessible to key stakeholders, including project affected groups and Civil Society Organization (CSOs), in a form and language understandable to them.

¹³ WB OP 4.36 Forest Annex A

Involuntary Resettlement

Criteria

31. Established policies (including relevant laws and regulations) 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;
32. The Agency's systems, policies, and procedures satisfy the minimum requirements below;
33. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

34. Assess all viable alternative project designs to avoid, where feasible, or minimize involuntary resettlement;
35. Through census and socio-economic surveys of the affected population, identify, assess, and address 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;
36. Identify and address 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;
37. Consult project-affected persons, host communities and local CSOs, as appropriate.
38. If resettlement is required, provide them 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;

39. Inform displaced persons 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; Give preference to land-based resettlement strategies for persons whose livelihoods are land-based;

40. 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;

41. Disclose draft resettlement plans, including documentation of the consultation process, in a timely manner, before appraisal formally begins, in a place and 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.

Guidance for Applicability/Inapplicability

42. This safeguard will be applicable to any Agency that wishes to implement (a) investment projects or (b) projects concerning the creation or expansion of protected areas.

Indigenous Peoples

Criteria

43. Established policies (including relevant laws and regulations) require the Agency to ensure projects are designed and implemented in such a way that Indigenous Peoples (a) receive culturally compatible social and economic benefits; and (b) do not suffer adverse effects during the development process; and that (c) fosters full respect for their dignity, human rights, and cultural uniqueness.

44. The Agency's systems, policies, and procedures satisfy the minimum requirements below.

45. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

46. Screen early for the presence of Indigenous Peoples in the project area, who are identified through criteria that reflect their social and cultural distinctiveness (self-identification and

identification by others as Indigenous Peoples, collective attachment to land, presence of customary institutions, indigenous language, and primarily subsistence-oriented production).

47. Undertake free, prior, and informed consultations with affected Indigenous Peoples to solicit informed participation in designing, implementing, and monitoring measures to (a) avoid adverse impacts, or when avoidance is not feasible, minimize, mitigate, or compensate for such effects; and (b) tailor benefits in a culturally appropriate way.

48. Undertake social assessment to assess potential impacts and risks when a project may have adverse impacts. Identify measures to avoid, minimize and/or mitigate adverse impacts.

49. 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.

50. Make provisions in plans, where appropriate, to support activities to establish legal recognition of customary or traditional land tenure systems and collective rights used by project affected Indigenous Peoples.

51. Disclose documentation of the consultation process, in a timely manner, before appraisal formally begins, in a place and accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

52. Monitor, by experienced social scientists, the implementation of the project 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

53. 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.

Pest Management

Criteria

54. Established policies require the Agency to ensure the environmental and health risks associated with pesticide use are minimize and manage and that safe, effective, and environmentally sound pest management is promoted and supported.

55. The Agency's systems, policies, and procedures satisfy the minimum requirements below.

56. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

57. 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.

58. 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. 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

59. 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.

60. Disclose draft mitigation plan in a timely manner, before appraisal formally begins, in a place and accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

Guidance on Applicability/Inapplicability

61. Any Agency that implements projects in the areas of sustainable land management (including sustainable forest management) agricultural production and pest management and 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.

Physical Cultural Resources

Criteria

62. Established policies (including relevant laws and regulations) require the Agency to ensure physical cultural resources (PCR) are appropriately preserved and their destruction or damage is appropriately avoided. PCR includes archaeological, paleontological, historical, geographical, and sacred sites including graveyards, burial sites, and unique natural values.

63. The Agency's systems, policies, and procedures satisfy the minimum requirements below.

64. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

65. Analyze feasible project alternatives to prevent or minimize or compensate for adverse impacts and enhance positive impacts on PCR, through site selection and design.

66. If possible, avoid financing projects that could significantly damage PCR. As appropriate, conduct field-based surveys using qualified specialists to evaluate PCR.

67. 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.

68. 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.

69. Disclose draft mitigation plans, in a timely manner, before appraisal formally begins, in a place and accessible to key stakeholders including project affected groups and CSOs in a form and language understandable to them.

Guidance on Applicability/Inapplicability

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

Safety of Dams

Criteria

71. Established policies and procedures require the Agency to ensure quality and safety in the design and construction of new dams, and the rehabilitation of existing dams, is assured, 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.

72. The Agency's systems, policies, and procedures satisfy the minimum requirements below.

73. The Agency has sufficient institutional capability to implement the standard and apply it to GEF financed projects, including for projects that are executed by a separate entity through an agreement with the agency.

Minimum Requirements

74. Use experienced and competent professionals to design and supervise the construction, operation, and maintenance of dams and associated works.

75. Develop plans, including for construction supervision, instrumentation, operation and maintenance and emergency preparedness.

76. Use independent advice on the verification of design, construction, and operational procedures.

77. Use contractors that are qualified and experienced to undertake planned construction activities.

78. 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.

79. 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

80. 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 design and construct new dams and rehabilitates existing dams or projects financing agriculture or water resource management infrastructure, that are highly dependent on the performance of dams or that potentially affect their performance would need to meet this standard

ANNEX II: GEF POLICY ON GENDER MAINSTREAMING

Introduction

1. This policy expresses the GEF's commitment to address the link between gender equality and environmental sustainability and towards gender mainstreaming in its policies, programs, and operations. It has been developed to assist the GEF and its Agencies ensure that GEF operations promote gender equality, and equity.
2. The GEF recognizes that gender equality is an important goal in the context of the projects that it finances because it advances both the GEF's goals for attaining global environmental benefits and the goal of gender and social inclusion.
3. While the degree of relevance of gender dimensions to finance activities may vary depending on the GEF focal area or type of engagement, accounting for gender equity and equality is an important consideration when financing projects that address global environmental issues, because gender relations, roles and responsibilities exercise important influence on women and men's access to and control over environmental resources and the goods and services they provide.
4. The GEF acknowledges that project results can often be superior when gender considerations are integrated into the design and implementation of projects, where relevant. It is important, in many instances for programme and project interventions to take into account differences in ways men and women perceive incentives linked to the sustainable use of resources and how these perceptions can influence the achievement of the results specified in project objectives.

Background

5. The GEF has adopted, since its early days, a Public Involvement Policy that aims to ensure both women's and men's involvement in GEF projects.¹⁴ This policy is the key GEF policy that relates specifically to social issues, including gender, and provides the basis for public involvement in the design, implementation, and evaluation of GEF-financed projects. It applies to all GEF focal areas programs and projects; spells out the rationale, terms, and principles for public involvement; and solidifies the operational requirement for stakeholder involvement and partnership in the design, implementation, and evaluation of GEF-financed activities.
6. All GEF Agencies have their own policies and strategies on gender mainstreaming and promoting gender equality in the context of project interventions, and these apply for GEF projects as well. In recent years, following the UN's mandate on gender equality and other international agreements, many of the GEF Agencies have revised and strengthened their approach to gender issues in their operations, by developing Gender Plans of Action and gender related strategies.

¹⁴ This policy was adopted in April 1996. See Council document GEF/C.6/Inf.5, *Policy Paper on Public Involvement in GEF-Financed Projects*.

7. Given these changes and new approaches to gender mainstreaming, the GEF is renewing and expanding its commitment towards gender mainstreaming, and building on its Public Involvement Policy by adopting a new Policy on Gender Mainstreaming.

Relevance: Corporate-wide Objectives

8. The GEF Secretariat and GEF Partner Agencies shall strive to attain the goal of gender equality, the equal treatment of women and men, including the equal access to resources and services through its operations. To accomplish this goal, the GEF Secretariat and GEF Partner Agencies shall mainstream gender into its operations, including efforts to analyze systematically and address the specific needs of both women and men in GEF projects.

Application of the Policy

9. The Policy specifies the criteria for gender mainstreaming that all GEF Partner Agencies will need to meet in order to implement GEF-financed projects, separate or as part of larger policies. This policy will apply equally to the ten GEF Agencies as well as to accredited GEF Project Agencies. The Council may grant GEF Agencies a time bound waiver to enable the Agency to meet the criteria within a specific phase-in period.

10. The GEF understands that gender mainstreaming at the corporate and the project level is long-term undertaking and a sustained commitment, which includes tracking its progress. It also acknowledges that approaches to gender mainstreaming evolve. In light of this, the GEF Council will review its Policy on Gender Mainstreaming in 2015.

Criteria and Minimum Requirements for GEF Partner Agencies

Criteria:

11. Established policies (including relevant laws, regulations, strategies, or action plans) require the Agency to design and implement projects in such a way that both women and men (a) receive culturally compatible social and economic benefits; and (b) do not suffer adverse effects during the development process; and that (c) fosters full respect for their dignity and human rights;

12. The Agency's systems and policies satisfy the minimum requirements listed below;

13. The Agency has sufficient institutional capability to implement the policies and procedures and apply them to GEF financed projects.

Minimum Requirements:

14. Strengthen the institutional framework for gender mainstreaming, and socio-economic aspects in general, by having a focal point to support developing, implementing, and monitoring guidance and strategy on gender mainstreaming, in coordination GEF partners.

15. Pay increased attention to socio-economic aspects of GEF projects, including gender elements, as important drivers and incentives for achieving global environmental benefits through existing project review criteria on project design;
16. Undertake social assessment that includes gender analysis, or use similar methods to assess potential roles, benefits, impacts and risks for women and men of different ages, ethnicities, and social structure and status. These studies may be used, along with other types of studies to inform project formulation, implementation and monitoring and evaluation;
17. Identify measures to avoid, minimize and/or mitigate adverse impacts;
18. Prepare a gender mainstreaming strategy, as appropriate, using qualified professionals based on-site studies and meetings. The plan will cover gender sensitive activities while recognizing and respecting the different roles that women and men play in resource management and in society. It should be accompanied by a monitoring and evaluation plan (including gender disaggregated indicators), implementation schedule, and estimated budget;
19. Develop a system for monitoring and evaluating progress in gender mainstreaming, including the use of gender disaggregated monitoring indicators;
20. Monitor and provide necessary support by experienced social/gender experts on the implementation of gender mainstreaming in the projects.

Requirements for the GEF Secretariat

21. The GEF Secretariat will strengthen gender-mainstreaming capacities among the GEF Secretariat staff to increase their understanding of gender mainstreaming, as well as socio-economic aspects in general.
22. The GEF Secretariat shall designate a focal point for gender issues to support developing, implementing, and monitoring guidance and strategy on gender mainstreaming, and coordinating internally and externally on such issues.
23. Recognizing that each GEF Agency has a different gender policy and/or strategy, with varying application to GEF projects, the GEF Secretariat will work with its Agencies and other partners to strengthen gender mainstreaming, including, as feasible, a more systematic approach to programming that incorporates this issue.
24. The GEF Secretariat will establish and strengthen networks with partners that have substantive experience working on gender issues, and utilize their expertise to develop and implement GEF projects.