

Annex IV: Gap analysis of the Fund ESS¹ and Other Relevant Funds' Environmental and Social Safeguard Standards²

Table 1: Gap analysis of the Global Environment Facility Minimum Standards on Environmental and Social Safeguards (12 September 2013)

Key Topic/Issue	Green Climate Fund Environmental and Social Safeguards ³	GEF Minimum Environmental and Social Safeguard Standards	Key Safeguard Difference
Assessment and Management	<p>PS 1: Assessment and Management of Environmental and Social Risks and Impacts requires that entities develop a system to consistently assess and manage E&S risks and impacts. This E&S Management System (ESMS) should include:</p> <ul style="list-style-type: none"> • A policy which includes: an overarching definition of E&S objectives and requirements to ensure sound E&S performance, a commitment to comply with applicable law, a commitment to be consistent with the principles of the Performance Standards, a clear indication who will ensure conformance with the policy and be responsible for execution; • An assessment process, tailored to the scale and complexity of the project, that identifies and assesses direct and indirect E&S risks and impacts from the activity including associated facilities, cumulative impacts and trans-boundary impacts; assesses measures to avoid, or where avoidance is not possible, minimize, and where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment; • Management programmes that describe the mitigation and actions that address the identified E&S risks and impacts; • An organizational structure that includes the appropriate capacity and competency to implement the ESMS; 	<p>Minimum Standard 1: Environmental and Social Impact Assessment requires an equivalent level and scope of:</p> <ul style="list-style-type: none"> • E&S impact assessment, including direct, indirect, cumulative and associated impacts; assessment of measures to avoid adverse impacts, and if avoidance is not feasible then, minimize, mitigate and offset impacts; • Management of mitigation measures,; • Monitoring of impacts and mitigation; • Institutional capacity development and training, an implementation schedule, and costs; • A stakeholder engagement process, including disclosure of information. • The GEF Policy requires demonstration that Partner Agency has relevant policies and systems 	<p>Accreditation Gaps at the institutional ESMS level include:</p> <ul style="list-style-type: none"> • Developing a policy which provides an overarching definition of E&S objectives and requirements to ensure sound E&S performance, a commitment to comply with applicable law, a commitment to be consistent with the principles of the Performance Standards, a clear indication who will ensure conformance with the policy and be responsible for execution; • Developing and implementing an external communications system at an institutional level, not just at the project level. <p>Gaps at the specific projects/programmes level</p>

¹ The Fund's ESS is utilizing the IFC Performance Standards (PS), 2012, until specific Fund standards are developed.

² This table identifies the key differences but does not identify every difference between the Fund's Environmental and Social Safeguards and the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards, 12 September, 2013. It should be noted that there are various ways to address avoid or eliminate issues, e.g. through a strategy, a linked policy or an ESIA process, even if they are not identified in the safeguard standard.



	<ul style="list-style-type: none"> • An emergency preparedness and response system, where there is the potential to cause harm to people and/or the environment (project/programme specific element); • A system to monitor and measure the effectiveness of the management program; • A stakeholder engagement process, scaled to the project risks and impacts and development stage, which includes consultation, a project level grievance mechanism, disclosure of information, and on-going reporting to affected communities (project/programme specific element); 	<p>in place including institutional capacity.</p> <ul style="list-style-type: none"> • Minimum Standard 8: Accountability and Grievance Systems includes requirements for an accountability system or measures that are designed to ensure enforcement or E&S requirements and to have a system for the timely receipt and response to complaints from parties affected by the project. 	<p>include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • On-going reporting to affected communities; • Emergency preparedness and response system.
<p>Labour and Working Conditions</p>	<p>PS 2: Labor and Working Conditions applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the type of employment relationship. Requirements may include developing and implementing:</p> <ul style="list-style-type: none"> • Human resources policies and procedures; • Working conditions and terms of employment; • The respect of national law for workers to form and join workers' organizations and to bargain collectively or, where national law is silent, to not restrict workers from developing alternative mechanisms; • Fair treatment, non-discrimination and equal opportunity of workers; • Retrenchment analysis and planning; • Grievance mechanism for workers; • The protection of workers by providing a safe and healthy work environment (with links to the WB/EHS industry Guidelines), including vulnerable categories such as children, migrant workers, workers' engagement by third parties, and workers in the clients' supply chain. 	<p>No requirements for labour and working conditions.</p>	<p>Gaps at the specific projects/programmes level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Labour and working conditions requirements contained in PS2.
<p>Resource Efficiency and Pollution Prevention</p>	<p>PS 3: Resource Efficiency and Pollution Prevention applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the ambient</p>	<p>Minimum Standard 5: Pest Management is equivalent to and exceeds the PS 3 requirement to manage and minimize the release of pesticides.</p>	<p>Gaps at the specific projects/programmes level include (evaluated as part of the initial proposal review process after accreditation, e.g. not</p>



	<p>conditions and the scale and type of project. Requirements may include:</p> <ul style="list-style-type: none"> • Implementing technically and financially feasible and cost effective measures for improving resource efficiency including energy, water and other resources and material inputs; • Implementing technically and financially feasible and cost effective measures to reduce GHGs; • Minimizing release of pollutants including wastes, hazardous materials and pesticides. 	<p>The other elements of PS3 are not addressed.</p>	<p>relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures for improving resource efficiency including energy, water and other resources and material inputs; • Implementation of technically and financially feasible and cost effective measures to reduce GHGs; • Minimization of release of pollutants including wastes and hazardous materials.
<p>Community Health, Safety, and Security</p>	<p>PS 4: Community Health, Safety and Security applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to the Affected Communities from project activities. Requirements may include protecting Affected Communities from risks and impacts associated with:</p> <ul style="list-style-type: none"> • Infrastructure and equipment design and safety; • Hazardous materials and management and safety; • Priority provisioning and regulating ecosystem services; • Community exposure to disease; • Emergency response and preparedness collaboration; • Retaining direct or contracted workers to provide security to safeguard personnel and property. 	<p>Minimum Standard 7: Safety of Dams includes requirements to ensure quality and safety in the design and construction and rehabilitation of dams.</p> <p>Minimum Standard 1: Environmental and Social Impact Assessment includes requirement that activities shall be assessed, designed and implemented in a way that avoids potentially significant negative impacts on public health and safety.</p>	<p>Gaps at the specific projects/ activities level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Infrastructure and equipment design and safety beyond dam safety; • Hazardous materials and management safety; • Protection of priority provisioning and regulating ecosystem services; • Community exposure to disease; • Emergency response and preparedness collaboration with communities; • Security force management.



<p>Land Acquisition and Involuntary Resettlement</p>	<p>PS 5: Land Acquisition and Involuntary Resettlement applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application is related to physical (relocation or loss of shelter) and/or economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition that is involuntary. Requirements may include:</p> <ul style="list-style-type: none"> • Alternative project design to avoid or minimize displacement; • If avoidance is not possible, an economic baseline survey, a Resettlement Action Plan or Livelihood Restoration Plan, compensation and benefits for displaced persons, monitoring and evaluation on effectiveness of plans; • Community engagement on decision-making processes related to resettlement and livelihood restoration options and alternatives; • Grievance mechanism for affected households. 	<p>Minimum Standard 3: Involuntary Resettlement is largely equivalent to PS5.</p>	<p>No gaps identified.</p>
<p>Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to projects (i) located in modified, natural and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the project has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g. agriculture, animal husbandry, fisheries, forestry). Requirements may include:</p> <ul style="list-style-type: none"> • Applying the mitigation hierarchy to protect and conserve biodiversity; • Applying extra protection in legally protected or internationally recognized areas; • Avoiding intentional or accidental introduction of alien, or non-native, species; • Avoiding adverse impact to priority ecosystem services. 	<p>Minimum Standard 2: Protection of Natural Habitats is equivalent to PS 6 requirements for biodiversity protection and sustainable management of living natural resources.</p>	<p>Gaps at the specific projects/ activities level include (evaluated as part of the initial proposal review process after accreditation, e.g. not relevant for the accreditation process):</p> <ul style="list-style-type: none"> • Avoid purchasing primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats.



	<ul style="list-style-type: none"> Where possible, locating land-based agribusiness and forestry projects on land already converted and implementing sustainable management practices; Avoiding the purchase of primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats. 		
<p>Indigenous Peoples</p>	<p>PS 7: Indigenous Peoples applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the project activities with potentially adverse impacts on communities or groups of Indigenous Peoples. Requirements may include:</p> <ul style="list-style-type: none"> Avoiding impacts where possible, or when not possible, minimizing and/or compensating for impacts; Establishing and maintaining an on-going relationship based on Informed Consultation and Participation (ICP); Ensuring Free, Prior, and Informed Consent is obtained in the following situations: (i) adverse impact on lands traditionally owned by, or under customary use, (ii) physical relocation from communally held lands and natural resources subject to traditional ownership or under customary use, (iii) significant impact on critical cultural heritage or commercialization of cultural heritage. 	<p>Minimum Standard 4: Indigenous Peoples is largely equivalent to PS7.</p>	<p>No significant gaps identified.</p>
<p>Cultural Heritage</p>	<p>PS 8: Cultural Heritage applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impact on cultural heritage which includes (i) tangible forms of cultural heritage, (ii) unique natural features or tangible objects that embody cultural values, and (iii) intangible forms of culture to be used for commercial purposes. Requirements may include:</p> <ul style="list-style-type: none"> Avoiding impact on cultural heritage but, if not possible, retaining a competent professional to assist with identification, protection and removal, and consulting with Affected Communities; Developing a chance find plan if cultural heritage is likely to be found during construction or operations; 	<p>Minimum Standard 6: Physical Cultural Resources is largely equivalent to PS 8.</p>	<p>No significant gaps identified.</p>



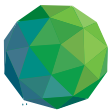
	<ul style="list-style-type: none">Using elevated forms of consultation (CP and Good Faith Negotiation) where cultural heritage will be used for commercial purposes.		
--	--	--	--

Table 2: Gap Analysis of the Adaptation Fund (AF) Environmental and Social Policy (November 2013)

Key Topic/Issue	Green Climate Fund Environmental and Social Safeguards ⁴	AF Environmental and Social Policy Statement	Key Safeguard Difference
Assessment and Management	<p>PS 1: Assessment and Management of Environmental and Social Risks and Impacts requires that entities develop a system to consistently assess and manage E&S risks and impacts. This E&S Management System (ESMS) should include:</p> <ul style="list-style-type: none"> • A policy which includes: an overarching definition of E&S objectives and requirements to ensure sound E&S performance, a commitment to comply with applicable law, a commitment to be consistent with the principles of the Performance Standards, a clear indication who will ensure performance with the policy and be responsible for execution; • An assessment process, tailored to the scale and complexity of the project, that identifies and assesses direct and indirect E&S risks and impacts from the activity, including associated facilities, cumulative impacts and trans-boundary impacts; assesses measures to avoid, or where avoidance is not possible, minimize, and where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment; • Management programmes that describe the mitigation and actions that address the identified E&S risks and impacts; • An organizational structure that includes the appropriate capacity and competency to implement the ESMS; • An emergency preparedness and response system, where there is the potential to cause harm to people and/or the environment (project/programme specific element); • A system to monitor and measure the effectiveness of the management program; • A stakeholder engagement process, scaled to the project risks and impacts and development stage, which includes 	<p>The Policy Statement requires IEs to develop an ESMS commensurate in scope and ambition to the potential scope and severity of E&S risks inherent in the project/programme design.</p> <ul style="list-style-type: none"> • All projects will be screened to identify potential E&S risks and impacts; Category A & B projects require an environmental and social assessment against the principles. The assessment shall consider all potential direct, indirect, trans-boundary, and cumulative impacts and risks that could result from the activity; assess measures to avoid, minimize, or mitigate; • A management plan is required that identifies measures to avoid, minimize or mitigate risks; • Monitoring and evaluation shall address all E&S risks; reporting is required to the AF; • A stakeholder engagement program including consultation, disclosure of information, and a 	<p>Accreditation Gaps at the institutional ESMS level include:</p> <ul style="list-style-type: none"> • Developing a policy; • Reporting to Senior Management on ESMS effectiveness; • Developing and implementing an external institutional communications system. <p>Gaps at the specific projects/activity level include:</p> <ul style="list-style-type: none"> • Developing and implementing an emergency preparedness and response system.

	<p>consultation, a project level grievance mechanism, disclosure of information, and on-going reporting to affected communities (project/programme specific element);</p> <ul style="list-style-type: none"> • An external institutional communications mechanism. 	<p>project level grievance mechanism are required.</p>	
<p>Labour and Working Conditions</p>	<p>PS2: Labor and Working Conditions is guided by the International Labour Organization (ILO) Conventions listed in FN2. PS 2 applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the type of employment relationship. Requirements may include developing and implementing:</p> <ul style="list-style-type: none"> • Human resources policies and procedures; • Working conditions and terms of employment; • The respect of national law for workers to form and join workers' organizations and to bargain collectively or, where national law is silent, to not restrict workers from developing alternative mechanisms; • Fair treatment, non-discrimination and equal opportunity of workers; • Retrenchment analysis and plan; • Grievance mechanism for workers; • The protection of workers by providing a safe and healthy work environment (with links to the WB EHS Industry Guidelines), including vulnerable categories such as children, migrant workers, workers' engagement by third parties, and workers in the clients' supply chain. 	<p>The E&S Principles require activities to meet the core labour standards as identified by the ILO.</p>	<p>The AF does not state actions needed to meet the core labour standards in the Principles while the PSs include actions; both standards rely on the ILO conventions so in principle there is no gap, but the Fund would need to verify that entities have met the specific requirements included in the PSs.</p> <p>Gaps that are not covered in principle at the specific projects/activity level include:</p> <ul style="list-style-type: none"> • A retrenchment plan if significant retrenchment is planned; • A grievance mechanism for workers; • The provision of a safe and healthy working environment.
<p>Resource Efficiency and Pollution Prevention</p>	<p>PS 3: Resource Efficiency and Pollution Prevention applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the ambient conditions and the scale and type of project. Requirements may include:</p> <ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures for improving resource efficiency including energy, water and other resources and material inputs; • Implementation of technically and financially feasible and 	<p>Activities shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.</p>	<p>Gaps at the specific projects/activities level include:</p> <ul style="list-style-type: none"> • Implementation of technically and financially feasible and cost effective measures for improving resource efficiency and minimization of release of pollutants.

Community Health, Safety, and Security	<ul style="list-style-type: none"> cost effective measures to reduce GHGs; Minimization of release of pollutants including wastes, hazardous materials and pesticides. 	Activities shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.	Gaps at the specific projects/ activities level include: <ul style="list-style-type: none"> Protection of public safety and security – infrastructure and equipment design and safety; Hazardous materials and management and safety; Priority provisioning and regulating ecosystem services; Emergency response and preparedness collaboration; Retaining direct or contracted workers to provide security to safeguard personnel and property.
Land Acquisition and Involuntary Resettlement	<p>PS 4: Community Health, Safety and Security applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to the Affected Communities from project activities. Requirements may include protecting Affected Communities from risks and impacts associated with:</p> <ul style="list-style-type: none"> Infrastructure and equipment design and safety; Hazardous materials and management and safety; Priority provisioning and regulating ecosystem services; Community exposure to disease; Emergency response and preparedness collaboration; Retaining direct or contracted workers to provide security to safeguard personnel and property. 	Activities shall be designed and implemented to: <ul style="list-style-type: none"> Avoid or minimize the need for involuntary resettlement; When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons are informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation. 	Gaps at the specific projects/activities level include: <ul style="list-style-type: none"> Requirement for an economic baseline survey; Resettlement Action Plan or Livelihood Restoration Plan and monitoring and evaluation on effectiveness of plans; Benefits for displaced persons; Grievance mechanism for affected households.
	<p>PS 5: Land Acquisition and Involuntary Resettlement applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application is related to physical (relocation or loss of shelter) and/or economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood) as a result of project-related land acquisition that is involuntary. Requirements may include:</p> <ul style="list-style-type: none"> Alternative project design to avoid or minimize displacement; If avoidance is not possible, an economic baseline survey, a Resettlement Action Plan or Livelihood Restoration Plan, compensation and benefits for displaced persons, monitoring and evaluation of effectiveness of plans; Community engagement on decision-making processes related to resettlement and livelihood restoration options and 		



	<ul style="list-style-type: none"> alternatives; Grievance mechanism for affected households. 		<p>Gaps at the specific projects/ activities level include:</p> <ul style="list-style-type: none"> Protection measures for modified or natural habitat; Avoidance of the purchase of primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats.
<p>Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>	<p>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the project has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g. agriculture, animal husbandry, fisheries, forestry). Requirements may include:</p> <ul style="list-style-type: none"> Applying the mitigation hierarchy to protect and conserve biodiversity; Applying extra protection in legally protected or internationally recognized areas; Avoiding intentional or accidental introduction of alien, or non-native, species; Avoiding adverse impact on priority ecosystem services; Where possible, locating land-based agribusiness and forestry projects on land already converted and implementing sustainable management practices; Avoiding the purchase of primary production from supply chain sources that are contributing to significant conversion of natural and/or critical habitats. 	<p>Activities shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of invasive species.</p> <p>The AF does not support activities that would involve unjustified conversion or degradation of critical natural habitats, including:</p> <ul style="list-style-type: none"> Legally protected areas; Those proposed for protection; Areas recognized for high conservation value; Areas recognized or protected by traditional or indigenous local communities. <p>Activities should:</p> <ul style="list-style-type: none"> Promote soil conservation; Avoid degradation or conversion of productive lands; Avoid degradation or conversion of land that provides valuable ecosystem services. 	
<p>Indigenous Peoples</p>	<p>PS 7: Indigenous Peoples applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the project activities with potentially adverse impacts on communities or groups of Indigenous Peoples. Requirements may include:</p>	<p>The AF will not support activities that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments</p>	<p>Gaps at the specific projects/programmes level include:</p> <ul style="list-style-type: none"> Proposed actions will be developed with the ICP of the Affected Communities



	<ul style="list-style-type: none"> • Avoiding impacts where possible, or when not possible to minimizing and/or compensating for impacts; • Establishing and maintaining an on-going relationship based on Informed Consultation and Participation (ICP); • Developing proposed actions with the ICP of the Affected Communities and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples; • Ensuring Free, Prior, and Informed Consent is obtained in the following situations: (i) adverse impacts on lands traditionally owned by, or under customary use, (ii) physical relocation from communally held lands and natural resources subject to traditional ownership or under customary use, (iii) significant impacts on critical cultural heritage or commercialization of cultural heritage. 	<p>relating to indigenous peoples.</p> <p>Activities shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups including indigenous people and tribal groups.</p>	<p>and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples.</p>
<p>Cultural Heritage</p>	<p>PS 8: Cultural Heritage applicability is identified in the E&S risks and impacts assessment process and, if applicable, is managed through the ESMS. The scope of application depends upon the potential risks and impacts on cultural heritage which includes (i) tangible forms of cultural heritage, (ii) unique natural features or tangible objects that embody cultural values, and (iii) intangible forms of culture to be used for commercial purposes. Requirements may include:</p> <ul style="list-style-type: none"> • Avoiding impacts on cultural heritage but if not possible retaining a competent professional to assist with identification, protection and removal, and consulting with Affected Communities; • Developing a chance find plan if cultural heritage is likely to be found during construction or operations; • Using elevated forms of consultation (ICP and Good Faith Negotiation) where cultural heritage will be used for commercial purposes. 	<p>Activities shall be designed and implemented in a way that:</p> <ul style="list-style-type: none"> • Avoids the alteration, damage, or removal of any physical cultural resources, cultural sites with unique natural values; • Does not interfere with existing access and use of such physical and cultural resources. 	<p>Gaps at the specific projects/ activities level include:</p> <ul style="list-style-type: none"> • Developing a chance find plan if cultural heritage is likely to be found during construction or operations; • Using elevated forms of consultation (ICP and Good Faith Negotiation) where cultural heritage will be used for commercial purposes.