



GREEN  
CLIMATE  
FUND

# Development of the GCF Environmental and Social Safeguards

## Stage 2. Draft ESS

27<sup>th</sup> April 2022



# Stage 1 analysis and guiding principles

**Focus**

**Continuity**

**Harmonization**

**Accountability**

**Capability**

# Proposed new ESS structure

**ESS 1: Assessment and Management of Environmental and Social Risks and Impacts**

**ESS 2: Labor and Working Condition**

**ESS 3: Resource Efficiency and Pollution Prevention**

**ESS 4: Community Health, Safety and Security**

**ESS 5: Land Acquisition and Involuntary Resettlement**

**ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**

**ESS 7: Indigenous Peoples**

**ESS 8: Cultural Heritage**

**ESS 9: Stakeholder Engagement and Information Disclosure**

**ESS 10: Climate Change Resilience and Adaptation**



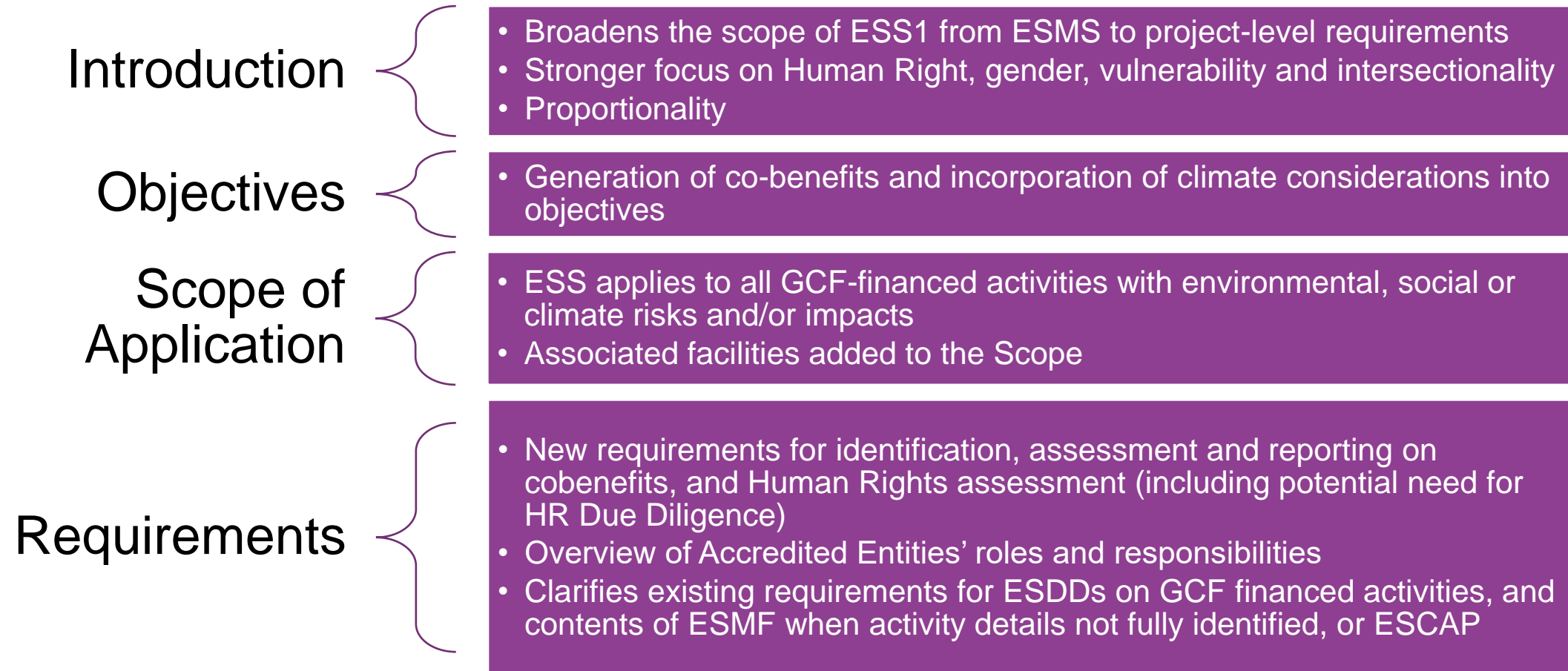
# ESS1 Assessment and Management of Environmental and Social Risks and Impacts

# Proposed structure in new GCF ESS 1

Focus change from ESMS components to project-level requirements, and harmonisation with other ESS. Implications on heading names and order

Proposed structure in new GCF ESS	Description of change
1. Introduction	
2. Objectives	
3. Scope of application	
4. Requirements	
a. Environmental and Social Assessment	Heading has moved upwards name has been changed
b. Environmental and Social Management System	Heading name has been modified
c. Policy	
d. Environmental and Social Management Plans	Heading name has been modified
e. Organizational Capacity and Competency	
f. Monitoring and Reporting	Emergency preparedness and response requirement moved to ESS 4 Change in heading name to reflect project-focused monitoring and reporting
g. Environmental and Social Corrective Action Plans	New heading added to the new ESS
Annex 1. Environmental and social assessment	Annexes added to provide further detail on requirements
Annex 2. Management of contractors	
Annex 3. Financial intermediaries (potentially to be presented as a standalone ESS in the final version)	
	Stakeholder engagement-related requirements have been moved to ESS 9.

# Main changes in the new ESS1





# ESS2: Labor and Working Conditions

# Proposed structure in new GCF ESS2

Introduction of more measures for decent work and fair treatments, and harmonisation with other ESS.

Proposed structure in new GCF ESS	Description of change
<b>1.Introduction</b>	
<b>2.Objectives</b>	
<b>3.Scope of Application</b>	
<b>i. Direct Workers</b>	
<b>ii. Contracted Workers</b>	
<b>iii. Supply Chain Workers</b>	Heading names and text have been added to align with other recently updated ESS (new categories of workers)
<b>iv. Community Workers</b>	
<b>v. Civil Servants</b>	
<b>4. Requirements</b>	Heading name and text has been added to align with other recently updated ESS
<b>a. General</b>	
<b>b. Working Conditions and Management of Worker Relationship</b>	Heading name has been changed to align with other recently updated ESS (from “retrenchment”)
<b>i. Human Resources Policies and Procedures</b>	
<b>ii. Working Conditions and Terms of Employment</b>	
<b>iii. Workers’ Organizations</b>	
<b>iv. Non-discrimination and Equal Opportunity</b>	
<b>v. Collective Dismissals</b>	
<b>vi. Grievance Mechanism</b>	
<b>c. Protecting the Work Force</b>	
<b>i. Child Labor</b>	
<b>ii. Forced Labor</b>	
<b>d. Occupational Health and Safety</b>	
<b>e. Workers Engaged by Third Parties</b>	
<b>f. Supply Chain</b>	

# Main changes in the new ESS2

## Introduction

- Promotion of decent work, fair treatment, non-discrimination and equal opportunity for workers, guided by International Labor Organization standards
- Direct reference to labor rights being human rights

## Objectives

- More forceful language  
New objective related to accessible and effective means to raise and address workplace concerns

## Scope of Application

- New sections on community workers (voluntary efforts) and civil servants (subject to their existing labour agreement)

## Requirements

- More comprehensive contractual details
- Avoidance of workplace harassment and grievance retaliation
- Addressing fraudulent recruitment
- Safety measures for workers not identifying as male



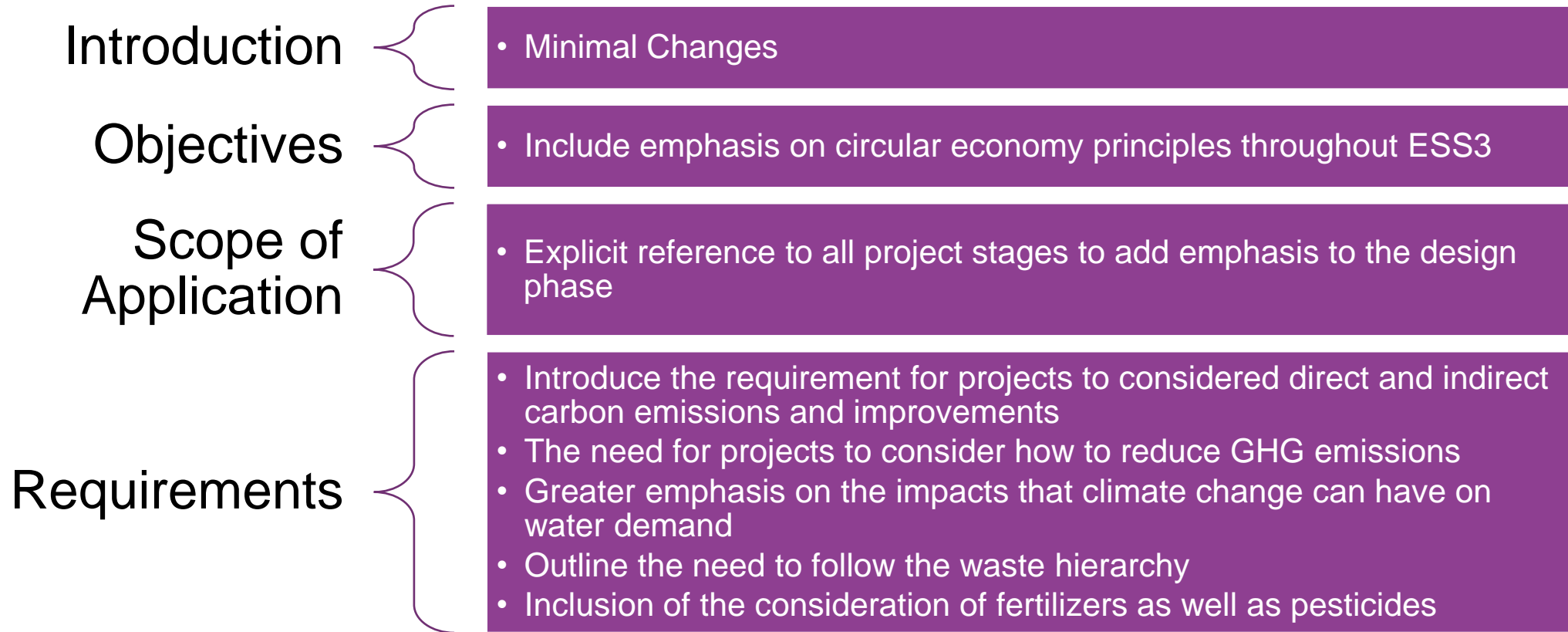
# ESS3: Resource Efficiency and Pollution Prevention

# Proposed structure in new GCF ESS3

Retention of the same structure

Proposed structure in new GCF ESS	Description of change	
1. Introduction		
2. Objectives		
3. Scope of Application		
4. Requirements		
a. Resource efficiency		
i. Greenhouse gases		
ii. Water consumption		
b. Pollution Prevention		
i. Wastes		
ii. Hazardous materials management		
iii. Fertilizer and pesticide use and management		
		Addition of reference to fertilizers in the title

# Main changes in the new ESS3





# ESS4: Community Health, Safety and Security

# Proposed structure in new GCF ESS4

Introduction of new topics, present in other ESS

Proposed structure in new GCF ESS	Description of change
1. Introduction	
2. Objectives	
3. Scope of Application	
4. Requirements	
a. Community Health and Safety	
i. Infrastructure Equipment Design and Safety	
ii. Product Safety	New subheading, aligning with other recently updated ESS
iii. Road Safety	New subheading, aligning with other recently updated ESS
iv. Dam Safety	New subheading, aligning with other recently updated ESS
v. Hazardous Materials Management and Safety	
vi. Ecosystem Services and Natural Hazards	Addition of “natural hazards”
vii. Community Exposure to Disease	
viii. Project Induced Immigration	New subheading, aligning with other recently updated ESS
ix. Gender-Based Violence and Sexual Exploitation, Abuse and Harassment	New subheading, aligning with other recently updated ESS
x. Emergency Preparedness and Response	
b. Security Personnel	

# Main changes in the new ESS4

## Introduction

- Direct reference to supporting communities and local government with emergency situations, including natural hazards related to climate change

## Objectives

- Recognition that climate change and natural hazards can increase risks to workers and communities

## Scope of Application

- Cross reference to climate risk assessment

## Requirements

- More details on requirements of emergency preparedness and response plans,
- Inclusion of invasive species and zoonotic diseases as part of natural hazards;
- Need to assess human rights risks for security arrangements
- References to microbial resistance under community disease



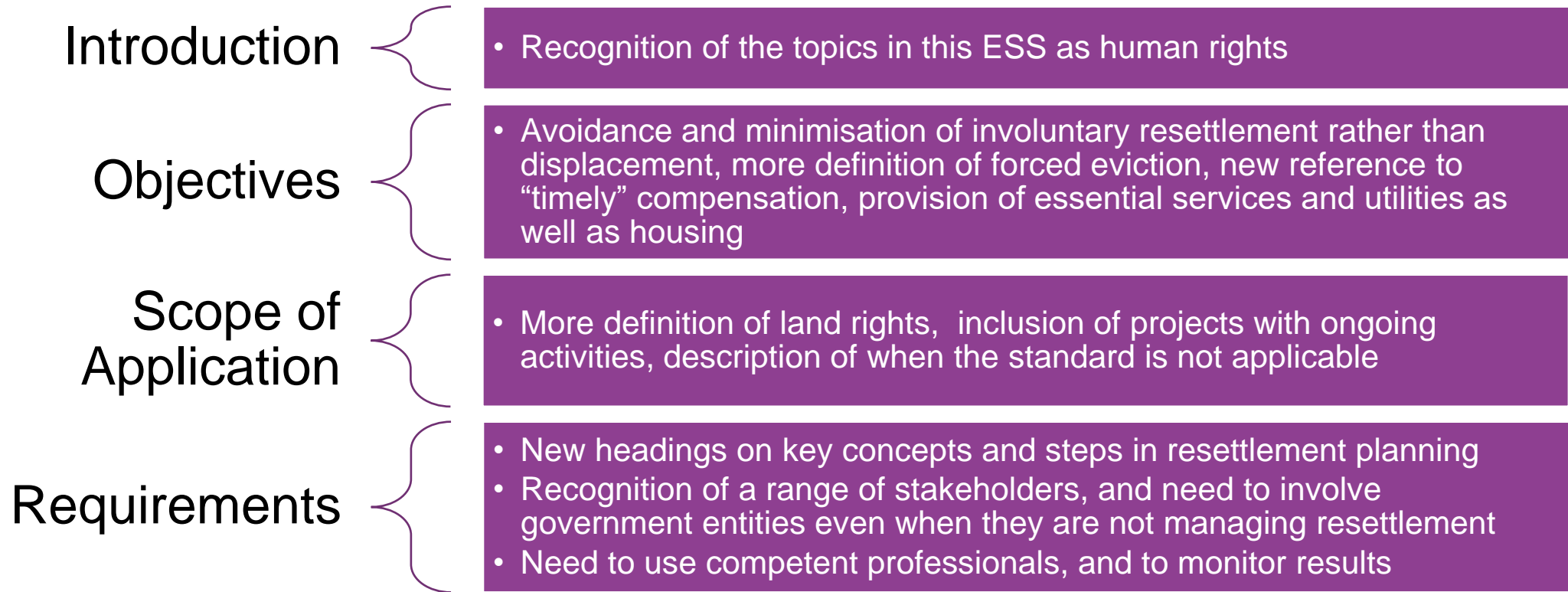
# ESS5: Land Acquisition and Involuntary Resettlement

# Proposed structure in new GCF ESS5

More details on operational requirements and harmonisation with other ESS. Implications on readability and expectations.

Proposed structure in new GCF ESS	Description of change
<b>1. Introduction</b>	
<b>2. Objectives</b>	
<b>3. Scope of Application</b>	
<b>4. Requirements</b>	
<b>a. General</b>	
<b>i. Avoidance or Minimization of Displacement</b>	
<b>ii. Avoidance of Forced Eviction</b>	
<b>iii. Negotiated Settlements</b>	New headings and additional text on these key concepts and activities related to project design, which was the former name
<b>iv. Consideration of Vulnerable Groups</b>	
<b>v. Consideration of Gender Aspects</b>	
<b>vi. Eligibility Classification</b>	
<b>vii. Compensation and Benefits for Displaced Persons</b>	
<b>viii. Loss of Community Facilities, Utilities, and Public Amenities</b>	
<b>ix. Stakeholder Engagement</b>	Modified to stakeholder engagement (instead of community engagement)
<b>x. Grievance Mechanism</b>	
<b>xi. Resettlement and Livelihood Restoration Planning and Implementation</b>	
<b>b. Displacement</b>	
<b>i. Physical Displacement and Resettlement Assistance</b>	Inclusion of “resettlement assistance”, aligning with other recently updated ESS
<b>ii. Economic Displacement and Livelihood Improvement or Restoration</b>	Inclusion of “livelihood improvement or restoration”, aligning with other recently updated ESS
<b>iii. Monitoring and Evaluation</b>	New heading, aligning with other recently updated ESS
<b>c. Government Coordination</b>	Modified name (from private sector responsibilities under government –managed resettlement)

# Main changes in the new ESS5



# **ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**

# Proposed structure in new GCF ESS6

- Integration of climate change aspects in biodiversity assessments and mitigation. New requirements regarding the use or release of Genetically Modified Organisms.

Proposed structure in new GCF ESS	Description of change	
1. Introduction		
2. Objectives		
3. Scope of Application		
4. Requirements		
a. General		
b. Protection and Conservation of Biodiversity		
i. Modified Habitat		
ii. Natural Habitat		
iii. Critical Habitat		
iv. Legally Protected and internationally Recognized Areas		
v. Invasive Alien Species		
vi. Climate change and Biodiversity		New heading to integrate biodiversity and climate change
c. Management of Ecosystem Services		
d. Genetically Modified Organisms		New heading to cover GMOs
e. Sustainable Management of Living Natural Resources		
f. Supply Chain		

# Main changes in the new ESS6

## Introduction & Objectives

- Enhancement of biodiversity in addition to protection and conservation

## Requirements - General

- Precautionary principle to be used on all projects in biodiversity assessment and mitigation

## Requirements - Habitats

- Better distinction between natural and modified habitats
- Construction Biodiversity Management Plan in natural habitat
- Species of EU community interest added to the critical habitat criteria
- Habitats supporting great apes and certain protected and international recognised areas to automatically trigger critical habitat
- Biodiversity offsets to deliver co-benefits (climate adaptation, wellbeing)

## Requirements - Other

- Restrict projects in WHS and AZE sites
- Consider climate change in biodiversity assessment and mitigation
- Restrict the use or release of GMO
- Minimize AMR and use antibiotics

# ESS7: Indigenous Peoples

# Proposed structure in new GCF ESS7

- Aligned with GCF’s detailed IP Policy, greater emphasis on self-determination

Proposed structure in new GCF ESS	Description of change
1. Introduction	
2. Objectives	
3. Scope of Application	
4. Requirements	
a. General	
i. Avoidance of Adverse Impacts	
ii. Participation and Consent	
iii. Grievance Redress Mechanism	New heading included, aligning with other recently updated ESS
b. Meaningful Consultation and Free, Prior, and Informed Consent (FPIC)	Modified heading to include “meaning consultation and FPIC” (instead of circumstances requiring FPIC)
i. Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use	
ii. Relocation of Indigenous Peoples from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use	
iii. Cultural heritage	
c. Mitigation and Development Benefits	
d. Private Sector Responsibilities Where Government is Responsible for Managing Indigenous Peoples Issues	

# Main changes in the new ESS7

## Introduction

- Use of GCF's IP Policy introductory text referencing IPs as vulnerable, and IP rights as human rights

## Objectives

- Use of GCF's IP Policy 13 objectives (compared to existing 6)

## Scope of Application

- Use of GCF's IP Policy Scope of Application, inclusion of more names for IPs
- Include reference to transborder IP groups

## Requirements

- Respecting IPs living in voluntary isolation
- Assessing how activities may contribute to ethnic conflicts
- More details on implementation of meaningful consultation
- Provision of legal assistance for FPIC,
- Greater emphasis on benefit sharing



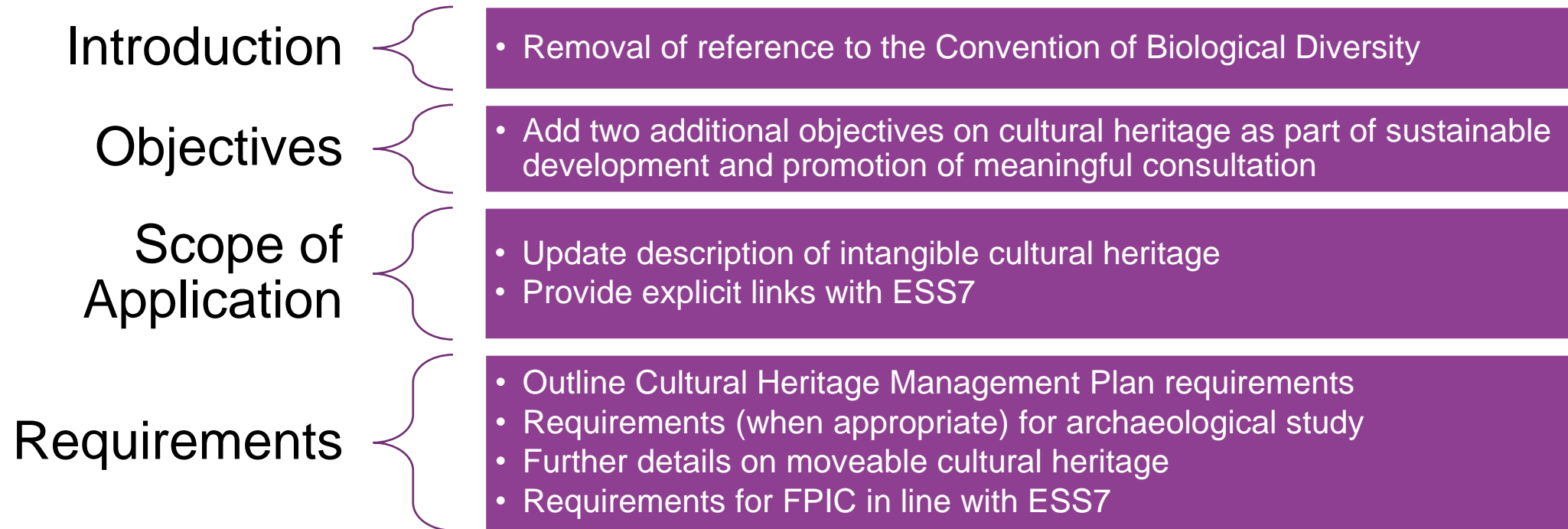
# ESS8: Cultural Heritage

# Proposed structure in new GCF ESS8

- No structural changes proposed

Proposed structure in new GCF ESS	Description of change
1. Introduction	
2. Objectives	
3. Scope of Application	
4. Requirements	
a. Protection of Cultural Heritage in Project Design and Execution	
i. Avoidance of Adverse Impacts	
ii. Participation and Consent	
iii. Grievance Redress Mechanism	
b. Meaningful Consultation and Free, Prior, and Informed Consent (FPIC)	
iv. Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use	
v. Relocation of Indigenous Peoples from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use	
vi. Cultural heritage	
c. Mitigation and Development Benefits	
d. Government Coordination of Indigenous Peoples Issues	

# Main changes in the new ESS8





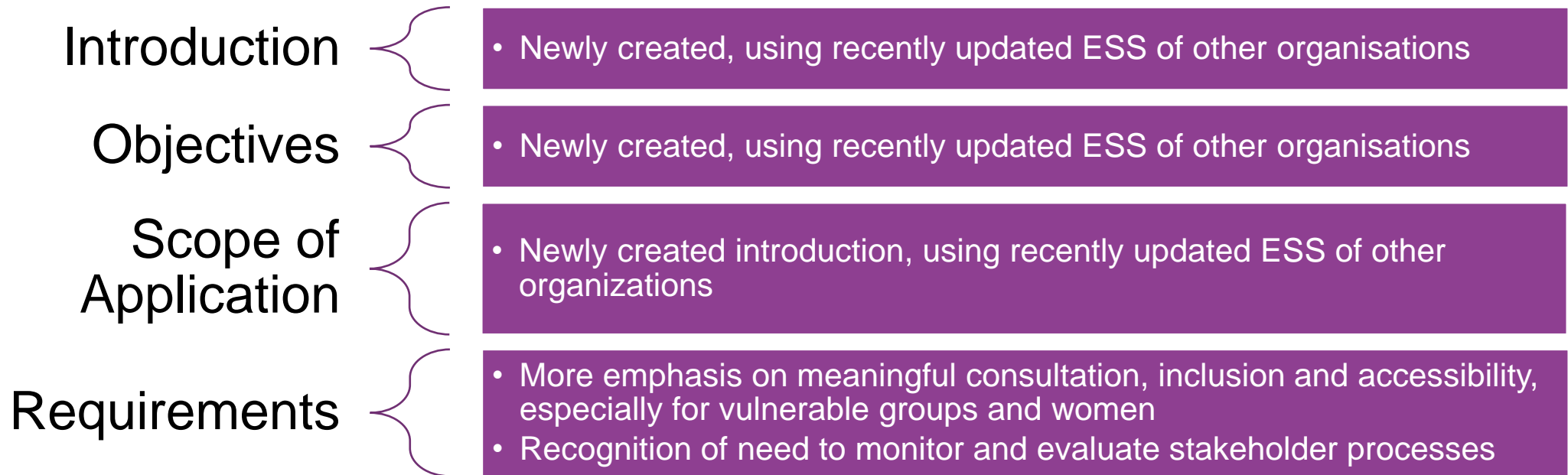
# ESS9: Stakeholder Engagement and Information Disclosure

# Proposed structure in new GCF ESS9

- New ESS for harmonisation with other ESS, based on existing PS1 with more emphasis on meaningful and inclusive consultation and participation
- Structure is based from IFC PS1 stakeholder text

Proposed structure in new GCF ESS	Description of change	
1. Introduction	New headings	
2. Objectives		
3. Scope of Application		
4. Requirements	Headings from previous PS1 requirements and updated as below	
a. Engagement During Project Preparation		
i. Stakeholder Identification and Analysis		
ii. Stakeholder Engagement Plan		
iii. Disclosure of Information		
iv. Meaningful Consultation		
b. Engagement During Implementation and External Reporting		
c. Grievance Mechanism		
		Division of previous requirements into project lifecycle (during project preparation and during implementation)
		Deletion of subsection on IPs (addressed in IP ESS) and deletion of a previous heading (private sector responsibilities under government-led stakeholder engagement)
	Heading as grievance mechanism (deletion of “for affected communities”)	

# Main changes in the new ESS9





# ESS10: Climate Change Resilience & Adaptation

# Proposed structure in new GCF ESS10

Proposed structure in new GCF ESS
1. Introduction
2. Objectives
3. Scope of Application
4. Requirements
a. Physical and Transition Climate Risk Assessments
b. Natural Hazard and Disaster Risk
c. Climate Change and Disaster Risk as a compounding factor
d. Alignment with Paris Agreement

# Main changes in the new ESS10

## Introduction

- New text outlines the introduction and scope of the standard. Makes the linkage to Standard 3 and other mainstreaming of climate throughout PS2-8.

## Objectives

- New text outlines three objectives i) To ensure alignment with Paris Agreement, ii) comprehensive screening for risk (society, environment and critical infrastructure) and application of mitigation and management, iii) maximise resilience (optionally mitigation) and consider co-benefits

## Scope of Application

- Applicability established during the social and environmental screening and categorization process. Applies to all projects, unless exclusion criteria evidenced.

# Main changes in the new ESS10

## Requirements

- Physical and Transition Risk Assessment including broad receptors, process and systems for risk mitigation and management, consideration of best practice factors (risk methodology, disaggregation of risk profiles, risk screening period, consideration of co-benefits and maladaptation, indigenous and traditional knowledge) and tailoring of scope by qualified professional
- Natural Hazard and Disaster Risk
- Climate change and disaster risk as a compounding factor for exposure and impact across the receptors analysed in ESS 2-9.
- Alignment with Paris Agreement



**Thank you**