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# Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment

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## **Summary**

In decision B.25/05, the Board requested the Secretariat to present to the Board the proposed revisions of the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH Policy), in line with best practices among international financial institutions and the business model of the GCF, to assess the cost implications of implementation of the SEAH Policy, and to present to the Board for its consideration amendments to the relevant standards, safeguards and policies of the GCF, to address the requirements placed on accredited entities to integrate the obligations set out in the SEAH Policy. This document was developed in line with the decision.

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## I. Introduction

1. The Interim Policy on the Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (“Interim SEAH Policy”) of the Green Climate Fund (GCF) was adopted by the Board at its 22nd meeting in February 2019. The Interim Policy introduced obligations on ‘Covered Individuals’ such as GCF personnel, Board members, alternates and advisors. Since its adoption, the Secretariat has taken numerous steps to operationalize its obligations including, among other things, the designation of ownership and related implementation responsibilities within the Secretariat and the timely delivery of awareness training to Covered Individuals. These actions are helping to ensure that SEAH related requirements are met and that SEAH related protections are extended.

2. In adopting the interim SEAH Policy, the Board requested the Independent Integrity Unit in consultation with the Secretariat, to present an updated policy that also addressed counterparties in GCF-related activities. Consistent with that request, at B.23, the Board considered and adopted the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (“SEAH Policy”). The SEAH Policy, which superseded the Interim Policy, included the Interim Policy’s covered individual provisions and extended the scope of the policy to counterparties<sup>1</sup>. The counterparty provisions included in the SEAH Policy required the Secretariat and or the Accredited Entities (AEs) to take a number of near-term steps including: establishing implementation guidelines, working with AEs to amend existing legal agreements, verifying AEs adoption of conforming requirements, and ensuring that new Accreditation Master Agreements and Funded-Activity Agreements included conforming SEAH provisions.

3. As the Secretariat worked to operationalize the SEAH Policy, it became clear that both the GCF and the Fund’s AEs faced insurmountable challenges in implementing the SEAH Policy’s counterparty provisions. These challenges related to significant differences between the SEAH counterparty provisions and the current practices of the international financial institutions, constraints faced by the Secretariat pertaining implementation costs and the unavailability of in-house technical expertise, and the identification of significant legal risks and liabilities for the GCF relative to the SEAH counterparty provisions. Consequently, at B.25, the Board considered a Secretariat document and proposed decision on SEAH related issues, and in decision B.25/05, it decided to render inoperative all of the SEAH Policy obligations related to third parties pending their *review and revision in line with best practices among international financial institutions and the business model of the GCF*. In addition, the Board *requested the Secretariat to assess the cost implications of implementation of the Policy and to submit to the Budget Committee a budget request for its consideration, and subsequent to that, to present to the Board for its consideration amendments to the relevant standards, safeguards and policies of the GCF, to address the requirements placed on accredited entities to integrate the obligations set out in the Policy*.

4. Consistent with the Board’s decision at B.25, the Secretariat has worked on two tracks. First, as noted above, it has continued to move forward with implementation of the SEAH provisions related to Covered Individuals. Second, it has undertaken a comparative analysis and prepared a proposal and a companion budget for effectively implementing SEAH safeguarding provisions in GCF financed activities, consistent with both best practice of international financial institutions and the business model of the GCF. This includes integrating SEAH provisions into the Environmental and Social (ES) Policy.

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<sup>1</sup> The SEAH Policy defined counterparties as any party that contributes to, executes, implements, bids for, or in any way participates in Fund-related Activities, including receiving a grant, loan, or other form of financing or support from the Fund. This definition of counterparties is significantly wider in scope compared to the definition of counterparties under other GCF operational policies. However, it is consistent with the counterparty definition across the integrity policies developed by the IIU.

## II. Policy rationale

5. The mission of the Green Climate Fund (GCF) is to promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change. In fulfilling its mission and managing the resources committed to it, GCF is dedicated to maintaining the highest integrity standards in the conduct of its operations. In that regard, GCF recognizes the imperative to prevent and respond effectively to SEAH and to protect persons, especially persons in vulnerable positions and situations and Survivors of SEAH in GCF financed activities. These protections are essential to strengthen integrity and accountability throughout GCF. In that regard, GCF has zero tolerance for all forms of sexual wrongdoing including Sexual Exploitation, Sexual Abuse, and Sexual Harassment (“SEAH”).

6. As noted above, in the process of implementing the SEAH counterparty requirements in relation to GCF operational activities, the Secretariat was presented with insurmountable challenges. In response, the Secretariat undertook a comprehensive review of related issues with a view to addressing identified challenges and fulfilling the Board’s request for the Secretariat to propose a revision of the SEAH Policy in line with best practices of international financial institutions and the business model of the GCF. That comprehensive review spanned several activities.

7. Firstly, the Secretariat consulted with AEs and found significant impediments in their ability to comply with the obligations of the SEAH policy based on significant differences in the SEAH Policy requirements vis-à-vis practices of international financial institutions. In addition, and in order to get a better understanding of the practices of international financial institutions as requested by the Board in paragraph (d) of decision B.25/05, the Secretariat commissioned an independent comparative analysis and technical assessment that examined the SEAH safeguarding approaches of several international financial institutions as well as comparable multilateral funds in order to benchmark and inform the revisions to current SEAH policy of the GCF.

8. Further, the Secretariat commissioned an independent legal assessment of the SEAH Policy and analysed legal risks and liabilities associated with its implementation. The Secretariat also considered the Independent Redress Mechanism (IRM) SEAH Advisory Report that was presented to the Board at B.26 and which considered SEAH related issues raised in the context of a World Bank review of two non-GCF projects and programmes funded by the World Bank. Finally, the Secretariat undertook an analysis of its financial and staffing needs to effectively implement the SEAH provisions under various scenarios.

9. The efforts described above resulted in a number of findings that support the need for a revision of the SEAH Policy approved at B.23. Some of the major findings from those efforts are outlined below:

- (a) The business model of the GCF, and the varied relationship that it has with the wide range of counterparties delineated in the SEAH Policy presents challenges which differ from those of other organizations;
  - (i) A stand-alone SEAH Policy which imposes obligations on both Covered Individuals and counterparties diverges from peer organizations which address counterparty SEAH related issues in the context of their environmental and social safeguard policies. Focusing SEAH related issues on the roles and responsibilities of AEs within the GCF ES policy would align GCF’s strategy to the practices of international financial institutions and other comparable

- organizations which in turn would render the policy revisions tangible and implementable;
- (ii) Comparator organizations (as outlined in the Comparative Analysis appended in Annex IV) generally do not extend their safeguard standards to the wide range of "Counterparties" included in the SEAH Policy. The inability of existing AEs to adopt equivalent SEAH policies, as well as the policy and operational constraints preventing the modification of their institutional standards to match the GCF SEAH Policy obligations has led to a lack of buy-in from many AEs;
  - (iii) The SEAH Policy is also problematic with regard to the scope of counterparties and fund related activities. The Policy impacts "*any party which participates in any way in GCF-related activities*", which encompasses not only circumstances where an activity is financed, administered or supported by the GCF, either with its own resources or those of others, but also further extends to "*any activity that materially affects or may affect or otherwise be relevant to the GCF*". This creates nebulous boundaries and wide-ranging liabilities even for persons with whom GCF has no direct contractual relationship and activities over which GCF has no direct or indirect control;
  - (iv) The current SEAH counterparty provisions would impose significant implementation costs to GCF and to counterparties of the GCF, which would also pose an obstacle to effective implementation;
  - (v) There is currently a gap in subject-matter expertise within the Secretariat, and there is a critical need to retain full time in-house subject matter expertise (and ad hoc technical consultants where necessary) to conduct second-level due diligence on SEAH implementation for GCF-financed activities and, where appropriate to provide training and capacity-building and technical assistance regarding SEAH risk assessment and mitigation to relevant stakeholders. These functions are key if SEAH risk mitigation is to be effectively and sustainably incorporated into GCF operations;
  - (vi) The inclusion of sexual harassment in project safeguarding is generally beyond the scope of the frameworks of comparable organizations. Prevention of harassment is typically treated as an internal misconduct issue rather than a project-level obligation to be imposed on counterparties. However, the proposed revisions reflect sexual harassment safeguarding requirements in the context of related misconduct in the implementation of GCF financed activities and is aligned with the International Financial Institution Joint Statement on Continuous Advancement of Standards to Prevent Sexual Harassment, Abuse, and Exploitation [IFI Joint Statement]<sup>2</sup>;
- (b) The IRM SEAH Advisory Report highlighted that the SEA related failures in the World Bank projects reviewed resulted less from the absence of robust safeguard policies, and more from the World Bank's implementation of its existing policies. In that regard, the IRM Advisory report urges GCF to pay special attention to SEAH matters when considering projects and in its relations with AEs. The proposed revisions to the ES Policy are designed to enhance and assure the effective implementation of SEAH safeguarding measures in GCF financed activities; and
  - (c) The substantial support for these and other findings provide a strong basis for the Secretariat's recommended changes to the GCF's treatment of SEAH related issues including its integration of SEAH safeguarding in GCF financed activities into the ES

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<sup>2</sup> Outlined in the Comparative Analysis appended as Annex IV to this document.

Policy in addition to the maintenance of a standalone institutional SEAH Policy applicable to the GCF and its covered individuals.

### III. Analysis of policy proposal

10. Based on the extensive analysis undertaken and shared with the Board, and the findings outlined above, the Secretariat is proposing a number of changes to the SEAH Policy and the manner in which the Fund would address SEAH related issues. As an introduction, three key changes are highlighted.

11. First, consistent with the best practice of International Financial Institutions [IFIs] as set out in the IFI Joint Statement<sup>3</sup>, coverage of GCF financed activities would encompass Sexual Exploitation and Sexual Abuse and would also expressly cover sexual harassment. Therefore, the revisions to the ES Policy include explicit requirements for sexual harassment safeguarding in GCF financed activities.

12. Second, and also related to the scope of coverage, the resulting SEAH provisions is applicable to all GCF financed activities and would relate solely to AEs with which the Secretariat has a contractual relationship and their executing entities, and would not extend to the longer list of counterparties included in the current SEAH provisions. Again, this change is consistent with best practice of international financial institutions and is aligned with the scope of environmental and social safeguarding of the current ES Policy and prescribed in the Governing Instrument. In addition, the expanded scope of the SEAH counterparty definition would have been hard for many AEs to implement. Finally, by having a stand-alone internal SEAH Policy applicable to the conduct of Covered Individuals, serving to complement the code of conduct, and by integrating SEAH project safeguarding in environmental and social safeguards (ESS) policies and procedures, the GCF framework will be aligned with the industry standard practice, and would be more capable of being effectively implemented.

13. Consistent with this framework, Annex II of this document proposes a stand-alone SEAH policy dealing solely with “Covered Individual” SEAH related issues, and Annex III delineates changes to the GCF’s ES policy to cover SEAH related matters. The key points of the resulting policies are outlined below.

### IV. Policy proposal

#### 4.1 Environmental and Social Policy

14. In relation to SEAH safeguarding in GCF financed operations, the GCF’s ES Policy reaffirms the GCF’s commitment to address SEAH within the context of social risks. This is therefore referenced to specific relevant provisions under the GCF’s ES Policy. The consequential amendments to the ES Policy as presented in Annex III explicitly define SEAH. The ES Policy is also amended to include in the case of activities proposed for GCF financing, considerations by AEs of potential Sexual Exploitation, and Sexual Abuse and Sexual Harassment.

15. The purpose of the ES Policy amendments is to emphasise and provide a reminder of the mandatory obligations on GCF Accredited Entities (as well as their executing entities) to exercise appropriate SEAH due diligence, and incorporate SEAH considerations in the design of GCF financed activities to enhance prevention, reporting, investigation and timely redress of SEAH allegations.

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<sup>3</sup> Outlined in the Comparative Analysis appended as Annex IV to this document.

16. Pertinently, the amendments augment the grievance redress mechanism currently embedded in the ES Policy to also emphasise that in the event SEAH risks manifest, Accredited Entities must ensure the availability of timely response mechanisms through project grievance mechanisms and through the dispute resolution and compliance review intervention of the GCF's IRM without affected parties being impeded to access to judicial or administrative remedies that may be available through the country systems.

17. The implications of the revisions to the ES Policy is that Accredited Entities will be required to positively demonstrate that they have undertaken the necessary assessments (in the same manner as the other environmental and social risks as well as Indigenous People and Gender risks are assessed) in the development and implementation of GCF financed activities. Based on the findings and level of risk, Accredited Entities will be required to propose actions to prevent, mitigate and address SEAH related issues including monitoring and reporting on implementation. This means that the AE will be responsible for the first level due diligence while the Secretariat will later on conduct second level due diligence.

18. The revisions to the ES Policy require the preparation of a SEAH action plan, which will be linked to a SEAH risk assessment tool and implementation guidelines to be developed by the Secretariat following the adoption of the revised ES Policy. Also, consistent with the findings of the reviews noted, the Secretariat is in the process of recruiting full-time dedicated staff responsible for overseeing the implementation of the SEAH revisions to the ES Policy and following through policy commitment.

19. This approach of having SEAH related issues covered in the context of the ES Policy is aligned with practices of international financial institutions elaborated in the Comparative Analysis of the SEAH safeguarding practices of international financial institutions as commissioned by the Board in paragraph (d) of decision B.25/05 and subsequently presented for the Board's information at B.27. As noted in the Comparative Analysis, international financial institutions generally address SEAH safeguarding implicitly within their Environmental and Social safeguarding frameworks, whilst a small minority of international financial institutions explicitly address Sexual Exploitation and Sexual Abuse safeguarding as a facet of Gender Based Violence either within their Environmental and Social Policy or their Gender Policy.

## 4.2 SEAH Policy

20. Benchmarked against the Six Core Principles of the Inter-Agency Standing Committee (IASC) on the protection from sexual exploitation and sexual abuse, the Revised SEAH Policy maintains the core principles which will guide the GCF's zero tolerance of inaction to all forms of SEAH institutionally and operationally.

21. The Revised SEAH Policy continues to emphasise the standards of conduct expected of GCF Covered Individuals in relation to SEAH risk mitigation in Fund-related activities and outlines obligations on the GCF in preventing, reporting and responding to SEAH perpetrated by GCF Covered Individuals in Fund-related activities i.e. *"any activity which is financed, administered, or supported by the Fund, either with its own resources or those of others, or any activity that materially affects or may affect or otherwise be relevant to the Fund."*

22. Whilst the scope of applicable activities under the SEAH Policy extends beyond the parameters of the Governing Instrument and indeed the practices of international financial institutions, the scope of applicable activities is aligned with other integrity policies currently in force and serves to underscore the GCF's unreserved commitment to raise the bar of accountability in tackling SEAH by its Covered Individuals.

23. In accordance with the relevant provisions of the Policy on the Protection of Whistleblowers and Witnesses, the Revised SEAH Policy seeks to provide the IIU (together with

the Ethics and Audit Committee) with the right to propose remedies for survivors of SEAH acts perpetrated by Covered Individuals and determine appropriate steps if remedies are not implemented, while allowing the GCF Secretariat to implement those remedies as appropriate. This is intended to provide a functional system of remedies within the control of the GCF, without setting legally enforceable expectations for an open-ended set of remedies that would expose the GCF to unpredictable liability.

24. The Revised SEAH Policy serves as an umbrella policy with direct impact on the ES Policy which will require related amendments as set out in Annex III and described within this background paper.

25. The Secretariat also considered alternative options to proposing revisions for the mitigation of SEAH risk within the GCF and its operations. The other option considered combining SEAH operational (i.e. social) and institutional (i.e. integrity) safeguarding in a standalone SEAH policy. In essence, this alternative retains the approach introduced through the SEAH Policy which combines integrity and social safeguarding in one policy.

26. However, as underscored in the SEAH BBM submitted at B.25, GCF AEs were unable to comply with the requirements under the SEAH Policy, highlighting that their approach to addressing SEAH risks is distinctly different. The IRM SEAH Advisory Report and the independent SEAH Policy technical assessment and comparative analysis confirmed that this approach diverges from the practices of international financial institutions which the Board specifically requested the Secretariat to adopt in proposing revisions to the SEAH Policy.

27. Moreover, recalling paragraph 65 of the Governing Instrument which stipulates that ‘the Board will agree on and adopt best practice environmental and social safeguards, which shall be applied to all programmes and projects financed using the resources of the Fund’, the definition of Fund-related activities which extends beyond GCF financed activities under the GCF’s integrity policies, this approach would result in undesirable policy overlaps, a conflation of integrity and social risk and responsibilities, and most pertinently an inconsistency with the stipulations of the Governing Instrument.

28. Furthermore, the alternative approach will lead to policy fatigue for the GCF’s AEs as well as an increased burden on the GCF in overhauling its Monitoring and Accountability framework in a manner inconsistent with its business model and the practices of a significant cross section of accredited entities which in turn will lead to implementation challenges.

## V. Policy impact

29. The proposed revisions to the ES Policy leverage the existing ESS framework of the GCF which in turn enhances benefits and advantages in operational coherence and budgetary efficiency. In terms of operational coherence, the proposed revisions capitalise on the established principles of social safeguarding and requirements on Accredited Entities to conduct due diligence and apply effective safeguarding mechanisms in GCF financed projects and programs. As per the existing ES Policy, GCF will be requiring and ensuring that accredited entities implement their environmental and social management system pursuant to the ESS standards and the ES policy, thereby providing for a systematic, consistent and transparent management of risks and impacts including SEAH from GCF-financed activities.

30. Furthermore, the proposed revisions are not anticipated to hamper access to GCF accreditation. GCF Accredited Entities are currently assessed for institutional capacity to mitigate social risk through the accreditation framework. Similar to the Indigenous People’s Policy of the GCF, the explicit inclusion of SEAH considerations within the ES Policy would not directly impact the scope of the accreditation considerations. Nevertheless, the ES accreditation standards are designed to assess AE capabilities to implement GCF financed activities in compliance with the full range of safeguarding requirements set out in the ES Policy. Moreover,

the reliance on the existing ESS framework would accrue budgetary gains as it strengthens a holistic approach rather than create a new framework which will require ancillary implementation processes, controls and resources.

31. In terms of the Secretariat's budgetary impact for implementation, under the SEAH Policy, the projected implementation cost amounted to USD 1.3million per annum to cover the cost of accreditation assessment, independent Technical Assessment Panel support, as well as the retrospective review of GCF fund related activities and legal agreements. However, following the proposed holistic approach in addressing SEAH safeguarding as a facet of social risk in GCF projects, programmes and sub-projects, the budgetary impact would be limited to retaining an in-house dedicated specialist under the Secretariat's administrative budget and as part of the Secretariat's approved headcount. This full-time resource will be supported by technical consultants on an ad-hoc basis depending on assessment needs. In addition, necessary one-off budget to fund an independent development of a Secretariat risk assessment tool and action plan will be required to launch a transparent implementation of the SEAH aspects in the revised ES Policy.

32. Additionally, in relation to Specific Measurable Achievable Realistic and Time-limited (SMART) benefits should be identified, Accredited Entities will have to demonstrate that they have undertaken the necessary assessments which would include the following impact assessment as stipulated in the revised ES Policy under paragraphs 19 and 20: *'...in the case of activities proposed for GCF financing, GCF will require the accredited entities to undertake all necessary measures to ensure that activities financed by the GCF are developed and implemented in such a manner that considers potential Sexual Exploitation, Sexual Abuse and Sexual Harassment (or the similar terms employed by the Accredited Entities that are equivalent to those of the GCF in all material respects). Accredited Entities are required to ensure that:*

- (a) *any risks or potential adverse impacts on women, men, girls and boys are identified as early as possible as part of GCF financed activities screening and reflected in relevant safeguards instruments [including the Environmental and Social Impact Assessment, and the Environmental and Social Management Plan, as appropriate], and differentiated by gender and age where relevant, including Sexual Exploitation, Sexual Abuse and Sexual Harassment (or the similar terms employed by the Accredited Entities that are equivalent to those of the GCF in all material respects), and*
  - (i) *the relevant safeguards instruments [including the Environmental and Social Impact Assessment, and the Environmental and Social Management Plan, as appropriate] includes measures to enhance gender equality and to prevent, and address SEAH*
  - (ii) *all measures to mitigate and manage the identified risks and impacts are implemented, monitored and continuously improved*
  - (iii) *progress and performance are monitored and reported to GCF and stakeholders throughout implementation of the GCF financed activities*
- (b) *In case incidences of Sexual Exploitation, Sexual Abuse and Sexual Harassment occur, there are:*
  - (i) *Established accessible and inclusive survivor-centred reporting and response protocols in place, with specific procedures for SEAH including confidential reporting with safe and ethical documenting of SEAH cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; and*
  - (ii) *Modalities to provide timely services and redress to survivors. including as appropriate, medical care, psychosocial support, legal support, community driven protection measures, and reintegration.*

*In the case of activities proposed for GCF financing, GCF will require accredited entities to undertake all necessary measures to ensure that the grievance redress mechanisms established by the accredited entities and/or executing entities, as described in paragraph 81, address SEAH in addition to other environmental and social impacts of the activities.*

33. This means that the AE will conduct the first level due diligence while the Secretariat will later on conduct the second level due diligence.

## **VI. Policy linkages**

34. The Revised SEAH Policy sets out standards of conduct expected of GCF covered individuals. In terms of institutional prevention, reporting and investigation of misconduct the Revised SEAH Policy is linked to the Code of Conduct under the Administrative Guidelines on Human Resources, and the Policy on the Protection of Whistleblowers and Witnesses. Furthermore, the Revised SEAH Policy is linked to the related revisions to the ES Policy in the context of operational safeguarding.

## **VII. Implementation arrangements and operational impact**

### **7.1 SEAH Policy**

35. The Revised SEAH Policy reflects the current active provisions being implemented by the Secretariat. No further steps are required to implement the internal aspects of the proposed revisions. It has minimal implications for Accredited Entities to the extent that GCF has a zero-tolerance approach on SEAH and will not engage with entities which are found to have condoned, participated or engaged in SEAH. To this end, following the effective date of the revisions the GCF will include, in legal agreements with Accredited Entities, legal provisions to give effect to this policy principle.

### **7.2 Environmental and Social Policy**

36. Separately, the implementation of revisions to the ES Policy will require the recruitment of a full-time staff specialist position within the Secretariat. To further operationalise the ES Policy revisions, the Secretariat will require an independent technical expert consultant to develop a risk assessment tool and implementation guidance in form of an action plan. The Secretariat is currently in the process of recruiting a dedicated full-time in-house specialist funded under the Secretariat's administrative budget as part of the Secretariat's approved headcount. This full-time resource may from time to time require support by technical consultants on an ad-hoc basis depending on assessment needs. In addition, necessary one-off budget to fund the independent development of a Secretariat risk assessment tool and action plan required to effectively launch a transparent implementation of the SEAH aspects in the revised ES Policy.

37. Also, taking into account the average duration of the recruitment process and the time required to put in place the necessary implementation tools and guidelines, the ES Policy revisions are proposed to take effect as per the decision text. Furthermore, in order to minimise disruption to the funded activity cycle, the ES Policy revisions are proposed to apply to new proposals for funding which are submitted after the revisions become effective.

38. The revisions to the ES Policy have direct impact on AEs and other entities implementing GCF financed activities. In the course of funding proposal reviews, the GCF will

provide technical support to AEs to enable them to undertake the necessary SEAH risk assessments. In addition, where SEAH-related capacity gaps are identified by direct access AEs, they may apply to the GCF for the provision of resources to assist capacity building through the Readiness and Preparatory Support program. The GCF intends to include in future legal agreements with AEs, for GCF funded activities to which the revised ES Policy applies, an obligation to undertake and/or put in place adequate measures in order to ensure that the management of SEAH risks and impacts arising from the relevant GCF funded activities complies at all times with the requirements and procedures set out in the relevant SEAH risk assessment.

39. The Revised SEAH Policy provides in its guiding principles that the GCF and its Covered Individuals “shall not enter into future engagements with those who condone, encourage, participate in, or engage in SEAH in Fund-related activities”. The GCF Secretariat intends to include in future legal agreements with GCF AEs a covenant requiring such counterparties not to undertake those acts relating to SEAH.

40. There will be no exceptions/waivers to due diligence and safeguarding requirements under the ES Policy.

## **VIII. Research and consultation**

41. The revisions set out in the SEAH Policy and ES Policy (annexes II and III respectively) were developed by a cross-divisional working group of the Secretariat, supported by an independent technical expert consultant. The substantive amendments are designed to fit the GCF business model, and are founded upon a Comparative Analysis study of the practices of international financial institutions (appended as annex IV) and a technical assessment of the SEAH Policy. The revisions to both policies are also aligned with the recommendations of the IRM SEAH Advisory Report and the IASC Six Core Principles.

42. The Secretariat consulted widely with internal and external stakeholders, including the Independent Redress Mechanism, the Independent Integrity Unit, GCF Board Members and Alternate Board Members, as well as Accredited Entities.

## **IX. Monitoring and review**

43. The monitoring, evaluation and review of the implementation of the Revised SEAH Policy and ES Policy will follow the existing arrangements and cycle as currently set out under each policy. No revisions have been proposed to these elements of both policies which are currently in operation.

## **X. Recommended action by the Board**

44. In line with paragraph (d) of decision B.25/05 and in light of safeguarding practices of IFIs as set out the comparative analysis, the Secretariat recommends that the Board adopts the decision as proposed in Annex I.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.28/03/Rev.01 titled “Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment”:

- (a) *Reiterates* the commitment of the GCF to the highest standards of integrity, including its zero tolerance for sexual exploitation, sexual abuse and sexual harassment;
- (b) *Takes note* of the technical assessment of the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment and the comparative analysis of the sexual exploitation, sexual abuse and sexual harassment safeguarding practices of international financial institutions contained therein;
- (c) *Adopts* the Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment as set out in annex II to this document to replace the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment adopted by the Board pursuant to decision B.23/16 and decision B.25/05;
- (d) *Takes note of* the revised Environmental and Social Policy as set out in annex III to this document proposed to replace the Environmental and Social Policy adopted by the Board pursuant to decision B.19/10;
- (e) *Decides* that the proposed revisions to the Environmental and Social Policy as set out in Annex III to this document are to undergo a public consultation process prior to presentation for the Board’s consideration, including a minimum thirty day posting on the GCF’s website; and
- (f) *Requests* the Secretariat to present for the Board’s consideration, no later than its twenty-ninth meeting, the proposed revisions to the Environmental and Social Policy in respect of sexual exploitation, sexual abuse and sexual harassment.

## Annex II: Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment

### I. Introduction

1. GCF has zero tolerance for all forms of Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH) in Fund related activities. SEAH violates human dignity and have always been unacceptable behaviour. SEAH is based on unequal relations and power dynamics resulting in a culture of discrimination and privilege. It creates hostile interpersonal relationships and work-related environments, which limit the ability of affected persons to thrive and GCF to achieve its mission. SEAH in any form is not acceptable at GCF.
2. GCF recognises the imperative to prevent and respond effectively to SEAH and to protect persons, especially persons in vulnerable positions and situations, and survivors of SEAH in all fund related activities. These protections are essential to strengthen integrity and accountability throughout GCF.
3. This policy forms part of a suite of GCF policies, including the Policy on Prohibited Practices, the Policy on the Protection of Whistleblowers and Witnesses, the Gender Policy (and its Action Plan), the Environmental and Social Policy (ES Policy), the Administrative Guidelines on Human Resources (especially section H on Harassment). These policies provide complementarity and work together to achieve the shared goal of zero tolerance for SEAH at GCF. The Secretariat will work with the Independent Redress Mechanism (IRM), the Independent Integrity Unit (IIU) and the Ethics and Audit Committee (EAC) to foster collaboration and coherence across the organisation, and to ensure staff understand appropriate roles, divisions of responsibility and redress mechanisms with regards to SEAH.
4. SEAH risk mitigation in all GCF financed activities (as described under the ES Policy) will be addressed through the relevant provisions of the ES Policy.
5. GCF will support entities it engages with to develop and implement policies and mechanisms that address Sexual Exploitation, Sexual Abuse and Sexual Harassment

### II. Scope

6. The Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (the Policy) establishes GCF's zero tolerance of SEAH. It sets clear obligations for GCF Covered Individuals to prevent and respond to SEAH and to refrain from condoning, encouraging, participating in, or engaging in SEAH. The scope for this policy is focused on Covered Individuals.
7. This Policy is linked with the ES Policy, and SEAH risk mitigation requirements in all GCF financed activities are addressed in the ES Policy.

### III. Definitions

8. For the purposes of this Policy, the following terms are defined as follows:
  - (a) **"Board"** means Board of the Green Climate Fund;
  - (b) **"Board-appointed Official"** means the Executive Director ("ED"), the Head of the Independent Evaluation Unit ("IEU"), the Head of the Independent Integrity Unit ("IIU"),

and the Head of the Independent Redress Mechanism (“IRM”), who are appointed by the Board;

- (c) **“Covered Individual”** means Co-Chairs of the Board, Board Members, Alternate Members, Advisers (each defined in the Rules of Procedure of the Board of the GCF), Board-appointed Officials, External Members, and GCF Personnel;
- (d) **“External Members”** mean an expert serving as an external member on a panel or group established by the Board;
- (e) **“False or Malicious Report”** means an inaccurate or misleading report that is made recklessly, or knowingly or deliberately for the purpose of gaining undue advantage or causing harm to a person or entity;
- (f) **“Fund-related Activity”** means any activity which is financed, administered, or supported by the Fund, either with its own resources or those of others, or any activity that materially affects or may affect or otherwise be relevant to the Fund;
- (g) **“GCF Personnel”** means any GCF Staff and any other individual contracted and/or engaged by GCF to perform official functions for GCF, excluding Board-appointed Officials and External Members;
- (h) **“SEAH”** means Sexual Exploitation, Sexual Abuse, and Sexual Harassment;
- (i) **“SEAH Check”** means a recruitment practice whereby job applicants are required to provide a SEAH Declaration and whereby the information contained in the Declaration is checked, as far as possible, through Reference Checks;
- (j) **“SEAH Declaration”** is a sworn-to-be-true, written disclosure of a person’s history of Sexual Exploitation, Sexual Abuse, or Sexual Harassment with regard to lawfully disclosable criminal convictions, or disciplinary measures or sanctions imposed by existing or former employer(s) and/or by disciplinary boards of professional organisations to which the person is or has been subject;
- (k) **“Sexual Abuse”** means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
- (l) **“Sexual Exploitation”** means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to profiting monetarily, socially, or politically from the sexual exploitation of another;
- (m) **“Sexual Harassment”** includes unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature, that interferes with work, or is made a condition of employment, or creates an intimidating, hostile or offensive environment in connection with a Fund-related activity
- (n) **“Staff”** means all persons appointed to a post in GCF under a letter of appointment (individually, a “Staff Member”);
- (o) **“Reference Checks”** mean the part of a selection and employment process whereby checks are performed to verify the accuracy and authenticity of references, statements, or declarations made by external job applicants on their educational, professional, and other background; and
- (p) **“Survivor”** refers to the person who is, or has been, sexually exploited, abused, or harassed.

#### IV. Guiding Principles

1. Guiding principles underpin the core values and premises of the SEAH Policy and are aligned with the objectives and guiding principles of the Governing Instrument.
2. GCF shall not tolerate any form of Sexual Exploitation, Sexual Abuse, or Sexual Harassment.
3. GCF and its Covered Individuals shall not enter into future engagements with those who condone, encourage, participate in, or engage in SEAH in Fund-related activities.
4. GCF shall take all appropriate measures to prevent, mitigate, investigate, and remedy SEAH in relation to acts perpetrated by Covered Individuals in Fund-related activities.
5. GCF shall take all appropriate measures to protect actual or suspected survivors such as ensuring their anonymity, physical safety and removal from proximity to suspected perpetrators - from retaliation because of a report of actual or suspected SEAH perpetrated by Covered Individuals in relation to a Fund related activity.

## **V. Obligations of Covered Individuals**

### **5.1 Obligations of Covered Individuals**

9. Covered Individuals shall uphold the guiding principles of this Policy and contribute to creating and maintaining an environment which prevents SEAH.
10. Covered Individuals shall not condone, encourage, participate in, or engage in SEAH ~~to~~ in Fund-related activities. In particular, they shall not:
  - (a) Use their position to commit Sexual Exploitation, Sexual Abuse, or Sexual Harassment against any person implementing, engaged in, or benefiting from Fund-related Activities; or
  - (b) Engage in sexual activity with a child (as defined in Article 1 of the United Nations Convention on the Rights of the Child). Mistaken belief regarding the age of a child is not a valid legal defence. Any such activity shall be deemed to constitute Sexual Exploitation and/or Sexual Abuse.
11. Subject to the availability of protection against retaliation, Covered Individuals have a duty to report any suspected SEAH in Fund-related Activities as soon as possible after becoming aware of it to the IIU or to the EAC where applicable (as outlined in Section VII), and to cooperate with the IIU in the context of an investigation, or other inquiry in accordance with the Policy on the Protection of Whistleblowers and Witnesses. Relevant IIU and EAC contacts for reporting are found in Section VII below.
12. Subject to the availability of protection against retaliation, any supervisor, manager, or other such person of GCF who receives a report of suspected SEAH is obligated to transmit such report without delay to the IIU.

## **VI. Prevention and Due Diligence**

### **6.1 Covered Individuals**

13. GCF shall ensure, as soon as practicable following the adoption of this Policy, that its recruitment, procurement, employment, or any other onboarding processes include SEAH Checks.
14. In conducting SEAH Checks, GCF shall ensure that Board-appointed Officials, External Members, and GCF Personnel complete SEAH Declarations prior to the offer of any appointment, employment, or contract.
15. Following the submission of the SEAH Declaration, GCF shall ensure that the appropriate Reference Checks are carried out for the purpose of verifying, to the extent possible, the accuracy and authenticity of the information provided by the candidate, including the information provided in the SEAH Declaration.
16. Persons who are already employed or contracted by the GCF as Board-appointed Officials, External Members, or GCF Personnel at the time this Policy is adopted, shall be required to submit a SEAH Declaration without delay.
17. The failure to disclose, and/or the inaccurate or incomplete disclosure of, information with regard to any act of SEAH in the SEAH Declaration shall be treated as misconduct (as in the case of Staff) or breach of contract (as in the case of consultants), as appropriate. GCF reserves the right to withdraw any offer of appointment, employment, or contract, or to terminate any contractual engagement if the applicant is found to have provided untruthful information concerning any past criminal or disciplinary records regarding acts of SEAH.
18. Covered Individuals are required to disclose to GCF their intimate personal relationships with other Covered Individuals in the following circumstances:
  - (a) When a management reporting relationship exists between the persons; or
  - (b) When two persons have unequal positions at GCF and it could reasonably be perceived that a Conflict of Interest may exist (i.e. that a person in a superior position may be exerting his or her influence to unfairly benefit or disadvantage a person in a subordinate position).

## 6.2 Awareness Raising, Communication, and Training

19. The Secretariat will prepare as soon as practicable policy implementation guidelines in the form of an action plan to support the dissemination and implementation of this Policy and to raise awareness across GCF of the issue of SEAH and its potential ramifications. The plan will include:
  - (a) Making this Policy available on the GCF website;
  - (b) Developing through making available, policy implementation guidelines in the form of an action plan, training, guidance and tools, and communication materials for Covered Individuals to raise awareness and support the implementation of this Policy. This training, tools and guidance will be tailored to the needs and contexts of the target audience;
  - (c) Conducting, to the extent possible, awareness raising and training activities for and/or in collaboration with Covered Individuals;
  - (d) Developing guidance, training, and procedures for relevant GCF Personnel responsible for assessing SEAH risks, and for working to ensure that proper safeguard systems are in place; and

- (e) Ensuring that all Covered Individuals undertake mandatory training to ensure compliance with this Policy and relevant operating procedures.

## VII. Reporting and Investigations

20. Any person or entity may report to the IIU actual or suspected SEAH as defined by this Policy. Persons with information concerning suspected SEAH, particularly when it involves Covered Individuals in Fund-related Activities, are strongly encouraged to report such information to the IIU.

21. Reports of actual or suspected SEAH should be made to the relevant authority designated for receiving the relevant report, as set out in the GCF Policy on the Protection of Whistleblowers and Witnesses and shall be dealt with in accordance with that Policy.

22. In accordance with the procedures provided for in the GCF Policy on the Protection of Whistleblowers and Witnesses:

- (a) Reports of actual or suspected SEAH regarding GCF Personnel, a Board-appointed Official (excluding the Executive Director and the Head of IIU), or an External Member of GCF Panels or Groups, shall be made to the Head of IIU through any of the following points of contact on the proviso that any changes regarding the contact details shall be communicated and disseminated appropriately:

Email: [integrity@gcfund.org](mailto:integrity@gcfund.org) Hotline: +82 32 458 6155

Mailing Address: Independent Integrity Unit, Green Climate Fund, 175 Art Center-daero Yeonsu-gu, Incheon 22004 Republic of Korea;

- (b) Reports of actual or suspected SEAH regarding a Co-Chair, Board Member, Alternate Member, Adviser, the Executive Director, or the Head of the IIU, shall be submitted to the Chair of the EAC who shall bring any such report to the attention of the EAC for its consideration in accordance with the procedures which the IIU shall establish for such cases. Such reports shall be submitted in writing and in confidence to the Chair of the EAC through the following contact points:

Email: [EAC-Chair@gcfund.org](mailto:EAC-Chair@gcfund.org)

Mailing Address: Chair of the Ethics and Audit Committee, Green Climate Fund, 175 Art Center-daero Yeonsu-gu, Incheon 22004 Republic of Korea; and

- (c) Reports of actual or suspected SEAH regarding a GCF Personnel working under the authority of the Head of the IIU shall be made to the Head of the IIU at the IIU points of contact stated in subparagraph (a) above, or to the Chair of the EAC at the EAC points of contact stated in subparagraph (c) above on an interim basis until other mechanisms are established and appropriately communicated.

23. Persons or entities reporting actual or suspected SEAH shall do so in good faith and provide where possible any information or evidence in their possession that would support a reasonable belief that SEAH may have occurred. Prior to making a report, such persons or entities are not required to evaluate or to determine whether a report that they intend to make meets any threshold of seriousness or gravity. Reporting persons or entities are not required to prove the suspected SEAH or to meet any evidentiary requirements.

24. Reports of actual or suspected SEAH shall be investigated by the IIU in accordance with the relevant GCF policies and standards including but not limited to the GCF Policy on the Protection of Whistleblowers and Witnesses. The IIU shall treat seriously, and thoroughly investigate reports of suspected SEAH in a manner that is gender-responsive, survivor-centred, independent, and objective by conducting investigations, free of control or influence by any person or entity, and with scrupulous adherence to the principles of do-no harm, fairness and due process.

25. Following any IIU investigation, the IIU shall take measures to monitor the situation regarding the status of any survivors and alleged perpetrators of SEAH, to protect against retaliation as a consequence of the investigation, its findings or its outcome. Furthermore, the GCF Secretariat shall implement any administrative or disciplinary measures to be taken by the GCF as a result of the investigation.

26. The IIU shall cooperate and coordinate with the IRM to maximise the effectiveness of this Policy. In the event that a report of SEAH is submitted to the IIU and also filed as a complaint with the IRM, or if a report of SEAH is submitted to the IIU or IRM that relates to both a Covered Individual and a GCF funded project or programme, the Heads of the IIU and IRM shall consult with each other and with the person reporting/complainant and determine how best to address the report or complaint so as to avoid parallel proceedings and/or investigations.

## VIII. Protection and Remedies

27. Any Survivor who reports, attempts to report or is believed to have reported suspected or actual SEAH (including concerns of suspected SEAH) by a Covered individual in relation to a Fund related activity shall be entitled to all the protection (which includes anonymity and confidentiality, and protection from retaliation) and remedies, afforded to 'whistleblowers' as set out in the GCF Policy on the Protection of Whistleblowers and Witnesses.

28. Any other person who reports, attempts to report or is believed to have reported actual or suspected SEAH, or cooperates, attempts to cooperate, is believed to be about to cooperate, or is believed to have cooperated with a GCF investigation concerning a report of suspected SEAH by a Covered Individual in relation to a Fund-related activity, shall be deemed a 'whistleblower' or as a 'witness', as appropriate, and shall be entitled to all the related protection (which includes anonymity and confidentiality, and protection from retaliation) and remedies, as set out in the GCF Policy on the Protection of Whistleblowers and Witnesses.

29. Any Covered Individual who is a Survivor of an act of SEAH perpetrated by another Covered Individual in connection with a Fund-related activity, may request that GCF provide the following guidance and support:

- (i) Information and advice on the informal and formal reporting options, hotlines, and helplines which are available within and outside the GCF;
- (ii) Information on available medical services and support;
- (iii) Information on counselling, including psycho-social and stress counselling;
- (iv) Advice from the Ethics Officer or Ombudsperson;
- (v) Information on available, low-cost health insurance options and services;
- (vi) Information and referral to internal and external local services specialising in sexual harassment, violence against women, violence against LGBTIQ+

individuals, including gender non-conforming individuals, or support for men who experience violence, to the extent available; and

- (vii) Support and guidance on how to report to and what to expect from the local authorities, particularly if the alleged behaviour constitutes a crime.

30. In emergency situations, any Covered Individual who is a Survivor of SEAH perpetrated by another Covered Individual in connection with a Fund related activity may request that GCF provide interim medical relief or other support services as required to address the immediate harm.

31. Any person who is a survivor of SEAH perpetrated by a Covered Individual on GCF premises or during an activity or event hosted by GCF, regarding whom a report of SEAH has been made in accordance with section VII of this Policy, may request that GCF provide the protection provided for in paragraphs 30 and 31 above.

32. Acts of SEAH, or retaliation against an actual or suspected SEAH survivor, committed by Covered Individuals shall amount to misconduct or breach of contract and shall be subject to disciplinary or other remedial measures as appropriate, in accordance with the relevant GCF policies, rules, and procedures.

33. Any person or entity who makes a False or Malicious Report may be subject to administrative remedies or disciplinary action in accordance with relevant GCF policies and guidelines, and the provisions of any contractual agreements existing between GCF and the person or entity.

34. In connection with a Fund-related activity, where an act of SEAH is perpetrated by a Covered Individual, or retaliation against an actual or suspected Survivor, is perpetrated by a Covered Individual has been substantiated through an investigation conducted by GCF, and corrective or disciplinary measures have been imposed against a Covered Individual, the IIU, in consultation with the EAC, may recommend that GCF take appropriate remedies, such as the provision of referral contacts and services and counselling for the benefit of the survivor. The GCF Secretariat shall endeavour to implement such remedies without undue delay. However, in the event that the GCF Secretariat does not implement the recommended remedies, the IIU shall promptly seek guidance from the EAC in order for the EAC to determine the appropriate course of action.

## **IX. Policy Implementation, Monitoring, Reporting, and Review**

35. The Office of Human Resources of the GCF Secretariat shall be responsible for the effective implementation, monitoring, and reporting to the Board annually regarding the Covered Individuals obligations under this Policy. It shall develop guidelines and procedures, in consultation with the IIU, to operationalise and implement this Policy promptly following its adoption.

36. The Secretariat and the IIU shall recommend improvements to this Policy and related procedures and controls to mitigate opportunities for SEAH and ensure that Covered Individuals adhere to the Policy. The IIU shall also maintain and publicly disclose a case registry of reports including regarding SEAH, within the limitations of the GCF Policy on the Protection of Whistleblowers and Witnesses in force, and in accordance with relevant GCF policies and standards regarding information disclosure.

37. Every three years, the Ethics and Audit Committee, with the support of the IIU and the Secretariat, will present a report to the Board on issues related to the implementation of this Policy along with any recommendations for changes to it. Such reports will take into account

new standards or policies developed and implemented by peer institutions and partners regarding the range of their activities, and will be aligned with the policy review cycle.

## **X. Effective Date**

38. This Policy shall come into effect following the adoption by the Board of the GCF.

## Annex III: Revised Environmental and Social Policy

### I. Introduction

1. GCF establishes this overarching Environmental and Social Policy (hereafter policy) that articulates how GCF integrates environmental and social considerations into its decision-making and operations to effectively manage environmental and social risks and impacts and improve outcomes.

### II. Definitions

2. The following definitions shall apply in this policy:

- (a) **“Accredited entity”** means an entity that is accredited by the Board in accordance with the Governing Instrument and relevant Board Decisions. The role of an accredited entity relates to the management and oversight of project implementation, which includes the origination and preparation of a funding proposal, the subsequent management of the necessary stages of the implementation process until its conclusion (project management) on behalf of the provider of funds, and reporting obligations. An accredited entity may also be the executing entity, responsible for the operational implementation and execution of the project;
- (b) **“Activities”**, for the purposes of this policy and unless otherwise specified, refers to programmes, projects and subprojects;
- (c) **“Associated facilities”** are those that are not funded as part of the project, and that would not have been constructed or expanded if the project did not exist and without which the project would not be viable;
- (d) **“Board”** means the board of the GCF established pursuant to the provisions of the Governing Instrument for the GCF;
- (e) **“Cumulative impacts”** result from the incremental impact, on areas or resources used or directly affected by the project, from other existing, planned or reasonably defined developments at the time the risks and impacts are identified;
- (f) **“Disadvantaged or vulnerable”** refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project’s benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so;
- (g) **“Due diligence”**, in the context of environmental and social management system, means the process of investigating potential investments to confirm all facts, such as reviewing environmental and social safeguards, audits, assessments, and compliance before consideration of funding or entering into an agreement with another;
- (h) **“Environmental and social assessment”** means the assessment of environmental and social risks, impacts and opportunities including, where appropriate assessment of potential transboundary risks and impacts undertaken by the accredited entities in a manner that follows good international industry practices, identifies best alternatives and allows for an integrated and balanced view of the environmental and social risks and impacts. This type of assessments may include specific impacts assessment, audits, and due diligence studies, among others.;

- (i) **“Environmental and social impact assessment (ESIA)”** refers to a process or tool based on an integrated assessment where the scale and type of potential biophysical and social, including, where appropriate transboundary risks and impacts of projects, programs and/or policy initiatives, are predicted, acknowledged and evaluated. It also involves evaluating alternatives and designing appropriate mitigation, management and monitoring measures to manage the predicted potential impacts;
- (j) **“Environmental and social management frameworks (ESMF)”** describes the roles and responsibilities and the processes to manage environmental and social risks and impacts including, where appropriate transboundary risks and impacts, including screening, preparation, implementation and monitoring of subprojects;
- (k) **“Environmental and social impacts”** refer to any change, potential or actual, to (i) the physical, natural, or cultural environment, and (ii) impacts on surrounding community and workers, resulting from the activities to be supported;
- (l) **“Environmental and social risk”** is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence;
- (m) **“Environmental and social management system (ESMS)”** refers to a set of management processes and procedures that allow an organization to identify, analyse, control and reduce the environmental and social impacts of its activities including transboundary risks and impacts, in a consistent way and to improve performance in this regard over time. For the purposes of this document, “ESMS” refers to the environmental and social management system of GCF. When used in the long form, “environmental and social management system”, it refers to the entities’ management system;
- (n) **“Environmental and social management plan (ESMP)”** refers to a document that contains a list and description of measures that have been identified for avoiding adverse environmental and social impacts, including, where appropriate transboundary risks and impacts, or minimising them to acceptable levels, or to mitigate and compensate them and usually the main output of the ESIA process;
- (o) **“Environmental and social safeguards (ESS)”** refers to a set of standards that specifies the desired outcomes and the specific requirements to achieve these outcomes through means that are appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts. For the purposes of this policy, “ESS standards” refer to the environmental and social safeguards standards, which is currently the interim ESS standards adopted by GCF until GCF develops its own standards. When used in the long form, “environmental and social safeguards standards”, it refers to the accredited entities’ own standards;
- (p) **“Executing entity”** means any entity, which includes, as the case may be, a developing country that is a party to the Convention, through which GCF proceeds are channelled or used for the purposes of a funded activity or part thereof, and/or any entity that executes, carries out or implements a funded activity, or any part thereof;
- (q) **“GCF financed activities”** means any Activities financed with GCF proceeds;
- (r) **“Intermediaries”** refers to subnational, national, regional or international public and private entities (financial or non-financial) with accredited capacities for intermediation;
- (s) **“Involuntary resettlement”** means physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, including those that lead to loss of income sources or other means of

livelihood), or both, caused by project-related land acquisition or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement;

- (t) **“Land acquisition”** refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way;
- (u) **“Mitigation hierarchy”** as described in the ESS standards that set prioritized steps for limiting adverse impacts through avoidance, minimization, restoration and compensation as well as opportunities for culturally appropriate and sustainable development benefits;
- (v) **“Secretariat”** means the Secretariat of the GCF established by the GCF pursuant to paragraph 19 of the Governing Instrument;
- (w) **“Stakeholders”** refers to individuals or groups, communities, governments who: (a) are affected or likely to be affected by the activities; and (b) may have an interest in the activities (other interested parties). The stakeholders of an activity will vary depending on the details of the activity and may include local communities, national and local authorities, including from neighbouring governments, neighbouring projects, and nongovernmental organizations;
- (x) **“SEAH”** means Sexual Exploitation, Sexual Abuse and Sexual Harassment;
- (y) **“Sexual Abuse”** means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
- (z) **“Sexual Exploitation”** means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to profiting monetarily, socially, or politically from the sexual exploitation of another;
- (aa) **“Sexual Harassment”** includes unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature, that interferes with work, is made a condition of employment, or creates an intimidating, hostile, or offensive environment in connection with a GCF financed activity.

### III. Objectives and scope

#### 3.1 Policy objectives

3. In carrying out its mandate of promoting a paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development, GCF will effectively and equitably manage environmental and social risks and impacts, and improve outcomes of all GCF-financed activities. This policy presents the commitments of GCF and articulates the principles and standards to which GCF will hold itself accountable. Through this policy, GCF will require that all GCF-supported activities will commit to:

- (a) Avoid, and where avoidance is impossible, mitigate adverse impacts to people and the environment;
- (b) Enhance equitable access to development benefits; and
- (c) Give due consideration to persons in vulnerable positions and situations and marginalised populations, groups, and individuals, including women and girls, local communities, indigenous peoples, and other marginalized groups of people and individuals that are affected or potentially affected by GCF-financed activities and are especially vulnerable to exploitation or other potentially harmful unintended project impacts.

4. The policy articulates the commitments of GCF to sustainable development, elaborates how GCF integrates environmental and social issues into its processes and activities, and sets the roles and responsibilities including the requirements to deliver these commitments. To achieve these, the policy defines how GCF will manage the environmental and social risks and impacts, and how GCF will support the overall sustainability of its operations and investments in line with its obligations under national and international law and other relevant standards. Specifically, the policy aims to:

- (a) Provide the basis for a coherent, consistent and transparent management system founded on the principles of inclusive, gender-sensitive sustainable development for improving performance and outcomes, managing risks and impacts, and enhancing equitable access to benefits in all GCF-financed activities;
- (b) Support the decision-making of GCF, particularly regarding the accreditation of entities, the provision of support, and the design, development, approval, implementation, and review of GCF-financed activities;
- (c) Underpin the development of an ESMS that incorporates a systematic gender-sensitive and intersectional approach to integrating environmental and social performance and risk management into the operations of GCF and those of the accredited entities and other development institutions with which GCF is associated; and
- (d) Define the responsibilities and processes to deliver upon the commitments of GCF.

#### 3.2 Scope of application

5. The policy will apply to all GCF-financed activities and to both public and private sector entities. The activities supported by GCF may include programmes, projects and subprojects. The financial instruments may vary and may include grants, concessional loans, guarantees and equity investments. The Environment and Social Policy applies to three engagement areas:

- (a) At the strategic and institutional level, the policy responds to the mandate expressed in the Governing Instrument and links to other operational strategies and policies including internal structures and governance frameworks of GCF;
  - (b) At the entities level, the policy sets out the requirements for accredited entities working with GCF to establish and maintain robust, systematic, accountable, inclusive, gender-responsive, participatory and transparent systems to manage risks and impacts, from GCF-financed activities, pursuant to this policy and the ESS standards adopted by GCF. These requirements complement the accreditation framework and are considered in the accreditation and reaccreditation processes; and
  - (c) At the activity level, the policy establishes the requirements for environmental and social risk assessment and management, including SEAH risks, to be aligned to GCF ESS standards ensuring that due diligence is undertaken for all GCF-financed activities, including subprojects financed from GCF-funded programmes or through financial intermediaries, regardless of the financial instruments used or whether these are solely supported by GCF or co- financed by other institutions.
6. Where accredited entities or implementing entities are implementing activities jointly with other institutions, GCF will encourage accredited entities and the other institutions to explore a common approach, for the assessment and management of the environmental and social risks and impacts. GCF can agree to a common approach for GCF-financed activities, provided that the common approach is consistent with this policy, the ESS standards, and other related GCF policies and practices. The common approach must meet the principles and requirements that will provide the highest level of environmental and social protection, if not the same level provided by the ESS standards and this policy.
7. Additional country requirements on environmental and social safeguards and sustainability may be integrated with GCF requirements at the activity level, provided that the accredited entities establish that the additional requirements are consistent with and at least as rigorous as the ESS standards of GCF and this policy.

#### IV. Guiding principles

8. The following principles shall guide how GCF will implement the ESMS and achieve the objectives of this policy:
- (a) **Integration of environmental and social sustainability.** Sustainable development underpins the mandate and objectives of GCF and hence is a key consideration in the policies and governance frameworks of GCF. The ESMS and the policy provide an opportunity for GCF to incorporate environmental and social considerations, including SEAH, in ways that not only include safeguard measures of “do no harm,” but also improve environmental and social outcomes and generate accessible and inclusive co-benefits to the environment and the communities, including women and girls, and indigenous peoples, that depend on it. Within the parameters of the ESMS, this is translated into the operations of GCF, such as accreditation, investment criteria, ESS application, monitoring and accountability, information disclosure, gender mainstreaming, SEAH risk mitigation, incorporation of considerations related to indigenous peoples, women and girls, stakeholder engagement, and the redress mechanism;
  - (b) **Transboundary risk and impact approach.** The GCF shall ensure that in case of potential transboundary impacts of GCF-funded projects all necessary consultations and due diligence processes, including prior notification and accessible, inclusive, gender-

sensitive consultations with the relevant stakeholders, including addressing their comments;

- (c) **Scaled risk-based approach.**<sup>1</sup> The ESS standards will be implemented in a risk-based manner and not in a blunt, one-size-fits-all approach. This approach will require that environmental and social requirements and processes are commensurate with the level of risk and meeting the relevant ESS standards;
- (d) **Fit-for-purpose approach.**<sup>2</sup> In the context of the GCF accreditation process, the approach recognizes the roles of a wide range of entities, which can differ according to the scope and nature of the activities of the entities, and their capacity to manage environmental and social risks and impacts. GCF enables entities to access various levels of support differentiated by their capacities in meeting fiduciary and environmental and social safeguards requirements;
- (e) **Equality and non-discrimination.** In meeting the ESS standards, all activities financed by GCF will require that, where they are unavoidable, adverse impacts do not fall disproportionately on women and girls, persons in vulnerable positions and situations and marginalised groups and individuals that are affected or potentially affected by GCF-financed activities, and avoid prejudice and discrimination in providing access to development resources and benefits;
- (f) **Mitigation hierarchy.** The GCF adheres to the mitigation hierarchy as an overall principle to managing environmental and social risks and impacts, suitable for all instances of GCF- financed activities. The mitigation hierarchy aims to:
  - (i) Anticipate and avoid adverse risks and impacts on people and the environment;
  - (ii) Where avoidance is not possible, adverse risks and impacts are minimized through abatement measures;
  - (iii) Mitigate any residual risks and impacts; and
  - (iv) Where avoidance, minimization or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, design and implement measures that provide remedy and restoration before adequate and equitable compensation of any residual risks and impacts;
- (g) **Coherence and links with relevant policies and practices of GCF.**<sup>3</sup> The Environmental and Social Policy is an overarching policy that shall be consistent and linked with the relevant policies and practices of GCF, such as those related to accreditation, monitoring and accountability, the redress mechanism, information disclosure, gender, SEAH, and others, as appropriate, including those relevant policies that are still to be developed;
- (h) **Continuous improvement and best practices.**<sup>4</sup> The ESMS will be continuously reviewed and updated in a transparent and participatory manner to sustain its relevance and responsiveness to the prevailing organizational, social, economic and political conditions. The ESMS will also be consistently aligned with international best practices and applicable standards, reflecting the experiences and lessons learned by accredited entities and other relevant institutions, as well as including

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<sup>1</sup> Decision B.07/02, annex I.

<sup>2</sup> Decision B.07/02, paragraph (j) and decision B.08/02, paragraph (c).

<sup>3</sup> Decision B.07/02, paragraph (n), annex VI.

<sup>4</sup> Decision B.07/02, paragraph (n), annex VI, requiring the ESMS to be consistent with accepted evolving international systems for quality and environmental management systems: central to these is the continual improvement process.

recommendations made by the GCF independent accountability units. In updating the ESMS, GCF will provide guidance to accredited entities on the implications of such updates on their environmental and social management systems and their application to ongoing GCF-financed activities;

- (i) **Stakeholder engagement and disclosure.** The ESMS requires that there is broad multi-stakeholder support and participation throughout the lifecycle of GCF-financed activities, including the development of measures to mitigate, manage and monitor environmental and social risks and impacts. The process to build support shall be inclusive, gender-responsive and culturally aware, and will be supported by the disclosure of relevant information pursuant to the GCF Information Disclosure Policy;<sup>5</sup>
- (j) **Gender-sensitive approach.**<sup>6</sup> GCF will contribute to gender equality and inclusiveness by ensuring that the methods and tools to promote gender equality and reduce gender disparities in climate actions are established and implemented. In designing activities for GCF-funding, GCF will require accredited entities to adequately assess the gender risks and impacts (as part of social risks and impacts assessments), and link the corresponding gender risk management measures to the activity-level gender action plans;
- (k) **Zero-tolerance of Sexual Exploitation, Sexual Abuse, and Sexual Harassment [SEAH].** GCF has zero tolerance for all forms SEAH in GCF-financed activities. Sexual Exploitation, Sexual Abuse and Sexual Harassment violate human dignity and have always been unacceptable behaviour. SEAH is based on unequal relations and power dynamics resulting in a culture of discrimination and privilege. To give effect to the principle of zero-tolerance, GCF recognises the imperative for Accredited Entities and GCF financed activities to prevent and respond effectively to SEAH and to protect persons, especially persons in vulnerable positions and situations, and survivors of SEAH in GCF financed activities. These protections are essential to strengthen integrity and accountability throughout GCF;
- (l) **Knowledge-sharing.** GCF will lead and promote the sharing of lessons and experiences in applying ESS and in implementing the ESMS among entities and stakeholders, and will integrate these lessons with capacity development, communications, and outreach activities of GCF and the entities;
- (m) **Harmonized application of environmental and social requirements.** GCF will promote the harmonized application of environmental and social safeguards to reduce multiple and overlapping requirements for activities through the development of common approach that considers the requirements of other co-financing institutions while providing the highest level of environmental and social protection required among the parties, with at least the level of protection by GCF being required;
- (n) **Compliance with applicable laws.** GCF will not support activities that do not comply with applicable laws, including national laws and/or obligations of the country directly applicable to the activities under relevant international treaties and agreements, whichever is the higher standard;
- (o) **Consistency with the United Nations Framework Convention on Climate Change UNFCCC) REDD-plus safeguards.** The environmental and social requirements of GCF

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<sup>5</sup> Decision B.12/35, paragraph (a).

<sup>6</sup> Decision B.09/11, paragraphs (a–b).

will be consistent with all relevant REDD-plus decisions under UNFCCC and existing highest standards for the operationalization of these decisions;<sup>7</sup>

- (p) **Labour and working conditions.** All activities financed by GCF will promote decent work, fair treatment, non-discrimination and equal opportunity for workers, free of Sexual Exploitation, Sexual Abuse and Sexual Harassment and guided by the core labour standards of the International Labour Organization;
- (q) **Indigenous peoples.** All GCF-financed activities will avoid adverse impacts on indigenous peoples, and when avoidance is not possible, will minimize, mitigate and/or compensate appropriately and equitably for such impacts, in a consistent way and improve outcomes over time; promote benefits and opportunities; and respect and preserve indigenous culture, including the indigenous peoples' rights to lands, territories, resources, knowledge systems, and traditional livelihoods and practices. All GCF-financed activities will support the full and effective participation of indigenous peoples, including women and girls and recognize their contribution to fulfilling the GCF mandate throughout the entire life cycle of the activities. The design and implementation of activities will be guided by the rights and responsibilities set forth in the United Nations Declaration on the Rights of Indigenous Peoples including, of particular importance, the right to free, prior and informed consent, which will be required by GCF in applicable circumstances;
- (r) **Human rights.** All activities supported by GCF will be designed and implemented in a manner that will promote, protect and fulfil universal respect for, and observance of, human rights for all recognized by the United Nations. GCF will require the application of robust environmental and social due diligence so that the supported activities do not cause, promote, contribute to, perpetuate, or exacerbate adverse human rights impacts; and
- (s) **Biodiversity.** All GCF-financed activities will be designed and implemented in a manner that will protect and conserve biodiversity and critical habitats, ensure environmental flows of water, maintain the benefits of ecosystem services, and promote the sustainable use and management of living natural resources.

## V. Overview of roles and responsibilities

### 5.1 Overview of GCF roles and responsibilities

9. Within the context of its mandate and consistent with its own policies, GCF will carry out the following roles and responsibilities to meet the objectives of this policy.

10. **Accreditation.** In relation to the accreditation of entities, GCF is responsible for determining the capacity of the entities to manage environmental and social risks and impacts of GCF-financed activities following the GCF accreditation framework. GCF will assess the commitment, track record and consistency of the systems and approaches used by the entities and intermediaries with the ESS standards using the fit-for-purpose approach. As necessary, GCF will collaborate with the entities on measures to improve their capacities, including the deployment of necessary support and assistance through the GCF Readiness and Preparatory Support Programme.

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<sup>7</sup> Decision 1/CP.16.

11. **Managing environmental and social risks throughout the life cycle of GCF-financed activities.** Within the parameters of the activities financed or proposed for financing by GCF, GCF will be responsible for:

- (a) Requiring and ensuring that accredited entities implement their environmental and social management system pursuant to the ESS standards and this policy, thereby providing for a systematic, consistent and transparent management of risks and impacts from GCF-financed activities. Where gaps or weaknesses exist, GCF will require that these are addressed by the accredited entities in a manner and time amenable to GCF so that an effective environmental and social management system is in place before GCF-financed activities are implemented;
- (b) Requiring and ensuring that appropriate screening and categorization processes within the accredited entities' environmental and social management systems are conducted;
- (c) Conducting its own environmental and social due diligence on activities proposed for funding consideration, and recommending to the Board for financing only those proposed activities that meet the requirements for managing environmental and social risks and impacts, pursuant to the ESS standards and this policy;
- (d) Requiring and ensuring that environmental and social risks and impacts assessments for activities are adequate and provide sufficient information to evaluate whether GCF should consider funding the activities, taking into account the potential risks and impacts, and should determine suitable avoidance, mitigation or compensation measures in those cases where proceeding with funding consideration is appropriate. Where gaps or weaknesses exist in the assessment, GCF will require that these are addressed prior to funding consideration. The assessments will also provide the basis for GCF to confirm the risk categories of activities following the definition in this policy and level of risks to which the entities were accredited;
- (e) Confirming the accredited entities' assignment of risk categories to the proposed activities, ensuring that their environmental and social management plans address the identified risks and impacts, requiring any other safeguards instruments and tools that may be further needed, and reviewing their adequacy. Where there are gaps or weaknesses in the environmental and social management plans, GCF will require that they are addressed. GCF will also require that accredited entities implement (which may include the role of an executing entity), or monitor and supervise the activity's implementation and compliance with (as an intermediary) the environmental and social obligations and conditions, and require that any gaps or weaknesses be addressed;
- (f) Carrying out monitoring, review and reporting functions related to the environmental and social performance of accredited entities and the supported activities, as may be required pursuant to the monitoring and accountability framework, ESS standards, and this policy;
- (g) Reviewing proposed operational changes with respect to the GCF-financed activities or the accredited entities' environmental and social management systems and requiring additional measures to align with the ESS standards, this policy, and other GCF policies, if necessary;
- (h) The SEAH provisions of this policy will be operationalized via a SEAH Action Plan for the GCF which will stipulate how these provisions will be implemented for all GCF financed activities. A SEAH risk assessment tool will be developed, and dedicated GCF staff will work to assess SEAH risk in all GCF financed activities to which this policy applies; and

- (i) The GCF will provide technical support to Accredited Entities to enable them to undertake the necessary SEAH risk assessment. In addition, Direct Access Accredited Entities may request capacity building resources through the Readiness and Preparatory Support program.
12. **Information disclosure, stakeholder engagement and grievance redress.** Within the parameters of the activities financed or proposed for financing by GCF, GCF will be responsible for:
- (a) Confirming that all information related to the environmental and social safeguards of activities are appropriately disclosed to meet the requirements of the GCF Information Disclosure Policy and section 7.1 of this policy, and working with accredited entities to address any gaps or weaknesses in the disclosure of relevant information;
- (b) Confirming that persons, communities and countries affected or potentially affected by the activities are consulted, and where required that free, prior and informed consent of indigenous peoples is obtained, by the accredited entities or through its executing entities during the design and implementation of the activities and that effective grievance redress mechanisms to receive complaints and feedback are established and function in a collaborative manner and in a way that is complementary to GCF independent Redress Mechanism, and requiring that any gaps or weaknesses be addressed; and
- (c) Ensuring that accredited entities establish activity-specific grievance redress mechanisms as appropriate, cooperate with, and inform all stakeholders of, and provide access to the independent Redress Mechanism, and fully implement remedial actions stipulated by the Board on the recommendation of the independent Redress Mechanism in response to complaints received by the independent Redress Mechanism and in accordance with the terms of reference, guidelines and procedures of the independent Redress Mechanism and consistent with the requirements described in section 7.3 of this policy.
13. GCF will require and ensure that accredited entities comply with their environmental and social obligations specified in their accreditation, the activities' safeguards plans and frameworks, activity-specific gender action plans, applicable country laws and regulations, and obligations of the country directly applicable to the activities under relevant international treaties and agreements. Where the accredited entities fail to comply with the safeguards requirements, GCF will work with the accredited entities to develop and implement timebound corrective actions that will bring the activities back into compliance. GCF will also work with the accredited entities and the affected people to develop and implement measures to remedy the harms that occurred. Where the accredited entities fail to re-establish compliance within the applicable time frame and manner, GCF may exercise its remedies under its legal agreement with the accredited entities.

## 5.2 Overview of roles and responsibilities with respect to the accredited entities

14. GCF will take steps to ensure that the requirements of this policy are applied to both the development of activities and their implementation once approved.
- (a) In the case of activities proposed for GCF financing, GCF will require the accredited entities to undertake all necessary measures to ensure that activities are developed in such a manner that:

- (i) Provides and implements the environmental and social management system to manage the environmental and social risks and impacts associated with the activities, allows meaningful and inclusive multi-stakeholder consultation and engagement throughout the lifecycle of activities taking into account the particular situations of persons in vulnerable positions and situations, and individuals that are affected or potentially affected by GCF-financed activities, appropriate to its role as an implementing entity (which may include a project execution role), an intermediary entity, or both, maintaining or improving on the environmental and social management system on which its accreditation was approved;
  - (ii) Ensures that activities proposed for GCF financing are properly screened, assigned appropriate environmental and social risk categories and that the environmental and social risks and impacts are properly and sufficiently assessed;
  - (iii) Ensures cooperation with GCF in its due diligence of the activities proposed for GCF financing;
  - (iv) Ensures that measures to avoid, minimize or mitigate adverse impacts, to compensate for residual impacts and to provide for restoration are planned and adequately supported in the activities proposed for GCF financing; and
  - (v) Ensures disclosure of information on the GCF-financed activities and component subprojects pursuant to the GCF Information Disclosure Policy, and that continuing stakeholder engagement, as well as entity-level and activity-level grievance mechanisms are developed and implemented; and
  - (vi) Ensures access to the independent Redress Mechanism's grievance and complaints process and that any remedial actions stipulated by the Board of the GCF on the recommendation of the independent Redress Mechanism in response to a complaint from people affected by the activities are respected and promptly implemented.
- (b) In the case of GCF-financed activities, GCF will require the accredited entities to undertake all necessary measures to ensure that activities are implemented in such a manner that:
- (i) Ensures that ESMPs, and all measures to mitigate and manage environmental and social risks and impacts and to improve outcomes are implemented, monitored and continuously improved; and
  - (ii) Ensures that the progress and performance are monitored and reported to GCF and its stakeholders throughout the implementation of the GCF-financed activities, in accordance with the monitoring and accountability framework and allowing GCF or GCF-authorized third-party verification of such reports.
15. GCF will require the accredited entities to confirm that the measures to manage environmental and social risks and impacts, including, as relevant, information disclosure, stakeholder engagement, and grievance redress, are incorporated in the agreements with executing entities including tendering documents and contracts.
16. GCF will require the accredited entities to take all necessary measures to ensure the compliance with all applicable laws, including the laws, regulations, and standards of the country in which the activities are located, and/or obligations of the country or countries directly applicable to the activities under relevant international treaties and agreements.

17. Entities that are functioning as financial intermediaries are exposed to environmental and social risks through the activities of their borrowers, grantees, and investees. GCF will require the intermediaries to manage the environmental and social risks associated with the supported activities. In this regard, the intermediaries will review all subprojects and delegated activities, identify where the entities and GCF could be exposed to potential risks, and take necessary actions, including the development and implementation of an environmental and social management system to oversee and manage these risks. GCF will require that accredited entities, acting in intermediary functions, undertake all necessary measures to ensure that all component subprojects and activities meet the requirements of the ESS standards of GCF and this policy. GCF will also require the accredited entities to ensure that the borrowers, grantees, and investees have the adequate management systems, processes, and capacity to manage environmental and social risks and impacts, that the individual subprojects and delegated activities are properly screened, assessed, assigned an appropriate risk category, subjected to due diligence and oversight, and that the implementation and outcomes are monitored and reported.

18. GCF will require that accredited entities undertake all necessary measures to ensure that the communities affected or potentially affected by the activities (including persons in vulnerable positions and situations, and marginalised groups and individuals) are properly consulted in a manner that facilitates the inclusion of local knowledge in the design of the activities, provides them with opportunities to express their views on risks, impacts and mitigation measures related to the activities, and allows the accredited entities to consider and respond to their concerns. In ensuring the meaningful and effective consultation and participation of the affected communities and vulnerable populations, the accredited entities will align their stakeholder engagement processes to best practices and standards and will make publicly available the relevant information on the activities according to the requirements of the Information Disclosure Policy of GCF and section 7.1 of this policy.

19. In the case of activities proposed for GCF financing, GCF will require the accredited entities to undertake all necessary measures to ensure that activities financed by the GCF are developed and implemented in such a manner that considers potential Sexual Exploitation, Sexual Abuse and Sexual Harassment (or the similar terms employed by the Accredited Entities that are equivalent to those of the GCF in all material respects). Accredited Entities are required to ensure that:

- (a) Any risks or potential adverse impacts on women, men, girls and boys are identified as early as possible as part of GCF financed activities screening and reflected in relevant safeguards instruments (including the ESIA and ESMP as appropriate), and differentiated by gender and age where relevant, including Sexual Exploitation, Sexual Abuse and Sexual Harassment (or the similar terms employed by the Accredited Entities that are equivalent to those of the GCF in all material respects), and
  - (i) The relevant safeguards instruments (including the ESIA and ESMP as appropriate) includes measures to prevent and address SEAH;
  - (ii) All measures to mitigate and manage the identified risks and impacts are implemented, monitored and continuously improved;
  - (iii) Progress and performance are monitored and reported to GCF and stakeholders throughout implementation of the GCF financed activities.
- (b) In case incidences of Sexual Exploitation, Sexual Abuse and Sexual Harassment occur, there are:
  - (i) Established accessible and inclusive survivor-centred reporting and response protocols in place, with specific procedures for SEAH including confidential

reporting with safe and ethical documenting of SEAH cases, that indicate when and where to report incidents, and what follow-up actions will be undertaken; and

- (ii) Modalities to provide timely services and redress to survivors. including as appropriate, medical care, psychosocial support, legal support, community driven protection measures, and reintegration.

20. In the case of activities proposed for GCF financing, GCF will require accredited entities to undertake all necessary measures to ensure that the grievance redress mechanisms established by the accredited entities and/or executing entities, as described in paragraph 81, address SEAH in addition to other environmental and social impacts of the activities.

## **VI. General requirements for environmental and social risk management**

### **6.1 Accreditation**

21. GCF operates through accredited entities, including those functioning as financial intermediaries. These entities are tasked to deliver upon the objectives of GCF through the supported activities while ensuring that the fiduciary, environmental and social standards of the GCF are met. Accredited entities will have in place environmental and social management systems that specify their capacities, standards and processes for screening, identifying, assessing, managing, and monitoring the potential environmental and social risks and impacts pursuant to the ESS standards of GCF and this policy.<sup>8</sup>

22. The accreditation of entities will be conducted pursuant to the accreditation framework.<sup>9</sup> Under the accreditation framework, GCF examines, in line with the ESS standards and all relevant GCF policies, the adequacy of the applicant's environmental and social management system and the track record of implementing such a system. The accreditation process will also allow the entities to access GCF support at a level commensurate to their institutional capacity to undertake the assessment and management of environmental and social risks and impacts.

### **6.2 Environmental and social management system**

23. The accredited entities will put in place an effective environmental and social management system to assess the environmental and social risks and impacts associated with the activities and the means to subsequently manage these effectively and equitably. The environmental and social management system of the accredited entities will be in accordance with the requirements of the GCF ESS standards and applicable policies of GCF as determined in the accreditation and appropriate to its role as an implementing entity (which may include a project execution role), an intermediary entity, or both. The accredited entities will maintain and continuously improve the environmental and social management system on which their accreditation was approved. The level of detail and complexity of the management system, and the staff and financial resources allocated to it, will be adequate to manage the expected level of risks and impacts of the activities to be financed. The staff of the accredited entities, including those who may be part-time or externally acquired (e.g. consultants) will have the necessary

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<sup>8</sup> Decision B.07/02, Annex I.

<sup>9</sup> Decision B.07/02.

expertise in all areas covered by the ESS standards of GCF to carry out their responsibilities. The environmental and social management system forms one of the important considerations in the accreditation of the entities and is also the basis of the due diligence of activities proposed for financing that confirms how the environmental and social management system is translated to specific risk avoidance and mitigation measures.

24. If the entities have been accredited to have an intermediary function, their environmental and social management system will include the policies, procedures and resources to conduct due diligence and oversight over executing entities and ensuring that the executing entities have the capacity and environmental and social management systems to fulfil the activity-level requirements discussed in sections V, VI and VII of this policy and in line with the ESS standards of GCF.

### 6.3 Screening and risk categories

25. GCF, pursuant to the ESS standards, requires accredited entities – whether their role is as an implementing entity or an intermediary entity – to screen activities that include programmes, projects and subprojects, and following the result of the screening, to assign appropriate risk categories consistent with their environmental and social management systems and the GCF ESS standards.

26. GCF will review the environmental and social screening of the activities proposed for GCF financing and confirm the environmental and social risk category assigned by the accredited entity based on the screening. In reviewing, GCF will confirm that the risk category of the proposed activity is appropriate to the risk level at which the entities have been accredited and consistent with the accredited entities' requirements, the GCF ESS standards, and the considerations and definitions set out in paragraphs 27 to 34 of this policy. If it is inconsistent, GCF will require the accredited entity to reflect the appropriate category. Only activities with risk categories that are within the accredited entity's accreditation level will be considered for GCF financing.

27. In screening activities, GCF will require that risks and impacts are considered and will include direct and indirect, induced, long-term and cumulative impacts, potential environmental and social risks to the activities, and will take into account the activities' areas of influence including associated facilities and third-party impacts. In screening activities, the environmental and social risks and impacts, as well as the nature, magnitude, and complexity of these risks, the specific characteristics of the influence area including risks of displacement, involuntary resettlement and to indigenous peoples, and legal and policy contexts will be considered.

28. In screening activities, GCF will require that applicable environmental and social safeguards standards are determined and actions sufficient to meet the requirements of each applicable environmental and social safeguards standard pursuant to the GCF ESS standard and this policy are identified. The screening of the activities will benefit from an integrated assessment that brings together the perspectives of environmental and social risks and the impacts of the activities on the communities and the receiving environment.

29. GCF will require that accredited entities will take all the necessary measures to ensure that all GCF-financed activities meet applicable laws related to managing environmental and social risks and impacts, including national laws, regulations, and standards, and/or obligations of the country or countries directly applicable to the activities under relevant international treaties and agreements. The compliance with applicable laws and relevant international obligations and standards will be reflected in the screening and assessment process indicating these national and international requirements and how these will be met through the management programmes and plans.

30. GCF will require accredited entities to confirm that associated facilities meet the requirements of their environmental and social safeguards pursuant to the ESS standards of GCF. Where the associated facilities are financed by other funding agencies, GCF, and the accredited entities, may rely on the environmental and social requirements of these funding agencies provided that these are more stringent or equivalent to the ESS standards, as determined by GCF.
31. The risk category, aligned with the fit-for-purpose approach,<sup>10</sup> will be proportional to the nature, scale, and location of the activity, its environmental and social risks and impacts, and the vulnerability of the receiving environments and communities. GCF will require that appropriate risk categories are assigned to all activities proposed for GCF financing paying attention to specific environmental and social risks, as specified in the ESS standards. The environmental and social risk category will determine the nature and depth of environmental and social assessment, appropriate stakeholder engagement, and the type of information to be disclosed. The risks and impacts will be assessed at the pre-mitigation stage, and the accredited entities shall consider the most serious potential impacts of all activities including associated facilities.
32. If a programme, composed of several component subprojects, is being submitted for consideration of GCF funding, GCF will require that the highest risk category of the component subproject will be considered as the overall risk category of the programme.
33. GCF will require accredited entities to assign the appropriate environmental and social risk categories to activities in a manner consistent with the accreditation framework of GCF. The categories are as follows:
- (a) Category A. Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
  - (b) Category B. Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and
  - (c) Category C. Activities with minimal or no adverse environmental and/or social risks and/or impacts.
34. In screening activities for their environmental and social, including transboundary, risks and impacts associated with investments through financial intermediation, the screening considers the risks associated with the intended end use. Categories of activities involving investments through financial intermediation functions or delivery mechanisms involving financial intermediation are divided into the following three levels of risk:
- (a) High level of intermediation, I1. When an intermediary's existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented;
  - (b) Medium level of intermediation, I2. When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental

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<sup>10</sup> Decision B.08/03.

and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented; and

- (c) Low level of intermediation, I3. When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and social impacts.

35. The accreditation of the entities is based on the definitions of risk categories of Category A, Category B and Category C for activities and I1, I2 and I3 for intermediaries. Entities and intermediaries accredited to Category A or I1 can propose for funding those activities with assessed environmental and social risk categories of up to Category A or I1. Entities and intermediaries accredited to Category B or I2 can propose activities with assessed risk categories of up to Category B or I2 only. Entities accredited to Category C, or I3 can only propose for funding Category C or I3 activities.

## 6.4 Environmental and social due diligence

36. GCF will conduct its environmental and social due diligence as part of its assessment of activities proposed for funding consideration. The purpose of GCF due diligence is to understand and evaluate how the environmental and social, including transboundary and SEAH risks and impacts are screened, assessed and planned to be mitigated and managed by the accredited entities. The due diligence of GCF will verify consistency of the assessments and proposed management measures by the accredited entities with the ESS standards and this policy and recommend to the Board for GCF financing only those proposed activities that meets the requirements for managing environmental and social risks and impacts, pursuant to the ESS standards and this policy.

37. When accredited entities bring investment activities to GCF for consideration, GCF will review the environmental and social assessment of the activities, including through field visits as appropriate, to determine the consistency of the risk categories with the accreditation of the entities and the requirements of the ESS standards and this policy, as well as obtaining comments of stakeholders in cases where projects have potential transboundary risks and impacts. With the review, a set of actions will be proposed by GCF after consulting with the accredited entities in order to fill any gaps related to the requirements of the ESS standards and this policy.

38. The environmental and social due diligence of GCF includes:

- (a) Adequate investigation, review, and assessment related to accreditation as well as to the consideration of funding proposals;
- (b) Assessing the environmental and social management systems of the entities and how these are applied to the activities, the effectiveness and independence of the grievance redress mechanism of the accredited entities and implementing entities, disclosure of information, and the meaningful and timely consultations with all stakeholders; and
- (c) Providing guidance to accredited entities in developing and implementing measures to manage the risks and impacts. The responsibilities of the accredited entities include ensuring that all the necessary assessments of risks and impacts are conducted, management plans developed and implemented, information provided, and necessary stakeholder engagement and communications conducted.

39. GCF will undertake due diligence based on the most recent, reliable and relevant information of the activities. Where information on the activities is limited, GCF will request additional information from the accredited entities and will also take into consideration the

risks and impacts inherent in the types of activities, sector, or industry, the specific context within which the activities will be developed and implemented, and the capacity of the executing entities to implement the activities in a manner consistent with the requirements of the ESS standards, and this policy. Where assessments have already been done and permits obtained, the due diligence for the activities will consist of analysis of gaps to understand whether there is a need for any additional studies or measures to meet the requirements of the ESS standards and this policy and a requirement that the gaps be filled. If there are compelling reasons that the gaps cannot be filled, the significance of the gaps, the extent of information provided and the potential risks these present will be reflected in the review with a request for waiver.

40. GCF will require the accredited entities to undertake environmental and social due diligence on all the activities proposed for GCF financing, including SEAH due diligence. The purpose of the due diligence of the accredited entities is to ensure that the activities proposed for GCF financing comply with their environmental and social safeguards standards pursuant to the ESS standards of GCF and this policy. If the accredited entities are acting in an intermediary function, they will require that the executing entities undertake the same level of due diligence on component subprojects to fulfil the requirements described in this section and will conduct the necessary due diligence and oversight to ensure that these requirements are fulfilled.

## 6.5 Environmental and social assessment

41. GCF will require the accredited entities to undertake assessment of environmental and social, including transboundary risks and impacts to ensure that the activities proposed for GCF financing meet their environmental and social safeguards pursuant to the ESS standards of GCF and this policy. If the accredited entities are acting in an intermediary function, GCF will require the accredited entity to undertake all necessary measures to ensure that the executing entities fulfil the activity-level assessment requirements described in this section for each component subproject, and will conduct the necessary due diligence and oversight to ensure that these requirements are fulfilled.

42. The environmental and social assessment will be in a manner that: follows good international industry practices, identifies best alternatives and allows for an integrated and balanced view of the environmental and social risks and impacts pursuant to GCF standards and requirements of the accredited entities, considers the environmental and social factors, that can affect the achievement of intended results, and shall include where applicable upstream and downstream environmental and social risks and impacts and impacts on ecosystems and identifies opportunities to enhance the positive environmental and social outcomes and benefits.

43. The scope and depth of the environmental and social assessment will be proportional to the level of risks and impacts and determined in the screening and by the specific requirements of the applicable environmental and social safeguards pursuant to the ESS standards of GCF and this policy. For Category A activities that are anticipated to have significant environmental and social, including transboundary risks and impacts, a full and comprehensive ESIA and ESMP will be required. For Category B activities with limited impacts, a fit-for-purpose ESIA and an ESMP, with a more limited focus as may be appropriate, that describes the potential impacts, as well as appropriate mitigation, monitoring and reporting measures will be required. Category C activities should have no expected significant environmental and social impacts and therefore may not require any assessments, although a pre-assessment or screening should confirm that the activities are indeed in Category C.

44. There are a variety of tools and studies that may be used to complement and strengthen further the assessment of environmental and social risks and impacts. These form part of commonly accepted assessment tools such as strategic environmental and social assessments, regional impacts assessments, cumulative impacts, and other specialized studies as may be required under specific environmental and social safeguards pursuant to the ESS standards of GCF and this policy. GCF may recommend and/or require additional tools and planning instruments as may be necessary to meet the national requirements and international commitments of countries.

## 6.6 Environmental and social management plan

45. GCF will require and ensure that the accredited entities develop ESMPs that contain the measures to manage and mitigate the identified risks and impacts, pursuant to the ESS standards of the GCF and this policy. If an accredited entity is acting in an intermediary function, the GCF will require the accredited entity to take all necessary measures to ensure that the executing entities fulfil the activity-level ESMP requirements discussed in this section, and the accredited entity will conduct the necessary due diligence and oversight to ensure that these requirements are fulfilled.

46. Based on the results of the environmental and social assessment, the ESMP for an activity will be designed such that the appropriate measures to address adverse environmental and social risks and impacts including health and safety, as well as opportunities to pursue and enhance positive environmental and social outcomes, are adequately described, roles defined, and the corresponding timelines and resources identified. Where transboundary risks and impacts are potentially involved, ESMP should include a modality to demonstrate that the concurrence of stakeholders are agreed in the ESMP. Where activities involve existing facilities, environmental and social audits may be required with an ESMP which may include remediation, recompense, or management of any residual environmental and social issues.

47. The ESMP will be integrated into the overall planning, design, resourcing, and execution of the GCF-financed activities and reflected in the accredited entities' environmental and social management system. Where gaps exist in the capacity of accredited entities to implement the mitigation measures exist, GCF will work with the accredited entities to build or enhance the institutional capacity and address the gaps before the activities necessitating such mitigation measures are going to be implemented.

48. GCF will require and ensure that activities are screened, including component subprojects of programmes and activities requiring financial intermediation, for potential involuntary resettlement impacts, pursuant to the objectives and requirements of the ESS standard of GCF, particularly regarding land acquisition and involuntary resettlement. GCF-financed activities will be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement cannot be avoided, GCF will require through informed consultations and participation of the people or communities affected by the activities, the preparation of a resettlement action plan or, if specific activities or locations have not yet been determined, a resettlement policy framework proportional to the extent of physical and economic displacement and the vulnerability of the people and communities. A resettlement policy framework will include provisions for the development and implementation of site-specific resettlement action plans that comply with the requirements of the accredited entities for such plans, pursuant to GCF standards and this policy. In cases of economic displacement or restrictions of access to livelihoods as a result of land acquisition and resettlement, GCF will require the development of livelihood restoration and compensation plans or frameworks. These plans or frameworks will complement the social assessments of the

activities and provide guidance on specific issues and due process related to involuntary resettlement including land acquisition, consultations with the affected people on their rights and options, compensation for assets, free, prior and informed consent in cases of indigenous lands and territories, livelihood loss and restoration, transition allowances, facilities and resettlement sites, and grievance redress.

49. GCF will require and ensure that activities are screened, including component subprojects of programmes and activities requiring financial intermediation, for any potential impacts on indigenous peoples, pursuant to the objectives and requirements of the GCF ESS standards and other relevant policies. The contributions and inputs of indigenous peoples in the risk screening and assessment processes will be facilitated. Where there are potential adverse impacts to indigenous peoples, GCF will require the development of measures to minimize, restore, and/or compensate for these impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the affected communities of indigenous peoples. These measures are to be described and costed as part of the consideration for GCF funding. Such measures may be integrated into a broader management plan or contained in an indigenous peoples plan, or if specific activities or locations have not yet been determined, indigenous peoples planning framework. The plans or frameworks will be developed with the full and effective participation of indigenous peoples through a process of meaningful consultation tailored to the indigenous peoples; ensuring the free, prior and informed consent of the affected indigenous peoples, where required by the relevant policies of GCF. The scope and extent of such plans will be proportional to the vulnerability of the indigenous peoples and the extent of impacts on the customary rights of use and access to land and natural resources, socioeconomic status, cultural integrity, indigenous knowledge and skills, and overall welfare. An indigenous peoples planning framework will include provisions for the development and implementation of site-specific indigenous peoples plans. These plans and frameworks will complement the social assessment of the activities and provide guidance on specific issues related to addressing the needs of the affected indigenous peoples.

50. GCF will require and ensure that activities are screened, including component subprojects of programmes and activities requiring financial intermediation, for any potential adverse impacts on the promotion, protection, respect for, and fulfilment of human rights. This may be done through the required social and environmental impacts assessment (complemented by specific human rights due diligence deemed relevant by the accredited entities with respect to specific circumstances or activities). For activities that have potential adverse impacts on human rights, GCF will require the preparation of an action plan that identifies national laws and/or obligations of the country directly applicable to the activities under relevant international treaties and agreements, and describes the mitigation measures that will be taken to comply with those obligations and national laws. Such measures are to be described and costed as part of the consideration for GCF funding. GCF will not finance activities where planned mitigation is inadequate.

51. GCF will require and ensure that activities are screened, including component subprojects of programmes and activities requiring financial intermediation, for any potential adverse impacts on the promotion, protection and respect for gender equality in accordance with the GCF Gender Policy and Action Plan and in compliance with national laws and/or obligations of the country directly applicable to the activities under relevant international treaties and agreements through a comprehensive gender risk and impact assessment. Supporting and mitigating actions are to be described and costed in the activity-specific gender action plans and/or ESMPs, as part of the considerations for GCF funding.

52. GCF will require and ensure that activities are screened and assessed, including component subprojects of programmes and activities requiring financial intermediation, for any

potential impacts on biodiversity, pursuant to the objectives and requirements of the ESS standards of GCF, particularly regarding biodiversity conservation and natural resources management. The activities shall avoid impacts on biodiversity and ecosystem services, and if avoidance of impacts is not possible, measures to minimize impacts and compensate and restore biodiversity and ecosystem services will be implemented. For activities that have potential adverse impacts on natural habitats, GCF will require the preparation of a biodiversity action plan that describes the long-term mitigation, conservation outcomes, monitoring, and evaluation programme. Where avoidance, minimization or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, the accredited entity, in coordination with relevant experts and GCF, will design and implement measures that provide remedy or restoration before adequate and equitable compensation of any residual risks and impacts. Such measures shall be described and costed in the biodiversity action plans and/or ESMPs as part of the consideration for GCF funding. Compensation, or offsets, will be used to mitigate adverse impacts on biodiversity and ecosystems in rare cases, only as a last resort, and only in specific instances where: all other technically feasible avoidance, minimization or restoration measures have been considered; supported by rigorous, sound science; developed in consultation with independent experts; and long-term management, support, and financing have been secured.

53. For activities requiring financial intermediation, GCF will require and ensure that the accredited entities in an intermediary function develop an operational programme- or project-level environmental and social management system or framework to identify and manage the risks associated with their portfolio and delegated activities on an ongoing basis. The complexity of the programme- or project-level environmental and social management system or framework will vary according to the risk exposure that the intermediary is expected to manage. The environmental and social management system or framework will be designed and implemented to meet the environmental and social safeguards of the accredited entities, pursuant to the ESS standards of GCF and this policy.

## 6.7 Operational changes

54. GCF will require the accredited entities to notify GCF when there are major changes in the activity design and execution, policy, and regulatory setting, receiving environment and community, unanticipated environmental risks and impacts, or other circumstances that raise or potentially raise the environmental and social risk category of GCF-financed activities. GCF will require and ensure that the accredited entities undertake due diligence appropriate to the new environmental and social risk category of the activities and revise the ESMP to meet the requirements of their environmental and social safeguards, in a manner consistent with the ESS standards of GCF. Additional due diligence and changes to the ESMPs and other safeguards documents will be disclosed in a manner pursuant to the GCF Information Disclosure Policy.

55. GCF will also require the accredited entities to notify GCF when changes to the ESMP or other management plans are required. In the context of adaptive risk management, accredited entities will ensure that the implementation of the ESMPs will be responsive to changing conditions and the results of monitoring throughout the project's lifecycle. GCF requires the accredited entities to maintain effective due diligence, including participatory monitoring approaches, to address unanticipated developments in the activities or to reflect improved techniques and technologies for addressing environmental and social risks and impacts and meeting the environmental and social safeguards requirements pursuant to the ESS standards of GCF.

56. GCF will require the accredited entities to notify GCF of any changes in their environmental and social management systems that may adversely affect the planning, design, implementation, and monitoring of GCF-financed activities. Where the changes render the ESMPs or the programme- or project-level environmental and social management system inconsistent with the ESS standards of the GCF, GCF will require and ensure that the accredited entities make appropriate revisions in the ESMP or undertake other necessary actions to meet the requirements of the ESS standards of GCF.

57. If the accredited entities are acting in an intermediary function, GCF will require the accredited entities to ensure that the executing entities inform it of the operational changes discussed in this section and, in turn, inform GCF. GCF will collaborate with the accredited entities and executing entities and provide oversight to ensure that any further required measures are implemented.

## 6.8 Monitoring and reporting

58. GCF, through its Secretariat, will carry out monitoring and reporting functions related to the environmental and social performance of the accredited entities and the supported activities as required in the GCF monitoring and accountability framework.<sup>11</sup> The monitoring will be a continuous process that allows disclosure pursuant to the monitoring and accountability framework and the Information Disclosure policy. The extent of monitoring will be based on the type and level of risks identified, including environmental and social risks.

59. GCF will monitor the compliance of accredited entities with the applicable environmental and social safeguards requirements, pursuant to the ESS standards and the monitoring and accountability framework of GCF. On an annual basis, the accredited entities will provide GCF with a self-assessment of their compliance with the applicable environmental and social safeguards, pursuant to the ESS standards of GCF. Halfway through the five-year accreditation, the Secretariat will undertake a mid-term review of compliance performance of the accredited entities. Annually, the Secretariat will report to the Board the consolidated results of the annual self-assessments, mid-term reviews, and any ad hoc reviews that were conducted.

60. The reporting requirements for GCF-financed activities will include annual performance reports and interim evaluation and final evaluation reports. These reports will specify the activities' consistency with the ESS standards and this policy and provide information from the GCF independent accountability units and any other applicable environmental and social provisions in the legal agreement. If needed, GCF may require more frequent or ad hoc monitoring and reporting or audits on specific environmental and social issues, which may also include site visits and consultations with beneficiaries, communities, and national designated authorities. The Secretariat will then report to the Board the performance of the accredited entities in relation to their GCF-financed activities providing information related to implementation progress, issues, risks and lessons, including those affecting environmental and social safeguards.

61. The accredited entities are responsible for monitoring and reporting to GCF on the GCF-financed activities. If the accredited entities are acting in an intermediary function, GCF will require the accredited entities to ensure that the executing entities fulfil the activity-level monitoring and reporting requirements discussed in this section and will, in turn, provide the requisite monitoring and reporting information to GCF. This may include both activity-specific and aggregated monitoring and reporting. GCF will review the monitoring and reporting

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<sup>11</sup> Decision B.11/10.

information about the activities of the executing entities provided by the accredited entities acting as intermediaries.

62. In monitoring the environmental and social performance of activities, GCF shall require the accredited entities to undertake all necessary measures to ensure participatory monitoring through the involvement of communities, local stakeholders, indigenous peoples and civil society organizations in all the stages of the life cycle of activities. This participatory monitoring approach will also encourage the national designated authorities or focal points to organize country portfolio reviews involving people affected by the activities and other local stakeholders.

## **VII. Information disclosure, stakeholder engagement, and grievance redress**

### **7.1 Information disclosure**

63. The Governing Instrument affirms that GCF will operate in a transparent and accountable manner guided by the principles of efficiency and effectiveness. The GCF Information Disclosure Policy<sup>12</sup> operationalizes this commitment by ensuring transparency, public access to information and stakeholder participation in all its activities. The Information Disclosure Policy requires that relevant information, including with respect to environmental and social issues, is made available to the affected and potentially affected communities and external stakeholders.

64. The information will be made available in accordance with the provisions of the Information Disclosure Policy, allowing the stakeholders time to review, seek further information and provide inputs on a proposed activity, including ways to improve design and implementation of its environmental and social safeguards. The information in the form of environmental and social reports, including additional documents described in paragraph 66 and 67, will be provided through electronic links to the websites of the accredited entities and of GCF (in the case of the GCF website, upon submission of the funding proposal to the Secretariat), as well as in locations convenient to affected peoples. The information will be available in both English and the local language (if not English) to foster adequate understanding by the affected and potentially affected communities, stakeholders and the general public.

65. The GCF Information Disclosure Policy requires the accredited entities to disclose to the public and, via the Secretariat, to the Board and active observers, the necessary documentation relevant to the environmental and social safeguards of the activities, and meeting the required disclosure period. The required disclosure will also apply to Category A and Category B subprojects of GCF-funded programmes and investments through medium- to high-level of intermediation.

66. GCF will require that all additional environmental and social safeguards documents be disclosed. These documents will include a suite of assessment and management instruments, such as resettlement action plans and policy frameworks, indigenous peoples plans and planning frameworks, gender assessments and gender action plans, and environmental and social due diligence and audit reports. These documents will complement the environmental and social reports or core safeguards instruments required in all cases – ESIA, ESMP and/or operational environmental and social management system or frameworks – and will be

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<sup>12</sup> Decision B.12/35.

disclosed in the same manner and time frame as the core instruments. Such documents shall be sufficiently comprehensive to inform the assessment and decision on the activities proposed for GCF funding.

67. The accredited entities will also disclose, in the same manner, and time frame as the safeguards documents, a summary of the activities, along with the environmental/social information, including the following at a minimum:

- (a) The purpose, nature, and scale of the activities, and the intended beneficiaries;
- (b) The duration of proposed activities;
- (c) A summary of stakeholder consultations and the planned stakeholder engagement process; and
- (d) The available grievance mechanism(s).

68. If the accredited entities are acting in an intermediary function, GCF will require the accredited entities to undertake all necessary measures to ensure that the executing entities fulfil the information disclosure requirements discussed in this section, and the accredited entities will conduct the necessary due diligence and oversight to confirm that these requirements are fulfilled.

## 7.2 Stakeholder engagement

69. GCF will require accredited entities, including intermediaries, to ensure the effective engagement of communities and individuals, including transboundary, persons in vulnerable positions and situations, and marginalised groups and individuals that are affected or potentially affected by the activities proposed for GCF financing. The stakeholder engagement plan will describe the disclosure of information, meaningful consultation and informed participation in a culturally appropriate and gender responsive manner, and, in certain circumstances, free, prior informed consent, as required pursuant to the ESS standards of GCF. The disclosure of information, meaningful consultation, and informed participation will be designed and undertaken in a manner that is gender-sensitive, inclusive and participatory, and takes into consideration the risks and impacts, including where appropriate transboundary impacts as well as opportunities to enhance environmental and social outcomes of the proposed activities, starting from the design and development of activities and will continue throughout the lifecycle of the activities.

70. GCF, working with the national designated authorities and focal points of countries, will describe the process and set guidance to assist the accredited entities to put in place and implement a process for meaningful consultation with people affected or potentially affected by the activities, guided by the principles of transparency, inclusiveness, non-discrimination, “Do No Harm” and accountability and by international best practices, and consistent with the best practice options for country coordination and multi-stakeholder engagement.<sup>13</sup>

71. GCF will also develop modalities, applicable to all stages for project consideration, consultations, sharing of information and resolutions of concerns by neighbouring countries on projects having potential transboundary environmental and social impacts.

72. GCF will require and ensure that the meaningful consultation will be culturally appropriate, undertaken throughout the life cycle of activities, with information provided and disclosed in a timely manner, in an understandable format, in appropriate local languages, gender inclusive and responsive, free from coercion, and will incorporate the views of

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<sup>13</sup> Decision B.08/10, annex XIV.

stakeholders in the decision-making process. The processes will pay particular attention to vulnerable groups and to conducting consultations in a manner that does not put vulnerable individuals and groups at risk. For activities impacting indigenous peoples, this engagement will be supported by the objectives and requirements of the GCF ESS standards and relevant GCF policies, including but not limited to, the GCF Indigenous Peoples Policy, including with respect to free, prior and informed consent.

73. GCF reserves the right to observe and participate in the consultation process or request for the documentation of the process in order to gain a better understanding of the issues and concerns of the affected and potentially affected communities, groups and individuals, as well as how such concerns will be addressed by the accredited entities.

74. GCF undertakes direct stakeholder engagement in processes related to the management of environmental and social risks and impacts, including the development of policies, procedures, and guidance, and ESMS of the GCF. In such processes, key documents are subject to a minimum 30-day public disclosure period pursuant to the GCF Information Disclosure Policy.

75. If the accredited entities are acting in an intermediary function, GCF will require the accredited entities to undertake all necessary measures to ensure that the executing entities fulfil the activity-level stakeholder engagement requirements discussed in this section and the accredited entities will conduct the necessary due diligence and oversight to confirm that these requirements are fulfilled.

### 7.3 Grievance redress mechanisms

76. The approach of GCF is to provide for grievance and redress at GCF, accredited entity, and activity levels. GCF requires that accredited entities inform the communities affected, or likely to be affected, by the GCF-financed activities about the grievance and redress mechanisms at all three levels, at the earliest opportunity of the stakeholder engagement process and in an understandable format and in all relevant languages. The details for sending complaints containing the contact information and the appropriate modes by which these will be received will be provided by the accredited entities to the communities and disseminated with other involved institutions.

77. The ESS standards of GCF establish the requirements for setting up of a grievance redress mechanisms at the activity level to receive and facilitate the resolution of concerns and grievances about the environmental and social performance of GCF-financed activities. These mechanisms will seek to resolve complaints in a manner that is satisfactory to the complainants and other relevant parties, that will be identified, depending on the nature of the complaint. To this end, GCF will require accredited entities to identify, where this already exists at the activity-level grievance redress mechanism, or establish and maintain appropriate and effective mechanisms to receive complaints and facilitate the resolution of such in connection with the GCF-financed activities.

78. At the GCF level, the independent Redress Mechanism will address the grievances and complaints filed by persons, groups of persons or communities or on their behalf by governments or a representative, duly authorised to act in such a capacity, who may be or have been affected by the adverse impacts including transboundary impacts of the projects, in connection to the GCF-financed activities. In the event of a complaint being filed with the independent Redress Mechanism, the accredited entities will cooperate with the independent Redress Mechanism and GCF.

79. GCF recognizes that local or project level grievance mechanism can provide an effective and direct remedy to complainants, and encourages the use of such mechanisms whenever

possible. This recognition does not limit in any way the ability of complainants to access the GCF independent Redress Mechanism directly. Persons who allege that they have been affected by activities that do not comply with the accredited entities' own policies and procedures should have the right to access the accredited entities' own grievance redress mechanisms and/or those at the project or activity level, if separate. It is the responsibility of the accredited entities to require and ensure that their grievance mechanisms and the activities' grievance mechanisms are functioning effectively, efficiently, legitimately, and independently in a manner that is accessible, equitable, predictable, transparent, and that allows for continuous learning.

80. If the accredited entities are acting in an intermediary function, the accredited entities will require the executing entities to fulfil the activity-level grievance mechanism requirements discussed in this section while maintaining responsibility for its own grievance redress mechanism and will conduct the necessary due diligence and oversight to confirm that these requirements are fulfilled.

81. The accredited entities' and/or executing entities' mechanism should be scaled to the risks and impacts of the activities. The mechanism will facilitate the resolution of grievances promptly through an accessible, fair, transparent and constructive process. It will also be culturally appropriate and readily accessible, at no cost to the public, and without retribution to the individuals, groups, or communities that raised the issue or concern. The mechanism will not impede the access to the independent Redress Mechanism of GCF or to judicial or administrative remedies that may be available through the country systems acknowledging that these localized systems may provide more robust information and reflect better the context of the issues on the ground. The mechanism will take into account the "effectiveness criteria" for non-judicial grievance mechanisms outlined in the United Nations Guiding Principles on Business and Human Rights in order to maximize effectiveness.

## **VIII. Implementation arrangements and resource provision**

82. The policy is an essential component of the overall management framework described as the ESMS of GCF. The implementation of this policy will be through the processes and procedures developed as part of the ESMS, taking into account other relevant policies and the ESS standards of GCF. GCF will have staff with appropriate expertise and will allocate responsibilities and adequate resources to support the effective implementation of this policy.

## **IX. Effective date and review**

83. The policy will become effective upon its approval by the Board. The policy will apply to ongoing activities to the extent reasonably possible and those that will be approved after the effective date.<sup>14</sup>

84. GCF will review and evaluate the overall environmental and social performance based on the objectives of this policy and the ESS standards as discussed in the next paragraph. Appropriate amendments to this policy will be considered, based on the results of such review and evaluation, changes to the ESMS including updates on and development of the ESS standards. In amending this policy, GCF will provide guidance to accredited entities on the implications of such amendments on the accredited entities' environmental and social management systems and their application to ongoing GCF-financed activities.

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<sup>14</sup> Subject to signed accreditation master agreements.

85. A review of the policy will be undertaken five years after the effective date in order to assess the effectiveness of GCF in achieving the objectives of the policy. This review will include stakeholder consultation and will be supplemented by annual and mid-term operational reviews and reporting, which may lead to improvements in the ESMS, as required.

## **Annex IV: Background documents**

### **INDEPENDENT TECHNICAL ASSESSMENT OF THE POLICY ON THE PREVENTION AND PROTECTION FROM SEXUAL EXPLOITATION, SEXUAL ABUSE, AND SEXUAL HARASSMENT POLICY**

**OCTOBER 2020**

## I. Introduction

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1. This technical assessment of the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment of the Green Climate Fund (GCF) builds upon the work done to date by the Independent Integrity Unit (IIU), the Secretariat, as well as information provided in the external legal review team and the Independent Redress Mechanism (IRM) Advisory Report to the Board. It is informed by the comparative analysis conducted by this consultant of the sexual exploitation, sexual abuse, and sexual harassment (SEAH) frameworks of international organizations.
2. This analysis examined the approaches of several comparable international organizations in order to benchmark and inform the revisions to current SEAH policy of the GCF. Where such organizational policies did not exist, the analysis has endeavoured to examine any work done to date by organizations on this issue.
3. The assessment aims to identify the gaps and barriers to implementation with a view to suggesting revisions to the current policy which would render it practicable with regard to third parties. It endeavours to adapt industry best practice on SEAH risk mitigation at project-level to the GCF business model.

## II. Methodology

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4. This assessment is based on a desk review of select internal GCF documents as well as relevant GCF policy documents<sup>1</sup> vis-à-vis the practices of comparable organizations as elaborated in the Comparative Analysis in Annex 1 to this document
5. Consultations were conducted with the GCF Secretariat, as well as the IRM.<sup>2</sup> These interviews were conducted remotely due to the current coronavirus disease-19 (COVID-19) pandemic.

## III. Background on the GCF Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment

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6. The IIU was tasked with developing an SEAH policy at the Board's behest. The interim SEAH policy was adopted by the Board at its twenty-second meeting (B.22) in February 2019,<sup>3</sup> and an updated SEAH policy was subsequently adopted by the Board at B.23. The interim SEAH policy was introduced with obligations on "covered individuals" such as GCF personnel, Board members, alternates and advisors. The SEAH policy adopted by the Board at B.23,<sup>4</sup> extended the scope of the policy to counterparties and GCF-related activity obligations.

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<sup>1</sup> Including the Environmental and Social Policy, the Interim Environmental and Social Safeguards, the Gender Policy and Action Plan.

<sup>2</sup> Based on the IRM Advisory Note on SEAH. In addition, efforts have also been made to have consultations with the Independent Integrity Unit, but at the time of this report scheduling has not been possible.

<sup>3</sup> Decision B.22/18.

Green Climate Fund, *Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment* (Decision B.23/16); hereafter "Updated SEAH policy"; Capitalised terms used in this report refer to defined terms as used in the Updated SEAH policy unless the context indicates otherwise<sup>5</sup> See World Bank Group Report of the

7. Critical barriers to the implementation of the policy with third parties and fund-related activity obligations on the GCF as well as GCF counterparties were identified by the Secretariat. In December 2019, the Secretariat submitted a request to the Board for a policy implementation deferral decision without a Board meeting through document GCF/BM-2020/01 "Implementation matters relating to GCF obligations under the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse and Sexual Harassment: Request for Deferral" (SEAH BBM). The SEAH BBM set out a detailed justification for the Secretariat's request to defer, noting that the policy provisions concerning third parties and fund-related activity obligations posed significant implementation impracticalities, including an independent assessment of legal risks and liabilities exposure to the GCF (the external legal review), as well as feedback received from accredited entities (AEs) emphasizing their inability to satisfy the counterparty obligations introduced through the B.23 policy. Constraints pertaining to in-house technical expertise and implementation cost implications on the Secretariat were also highlighted in the SEAH BBM.
8. The SEAH BBM was subsequently included on the agenda for B.25. The Board, in its decision B.25/05, reiterated its commitment to SEAH principles and rendered inoperative all obligations relating to third parties in the SEAH policy. The Board further mandated the Secretariat to review the obligations relating to third parties, including "Counterparties" and victims who are not covered individuals "in line with best practices among international financial institutions, and the business model of the GCF", and propose revisions to the relevant provisions no later than B.27, which is planned to take place in November 2020. The Board also requested that the Secretariat assess the implementation cost implications of such revisions and present a request for the Budget Committee's consideration prior to this meeting. In addition to the recommended revisions to the SEAH Policy, the Board mandated the Secretariat to present amendments to the relevant standards, safeguards and policies of the GCF to address the requirements placed on AEs to integrate the obligations set out in the SEAH Policy.
9. In tandem with this, the IRM developed an advisory note on the prevention of SEAH in GCF projects or programmes, which was presented to the Board at B.26. The advisory note was developed on the basis of selected case studies on SEAH issues as part of its mandate to "report to the Board on lessons learned and insights gained from handling cases and from good international practices, and may recommend reconsideration of relevant policies, procedures, guidelines and systems of the GCF, including environmental and social safeguards".
10. The current proposal is for this technical assessment to be presented to the Board at B.27 as an information note and for all substantive revisions to be presented to the Board for approval at B.28.
11. The Secretariat has deemed that more time would benefit this revision process, ensuring it is fully consultative and thorough, leading to a better chance for a smooth adoption of the policy revisions at B. 28, avoiding multiple iterations. This consultant concurs that it is preferable to invest additional time now to build a robust, implementable and coherent policy aligned with the practices of international organizations and the business model of GCF than to risk numerous proposals and further revisions and iterations of this policy.
12. Deferring this discussion to B.28 enables the Secretariat to engage in meaningful and substantive internal and external consultations to assure that the revised policy is realistic regarding expectations and implementation.
13. The business model of the GCF and its relationship with its counterparties presents challenges which differ from those of other organizations, such as those reviewed in the Comparative Analysis. The lean structure

of the GCF is also a challenge, as it is a relatively small organization with limited financial and human resources.

14. In accordance with paragraph (d) of decision B.25.05, the current practice of peer institutions has been examined as part of the SEAH Policy revision process, with a view to informing recommended revisions while keeping in mind the above paragraph regarding the structure of the GCF. GCF can be a leader in this area and can encourage other peer organizations to do more, however this must be balanced with the practical needs of creating a policy that is realistic in scope and has the capacity to be implemented.
15. This assessment identifies that the principal issue with the current policy is its scope. Therefore, it would be essential to narrow the scope of the SEAH Policy to facilitate its implementability and avoid undue legal liability or reputational risk on the GCF. This assessment highlights the importance of aligning with the framework practices of comparable organizations and investing in prevention resources, the need for consistent definitions and harmonized procedures, and the requirement for regular reporting/monitoring on implementation, which should be incorporated into the annual reporting on projects.
16. It should be noted that comparably, the current SEAH Policy diverges from many peer organizations. By having a stand-alone internal SEAH Policy applicable to the conduct of covered individuals, serving to complement the Code of Conduct, and by working to integrate SEAH risk assessments in environmental and social safeguards (ESS) policies and procedures, the GCF framework will be aligned with the industry standard practice.

#### **IV. Analysis of major implementation challenges**

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17. It is laudable that GCF recognizes the imperative to prevent and respond effectively to SEAH and to protect persons and victims of SEAH in GCF funded activities. These protections are essential to strengthen integrity and accountability throughout GCF. However, though it is commendable that the SEAH Policy aims to set higher standards relative to comparable international organizations, this presents manifold implementation challenges. The SEAH Policy needs to take into account the unique nature of the GCF business mode, and fully consider the practicalities of implementation so as not to expose GCF to unreasonable legal liability and financial and reputational risk.

##### **i. Definition of Counterparty**

18. A key barrier to the implementation of the current policy is the wide scope of the term "Counterparties". The inability of existing AEs to adopt equivalent SEAH policies, as well as the constraints preventing the modification of their institutional standards to match the GCF SEAH Policy obligations has led to a lack of buy-in from many AEs. The significant implementation costs, both to GCF and to counterparties of the GCF, also pose an obstacle to effective implementation.

##### **ii. Scope of GCF Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment**

19. It is imperative to note at the outset that the inclusion of harassment in project safeguarding is generally beyond the scope of the frameworks of comparable organizations. Prevention of harassment is typically treated as an internal misconduct issue rather than a project-level obligation to be imposed on counterparties. The inclusion of harassment will open the GCF and indeed its counterparties to inordinate risks and liabilities. Therefore, it is strongly recommended that project-related safeguarding is focused on the prevention of sexual exploitation and sexual abuse (SEA).

20. As mentioned above, the SEAH Policy is also problematic with regard to the scope of counterparties and fund related activities. It impacts "any party which participates in any way in GCF-related activities", which encompasses not only circumstances where an activity is financed, administered or supported by the GCF, either with its own resources or those of others, but also further extends to "any activity that materially affects or may affect or otherwise be relevant to the GCF". This creates nebulous boundaries and wide-ranging liabilities even for persons with whom GCF has no direct contractual relationship and activities over which GCF has no direct or indirect control.

### **iii. GCF business model**

21. The GCF business model is predicated on partnerships. AEs take on risks when they undertake projects. Large AEs may execute projects with a local partner, and smaller entities may execute projects independently. All AEs may also procure goods or services for the implementation of projects and programmes. Enforcement takes place through ad hoc checks and contractual agreements. In accrediting organizations, the GCF business model has a rare separation vis-à-vis an organization's capacity to implement and the agreement itself; in other words, the organization must meet standards first – in order to become accredited – and only then can it submit projects.
22. With regards to SEA, GCF must clearly articulate what it requires of AEs and delivery partners at institutional and at project level. As direct application of the SEAH policy by AEs is not feasible, and Delivery Partners cannot be asked to sign up directly to this policy; there must be a modality to ensure that SEA accountability is consistent with their structure and business processes. More thought must go into how SEA adherence gets passed down.
23. The relationship between AEs and GCF is different than for many development partners. The GCF AEs are not implementing partners acting on behalf of GCF, but are rather organizations acting on their own behalf, and they are enabled to do so with GCF funds. The projects are not GCF projects; the ownership lies with the AE, with GCF as the funder. Due to the nature of this relationship, GCF cannot impose its own rules on AEs. While GCF cannot do first-level due diligence, it can do second level due diligence. It is worth noting that many projects will not be implemented by the AEs themselves. Instead, they will provide funding to other entities (executing entities (EEs)), which will perform the agreed activities. GCF does not have a contractual relationship with these EEs.
24. Furthermore, as the IRM Advisory Report highlights, there are a multitude of factors affecting when and how SEAH issues manifest in projects, and this requires the application of fit-for-purpose monitoring and risk management procedures.
25. The IRM report urges GCF to pay special attention to SEAH matters when considering projects and in its relations with AEs. In its response to the IRM report, the Secretariat noted the importance of comprehensive and effective SEAH safeguards, especially considering the well-being of and need for rapid action for survivors. However, the Secretariat's response highlighted the limitations of the GCF business model, the lack of staff devoted to SEAH and the overall limited resources.
26. This author concurs that the GCF project-level SEA framework must focus on the roles and responsibilities of AEs, and ideally with reference to the Environmental and Social Policy. This focus will be aligned to the practices of comparable organizations and render any recommendations tangible and implementable.
27. Moreover, this author agrees with the need to avoid impractical liabilities for GCF. Resource allocation for staffing and related costs of mainstreaming SEAH good practice into the GCF must be a matter of priority and, as explained below, will entail the provision of a necessary budget allocation to put in place proper mechanisms to prevent SEA. These are worth the investment, as the impact on the GCF (reputationally and financially) would be far more severe should a scandal arise. The Secretariat must thus take into account the possible implications for the GCF in the event of an SEAH incident or allegations.

#### **iv. Subject-matter expertise**

28. As underscored above, there is currently a gap in subject-matter expertise within the Secretariat. Therefore, there is a critical need to retain in-house subject matter expertise to conduct second-level due diligence on SEA implementation for GCF-financed activities. It is strongly recommended that this role should be filled through a long-term full-time employee position. In addition, the Secretariat would also benefit from access to a supplementary roster of consultants to support its risk assessment reviews and monitor efforts at project-level.
29. This dedicated staff member will be the focal point for SEA-related risks in the conduct of SEA risk assessments and mitigation design of new proposals for funding. Furthermore, the Accreditation Panel will require expert support to assess the SEA capacity of existing and prospective accredited entities to safeguard against SEA in projects. This individual could also provide training and capacity-building and technical assistance regarding SEA risk assessment and mitigation to relevant stakeholders. These functions are key if SEA risk mitigation is to be effectively and sustainably incorporated into GCF operations.

#### **v. Project-level obligations**

30. The SEAH Policy requires that all counterparties "have policies or procedures, or be subject to laws, setting out principles and standards of protection substantively equivalent to the ones set out in the SEAH Policy".
31. The SEAH Policy does not clarify how GCF would implement or reinforce the commitments to the principles and standards outlined in the SEAH policy, especially in consideration of the structure of the GCF and its relationships with direct and indirect counterparties. However, there are numerous aspects of the principles and standards as detailed in this assessment which would pose a challenge to the ability of GCF counterparties to adopt substantively equivalent policies and procedures.
32. With the knowledge that not all counterparties will be able to fully integrate the SEAH Policy obligations within their own organizations, the suggested approach is that AEs agree to assess and take steps in order to address SEA issues under the relevant provisions of the ES Policy in implementing GCF-financed activities.
33. Mechanisms by which AEs work towards the prevention of SEA at project-level are implied in the ES Policy and ESS safeguards, and expectations of the standards GCF requires AEs to meet and by when must be clearly articulated in the existing environmental and social impact assessment (ESIA) framework, which will improve the linkage with other relevant GCF policies, toolkits and action plans. The ESIA is developed by AEs as part of the first-level due diligence and reviewed by the Secretariat. It is recommended that the Secretariat's second-level due diligence should adopt an intersectional lens to understand the compounding drivers of sexual abuse and sexual exploitation, and also adopt the ecological model to understanding violence against vulnerable groups such as women and girls; this model should inform risk assessment and mitigation. These models should be taken into account at the outset of the project alongside greater emphasis on the design of prevention strategies.
34. The focus of the risk assessment framework and of any action plan, implementation guidelines or toolkit that are created must be on prevention. The prevention of SEAH is by far the optimal scenario, not only from a survivor, organizational integrity and a human rights perspective, but also from a reputational risk and business perspective.
35. Regarding the business perspective, if investment in creating robust fit-for-purpose frameworks to assess and mitigate for SEA risk is prioritized from the outset, this will be far less costly to GCF than to provide redress in the event of an SEA incident as a result of non-compliance with GCF policy principles. This is true both in terms of human and financial resources needed for an investigation and for any related

restitutional remedies. It is better practice (organizationally and in terms of human rights and integrity standards) to have appropriate robust systems in place from the outset then to do so after an incident.

36. From a reputational risk perspective, GCF can learn from the difficult lessons of other institutions in this regard and avoid the same pitfalls.<sup>5</sup> As the recent scandals of Women Deliver<sup>6</sup> and the WE Foundation<sup>7</sup> demonstrate, it is especially difficult (sometimes impossible) to recover reputationally (and financially) from a scandal than to prevent it altogether.

## **vi. Overlap with the environmental and social safeguards framework**

37. Following the standard practice of other multilateral organizations, the SEAH Policy should be streamlined<sup>8</sup> by primarily excluding its application to third parties and limiting the scope of "fund-related activities", which extends beyond the scope under the ESS. While appreciating the aspirational ambitions of the SEAH Policy, it is strongly recommended that the scope is refined to focus on related misconduct of covered individuals to avoid a conflation of integrity and social risks, as well as overlaps and inconsistencies with the ESS.

## **vii. Current gaps in policy language**

38. The SEAH Policy should also aim to bolster the survivor-centred approach, including changing the language from "victim" to "survivor". Furthermore, the reference to "vulnerable individuals" in the SEAH policy is ambiguous and should be clarified as to which types of persons fall into this category.
39. There should be definitional coherence with regards to SEAH-related terminology across GCF policies, and the correct terminology should be utilized. The current definitions in the SEAH Policy could benefit from revisions to reflect United Nations definitions.<sup>9</sup> The definitions of the terms which appear in the SEAH Policy should match the definitions in the GCF Code of Conduct and vice versa. Failing this, the definitions in the SEAH Policy, which is the more recent document, should supplant those in the GCF Code of Conduct. This would avoid two definitions of harassment sitting within one organization.

## **viii. Policy coherence**

40. There is currently no clear linkage between the SEAH and other integrity policies of the GCF or wider GCF policies. The linkage must be made laterally between existing policies and procedures, as well as vertically between SEAH and the larger organizations' visions and ideals which GCF represents. It is important that any new iteration of a SEAH Policy cohere, both definitionally and substantively, with other GCF policies; pertinently the Policy on Prohibited Practices and the Policy on the Protection of Whistleblowers and Witnesses, the Gender Policy and Action Plan, the Environmental and Social Policy, the Code of Conduct within the Administrative Guidelines on Human Resources (especially section H on Harassment) and the Administrative Sanctions Policy, which is currently under development.

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<sup>5</sup> See World Bank Group Report of the Global Gender Based Violence Task Force July 2017 <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/482251502095751999/working-together-to-prevent-sexual-exploitation-and-abuse-recommendations-for-world-bank-investment-projects>.

<sup>6</sup> For more on Women Deliver scandal, please see <https://womendeliver.org/commitment-to-anti-racism/>.

<sup>7</sup> For more on the WE Foundation scandal, please see <https://www.cbc.ca/news/canada/we-charity-student-grant-justin-trudeau-testimony-1.5666676>.

<sup>8</sup> see suggestions below on how this could be accomplished.

<sup>9</sup> See internal comparative analysis report produced by this consultant for UN and other definitions.

41. The SEAH Policy should clearly articulate how these different policies are harmonized throughout the GCF in order to achieve the shared goal of zero tolerance for SEAH as an organization and the overarching goal of the GCF of catalysing climate-resilient development. The Secretariat should work with the IRM, the IIU and the Ethics and Audit Committee (EAC) to foster collaboration and coherence across the organization and to ensure that covered individuals understand appropriate roles, division of responsibility and redress mechanisms with regard to SEAH. A unilateral approach to policy development is strongly discouraged. Therefore, there needs to be a structure in place for policy development involving the independent unit that delineates who takes the lead on policies impacting the Secretariat's functions and how work is coordinated amongst the units and with the Secretariat.
42. The role of the IIU in proactive prevention and investigation of integrity allegations can serve to reinforce the SEAH Policy's implementation organizationally. The role of the IRM in resolving compliance issues regarding ESS matters can serve to provide awareness-raising and strengthen the capacity of AEs to identify SEA risks and effectively mitigate same in projects. The Secretariat, IRM and IIU should respectively collaborate to assess and mitigate SEAH risks, detect compliance failures and potential violations of GCF standards in funded projects and programmes and aid in investigations into allegations of misconduct.
43. The dots need to be connected between all GCF policies and their implementation mechanisms to ensure accountability and responsibility and to be certain that nothing gets overlooked because it was deemed to be the responsibility of a different section of GCF. Shared ownership and responsibility of all the policies is crucial to their effective implementation.
44. Policy fatigue for GCF covered individuals and external stakeholders is a real concern. Numerous policies, with sometimes conflicting or differing standards or definitions (as is the case with different SEAH definitions in the GCF Code of Conduct and SEAH Policy), can cause confusion. Stakeholders do not know which policy or definition takes precedence over another, or if both are equally valid. A proliferation of policies, especially where there are overlapping or duplicative mandates (as in the case of the ES Policy and SEAH Policy) may lead to compliance fatigue and to third parties signing on in name only, without giving due weight to the policies. This must be considered in regards to providing tangible and implementable SEA guidance to third parties. This consultant's recommendation is that the SEAH Policy remain an internal document, and the SEA requirements on project-level are addressed with reference to the current ES Policy and ESS standards.
45. The upcoming revision of the ESS standards at B.30 provides an excellent window of opportunity for SEA concerns to be integrated from the outset in the updated document, and this consultant would encourage the Secretariat to take advantage of this opportunity and ensure SEAH expertise and relevant SEAH consultations with AEs (and ideally with communities) form an integral part of the development of any new ESS standards.
46. As stated in the IRM Advisory Report, SEAH can be difficult to identify, prevent, and address at the project level. There are a number of reasons for this, many of which are inextricably linked to the social, cultural, and economic contexts within which SEA incidents take place. In many societies, people are stigmatized and shamed for reporting incidents of SEA, and some projects in specific settings may be influenced by a range of factors leading to the creation of power differentials that function to the disadvantage of vulnerable groups such as women and children, among others.

## V. Other implementation considerations

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### i. Intersectionality

47. It is crucial that any implementation of SEA risk mitigation in GCF projects, including the spirit behind its application, adopt an intersectional lens and observe the principles of diversity equity and inclusion. Sexual exploitation and sexual abuse do not happen in a vacuum, and the dynamics of power and privilege referred to in the introduction apply to race as equally as to gender.
48. The nexus of racism and sexism, and the intersection of multiple and compounding forms of discrimination and marginalization, must be taken into account in the GCF application of the SEAH Policy. Marginalization, discrimination and exclusion often go hand-in-hand with, and are indeed risk factors for, sexual exploitation and sexual abuse. GCF must take into account women of colour, ethnic and minority women, indigenous women, women with disabilities, young women and elderly women, remote and rural women, and the indigent, as these categories will be especially vulnerable to sexual exploitation and sexual abuse.
49. The application of such an intersectional lens is especially important in this current sociopolitical climate, where there is heightened sensitivity to both sexual harassment and to issues of race, and where some organizations have lost leadership, social capital and credibility as a result of a (perceived) lack of respect for these issues. The current case of Women Deliver is an informative example of a recent situation where an international well-respected international women's rights organization has lost important standing due to accusations of racism.<sup>10</sup> It is suggested that GCF apply an intersectional approach to all its SEAH work (this could form part of an action plan or strategy).<sup>11</sup>

## ii. Do no harm

50. It is recommended that all projects adopt a do-no-harm approach, which entails consideration of any negative unintended outcomes of projects. The do-no-harm approach is part of safeguarding best practice. As is stated in the IRM Advisory Report, development projects – depending on their scope – can exacerbate existing risks or create new ones. This may be through, for instance, project-induced in-migration or changes to social and economic patterns resulting from projects.<sup>12</sup>

## iii. Ecological model

51. This model, sometimes referred to as the ecological framework,<sup>13</sup> is the principal model used in the gender-based violence [GBV] field to understand the origins of GBV. It delineates out concentric spheres of influence, which can impact upon and be enabling factors for GBV, conceptualising violence as a multi-faceted phenomenon, grounded in an interplay of personal, situational and sociocultural factors. It presents influences predictive of abuse at each level of society. This approach is especially important in the development of a risk assessment tool.
52. The individual level – intergenerational exposure to abuse, educational attainment, employment and income, and social networks outside the family –, relationship level, community level, societal level, larger societal level. As stated in the IRM Advisory Report, "the ecological model posits that there is no single factor that "causes" SEAH; rather that the risk of SEAH is the function of many factors that interact at different levels of the social ecology".

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<sup>10</sup> For more information see Women Deliver's Commitment to Anti-Racism [https:// www.womendeliver.org/commitment - to-anti-racism](https://www.womendeliver.org/commitment-to-anti-racism)

<sup>11</sup> See the Revisions document for specific language in this regard

<sup>12</sup> See for example, this study in Bangladesh

[https://academicworks.cuny.edu/cgj/viewcontent.cgi?article=1585&context=cc\\_etds\\_theses](https://academicworks.cuny.edu/cgj/viewcontent.cgi?article=1585&context=cc_etds_theses)

<sup>13</sup> Heise, L (1998). As seen in UN WHO <https://www.who.int/violenceprevention/approach/ecology/en/>

## VI. Recommended approach for revisions

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53. This section sets out recommendations for revisions to the SEAH Policy and the operationalization of SEA risk mitigation in GCF project design and due diligence.
54. This consultant strongly recommends addressing project-level SEA risk mitigation through the GCF ESS framework, and more particularly with reference to the ESIA's conducted on projects. The central basis for this recommendation is in view of the common practice among international organizations for which SEA risk assessments and mitigation at project level is typically considered within the safeguarding framework for environmental and social (ES) considerations. Furthermore, most organizations reviewed do not include explicit reference to SEA risk in their ES policies. Nevertheless, SEA risk mitigation forms part of the due diligence undertaken on project design, as SEA is generally regarded as a social risk particularly within the context of gender-based violence.<sup>14</sup>
55. The GCF has a robust ES framework consisting of the ES Policy and interim ESS. Therefore, it is strongly recommended that GCF build upon its existing ES framework in line with the standard practice of comparable international organizations and rely upon the relevant provisions under the existing ES Policy to safeguard against the risk of SEA in the implementation of GCF-financed project activities.
56. Addressing SEA as a social risk at project level would be consistent with standard practice across international organizations, none of which have standalone SEAH/SEA policies at project level. An added advantage is the efficiency gains given that the ES Policy is already operational. This approach also minimises policy fatigue on AEs (see para. 44 above) and incurs less impact on GCF regarding the revisions to the monitoring and accountability framework, including templates for proposals for funding. Moreover, this option will not require an update to the ES Policy to reflect AE and funded activity obligations in relation to SEA risk, although it may be advisable to provide supplementary guidance notes to raise the awareness of AEs in order to clarify compliance expectations. One way to do this could be through incorporating guidance notes into the forthcoming amendment to the ES Policy at B.30. Alternatively, the Secretariat could develop implementation guidance, which will be integrated into the programming manual and readiness guidebook. This latter option is preferred as it creates flexibility in the review and revision of guidance to keep pace with emerging risks and trends as well as safeguard practices as they evolve.
57. It is also essential to consider the exposure of GCF to legal risks and liabilities in order to assess alignment with the GCF risk appetite.
58. Full consideration should also be given to implementation cost implications. Whilst there are extant SEA-related provisions within the ES Policy, the Secretariat has not been required to explicitly assess this risk in its second-level due diligence until the adoption of the SEAH Policy. Therefore, subject-matter expertise necessary to conduct such reviews is not currently available within the Secretariat, and in-house subject matter expertise at GCF will be required for implementation. Nevertheless, this option would appear to clarify the responsibility of AEs, which will have the first level of responsibility for SEA due diligence. An expanded scope of ESIA will be provided in funding proposals, and smaller direct access AEs may not have the institutional expertise and will need to invest in developing the necessary expertise with the support of the GCF through either the Readiness and Preparatory Support Programme or as an additional cost within funding proposal budget breakdowns.

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<sup>14</sup> Gender-based violence refers to any harmful act that is perpetrated against a person's will and that is based on socially ascribed differences between male and female individuals, including acts that inflict physical, mental, or sexual harm or suffering; threats of such acts; and coercion and other deprivations of liberty, whether occurring in public or in private life.

59. An alternative approach to the policy revisions which could be considered is maintaining a combined stand-alone SEAH Policy impacting internal and project-level/third party/counterparty obligations. However, recalling paragraphs (d) and (f) of decision B.25/05, this is approach is not recommended as it diverges from the practice of international organizations.
60. In paragraph (d) of decision B.25/05, the Board requested the Secretariat to "present to the Board, no later than [B.27], the proposed revisions of [SEAH Policy], in line with best practices among international financial institutions and the business model of the GCF"; while in paragraph (f) of decision B.25/05 the Board "further request[ed] the Secretariat to present to the Board for its consideration, no earlier than the consideration of the proposed revisions to [SEAH Policy] described in paragraph (d) above, amendments to the relevant standards, safeguards and policies of the GCF, to address the requirements placed on accredited entities to integrate the obligations set out in the [SEAH Policy]".
61. A combined reading of the directions set out under paragraphs (d) and (f) of decision B.25/05 may be construed as implying the Board's intent to maintain a combined stand-alone SEAH Policy addressing both covered individuals and counterparties/project-level obligations, and revise within the SEAH Policy the latter provisions to address the implementation challenges highlighted in the previous section. However, this static interpretation of the directions set forth above would lead to a misalignment from the Board's primary request to the Secretariat.
62. Pertinently, taking into account that the Board expects the Secretariat to "propose revisions of [SEAH Policy], **in line with best practices among international financial institutions** [emphasis added] and the business model of the GCF", any approach which integrates covered individual and project level/third party/counterparty obligations into one policy would be a deviation from the practice of international organizations. Therefore, this approach is not recommended.
63. Moreover, adopting this approach will (i) create overlaps and duplications with the ES Policy; and (ii) present an increased burden for the Secretariat as well as AEs. The impact on the Secretariat will concern the funding proposal and Secretariat assessment templates, as well as a conflation of social and integrity risks. The impact on AEs will be the need to deviate from addressing SEA as a social risk at project level and reformulate their approach to SEA risk mitigation outside the lens of ESS.
64. In terms of cost implications for implementation, the same cost implications anticipated under the recommended approach will also apply. However, additional cost implications related to time spent to revise the monitoring and accountability framework will also be incurred.

## VII. Conclusion

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65. It is key that GCF assures its stakeholders that the organization take SEAH seriously. Narrowing the scope of the policy and reducing its aspirational nature to allow for pragmatic approaches to implementation will enable GCF to make tangible progress in furthering this end. GCF can be a leader amongst its peer institutions internationally, and amending this policy does not mean GCF forfeits this role. Rather, it will align the GCF framework with the practices of other international organizations. GCF can have a catalytic influence and can use its convening power to bring peer institutions together around SEAH. GCF can lead by example, pioneering SEA and sharing lessons learned with the international community. GCF can push peers to aim for the highest standards and not to work to the lowest common denominator of the international community. These require a strategic and cultural organizational shift within the GCF itself, and such a shift should be encouraged among its AEs through the application of relevant existing provisions in the ES Policy.
66. GCF should aim to ask how it can promote shifts in the organizational culture. It should also ask how it can promote acceptance of and adherence to SEA risk mitigation at project level, and how this policy dovetails with larger organizational goals and policies. This work entails ownership, buy-in, sensitization and training. It entails widely socializing the GCF SEA framework as set out in related provisions in the ES Policy

and its importance to the GCF. The threshold should be drawn at zero tolerance. The duty of care with SEAH differs from the other integrity policies and is more critical, as there is a risk of harm to people and a duty of care to SEAH survivors. The GCF must place primacy on prevention.

67. This work by the GCF will further green climate financing while taking into account human rights and gender equality and the importance of protection for vulnerable groups. This strategic shift delineated is one to strengthen organizational capacity and capability across the international aid sector, including building the capability of implementing partners to meet the minimum standards.
68. Lastly, the GCF can build upon the experiences, including the failures, and the lessons learned and knowledge products of its peer organizations. While being cognizant that these may need to be adapted to the operational exigencies of GCF, they nevertheless present excellent material from which GCF can build upon and adapt to its business model. The GCF can also build upon its own excellent resources and publications to further this aim.

ADDENDUM TO THE TECHNICAL ASSESSMENT OF THE POLICY ON THE PREVENTION AND PROTECTION FROM SEXUAL EXPLOITATION, SEXUAL ABUSE, AND SEXUAL HARASSMENT:  
AN INDEPENDENT COMPARATIVE ANALYSIS OF THE SEXUAL EXPLOITATION, SEXUAL ABUSE AND SEXUAL HARASSMENT SAFEGUARDING PRACTICES OF INTERNATIONAL FINANCIAL INSTITUTIONS

AUGUST 2020

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## INTRODUCTION

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In paragraph (d) of decision B.25/05 pertaining to document GCF/BM-2020/01 titled "Implementation matters relating to the GCF's obligations under the Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH Policy)", the Board requested "the Secretariat to present to the Board, no later than its twenty-seventh meeting, the proposed revisions of the [SEAH Policy] in line with best practices among international financial institutions and the business model of the GCF".

This comparative analysis sets out the sexual exploitation, sexual abuse and sexual harassment (SEAH) safeguarding frameworks and approaches of international financial institutions so as to benchmark and inform the revisions to the current GCF Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment Policy (SEAH Policy). Where organizational policies do not exist, the analysis has endeavoured to note relevant work done to date by organizations on this issue.

The methodology for this analysis was primarily based upon desk research of publicly available documents, as well as insights gained from the Secretariat's bilateral engagement with a few institutions, notably the Global Environmental Facility (GEF) and the World Bank, on the subject matter.

### I. PRACTICES OF INTERNATIONAL FINANCIAL INSTITUTIONS

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In line with paragraph (d) of decision B.25/05, the SEAH prevention practices of following international financial institutions (IFIs) were reviewed:

1. Asian Development Bank (ADB)
2. African Development Bank
3. Asian Infrastructure Investment Bank
4. European Bank for Reconstruction and Development (EBRD)
5. European Investment Bank
6. Inter-American Development Bank
7. International Finance Corporation (IFC)
8. International Fund for Agricultural Development
9. International Monetary Fund (IMF)
10. International Bank for Reconstruction and Development (World Bank).

The review relied upon the information provided in the "Joint Statement on Continuous Advancement of Standards to Prevent Sexual Harassment, Abuse, and Exploitation" (IFI Joint Statement) collectively issued by the ten IFIs listed above to reaffirm their commitment to prevent SEAH, both within their own institutions and in their operations. The IFI Joint Statement detailed below sets out the practices all of the IFIs agreed to follow in order to achieve this goal.

In addition to the review of the practices of IFIs with reference to the IFI Joint Statement, this Comparative Analysis also looked more closely at the practices of the World Bank<sup>15</sup>, ADB<sup>16</sup>, IFC<sup>17</sup>, EBRD, IMF the Global Fund to fight AIDS, Tuberculosis and Malaria (the Global Fund)<sup>18</sup> and the GEF.<sup>19</sup>

**IFIs JOINT STATEMENT:** The IFIs Joint Statement was issued by ten IFIs in the second quarter of 2018. It reaffirmed their collective commitment to advance standards, shared best practices and developed guidance on preventing SEAH within their own organizations and through their operations.

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A statement released at the time read:

"Since the meeting in April 2018, IFIs have continued to actively work to address sexual harassment, abuse and exploitation and related forms of misconduct, both internally within their own institutions and through their operations. IFIs are committed to performing their functions with the highest level of ethics and integrity, and the upholding of their value system requires cooperation across the institutions. Reflecting that ownership is embedded across institutions, a wide range of staff is involved in the formulation of the strategy, design and application of policies to tackle these issues, including staff in ethics and compliance offices, human resources, procurement, legal teams, gender and inclusion specialists, and social safeguarding experts."

The Joint Statement underscores the following seven principles, which the IFIs have committed to follow:

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<sup>15</sup> Based on the context of the GCF Independent Redress Mechanism (IRM) Advisory Report on SEAH.

<sup>16</sup> Based on the GCF benchmarking of its administrative policies against those of the ADB.

<sup>17</sup> Based on the GCF adoption of the IFC Environmental and Social Safeguard Standards as its Interim Environmental and Social Safeguards.

<sup>18</sup> Based on its structural similarities with GCF.

<sup>19</sup> Based on its unique similarities with GCF in structure and project operations.

1. Foster a culture of respect and high standards of ethical behaviour across institutions;
2. Establish and maintain standards aimed at preventing sexual harassment, abuse and exploitation and other forms of misconduct;
3. Provide a safe and trusted environment for those affected by sexual harassment, abuse and exploitation to step forward to report incidents and concerns, with the assurance that they will be treated respectfully and consistently;
4. Provide protection for those affected, as well as for whistle-blowers and/or witnesses within their institutions, and take appropriate measures against any form of retaliation;
5. Maintain robust policy frameworks and clear institutional mechanisms that address how incidents and allegations will be handled should they arise;
6. Provide effective training programmes so all staff understand the requirements and standards of behaviour expected of them as international civil servants;
7. Support clients to develop and implement policies and mechanisms that address sexual harassment, abuse and exploitation.

### Implementation

The "IFI update on the Joint Statement on Continuous Advancement of Standards to Prevent Sexual Harassment, Abuse, and Exploitation" (Update Note) was subsequently released by the IFIs in the last quarter of 2018,<sup>20</sup> in an effort to showcase the work of the various IFIs in this area.

Apropos of implementation, on each of the seven principles, the Update Note details the implementation efforts reported by the ten IFIs as follows:

#### **Principle 1: Foster a culture of respect and high standards of ethical behaviour across institutions.**

- All IFIs maintain codes of ethics/conduct, to which staff must adhere, and which set out requirements for staff to observe high standards of integrity and ethical conduct, which are applicable to staff's behaviour both within and outside the institution. Many of the

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<sup>20</sup>Update Note available at <<https://www.worldbank.org/en/news/statement/2018/10/18/ifi-update-on-the-joint-statement-on-continuous-advancement-of-standards-to-prevent-sexual-harassment-abuse-and-exploitation>>.

codes of the IFIs are available publicly online and are supported by mandatory training for staff (see also principle 6).

- IFIs have carried out cultural campaigns and the promotion of core values, including in communications from senior leadership, and have hosted staff events to create and foster expectations of high ethical behaviour.
- Some IFIs have run, or are soon rolling out, staff surveys on this topic to better identify and subsequently act on areas for improvement.

**Principle 2: Establish and maintain standards aimed at preventing sexual harassment, abuse and exploitation and other forms of misconduct.**

- All IFIs maintain codes of ethics/conduct, which embed high ethical standards and include provisions on harassment and misconduct including sexual misconduct, which are applicable to staff behaviour both within and outside the institution. Some IFIs have also adopted specific policies aimed at preventing and responding to sexual harassment, exploitation and abuse. These are applicable to all staff and are reviewed periodically and strengthened as needed.
- IFIs include behavioural clauses in contracts of appointment for non-staff members (including consultants and contractors) to ensure that they too adhere to expected high standards of behaviour. A breach of such provisions would provide an IFI with a right to terminate the underlying contract.

**Principle 3: Provide a safe and trusted environment for those affected by sexual harassment, abuse and exploitation to step forward to report incidents and concerns, with the assurance that they will be treated respectfully and consistently.**

- All IFIs have confidential reporting channels available. Most IFIs allow for anonymous and confidential reporting of complaints and maintain multiple channels through which **staff** can report concerns about misconduct (including ethics or compliance offices, human resources departments, independent employee assistance programmes, respectful workplace units, ombudsperson offices, and/or mediation offices). Staff are either encouraged or mandated to report suspected misconduct. All reports are reviewed and managed in accordance with the respective internal rules of the IFI, which include protection from all forms of retaliation.

**Principle 4: Provide protection for those affected, as well as whistle-blowers and/or witnesses within their institutions, and take appropriate measures against any form of retaliation.**

- IFIs recognize that whistle-blowing is an important tool and a critical aspect of good governance and have policies and/or procedures which provide for whistle-blower protection. For example, most IFI codes of ethics/conduct state that any form of retaliation against anyone who, in good faith, reports allegations of misconduct, is itself a form of misconduct.

**Principle 5: Maintain robust policy frameworks and clear institutional mechanisms that address how incidents and allegations will be handled should they arise.**

- IFIs have in place or are developing clear accountability mechanisms to respond to reports of incidents and allegations of misconduct, including sexual harassment, abuse and exploitation. IFIs ensure that procedures for all allegations, and especially serious allegations with respect to sexual harassment, abuse and exploitation, are followed swiftly and effectively, concluding promptly where feasible, and treat complainants with respect.
- Many IFIs report, in aggregate and anonymously, on the number and types of cases of misconduct investigated to their Boards and publicly as part of their annual reports.
- IFIs may refer misconduct to national authorities where considered appropriate.

**Principle 6: Provide effective training programmes so all staff understand the requirements and standards of behaviour expected of them as international civil servants.**

- Training on codes of ethics/conduct and harassment and misconduct issues is included as part of all staff on-boarding and induction procedures of IFIs, which include clear expectations on ethical behaviour and an explanation of consequences for non-compliance with the codes of ethics/conduct. Many IFIs have dedicated mandatory ethics training sessions, as part of or in addition to, the induction process.
- Many IFIs also have ongoing refresher training programmes for all staff on compliance with the codes of ethics/conduct in the form of online and/or classroom training courses, and specialized courses for managers and supervisors.
- For many IFIs, these training programmes have been recently revised, or are in the process of being revised, to more explicitly address the topic of sexual harassment, abuse and exploitation.

**Principle 7: Support clients to develop and implement policies and mechanisms that address sexual harassment, abuse and exploitation.**

- IFIs have environmental and social policies, which implicitly and explicitly mandate clients to take measures to prevent and address sexual harassment, abuse and exploitation. As part of project due diligence, IFIs assess related risks and impacts and determine how these will be addressed in the design and implementation of a project. When IFIs support a programme, some IFIs aim to help strengthen the country's systems and policies that address sexual harassment, abuse and exploitation.
- Some IFIs are in the process of integrating dedicated risk management measures into operations as linked to environmental and social policies and other operational requirements. Other IFIs are in the process of reviewing or will review environmental and social policies to address more specific risks of sexual misconduct and/or gender-based violence.
- Many IFIs provide guidance, training and materials to support environmental and social specialists in the application and monitoring of compliance with environmental and social policies, including requirements for clients to take measures to prevent and address sexual misconduct.
- Many IFIs require that contractors engaged in a project operate in a manner consistent with environmental and social policies of IFIs. Assessment of the environmental and social risks and impacts associated with such contractors are being made more explicit and improved. Some IFIs have guidelines for the procurement and management of contractors that require contractors having systems in place for preventing sexual misconduct and for better managing incidents if allegations arise.
- IFIs have project grievance, independent accountability or other reporting mechanisms that enable confidential reporting of incidents and concerns, including sexual harassment, abuse or exploitation or other related misconduct by those outside the IFI, including but not limited to communities affected by projects/programmes.
- In addition, IFIs require clients to develop their own worker and community grievance mechanisms that are designed to receive and facilitate the resolution of concerns and grievances of project-affected parties arising in connection with a project. This support may include but not be limited to guidance notes, expert support in training of clients' staff, and establishment of resolution and support mechanisms.
- As part of wider efforts across the IFIs to address gender-based violence as a development challenge, many IFIs finance projects/programmes that proactively support client and community capacity to improve safety and implement gender-based violence prevention and respond

Principles 1 to 6 are focused on prevention of staff sexual misconduct as well as protections for internal whistle-blowers and witnesses. The 10 IFIs address this through their internal codes of conduct/ethics applicable to their staff and contractors. It is worth noting that the covered individual obligations and related obligations for GCF regarding covered individuals as set out in the GCF SEAH Policy are in line with the implementation standards in principles one to six.

Pertinently, regarding the outward-looking SEAH prevention practices in project operations covered under principle seven, the GCF SEAH Policy significantly diverges from the common practice of IFIs confirmed in the Update Note. The GCF SEAH Policy also introduces obligations on counterparties institutionally as well as operationally. However, none of the ten IFIs have a stand-alone SEAH policy focused on project/operational prevention. Rather, IFIs generally approach SEA safeguarding in project operations through the application of their environmental and social risk frameworks, which typically do not explicitly refer to SEAH but implicitly cover SEA as a social risk under gender-related vulnerabilities, including gender-based violence (GBV). OK

#### Definition

The updated statement acknowledges the fact that the various IFIs have different definitions of harassment, abuse and exploitation, and that these definitions may not cohere: "IFIs use a range of terms to refer to issues that are relevant to sexual harassment, abuse and exploitation, including gender-based violence, social safeguards, misconduct, gender and inclusion more generally, and human rights. This update note captures policies that address the topic substantively, but individual IFI terminology may not match exactly the references made here."

#### Scope

The scope of this commitment covers both the IFIs own institutions (through the relevant provisions in their codes of conduct/ethics) and their operations, though it is not explicitly defined. The Update Note stipulates that the codes of conduct/ethics of the institutions applies to staff behaviour both inside and outside the institution. In addition, the Update Note clarifies that whistle-blower and witness protection extends only internally to those whom the institution has control over (i.e. staff, consultants, etc.).

In relation to operational implementation, the Update Note also clarifies that mechanisms for the prevention of and response to SEAH and/or GBV is implicitly or explicitly provided for within their environmental and social policies. Furthermore, the IFIs have project grievance, independent accountability or other reporting mechanisms that enable confidential reporting of incidents and concerns, including of sexual harassment, abuse or exploitation or other related misconduct by those outside the IFI, including but not limited to communities affected by projects/programmes.

## II. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK)

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The World Bank, in recent years, has made a number of updates to relevant provisions and requirements in relation to SEA to further strengthen its Staff Rules, and there are many programmes and initiatives designed to enhance and reinforce these rules and related actions. In 2018, the World Bank issued an update and clarification to its Staff Rules stating explicitly that SEA constitutes a violation of the World Bank's principles of staff employment. Furthermore, the World Bank has also adopted a clarifying definition of this particular form of misconduct under World Bank Staff Rule 3.0, section 6, paragraph 1, "*Scope of Allegations Addressed by Ethics and Business Conduct*".

In addition, following an external review by independent experts, at the behest of the World Bank Group (WBG) President,<sup>21</sup> the World Bank's Ethics and Business Conduct Department produced the "WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021)", a document of the World Bank, International Finance Corporation and Multilateral Investment Guarantee Agency (MIGA). The aim was to "create an environment in which people trust that, when they report sexual harassment, their voices will be heard, their dignity will be respected, fair and due process will ensue, and perpetrators will be held to account."

The ensuing Action Plan responded to the 40 recommendations of the external reviewers. It outlines concrete deliverables for the organization, such as ensuring that all managers are aware of their responsibility to create team environments free from sexual harassment, as well as offering managers new guidance on addressing cases; complementing the WBG system with new people-centred services; scaling up and broadening the scope of training; transparently and regularly sharing information on the prevalence of sexual harassment and related sanctions inside the WBG; collaborating across departments on enhancing sexual harassment detection and risk assessment; and contributing to international efforts to share best practices.

Moreover, the World Bank released an official document outlining its policy<sup>22</sup> "Working Together to Prevent Sexual Exploitation and Abuse: Recommendations for World Bank Investment Projects" in July 2017. Born out of an independent task force of external experts who advised on strengthening the World Bank's SEAH systems in response to SEAH in its Uganda Transport Sector Project. The report was made to align with the Environmental and Social Framework (ESF), which

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<sup>21</sup> <http://pubdocs.worldbank.org/en/895091561658673520/WBG-Sexual-Harassment-Action-Plan-FINAL-Public.pdf>

<sup>22</sup> <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/482251502095751999/working-together-to-prevent-sexual-exploitation-and-abuse-recommendations-for-world-bank-investment-projects>

was approved in 2016 and went into effect in 2018, and the World Bank's Procurement Framework.

The World Bank is also 1 of the 10 IFIs that issued the IFIs Joint Statement (outlined above) and, pursuant to the IFI Joint Statement, it summarized the main points on its website,<sup>23</sup> reiterating and reinforcing the seven principles listed above, declaring it was "cognizant of the important role they play in both the example they set in their own institutional practices and in how they embed high standards in their projects and operations."

### Scope

The scope for the "WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021)" is largely internal and aims to integrate the prevention of sexual harassment in all aspects of the internal culture, organization and corporate activities.

The larger IFI Joint Statement covers both the IFIs' own institutions and their operations, though it is not explicitly defined. The Update Note stipulates that the codes of conduct/ethics of the institutions applies to staff behaviour both inside and outside the institution/place of work.

It is pertinent to note that World Bank does not have a SEA/SEAH policy which applies directly to its project implementers. Instead it addresses SEA risks as a facet of GBV and under its recently adopted Environmental and Social Policy. Survivors of SEA at a project level seek redress through the project grievance redress mechanism, and as a last recourse through the World Bank's compliance review mechanism (i.e. the Inspection Panel).

On the other hand, if an act of SEAH is perpetuated by World Bank personnel, this is dealt with as misconduct and follows the internal human resource process for resolution. However, World Bank policies do not appear to extend remedies to survivors of SEAH.

### Definition

The document "Working Together to Prevent Sexual Exploitation and Abuse: Recommendations for World Bank Investment Projects" provides the following definitions:

*Sexual exploitation and abuse (SEA):* Sexual exploitation is a facet of GBV that is defined as any actual or attempted abuse of a position of vulnerability, differential power, or trust for sexual purposes, including but not limited to, profiting monetarily, socially or politically from the sexual

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<sup>23</sup> <https://www.worldbank.org/en/news/statement/2018/04/24/joint-statement-of-ifis-on-continuous-advancement-of-standards-to-prevent-sexual-harassment-abuse-exploitation>

exploitation of another. *Sexual abuse* is further defined as "The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions" (IASC, 2016). In the context of World Bank-supported projects, SEA occurs against a beneficiary or member of the community.

*Sexual harassment* includes unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature (United Nations, 2003). Sexual harassment occurs between personnel and staff (IASC, 2015).

*Consent* refers to when an adult makes an informed choice to agree freely and voluntarily to do something (GBV IMS classification tool). There is no consent when agreement is obtained through:

- The use of threats, force or other forms of coercion, abduction, fraud, manipulation, deception or misrepresentation;
- The use of a threat to withhold a benefit to which the person is already entitled; or
- A promise made to the person to provide a benefit.

The WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021) does not offer a definition, however it does commit to strengthening and clarifying the definition of sexual harassment in the WBG regulatory framework.

### Implementation

The Action Plan sets out a detailed and thorough implementation plan consisting of a focus on prevention through empowering managers; scaling up training; communicating to keep high on agenda; transparent monitoring; developing synergies and knowledge, coupled with efforts to increase fairness and efficacy of the resolution and investigation system through improving the regulatory framework; creating a new role of anti-harassment coordinator; improving investigatory process; and victim support guidelines.

It outlines a plan to provide staff and managers with skills, knowledge and resources to prevent and address sexual harassment through working with managers to promote a positive environment, prevent sexual harassment and address inappropriate behaviours by:

- scaling up outreach and training,
- engaging with senior leadership and mid-level management to ensure continued dialogue to create a workplace culture,
- implementing transparent monitoring as a basis for open dialogue,
- Integrating explicit ethical considerations into other WBG activities, and

- Leading and setting international best practices

It also aims to enhance trust in the ability of WBG to address inappropriate behaviours through improving the regulatory framework and by consolidating and clarifying the rules; complementing the system with people-centred services; improving investigatory reporting processes and procedures; enhancing the decision-making function for disciplinary measures; and addressing sexual harassment committed by external parties towards WBG staff or on WBG premises.

The Action Plan also delineates ways to improve accountability, awareness and trust via the creation of easier reporting, clearer roles for protagonists, clearer rules, the creation of more efficient and transparent processes, and enhanced accountability. The plan also provides guidance on addressing sexual harassment as a risk.

Although the World Bank's ESF does not include explicit reference to SEAH nor does it include any definition of SEAH, the prevention of SEA in World Bank operations is addressed through the ESF, particularly under the GBV risk assessment. Since 2019, World Bank has also launched an internal risk assessment tool to evaluate risk indicators relating to GBV in the design of new projects. The World Bank does not conduct a retrospective assessment of projects under implementation. Complaints regarding GBV on projects are handled at the first instance through the project-level or community-based grievance mechanism. Complaints regarding non-compliance with the World Bank's ESF are reviewed by the World Bank's Inspection Panel, which is equivalent to the GCF Independent Redress Mechanism.

### III. ASIAN DEVELOPMENT BANK (ADB)

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In 2003, the ADB adopted a policy on preventing sexual harassment<sup>24</sup> "because of [its] commitment to maintaining mutual respect, safety, and tolerance in the workplace. This policy encourages senior staff, supervisors, and mission leaders to prevent harassment through establishing a climate of mutual respect among their staff." The remit of this policy is not delineated in terms of its relationship to the ADB Code of Conduct, however this consultant's assumption is that it stands in parallel to it. The remit is also narrower as the Code of Conduct applies exclusively to ADB staff.

The Code of Conduct has been more recently updated (March 2017) than the now rather dated 2003 harassment policy (which, to this author's knowledge, has not been further updated).

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<sup>24</sup> Asian Development Bank. 'Prevention of Sexual Harassment: A Guide for Staff.' 2003. p6.

### Definition

The 18-page Staff Guide provides a definition of sexual harassment, defining it as:

"Sexual harassment is any unwanted, offensive sexual conduct. It could be physical conduct ranging from unwanted touching or kissing to sexual assault; verbal conduct such as unwelcome sexual advances or flirtations, propositions or pressure for sexual or social activity, suggestive remarks, or innuendoes; or nonverbal conduct such as the display of offensive pin-ups or written material, sending suggestive e-mail, leering, whistling, or rude gestures."<sup>25</sup>

Different than the staff guide, the ADB Code of Conduct defines harassment as:

"any unwarranted or unwelcome behavior, verbal, psychological or physical, that interferes with work or creates an intimidating, hostile or offensive work environment. Harassment includes but is not limited to sexual harassment and bullying. Sexual harassment is any unwelcome sexual advance, request for sexual favors or other verbal or physical conduct of a sexual nature which results in physical, sexual or psychological harm or suffering to another person, or which is made or suggested to be a condition of employment, promotion or other personnel action or creates an intimidating, hostile or offensive environment."

Section 4.21 and 4.22 in the ADB Code of Conduct under "Discrimination, Harassment and Bullying" cover harassment and cite special responsibility for managers who must "clearly abide by and communicate the ADB policy on misconduct, including harassment, bullying and retaliation to all their Staff, including to new Staff". It also broaches the issue of cultural differences, citing that:

"Unwanted, offensive sexual conduct is not acceptable in any culture. Naturally, people's attitudes to personal space and privacy, touching, and appropriate topics of conversation vary, depending on their cultural backgrounds, gender, religion, education, and upbringing. In an international organization such as ADB, the values of no one particular group can dominate. That is why this policy allows you to decide for yourself what you find offensive and to let others know if you are offended. There is an onus on all staff to treat others with tact and respect. If you are not sure if your conduct or remarks will offend others at work, it is best to be careful."<sup>26</sup>

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<sup>25</sup> Asian Development Bank. 'Prevention of Sexual Harassment: A Guide for Staff.' 2003. p6.

<sup>26</sup> Asian Development Bank. "Prevention of Sexual Harassment: A Guide for Staff." 2003. p6.

The policy outlines the mechanisms for filing a complaint about harassment. It also stipulates that department/office heads, directors and supervisors have a particular responsibility for preventing sexual harassment.

### Scope

"Prevention of Sexual Harassment: A Guide for Staff" applies equally to men and women and has a broad remit that goes beyond ADB staff. It covers professional staff, national officers, administrative staff, consultants, employees of direct contractors to ADB, people seeking work with ADB, and visitors. Although the last three categories extend the responsibility of ADB to those far beyond the scope of its own staff, ADB retains control over the actions of these categories of individuals to the extent that they are under an obligation to follow ADB standards of conduct on ADB premises. The policy also applies to headquarters, resident missions and offices, and, in the field, to ADB missions and social functions that are part of official business.<sup>27</sup>

The ADB does not have any operational policies that explicitly tackle SEAH on project level. However, ADB is one of the ten IFIs which issued the IFI Joint Statement. In relation to project-level prevention and response the ADB Safeguards Policy Statement (SPS) covers environmental, indigenous people and social risks including gender issues. The SPS is further elaborated through the Social Protection Operational Plan and Social Protection Strategy, which also speak to gender issues. However, not one of these documents includes explicit reference to SEAH, nor do they include any definition of SEAH.

### Implementation

With regard to the implementation of the Code of Conduct, staff are required to submit an Annual Declaration of Compliance.<sup>28</sup> The GCF has adopted this approach in its Administrative Guidelines on Human Resources.

With regard to the implementation of the harassment policy, it interestingly also raises the issue of national jurisdiction in its description of the scope of the policy:

"If the harassment happens at a work-related event such as the ADB Christmas party, it is still covered by the policy. If it happens at an event unrelated to ADB, it may be subject to

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<sup>27</sup> <<https://www.adb.org/documents/prevention-sexual-harassment-guide-staff>>.

<sup>28</sup> It is interesting to note that ADB was hiring for a Senior Social and Gender Specialist/Sexual Exploitation, Abuse and Harassment (SEAH) Policy Specialist in October 2019, hence they have grouped these two roles together; at GCF the Gender Advisor does not fulfil an SEAH function, and is proposing a separate SEAH officer).

the Philippines' anti-sexual harassment law and may be subject to ADB's disciplinary proceedings."

Hence, in countries where there is an anti-sexual harassment or comparable law (i.e. for the GCF Headquarters in the Republic of Korea, or if there was such a law in the country where the alleged harassment or sexual exploitation took place), there may be another potential layer of enforcement/remedy.

#### IV. INTERNATIONAL FINANCE CORPORATION

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The IFC is 1 of the 10 institutions which issued the IFIs Joint Statement. IFC also developed a "Good Practice Note" for the private sector,<sup>29</sup> with the assistance of the CDC Group (CDC) and EBRD.

Also of interest, though not a policy to guide the IFC's own operations, is a guidance note<sup>30</sup> on addressing GBV in the workforce (created by CommDev, the IFC and the WBG). The note provides tools to help companies address and reduce sexual harassment, sexual abuse and exploitation, and intimate partner violence in the workforce and community.

A more recent document (2020) 'COVID-19 and Gender-Based Violence: Workplace Risks and Responses' provides guidance for employers on GBV in the workplace, taking into consideration the specific exigencies of the current pandemic. Though it is presented with a focus on of COVID-19 specifically,<sup>31</sup> it also includes information about other general policies. Additionally, the IFC forms part of the World Bank's document<sup>32</sup> WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021), which applies to the IFC, MIGA and the World Bank.

At project level, the IFC Environmental and Social Performance Standards (2012) – upon which the GCF Interim Environmental and Social Safeguards is modelled – require investees to address gender risks, non-discrimination/equal opportunity, and health and safety of communities. The IFC Gender Strategy (2017) includes explicit reference to GBVH and assessing gender risks in IFC investment projects. Materials to guide clients and staff on addressing GBVH in projects were created in 2018 and refined and expanded in 2019. IFC screens and assesses new investment

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<sup>29</sup> <[https://www.ifc.org/wps/wcm/connect/a808686a-2d10-45b1-86f4-448dcad6125a/191219+GBVH+GPN+V6+CLEAN\\_for+online+consultation.pdf?MOD=AJPERES&CVID=mYAOadf](https://www.ifc.org/wps/wcm/connect/a808686a-2d10-45b1-86f4-448dcad6125a/191219+GBVH+GPN+V6+CLEAN_for+online+consultation.pdf?MOD=AJPERES&CVID=mYAOadf)>.

<sup>30</sup> <[https://www.commddev.org/pdf/publications/ToolSuite4\\_Interior\\_FIN-05-16\\_LoRes.pdf](https://www.commddev.org/pdf/publications/ToolSuite4_Interior_FIN-05-16_LoRes.pdf)>.

<sup>31</sup> <<https://www.ifc.org/wps/wcm/connect/42b50ce3-3867-48b2-9818-acfbc4080ea2/202007-IFC-GBV-COVID+C.pdf?MOD=AJPERES&CVID=ndk4BXw>>.

<sup>32</sup> <<http://pubdocs.worldbank.org/en/895091561658673520/WBG-Sexual-Harassment-Action-Plan-FINAL-Public.pdf>>.

projects for GBVH, and requires all but the lowest-risk clients to include and implement anti-GBVH and gender equality provisions in their human resource policies. During portfolio supervision, IFC will monitor the implementation of mitigation measures to address GBVH risks.

### Definition

The WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021) does not offer a definition, however it does commit to strengthening and clarifying the definition of sexual harassment in the WBG regulatory framework. The Good Practice Note for the Private Sector offers some definitions of harassment, defining sexual harassment as "making unwanted sexual advances, requests for sexual favours or touching or behaving in a way which creates a humiliating or offensive environment", sexual abuse as "a person using force or unequal power, for example through sexual assault, rape, attempted rape or forcing someone to perform oral sex. All sexual activity with children is sexual abuse" and sexual exploitation as "a person abusing their position of relative power or trust to exploit someone through sexual relationships".

The IFC ESS Performance Standards do not include explicit reference to SEAH nor do they include any definition of SEAH.

### Scope

Regarding the WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021), the scope of this commitment covers both the IFIs' own institutions and their operations, though this scope is not more explicitly defined.

The scope of the Good Practice Note for the Private Sector provides the private sector in emerging markets with guidance on how to address GBVH risks in their investments, projects and operations. The primary audiences for this are staff and consultants working for investors and those working for companies. The guidance may also be of wider interest, for example for those working in government, state-owned enterprises, trade unions, non-governmental organizations and people making investments in public–private partnerships.

### Implementation

For information on the implementation of the WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021), please refer to the section above on the implementation plan of the World Bank see above. The implementation of the Good Practice Note for the Private Sector would be carried out by private sector entities on an individual basis; "Addressing GBV in the

Workforce: Tools to help companies address and reduce sexual harassment, sexual abuse and exploitation, and intimate partner violence in the workforce and community" would also be implemented by the private sector.

## V. THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

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The Global Fund does not have a specific SEAH policy, but rather a statement delineating the commitment of the Global Fund and Gavi, the Vaccine Alliance (two Geneva-based financing agencies with similar mandates and working in a partnership model and without regional or country offices), outlined in "Commitments Made by Gavi, the Vaccine Alliance and the Global Fund to Address Sexual Exploitation and Abuse and Sexual Harassment" dated October 2018.<sup>33</sup> The statement is of note in that it frames SEAH within the larger sociocultural context of gender inequality and power dynamics from the outset, highlighting any violations as a human rights issue and therefore a social risk.

The statement outlines four strategic shifts for the organization, focused on strengthening reporting, strengthening internal standards and organizational capacity, and incentivizing cultural change.<sup>34</sup>

1. The first strategic shift outlined vows to ensure support for survivors, victims and whistle-blowers, enhance accountability and transparency, strengthen reporting and tackle impunity. Both organizations commit to achieve this by:
  - a. Clearly communicating requirements and guidance for reporting of incidents, including whistle-blower protection measures – emphasizing that considerations of confidentiality, protection of relevant individuals and relevant legislation will be central;
  - b. Reviewing and where necessary renewing efforts within and between our organizations, and where possible within the wider international system to deter hiring and recirculation of perpetrators in the aid sector and to hold them to account, including helping to bring them to justice when appropriate in line with due process and human rights obligations; and
  - c. Ensuring that relevant information about allegations, confirmed cases, prevention measures and response activities are integrated into reporting mechanisms. (4.) review best practices and lessons from our shared ombudsman services to explore the potential to improve systems of complaints mechanisms and independent

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<sup>33</sup> <[https://www.theglobalfund.org/media/7859/other\\_exploitationabuseharassmentcommitments\\_statement\\_en.pdf?u=63727830792000000](https://www.theglobalfund.org/media/7859/other_exploitationabuseharassmentcommitments_statement_en.pdf?u=63727830792000000)>.

<sup>34</sup> <<https://www.theglobalfund.org/en/updates/other-updates/2018-10-19-gavi-and-global-fund-commit-to-addressing-sexual-exploitation-abuse-and-harassment/>>.

accountability.

2. The second shift aims to incentivize cultural change through strong leadership, organizational accountability and better human resource processes.
3. The third shift aims to adopt minimum standards and the commitment of the Global Fund and its partners meet them. This includes reviewing, and where necessary strengthening, internal standards (such as the codes of conduct, employee handbook and equivalent) and due diligence tools to reflect those standards and include clear and specific language on SEAH, including common definitions. It also includes reviewing, and where necessary strengthening, language for their implementing partners to apply the same minimum standards in their on-granting and contracting requirements for downstream partners.
4. The fourth strategic shift delineated is one to strengthen organizational capacity and capability across the international aid sector, including building the capability of implementing partners to meet the minimum standards, which entails reviewing and if necessary strengthening core oversight and management systems for tackling sexual exploitation and abuse and sexual harassment, using victim/survivor-centred responses, as well as providing guidance and minimum training requirements for relevant staff on the prevention and response to sexual exploitation and abuse and sexual harassment.

#### Definition

The statement does not posit a definition for sexual exploitation, abuse or harassment, nor is it found in the Global Fund's Code of Conduct for Suppliers and their Code of Conduct for Recipients.

#### Scope

The commitments outlined in the statement apply to staff within Gavi and the Global Fund. In addition, both organizations state that they "see these commitments applying to us and by extension to the wider stakeholder environment in which we operate, including our governance bodies and partners who receive funding from us... [and] will focus on prevention and empowering our staff, and work with our governance bodies, implementing partners and suppliers to do the same. We will strengthen the mechanisms by which we hold ourselves and our partners to account and will seek to increase capacity and capability on these issues."

#### Implementation

The statement does not delve into the specifics of implementation, only stating that the Global Fund will "act on every allegation in line with agreed procedures of each organization," indicating

that the two organizations have different procedures, though they both work in partnership with regional and country offices.

## **VI. GREEN ENVIRONMENTAL FACILITY**

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GEF is one of the financial mechanisms of the United Nations Framework Convention on Climate Change (UNFCCC) and is an independent organization under the convention. However, the World Bank provides administrative services for the GEF Secretariat. Therefore, staff of the GEF Secretariat are contractually employees of the World Bank. Whilst the GEF does not have a SEAH policy, staff of the GEF Secretariat are subject to World Bank Staff Rules and Procedures relating to, inter alia, misconduct and SEA.

The GEF has a similar structure to the GCF in terms of its operations as it works through implementing entities referred to as partner agencies who are the equivalent of GCF accredited entities. In relation to safeguarding in GEF project operations, in July 2019 the GEF commenced the implementation of its Policy on Environmental and Social Safeguards (ES Safeguards Policy) (adopted in December 2018), which includes explicit reference to GBV and SEA.

### Definition

The term SEA is defined under the ES Safeguards Policy as follows: "Sexual Exploitation and Abuse means any actual or attempted abuse of a position of vulnerability, differential power, or trust for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another; and, specifically in the case of Sexual Abuse, the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions."

### Scope

The World Bank Staff Rules applicable to staff of the GEF Secretariat covers staff obligations to prevent SEA as well recourse for survivors who are staff members. On the other hand, the GEF ES Safeguards Policy is applicable to GEF partner agencies and sets out requirements for project assessments and grievance mechanisms in relation to social risks – including GBV and more specifically SEA.

### Implementation

The GEF ES Safeguard Policy includes the following provision as part of the Minimum Standards on Environmental and Social Assessment that must be in place at all GEF partner agencies:

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- *Adverse Gender-Related Impacts, Including Gender-Based Violence and Sexual Exploitation and Abuse*
    - Any risks or potential adverse impacts on women, men, girls and boys are identified as early as possible as part of project or programme screening and reflected in relevant safeguards instruments, and differentiated by gender where relevant, including adverse impacts on gender equality, gender-based violence (GBV), and sexual exploitation and abuse;
    - Discrimination against women or girls, or gender-based discrimination are prevented; and
    - In case incidences where GBV and/or Sexual Exploitation and Abuse occur, there are:
      - (i) Established reporting and response protocols in place, with specific procedures for GBV, including confidential reporting with safe and ethical documenting of GBV cases that indicates when and where to report incidents, and what follow-up actions will be undertaken; and
      - (ii) Modalities to provide services and redress to survivors.

The ES Safeguards Policy also includes requirements for each GEF partner agency to have independent accountability and grievance response systems to respond to complaints from people and communities that might be affected by GEF-funded projects, which would include claims relating to SEA.

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## VII. EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

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In addition to signing on to the IFI Joint Statement, the EBRD has its own document (co-commissioned by CDC, EBRD and IFC) entitled "Addressing Gender Based Violence and Harassment: Emerging Good Practice from the Private Sector".<sup>35</sup> This document focuses on gender-based violence and harassment, outlining assessing risks, prevention, responding to and encouraging reporting, and monitoring and highlights.

The EBRD Environmental and Social Policy and Performance Requirements (2020) require its clients to adopt measures to effectively prevent and address any form of violence and harassment, including GBVH.

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<sup>35</sup> Addressing Gender Based Violence and Harassment: Emerging Good Practice from the Private Sector.

It is noteworthy in that unlike the other approaches, this document also lays out the business case for addressing sexual exploitation, abuse and harassment. It also illustrates overarching principles which should be considered.

It also provides helpful background and context to better understand sexual exploitation, abuse and harassment and why it occurs as well as useful principles which should underpin all work in this area.

### Definition

The EBRD utilizes the definitions below in its report "Addressing Gender Based Violence and Harassment: Emerging Good Practice from the Private Sector":

- Sexual exploitation - Any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including profiting monetarily, socially or politically from the sexual exploitation of another.
- Sexual abuse - The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. All sexual activity with children (as defined by the United Nations Convention on the Rights of the Child as any person under the age of 18) is sexual abuse, regardless of the age of maturity or consent locally. Mistaken understanding of the age of a child is not a defence.
- Sexual harassment - Any form of unwanted verbal, non-verbal or physical conduct of a sexual nature with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment
- GBVH - Umbrella term for violence and harassment directed at persons because of their sex or gender, or affecting persons of a particular sex or gender disproportionately, and includes sexual harassment

### Scope

The EBRD Environmental and Social Policy and Performance Requirements (2020) require its clients to adopt measures to effectively prevent and address any form of GBV including sexual abuse, exploitation and harassment, throughout the project cycle.

### Implementation

VIII. The EBRD's Environmental and Social Policy Performance Requirements is implemented through screening of projects for related risks to project-affected persons and communities. It also requires EBRD clients to establish project grievance mechanisms for project-affected persons and communities to seek grievance in the event of a complaint.

#### INTERNATIONAL MONETARY FUND

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The IMF has no stand-alone SEAH policy but has an updated standard for staff conduct, published in a General Administrative Order. In a 2017 statement the IMF claimed that it had updated its standards of conduct for staff to enhance standards of conduct, introduce new reporting requirements on close personal relationships in the workplace and update the institution's policies on harassment and discrimination. They also reinforce protection against retaliation for staff who report suspected misconduct, while clarifying procedures for conducting and overseeing investigations of such misconduct.<sup>36</sup> The IMF also benchmarked its policies against those of comparator institutions and reviewed best practices in a cross-section of other organizations, delineating:

- *A new policy on close personal relationships in the workplace*, which requires that a supervisor who has an intimate personal relationship with a subordinate report such relationship to the Ethics Advisor, their supervisor, or the Human Resources Department to seek resolution to potential conflicts of interest and workplace fairness concerns. Failure to report and then resolve the potential conflict of interest constitutes misconduct and is grounds for disciplinary action.
- *A new policy concerning protection against retaliation*. Retaliation against a staff member for reporting suspected misconduct or participating in the IMF dispute resolution system has been added explicitly as a form of misconduct;
- *Greater emphasis on prevention and early resolution in policies on harassment and discrimination*. The IMF policy on harassment, including sexual harassment, already made clear that harassment in any form is not tolerated, constitutes misconduct, and triggers disciplinary actions up to and including termination of employment, but the new standards of conduct emphasize early action; and
- *An update of investigative and disciplinary procedures*, including clarifying the respective authority of the Ethics Advisor, Human Resources Department Director and other IMF officials.

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<sup>36</sup> Ethics Framework. "IMF Updates Standards for Staff Conduct." July 28, 2017  
<<https://www.imf.org/external/hrd/conduct.htm>>.

### Definition

The IFI Joint Statement and the Update Note acknowledges the fact that the various IFIs have different definitions of harassment, abuse and exploitation, and that these different definitions may not cohere: "IFIs use a range of terms to refer to issues that are relevant to sexual harassment, abuse and exploitation, including gender-based violence, social safeguards, misconduct, gender and inclusion more generally, and human rights. This update note captures policies that address the topic substantively, but individual IFI terminology may not match exactly the references made here."<sup>37</sup>

The Staff Code of Conduct may present definitions of sexual exploitation, abuse and harassment; however, this author was unable to retrieve it online.

### Scope

The IMF Code of Conduct is presumably applicable to staff as the title implies. Regarding how IMF addresses SEA risk in its project operations, based on the IFI Joint Statement, which IMF is party to, it is assumed that IMF also tackles this risk through its Environmental and Social Policy or equivalent.

### Implementation

The implementation mode outlined in the statement is primarily via an independent ethics advisor, an independent ombudsperson and an integrity hotline, enabling staff and the general public to report misuse of IMF resources or misconduct by staff or vendors securely and anonymously.

## **IX. CONCLUSION**

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The various policies, statements, toolkits and instruments outlined above all contain elements which could inform or enrich the current GCF SEAH Policy. Care will need to be taken to decide which elements are inspired from other organizations' policies or approaches (especially with a view to legal liability for GCF vis-à-vis accredited entities and other parameters). That being said, the examination of differing approaches has yielded a rich repository of knowledge and approaches which can and should inform not only the SEAH Policy itself, but also its implementation.

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<sup>37</sup> Due to a non-functional link and nothing yielding on organizational website searches, this author could not access the code of conduct to ascertain if it contained a definition for SEAH.

The WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021) is particularly strong and should be mined for information and especially for implementation approaches. Regarding systems, policies and procedures, the WBG Action Plan for Preventing and Addressing Sexual Harassment (2019–2021) provides the most thorough, comprehensive and up-to-date suggestions, comparatively, for the purposes of this analysis. It also covers three of the IFIs, hence it can claim to be the most comprehensive and credible. It also is arguably the most relevant and applicable to GCF work.

Elements from other organizations' documents that could potentially inform GCF approaches include strong language and definitions in a variety of the documents which could be emulated. The EBRD document could be mined for examples of key performance indicators as well as useful questions to assess company capacities and resources, among others things, and the IFC documents for their rich context and understanding of gender and GBV dynamics. The Global Fund also has a strong contextualization piece that should inform the renewal/revisions to the SEAH Policy.

The emphasis on tackling social norms and on creating an organizational culture of respect was a red thread which wove across all the organizational documents. Another theme was the importance of leading by example and the impact of strong leadership to support this cause. Another highlight was the responsibility of managers and senior staff to set the tone for the organizational culture and to champion new ways of working vis-à-vis SEAH and its implementation.

Overall, in terms of tackling the risk of SEA in project operations, the common practice among all institutions reviewed is with reference to their respective environmental and social policy frameworks. The environmental and social policy frameworks of all the IFIs reviewed do not contain explicit reference to SEA. Furthermore, of the two multilateral funds reviewed in this Comparative Analysis, only the GEF has included explicit reference to SEA, and this reference falls within the context of GBV. In order to do so, the GEF capitalized on a window of opportunity provided by a scheduled general review and update to its ES Policy.

All of these elements can serve to inform the next iteration of the SEAH Policy, hopefully rendering it not only more in tune with international best practice and standards in this area, but also more sustainable and robust as a policy in and of itself.

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