
Redress

Interim Environment and Social Safeguards of the GCF



GREEN
CLIMATE
FUND

**Meeting of the Board
18-21 May 2014
Songdo, Republic of Korea**

[extract]

DECISION B.07/02

Environmental and Social Safeguards

7. The Fund will adopt, on an interim basis, the environmental and social Performance Standards (PS) of the International Finance Corporation (IFC). These will be used by the Fund in combination with the IFC's Guidance Notes, which provide more detail on each PS, until the Fund's own environmental and social safeguards (ESS) are fully developed.

8. Once the Fund has built up a track record of experience and lessons learned, an in-depth review will be conducted, including benchmarking against recently updated regional bank standards, the updated World Bank Safeguards (anticipated), and experience in implementing the Adaptation Fund principles. This review will aim at completing the process of developing the Fund's own ESS, which will build on evolving best practices, within a period of three years after the Fund becomes operational.

9. In addition, observations from the Independent Evaluation Unit and with the independent redress mechanism will be taken into account in the development of the Fund's own ESS.

10. The interim ESS contain the requirements that, in cases where there may be environmental and/or social impacts, accredited entities must ensure are implemented by executing entities in relation to activities supported financially by the Fund.

11. The Fund ESS will be applied to all projects, as well as individual projects or activities within a programme, to be funded by the Fund.

12. The package consists of eight standards with the first one, Performance Standard 1: Assessment and Management of Environmental and Social Risks, applying to all funding proposals.

13. Performance Standard 1 establishes the importance of:

- (a) Integrated assessment to identify the environmental and social impacts, risks and opportunities of funding proposals;
- (b) Effective community engagement through the disclosure of project-related information and consultation with local communities on matters that directly affect them; and
- (c) The accredited entities' management of environmental and social performance throughout the life of the funding project or programme.

14. Performance Standards 2 through 8 establish objectives and requirements to avoid and minimize and, where residual impacts remain, compensate/offset the risks and impacts to workers, affected communities and the environment. While all relevant environmental and

social risks and potential impacts should be considered as part of the assessment, Performance Standards 2 through 8 describe potential environmental and social risks and impacts that require particular attention.

15. PS 2–8 will be utilized in a modular way as needed. Where environmental or social risks and impacts are identified, the accredited entity is required to manage them in accordance with the Fund’s ESS through the relevant executing entity(ies).

16. The IFC’s PS and Guidance Notes will also serve as the basis for the development of the Fund’s own ESS

Interim environmental and social safeguards of the Fund

I. Overview of the International Finance Corporation Performance Standards

1. The eight Performance Standards (PS) and the objectives of each are as follows:

1.1 PS1: Assessment and management of environmental and social risks and impacts

- (a) Identify funding proposal’s environmental and social risks and impacts;
- (b) Adopt mitigation hierarchy: anticipate, avoid; minimize; compensate or offset;
- (c) Improve performance through an environmental and social management system;
- (d) Engagement with affected communities or other stakeholders throughout funding proposal cycle. This includes communications and grievance mechanisms.

1.2 PS2: Labour and working conditions

- (a) Fair treatment, non-discrimination, equal opportunity;
- (b) Good worker–management relationship;
- (c) Comply with national employment and labour laws;
- (d) Protect workers, in particular those in vulnerable categories;
- (e) Promote safety and health;
- (f) Avoid use of forced labour or child labour.

1.3 PS3: Resource efficiency and pollution prevention

- (a) Avoid, minimize or reduce project-related pollution;
- (b) More sustainable use of resources, including energy and water;
- (c) Reduced project-related greenhouse gas emissions.

1.4 PS4: Community health, safety and security

- (a) To anticipate and avoid adverse impacts on the health and safety of the affected community;
- (b) To safeguard personnel and property in accordance with relevant human rights principles.

1.5 PS5: Land acquisition and involuntary resettlement

- (a) Avoid/minimize adverse social and economic impacts from land acquisition or restrictions on land use:
 - (i) Avoid/minimize displacement;
 - (ii) Provide alternative project designs;
 - (iii) Avoid forced eviction.
- (b) Improve or restore livelihoods and standards of living;
- (c) Improve living conditions among displaced persons by providing:
 - (i) Adequate housing;
 - (ii) Security of tenure.

1.6 PS6: Biodiversity conservation and sustainable management of living natural resources

- (a) Protection and conservation of biodiversity;
- (b) Maintenance of benefits from ecosystem services;
- (c) Promotion of sustainable management of living natural resources;
- (d) Integration of conservation needs and development priorities.

1.7 PS7: Indigenous peoples

- (a) Ensure full respect for indigenous peoples
 - (i) Human rights, dignity, aspirations;
 - (ii) Livelihoods;
 - (iii) Culture, knowledge, practices;
- (b) Avoid/minimize adverse impacts;
- (c) Sustainable and culturally appropriate development benefits and opportunities;
- (d) Free, prior and informed consent in certain circumstances.

1.8 PS8: Cultural heritage

- (a) Protection and preservation of cultural heritage;
- (b) Promotion of equitable sharing of cultural heritage benefits.

2. The International Finance Corporation (IFC) PS can be viewed at:

https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afd998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

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More information of the IFC's EHS guidelines can be found at:

http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ehs-guidelines