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**PROGRESS REPORT ON
THE IMPLEMENTATION OF THE GEF
POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

TABLE OF CONTENTS

Introduction	1
Key Findings	1
Background	2
ESS Considerations in GEF Projects and Programs	3
ESS Risk Screening at the PIF and PFD Stage	4
Overall Project ESS Risk Ratings at PIF and PFD Stage.....	5
Types of ESS Risks at PIF and PFD Stage	8
ESS Risk of Projects in Fragility and Conflict-Affected Situations (FCS) Countries	10
ESS Risk Management at the CEO Endorsement and CEO Approval Stage.....	14
ESS Information in Mid-term Review and Terminal Evaluation	17
Conclusion and Next Steps	18

INTRODUCTION

1. The Council decision to approve the GEF Policy on Environmental and Social Safeguards (ESS Policy)¹, during its 55th Meeting in December 2018, included a request to the Secretariat to report annually on its implementation. This reporting includes the type and level of the Environmental and Social Risks and Impacts identified in GEF-financed projects and programs along with strategies employed to manage these risks throughout project lifecycle to project completion.² Beyond establishing minimum requirements and procedures, the ESS Policy serves as an important instrument for the GEF, facilitating the identification, minimization, and mitigation of negative environmental and social impacts. In alignment with the GEF-8 Policy Recommendations on the inclusion agenda and engagement in fragility, conflict, and violence-affected situations, the ESS Policy remains a vital tool to enhance the quality, impact, and sustainability of GEF investments.

2. This document marks the fourth Progress Report³ since the effective date of the ESS Policy in July 2019. The comprehensive analysis herein encompasses 59 approved Project Identification Forms (PIFs) and Program Framework Documents (PFDs) approved in the December 2022 and June 2023 Work Programs.⁴ Additionally, the report covers CEO Endorsements (257 projects) and CEO Approvals (173 projects) approved between July 1, 2019, and June 30, 2023, all of which are subject to the provisions outlined in the ESS Policy.⁵

3. An integral aspect of assessing the ESS Policy's effectiveness lies in the examination of Mid-term implementation Reviews (MTRs) and Terminal Evaluations (TEs). As of June 30, 2023, just one TE has been required to apply the new Policy requirements. It is noteworthy that, while the ESS policy does not mandate projects to furnish updates on implementation in Project Implementation Reports (PIRs), the ongoing scrutiny of MTRs and TEs will offer valuable insights into the practical realization and management of environmental and social risks and impacts.

KEY FINDINGS

4. The comprehensive analysis of projects and programs reveals notable advancements in the implementation of the ESS Policy across all Agencies. Specifically, there is marked progress in identifying ESS-related risks and impacts, coupled with a positive trend in reporting on ESS screening and risk ratings. Moreover, the translation of the ESS Policy into practical application is increasingly evident in the design and development stage of GEF projects and programs,

¹ [GEF/C.55/07/Rev.01](#)

² Para 17 of GEF/C.55/07/Rev.01

³ The first Progress Report (GEF/C.59/Inf.15) is available [here](#), the second Progress Report (GEF/C.61/Inf.09) is available [here](#) and the third Progress Report (GEF/C.63/Inf.10) is available [here](#).

⁴ It includes six Full-sized Projects (FSP) of the Least Developed Countries Fund (LDCF) and four Enabling Activities over US\$2 million, which have been processed as FSPs.

⁵ There were 257 FSP CEO Endorsements and 173 Medium-sized projects (MSP) CEO Approvals, for which the new ESS Policy was applicable, approved between July 1, 2019 and June 30, 2023. As of June 30, 2023, just one TE has been required to apply the new ESS Policy requirements, and there are no MTRs required to apply the new ESS Policy.

facilitated by the establishment of dedicated ESS system within the Agencies. Notably, all projects exhibit a comprehensive ESS risk classification, accompanied by detailed risk screening, and mitigation plans at different levels by the time of CEO Endorsements and Approvals. Best practices of ESS risk screening, assessment, and management are observed, encompassing considerations such as conflict or post-conflict risks in Fragile and Conflict-Affected Situations (FCS). Potential impacts on most vulnerable communities and Indigenous Peoples, among others, prominently featured in PIFs and at CEO Endorsement stage.

5. As anticipated, there is still limited information and data on the application of the ESS policy beyond the project design stage, the CEO Endorsements and Approvals. Nevertheless, the one TE provided a robust assessment of the ESS risk management at this stage. and the analysis underscores examples of significant integration of environmental and social risk mitigation measures into the project design by the CEO Endorsement stage, representing best practice. These practices collectively contribute to the enhancement of project inclusiveness and quality.

6. Building on the findings of the Independent Evaluation Office (IEO) report⁶, it is evident that knowledge sharing plays a pivotal role in capacity development and training. Some Agencies express an interest in effectively addressing challenging safeguard implementation issues. Consequently, the Secretariat will continue to explore the reinforcement of its role as a knowledge broker, aligning with the principles outlined in the GEF Strategy for Knowledge Management and Learning.⁷ The benefit derived from exchanging lessons learned in ESS implementation extends beyond the imperative of “do no harm”, to the proactive pursuit of “doing good”, thereby enhancing the overall quality of GEF projects and programs.

BACKGROUND

7. The ESS Policy is a cornerstone of the GEF strategy to enhance environmental and social outcomes while identifying and managing associated risks and impacts in GEF projects and programs. It outlines nine minimum requirements for GEF Agencies to identify and manage environmental and social risks, ensuring the implementation of these standards through the necessary policies, procedures, systems, and capabilities, including those executed by partners.

8. The latest Progress Report on GEF Agencies’ Compliance with GEF Minimum Standards,⁸ presented at the 64th Council meeting in June 2023, revealed notable progress. All Agencies were found to comply with the ESS Policy, with gaps found in one Agency being addressed comprehensively.⁹ The Updated Third Party Review of Agency Compliance with GEF Minimum Standards¹⁰, which includes ESS, highlights overall compliance with GEF ESS Policy and affirms implementation capacity and effectiveness of the Policy across Agencies. Aligning with the

⁶ GEF/E/C.60/06 (May 25, 2021) “Evaluation of Institutional Policies and Engagement of the GEF” (para 44, 412, 413) available at [here](#).

⁷ GEF/C.65/03/Rev.01 (October 10, 2023) available at [here](#).

⁸ [GEF/C.64/Inf.10](#) (June 5, 2023)

⁹ ADB is implementing a comprehensive action plan to address gaps with the GEF ESS Policy.

¹⁰ [GEF/C.64/Inf.09](#) (May 08, 2023)

diverse size and experience of each Agency, the implementation capacity and effectiveness diverge across Agencies.

9. In addition to assessing GEF Agency compliance, the ESS Policy establishes requirements for Agencies to document and report on environmental and social risks and potential impacts and their management throughout the GEF project and program cycle. Moreover, it delineates a role for the Secretariat in reviewing projects and programs at various stages, with an annual reporting obligation to the Council on Policy Implementation.

10. The ESS and Minimum Fiduciary Standards Policies required the GEF Secretariat to promptly publish information on grievance cases related to the ESS Policy reported by the GEF Agencies on the GEF Website.¹¹ A comprehensive summary report on grievance cases relating both to ESS and fiduciary standards is available separately.¹²

11. Aligned with ESS Policy requirements, the GEF Secretariat, in collaboration with Agencies, developed the Guidelines for the GEF Policy on Environmental and Social Safeguards (ESS Guidelines)¹³ in December 2019. These guidelines support the effective implementation of project and program-level documentation and reporting requirements outlined in the Policy. The GEF Secretariat has reviewed PIFs, PFDs, and CEO Endorsements and Approvals of GEF investments to ensure adherence to the Policy and Guidelines.¹⁴ Projects and programs classified as “High” or “Substantial” risk are to be accompanied by supporting documents such as environmental and social management plans or frameworks.

ESS CONSIDERATIONS IN GEF PROJECTS AND PROGRAMS

12. As of June 30, 2023 (four years after the effective date of the policy), nearly one-third of the active GEF Portfolio incorporate the policy’s principles. The ESS Policy has systematically applied to all GEF projects and programs approved since July 1, 2019, constituting 29 percent of active operational projects and programs (refer to Figure 1 below). Among the 2,417 active GEF investments as of June 30, 2023, the updated ESS policy has required to 780 projects and programs.

¹¹ Policy: GA/PL/02 (December 19, 2019)

(https://www.thegef.org/sites/default/files/documents/gef_minimum_fiduciary_standards_partner_agencies_2019.pdf)

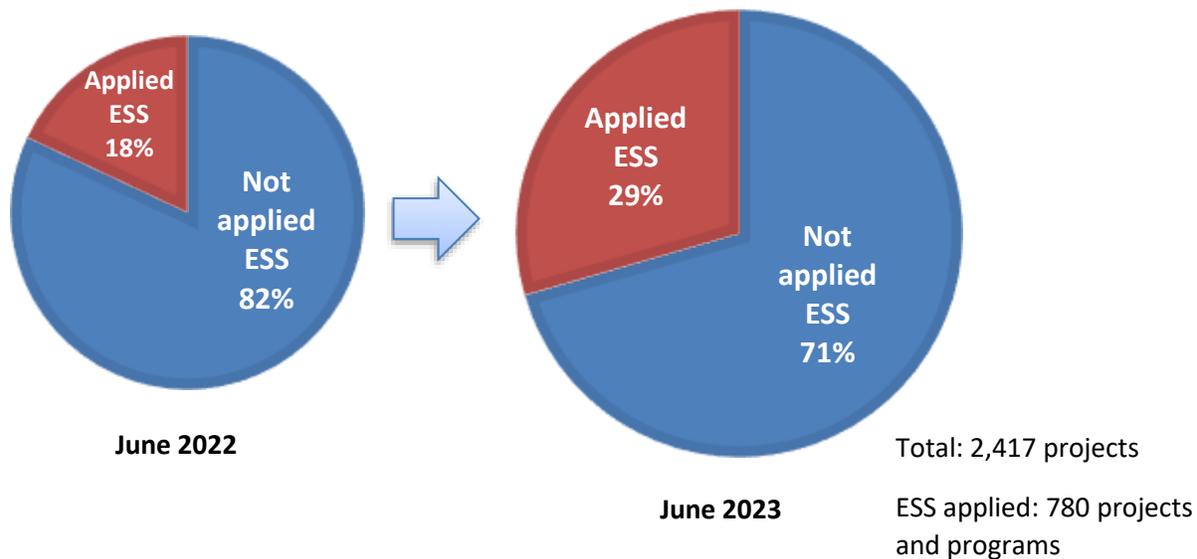
¹² Annual Report on Grievance Cases Involving GEF-Funded Projects (Forthcoming)

¹³ Guidelines on GEF Policy on Environmental and Social Standards: SD/GN/03:

https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf

¹⁴ The GEF Risk Appetite, for consideration at C.66, includes provisions for how environmental and social risks will be assessed, managed and monitored at PIF/PFD, CEO Endorsement/Approval, MTR and TE stage.

Figure 1: Application of updated ESS Policy in active portfolio (as of June 30, 2023)



ESS Risk Screening at the PIF and PFD Stage

13. Analysis of PIFs and PFDs reveals a consistent improvement in compliance with reporting on initial ESS risk screening since the effective date of the ESS Policy (see Figure 2 below).¹⁵ Almost all PIFs and PFDs included reports on their initial ESS risk screening at the project early stage.¹⁶ In the December 2022 and June 2023 Work Programs, 94 percent and 90 percent of projects and programs, respectively, provided ESS screening information. Some Enabling Activities are exempt from providing ESS screening information, which explains the slight decrease showing in Figure 2 for the December 2022 and June 2023 Work Programs. Notably, all four Non-Grant Instrument (NGI) PIFs in the December 2022 and June 2023 Work Program included ESS risk screening documents, with only one NGI PIF committed to provide ESS risk screening by the CEO Endorsement in the last two Work Programs. The reporting of ESS risk screening by Agencies has notably improved since the ESS Guidelines took effect.

14. Screening documents play a crucial role, defining how the projects and programs are screened against the GEF nine minimum standards and outlining clear next steps for further assessing and managing identified environmental and social risks during a more detailed planning stage. The initial environmental and social risk screening serves as the foundational step in identifying and managing the risks and impacts. Early-stage identification of potential

¹⁵ Minimum Standard 1 of the ESS Policy (para 4a) requires Agency systems and procedures to ensure that projects and programs are screened as early as possible to identify environmental and social risks and potential impacts considering the type of risks and potential impacts contained in the Policy.

¹⁶ Exceptions are four Enabling Activities (EAs), which are “Umbrella Programme to support developing National Biodiversity Strategy and Action Plan Update and the 7th National Reports” (GEF ID 11286, 11281, and 11054) on Biodiversity Focal Area (FA), and “Technology Needs Assessment Phase V Project” (GEF ID 11099) on Climate Change FA.

environmental and social risks is pivotal to the avoidance, minimization, mitigation, and management of these risks, integrating risk mitigation measures as an integral part of project design.

Figure 2. ESS risk screening at PIFs and PFDs stage (Dec 2019 to June 2023 Work Programs) (% of total projects included in Work Program)



Overall Project ESS Risk Ratings at PIF and PFD Stage

15. In the December 2022 and June 2023 Work Programs, nearly all PIFs and PFDs, comprising 93 percent or 55 projects and programs, provided initial overall ESS risk classification.¹⁶ Over the past four years, approximately half of the projects and programs have consistently fallen into the moderate ESS risk category. Notably, in the December 2022 and June 2023 Work Programs, 54 percent of projects and programs were classified as moderate ESS risks, while 17 percent received a classification of high or substantial ESS risks (refer to Figure 3).

16. As in the preceding two years, there was no significant variation in the initial overall ESS risk classification observed across Focal Areas in December 2022 and June 2023 Work Programs (refer to Figure 4). However, distinctions in initial ESS risk classification were noticeable based on the Agencies involved. In the December 2022 and June 2023 Work Programs, only four Agencies (CI, IUCN, UNDP, and World Bank) classified the overall ESS risk of projects and programs as high or substantial at the PIF and PFD stage (See Figure 5).¹⁷ Each Agency employs distinct internal processes and procedures for ESS risk classification, addressing, and managing identified risks.¹⁸

¹⁷ There is no PIF or PFD of the December 2022 and June 2023 Work Programs submitted by seven Agencies namely AfDB, BOAD, CAF, DBSA, EBRD, FECO, and WWF-US.

¹⁸ The GEF Secretariat reviewed fifteen Agencies' ESS screening processes at PIF and PFD stage by June 30, 2023. As of June 30, 2023, there were no PIFs or PFDs submitted by three Agencies: BOAD, DBSA, and FECO following the effective date of the new policy.

Consequently, depending on the initial categorization of ESS risk by each Agency, subsequent environmental and social assessment, as well as risk management processes including the development of a management plans, timelines, technical expertise, budgets, and human resources will vary. Therefore, exchanging best practices in ESS risk classification, assessment, and management procedures during project preparation and implementation among the Agencies would be advantageous for some Agencies.

Figure 3. Comparing Initial overall risk classification of PIFs and PFDs (% of total WP number of projects)

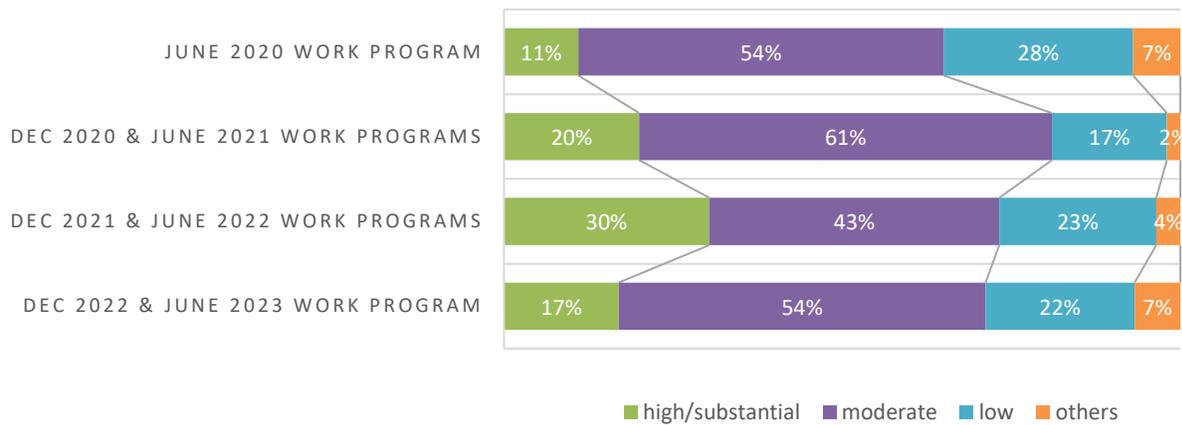
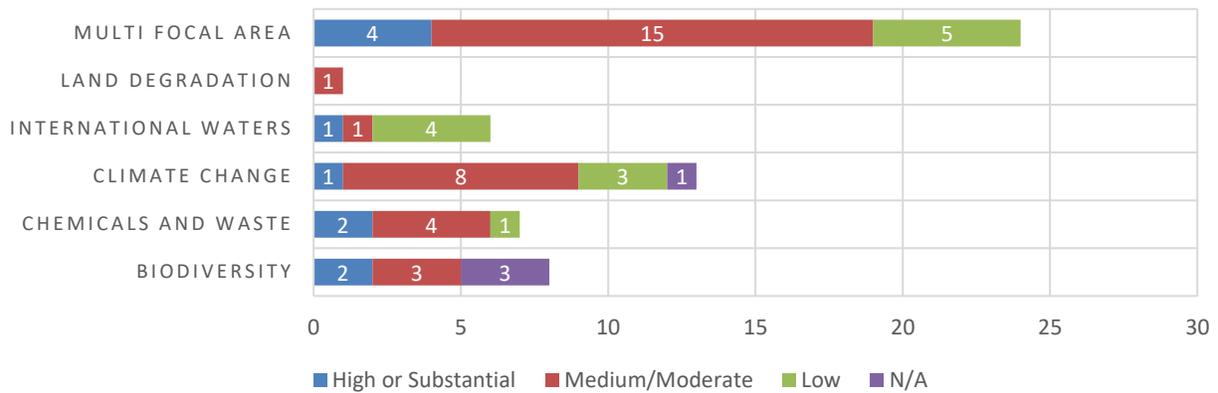
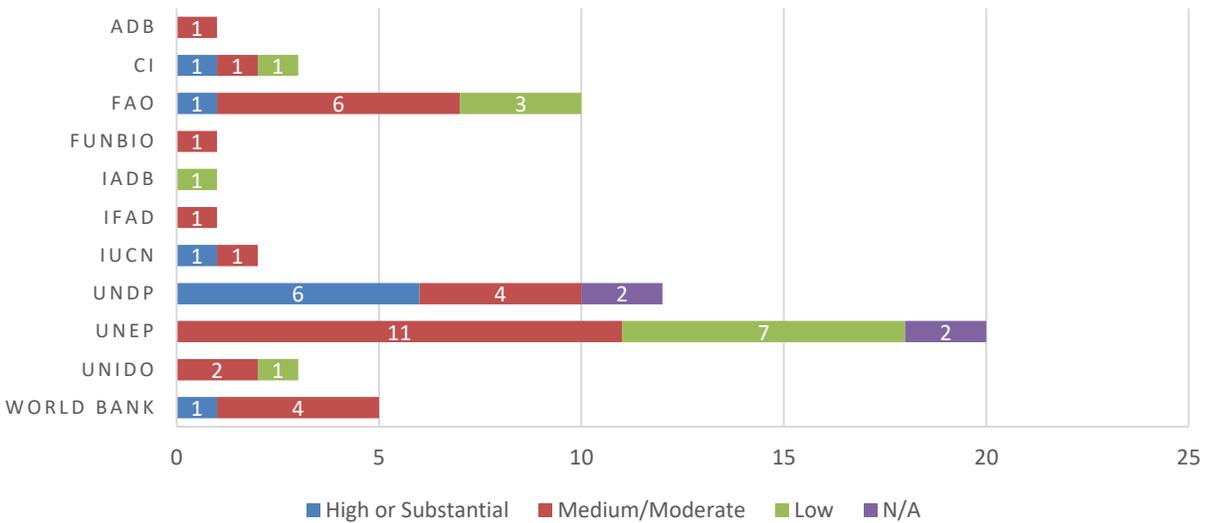


Figure 4. Initial overall risk classification of PIFs and PFDs by Focal Areas (number of projects or programs in Dec 2022 & June 2023 Work Programs)



**Figure 5. Initial overall risk classification of PIFs and PFDs by Agencies
(number of projects and programs in Dec 2021 & June 2022 Work Programs)**



17. In addressing high or substantial and moderate risk projects and programs, Agencies plan to conduct updated environmental and social screening based on the detailed project design and additional assessments and environmental and social management frameworks/plans during project development or the first year of project implementation. For NGI projects, identified risks in sub-projects, such as construction of renewable energy-based transportation and bioenergy initiatives¹⁹, include working conditions, vegetation clearing, using hazardous materials, and land acquisition. NGI projects are strategically incorporating ESS risk review during sub-project screening and due diligence. Agencies are also committing to staff training and developing comprehensive strategies and action plans to address safeguards policy implementation of the NGI supported funding mechanisms.²⁰

¹⁹ “Chile Green Hydrogen Facility Project” (GEF ID 11065, Chile, CC, WB) and “Guarantee Mechanism for Renewable Biogas in India” (GEF ID 11068, India, CC, WB)

²⁰ For example, “Natural Capital Fund (NCF): Investing in Nature-Positive Agri-Food Enterprises in Asia and the Pacific” (GEF ID 11062, Regional, BD, ADB)

Types of ESS Risks at PIF and PFD Stage

18. Based on the type and location of projects and programs, different ESS risks may be identified. It is vital to screen all the potential risks and impacts to be identified in the early stage of projects and programs for better risk management. The ESS Policy sets out the minimum standards (set out in Annex I.A of the ESS Policy) and indicates the types of risks that need to be considered (See in Box 1). Projects and programs are classified by level and types of potential risks and impacts, including direct, indirect, cumulative, and transboundary impacts.

19. Analysis of 59 PIFs and PFDs approved in the December 2022 and June 2023 Work Programs reveals recurring trends in risk identification. Biodiversity Conservation and the Sustainable Management of Living Natural Resources (MS3) continue to be primary concerns, with 54 percent of the PIFs and PFDs pinpointing biodiversity-related risks. Similarly, Labor and Working Conditions (MS8) rank high, identified in 51 percent (see Figure 6). Risks related to Climate Change and Disaster (MS1-1) and Community Health, Safety and Security (MS9) also stand out, each identified in 46 percent of the PIFs and PFDs. These patterns align with trends observed over the last three years. This is contrasted with risks associated with inclusion agenda, including Disadvantaged or Vulnerable Individuals and Groups (MS1-2), Adverse Gender-Related Impact including Gender-Based Violence and Sexual Exploitation and Abuse (MS1-4), Restrictions of land use and involuntary resettlement (MS4), and Indigenous Peoples (MS5), which show a decreasing trend compared to the previous year.

20. Despite the overarching aim of GEF investments to enhance Global Environmental Benefits and climate change adaptation, certain projects do highlight potential environmental and social risks. For some projects, potential environmental and social risks were clearly defined, with plans to manage the potential risks in advance. For example, in a multi-focal area project, **adverse impacts on livelihoods** were identified concerning Restrictions of land use (MS4). **Changes to land and resource use** were anticipated, particularly affecting poor rural communities, and potentially influencing land tenure arrangements and community-based property rights to land, territories, and resources. Another raised concern was related to Resource Efficiency and Pollution Prevention (MS7), specifically due to water pumps installed for

Box 1. Types of Risks and Potential Impacts to be screened and assessed in GEF Projects & Programs

(MS1-1) Climate Change and Disaster

(MS1-2) Disadvantaged or Vulnerable Individuals or Groups

(MS1-3) Disability Inclusion

(MS1-4) Adverse Gender-related impact, including Gender-Based Violence and Sexual Exploitation

(MS3) Biodiversity Conservation and the Sustainable Management of Living Natural Resources

(MS4) Restrictions on Land Use and Involuntary Resettlement

(MS5) Indigenous Peoples

(MS6) Cultural Heritage

(MS7) Resource Efficiency and Pollution Prevention

(MS8) Labor and Working Conditions

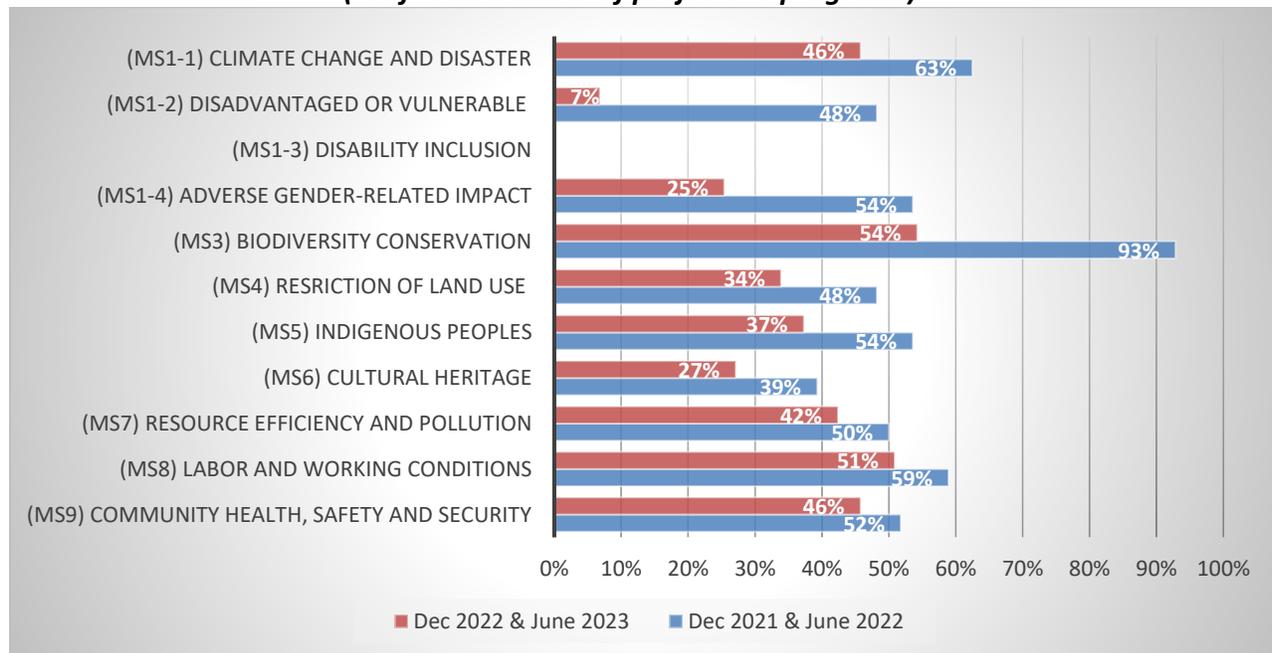
(MS9) Community Health, Safety and Security

the project. The concern revolves around the potential **over-extraction of scarce water resources** in the project area.²¹

21. A Chemical and Waste project emerged as a substantial or high-risk endeavor. The identified risks included the potential disturbance of existing informal networks within the waste sector, **impacting the livelihoods of waste pickers and recyclers**. Adverse Gender-Related Impact (MS1-4), involuntary resettlement (economic resettlement) (MS4), and Indigenous Peoples (MS5) were cited as potential concerns. The project also recognized risks related to Climate Change and Disaster (MS1-1) and Community Health, Safety (MS9), especially in pilot cities like Freetown in Sierra Leone. **Extreme weather conditions** in these cities pose challenges, with potential for more intense and frequent extreme events **exacerbating vulnerabilities and impacting project activities**. For example, heavy rainfall could lead to flooding or landslides affecting waste-related infrastructure and waste processing/recycling facilities.²²

22. These potential environmental and social risks underscore the importance of thorough consideration during the early design stage of projects. Moreover, the dynamic nature of these risks emphasizes the need for ongoing engagement with key stakeholders in the project design process. This iterative approach ensure that risks are not only identified but also effectively addressed as projects evolve, aligning with the broader goal of sustainable and socially responsible development.

Figure 6: Types of risks at PIF and PFD stage in Dec 2022 and June 2023 Work Programs (% of total number of projects or programs)



²¹ “Sustainable management of water and rangeland resources for enhanced climate resilience of rural communities in Djibouti” (GEF ID 11284, Djibouti, Multi, UNDP)

²² “Shifting to Zero Waste Against Pollution (SWAP) Initiative” (GEF ID 11211, Global, CW, UNDP)

ESS Risk of Projects in Fragility and Conflict-Affected Situations (FCS) Countries

23. Identifying environmental and social risks in Fragile and Conflict-affected Situation (FCS) countries is crucial step for GEF in effectively managing fragility and conflict-related challenges. The ESS Policy, especially the Minimum Standard on Community Health, Safety and Security (MS9), mandates the identification of risks or potential impacts in a conflict or post-conflict context (para 17, ESS Policy 2019).²³ Additionally, the Gap Analysis of GEF-Funded Activity and Engagement in Fragility, Conflict, and Violence-Affected States²⁴ concluded that GEF Policies cover most of the key elements needed to address fragility and conflict-related challenges, while the Independent Evaluation Office (IEO)'s report emphasized the potential need for strengthening GEF safeguards in areas of fragility and conflict.²⁵

24. Reviewing the projects and programs approved in the December 2022 and June 2023 Work Programs, it is evident that only 10 percent of the 59 PIFs and PFDs pertain to FCS countries, according to the World Bank Group's "FY23 List of Fragile and Conflict-affected Situations"²⁶ (See Table 1). Of these six projects, half are classified as moderate risk, and 33 percent are classified as high risk, while only 17 percent pose low ESS risk (see Figure 7).

25. Certain projects clearly address risks associated with national and regional conflicts. For instance, a project focused on rehabilitating degraded lands and creating of bio-corridors identified potential social impacts linked to the exclusion of more vulnerable groups such as women farmers, rural entrepreneurs, smallholder farmers, youth, refugees, and workers. The project also recognized that weak and ineffective communication, consultation, and dissemination of the project grievance mechanism may result in the perception of exclusion, rising social tensions, and restrictions on land use and access to natural resources.²⁷ Mitigation measures include strengthening communication strategies, establishing a Memorandum of Understanding with all major stakeholders including de facto authorities, the Internationally Recognized Government, and others, and additional resources for Safeguards assessment.²⁸

26. Expanding the scope to regional and global projects and programs including FCS countries, 42 percent of all PIFs and PFDs approved in December 2022 and June 2023 Work

²³ Minimum Standard 9: Community Health, Safety and Security (MS9) states that "Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that: (a) Where the screening or assessment processes described under Minimum Standard 1 identify *risks or potential impacts to the health, safety and security of project- or program-affected communities, further assessments are carried out, considering: [...] (iii) The particular risks that may be present in a conflict or post-conflict context* (para 17, ESS Policy 2019)".

²⁴ GEF/C.64/Inf.13, (June 15, 2023) available at [here](#).

²⁵ GEF/E/C.60/06 (May 25, 2021) "Evaluation of Institutional Policies and Engagement of the GEF" (para 45) available at [here](#).

²⁶ World Bank Group's "FY22 List of Fragile and Conflict-affected Situations" (available at [here](#), viewed on October 30, 2023)

²⁷ "Community-based Wildfire Risk Management in Lebanon's Vulnerable Landscapes" (GEF ID 11117, Lebanon, WB, BD).

²⁸ "Support the urgent UN-brokered SAFER Salvage Operation to prevent an environmental, humanitarian and economic oil spill disaster in the southern Red Sea" (GEF ID 11056, Yemen, BD, UNDP).

Programs (or 25 projects and programs) include operations in such contexts. However, only 16 percent of these projects and programs are classified as having high/substantial ESS risk, with the majority (68 percent) having moderate or low ESS risk.²⁹

27. Early-stage identification of risks in FCS countries is critical, necessitating further assessment, consultation, and the development of a risk management plan in collaboration with local partners. While almost all the projects in FCS countries identify Community Health, Safety and Security (MS9) risks (83 percent, or five projects), only 32 percent of regional and global projects and programs including FCS countries recognize this risk (See Table 2 and 3). Among 19 regional and global projects and programs including FCS countries, eight of them are PFDs. This emphasizes the importance of Child Projects in FCS countries scrutinizing conflict or post-conflict risks by the CEO Endorsement/Appraisal stage.

28. Recognizing the significance of addressing ESS risks in FCS countries, eleven GEF Agencies are actively developing toolkits, guidance documents, case studies and lessons learned, and risk assessment tools.³⁰ Facilitating exchanges on ESS risk assessment and management procedures among Agencies and the GEF Partnership is essential for shared learning and implement.

²⁹ Sixteen percent of regional and global projects including FCS countries are EA projects, which do not have ESS screening process.

³⁰ These are ADB, AfDB, CI, DBSA, FAO, IDB, IFAD, UNDP, UNEP, the World Bank, and WWF-US (“[Gap Analysis of GEF-Funded Activity and Engagement in Fragility, Conflict, and Violence-Affected States](#)” (GEF/C.64/Inf.13, June 15, 2023), page 4, para 18)).

Table 1: FY23 List of Fragile and Conflict-affected Situations (WBG 2023)

CONFLICT	INSTITUTIONAL AND SOCIAL FRAGILITY
Afghanistan	Burundi
Burkina Faso	Chad
Cameroon	Comoros
Central African Republic	Congo, Republic of
Congo, Democratic Republic of	Eritrea
Ethiopia	Guinea-Bissau
Iraq	Haiti
Mali	Kosovo
Mozambique	Lebanon
Myanmar	Libya
Niger	Marshall Islands
Nigeria	Micronesia, Federated States of
Somalia	Papua New Guinea
South Sudan	Solomon Islands
Syrian Arab Republic	Sudan
Ukraine	Timor-Leste
Yemen, Republic of	Tuvalu
	Venezuela, RB
	West Bank and Gaza (territory)
	Zimbabwe

**Figure 7: Overall ESS risk of projects in FCS countries
(% of projects and programs in Dec 2022 and Jun 2023 Work Programs)**

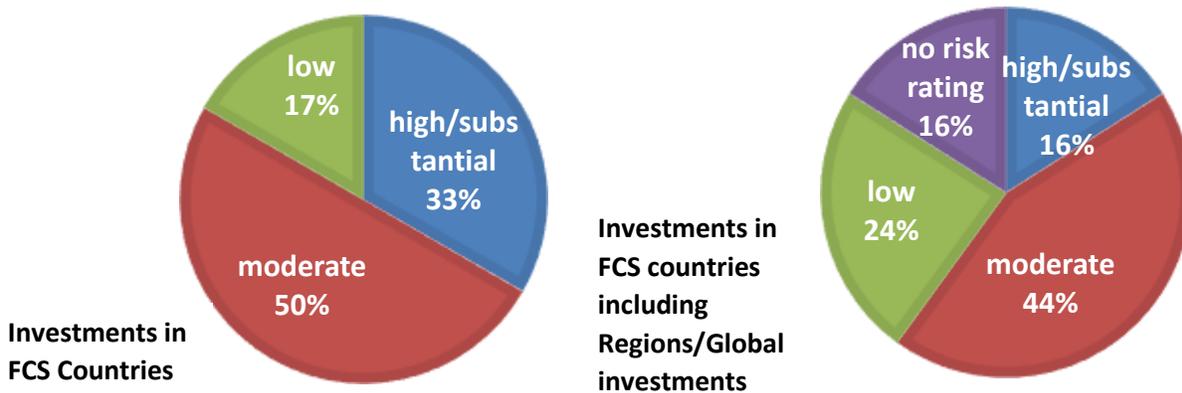


Table 2: Overall ESS risk of projects in FCS countries by Agencies and their application of MS9 (Dec 2022 and Jun 2023 Work Programs)

ESS risk level	Agencies	Conflict	Institutional and Social Fragility	ESS MS9	Focal Area	Fund
High	FAO		Venezuela	✓	BD	GET
	UNDP	Yemen		✓	BD	GET
Moderate	FAO		Haiti	-	LD	GET
	UNEP		Zimbabwe	✓	CW	GET
	WB		Lebanon	✓	MFA	GET
Low	UNEP		Comoros	✓	CC	LDCF

Table 3: Overall ESS risk of projects in Regional/Global including FCS countries (Dec 2022 and Jun 2023 Work Programs)

ESS risk level	Agencies	Regional/ Global	Conflict	Institutional and Social Fragility	ESS MS9	Focal Area	Project Type
High	UNDP	Regional	Mozambique		✓	IW	PIF (FSP)
	IUCN	Regional	Papua New Guinea		-	MFA	PFD
Moderate	UNDP	Global	Burkina Faso, Cameroon, Central African Republic, Congo DR, Ethiopia, Mali, Niger, Nigeria,	Burundi, Comoros, Congo, Eritrea, Guinea-Bissau, Haiti, Lebanon, Solomon Islands, Timor Leste, Venezuela, Zimbabwe	-	MFA	PIF (FSP)
	UNDP	Global		Comoros, Papua New Guinea, Timor Leste	-	MFA	PFD
	UNEP	Regional	Cameroon, Central African Republic, Congo DR		✓	MFA	PFD
	WB	Regional		Venezuela	✓	MFA	PFD
	CI	Global	Congo DR, Mali, Mozambique,	Chad, Haiti,	✓	MFA	PFD
	UNEP	Regional	Nigeria		✓	CW	PIF (FSP)
	UNEP	Regional	Somalia, Yemen	Sudan	-	IW	PIF (FSP)
	UNEP	Regional	Nigeria	Zimbabwe	✓	CW	PIF (FSP)
Low	UNEP	Global	Burkina Faso, Nigeria		-	MFA	PFD
	FAO	Regional		Eritrea, Yemen	-	IW	PIF (FSP)

ESS risk level	Agencies	Regional/ Global	Conflict	Institutional and Social Fragility	ESS MS9	Focal Area	Project Type
Low (con.)	UNEP	Regional		Venezuela	-	IW	PIF (FSP)
	UNEP	Global	Nigeria		-	MFA	PFD
	UNEP	Global		Solomon Islands, Zimbabwe	-	MFA	PFD
No risk rating	UNDP	Global	Iraq, Somalia, Ukraine	Haiti, Papua New Guinea, Timor Leste, Venezuela	-	BD	PIF (EA)
	UNEP	Global	Burkina Faso, Cameroon, Central African Republic, Chad, Congo DR, Ethiopia, Mali, Niger, Nigeria, South Sudan	Burundi, Comoros, Congo, Eritrea, Guinea-Bissau, Marshall Islands, Solomon Islands, Sudan, Tuvalu, Zimbabwe	-	BD	PIF (EA)
	UNEP	Global	Mali	Eritrea, Venezuela	-	CC	PIF (EA)
	UNDP	Global	Burkina Faso, Cameroon, Central African Republic, Chad, Congo DR, Mali, Nigeria, Yemen	Burundi, Comoros, Congo, Guinea-Bissau, Libya, Marshall Islands, Sudan, Timor Leste, Tuvalu, Venezuela, Zimbabwe	-	BD	PIF (EA)

ESS Risk Management at the CEO Endorsement and CEO Approval Stage

29. Environmental and social risks and impacts can be identified more explicitly at the CEO Endorsement and Approval stage. Since the effective date of the ESS Policy on July 1, 2019, all CEO Endorsements (FSPs, totaling 257 projects) and CEO Approvals (Medium-sized Projects (MSPs), totaling 173 projects)³¹ approved by June 30, 2023, have provided an overall ESS risk classification alongside detailed risk screening, assessment and mitigation plans at various levels. A majority of projects has an updated ESS screening form tailoring them to the specifics of project activities and sites. In some instances, projects had re-classified and re-identified overall ESS risk and types based on more detailed project activities and sites.

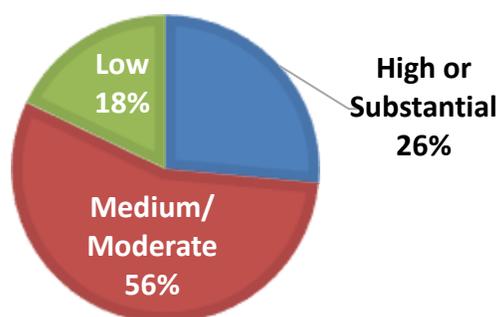
30. The portfolio analysis at the CEO Endorsement stage (FSP) reveals that approximately 56 percent of the projects are classified as moderate ESS risk, while 26 percent fall under the high or substantial risk category (refer to Figure 8). This distribution remains consistent with the ratios observed in the previous year. Noteworthy is that Chemicals and Waste and Climate Change Focal Areas tend to host more high or substantial risk projects, although no significant overall trend is discernible across the Focal Areas (See Figure 9). Variation in ESS risk classification processes

³¹ Out of 173 CEO Approvals, 16 percent or 33 CEO Approvals are about the Capacity-building Initiative for Transparency (CBIT).

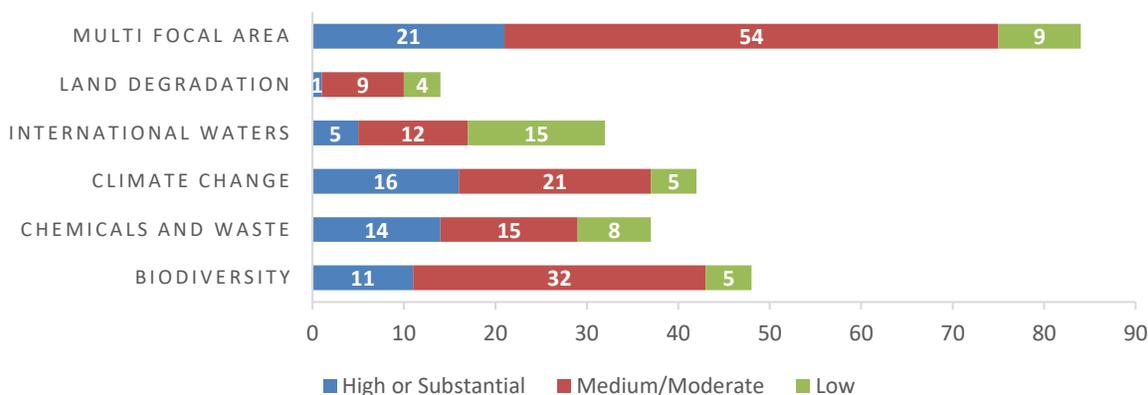
among GEF Agencies is evident, with some Agencies classifying more projects as high or substantial risk. Specifically, FAO, IFAD, UNDP, and WB are only four Agencies categorizing projects as high or substantial risk, with over half of UNDP and WB projects falling into this classification in these two Work Programs (See Figure 10).³² A similar pattern is observed at the PIF and PFD stages.

31. At the CEO Endorsement stage, projects with moderate and high or substantial risk ratings typically accompany risk management plans. These plans encompass various components, including Environmental and Social Management Framework/Plan, gender analysis and action plans, stakeholder engagement plans, and Indigenous Peoples Plans. The majority of the Environmental and Social Management Frameworks and Plans provide detailed activity plans, staffing information, budget allocation, and reporting activities.

**Figure 8: Overall ESS risk at the CEO Endorsement stage (FSP)
(% of the total number of FSPs from July 2019 to June 2023)**

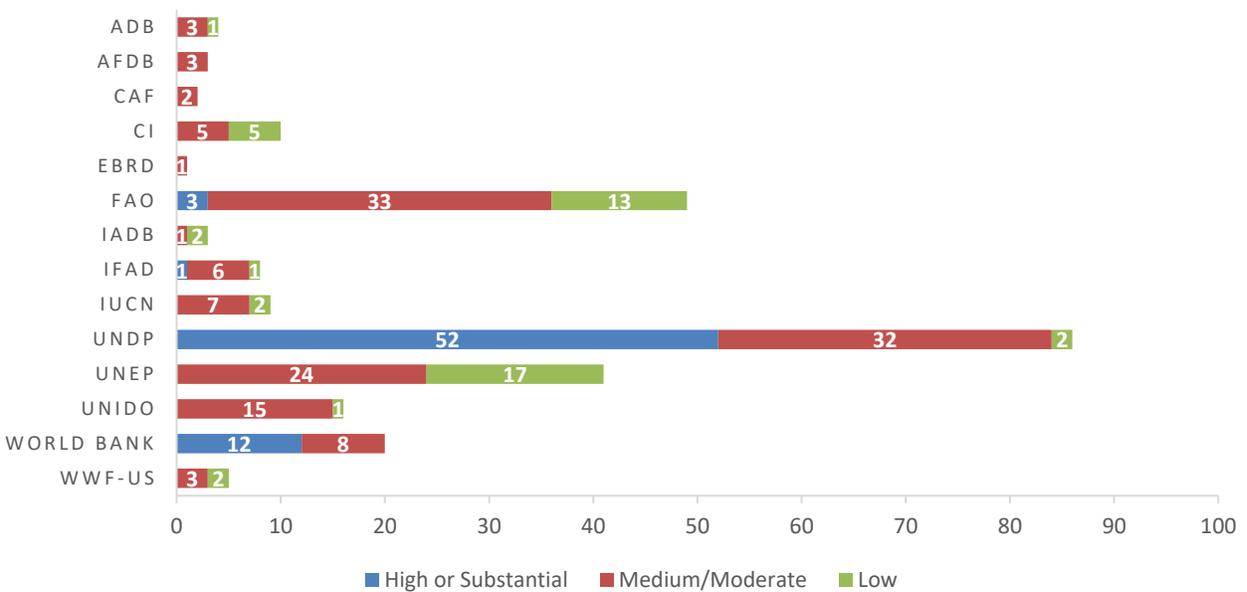


**Figure 9: Overall ESS risk by Focal Areas at the CEO Endorsement stage (FSP)
(Number of projects from July 2019 to June 2023)**



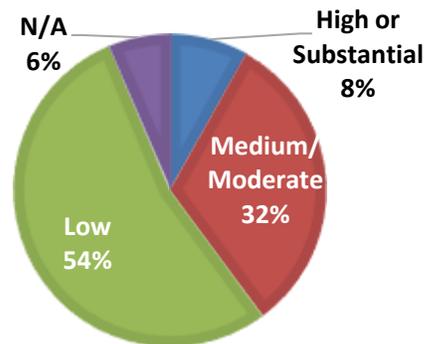
³² As of June 30, 2023, there is no CEO Endorsement applying to updated ESS Policy submitted by four Agencies namely BOAD, DBSA, FECO and FUNBIO.

**Figure 10: Overall ESS risk by Agencies at the CEO Endorsement stage (FSP)
(Number of projects from July 2019 to June 2023)**



32. The portfolio analysis at the CEO Approval stage indicates that MSPs consistently tend to be classified as low ESS risk projects. More than half (54 percent) of the MSPs at the CEO Approval stage are classified as low ESS risk, with only eight percent categorized as high ESS risk projects (see Figure 11). These risk ratios align with the previous year’s figures. Notably, all 33 Capacity-building Initiative for Transparency (CBIT) projects undergo low ESS risk classifications at the CEO Approval stage.³³

**Figure 11: Overall ESS risks at the CEO Approval stage (MSP)
(% of the number of MSPs from July 2019 to June 2023)**



³³ Three of the CBIT projects implemented by UNDP were exempt from UNDP’s screening requirement due to the nature of the projects i.e. consisting solely of preparation and dissemination of a report, documents and communication materials; organization of an event, workshop, training; and strengthening capacities of partners to participate in international negotiations and conferences.

33. This report acknowledges instances of effective environmental and social risk management at CEO Endorsement stage. A notable example is a project focusing on adaptive agriculture and rangeland rehabilitation in FCS countries.³⁴ Initially classified as moderate ESS risk at the PIF stage, the risk classification was changed to high or substantial after specific project sites were identified. The project recognized historical communal conflicts arising from the control of strategic water points, grazing land, and settlement, often leading to inter-clan clashes and revenge killings. Identified risks included migration, displacement, and high unemployment due to droughts, livelihood loss, and communal conflicts. Consequently, the project proposed a conflict-sensitive approach, emphasizing contribution to peace-building efforts. This included free, prior, and informed consent from local communities, continuous consultation on the livelihood programs, and development of transparent complaint and grievance mechanisms with robust awareness raising campaigns.

34. Several projects demonstrated foresight in addressing potential impacts on Indigenous Peoples by planning to develop Indigenous Peoples Plans (IPP) as an integral part of project activities. For instance, a project aimed at strengthening the conservation and sustainable use of globally significant crop diversity³⁵ will develop the IPPs for each project site. The project seeks to mainstream the conservation and sustainable use of vital plant genetic resources to promote sustainable agricultural development, food security and environmental stability. Recognizing the potential risk that Indigenous Peoples and local communities could lose intellectual property rights over traditional crop varieties, the project assessed the legal frameworks protecting their rights. The project document included the identification of Indigenous Peoples in the project areas, their cultural background, a clear plan to ensure Free, Prior, and Informed Consent before the project implementation, and an integrated action plan within project activities.

35. Despite being classified as high or substantial ESS risk, projects with more detailed assessment and management plans have proven effective in engaging the most vulnerable and marginalized groups. These measures will contribute to the projects' inclusiveness, fostering peace, improving food security, enhancing the livelihoods of local communities, ultimately enhancing project quality and delivery of Global Environment Benefits. These examples highlight exemplary practices, especially in integration of environmental and social risk management measures as integral components of project design.

ESS Information in Mid-term Review and Terminal Evaluation

36. As of June 30, 2023, only one TE³⁶ required to apply the new ESS Policy had been submitted, with no MTRs to date. The TE, conducted for the MSP, rates the assessment of Environmental and Social Safeguards as "Highly Satisfactory". Despite the project's focus on research, publication, and method development, the evaluation includes a comprehensive

³⁴ "Adaptive Agriculture and Rangeland Rehabilitation Project (A2R2) - Somalia" (GEF ID 10792, Somalia, MFA, GET & LDCF, IFAD, GEF-7).

³⁵ "Crop Diversity Conservation for Sustainable Use in Indonesia" (GEF ID 10511, Indonesia, BD, GET, FAO, GEF-7).

³⁶ "Staying within Sustainable Limits: Advancing leadership of the private sector and cities" (GEF ID 10309, Global, MFA, GET, CI, GEF-7, MSP).

examination of identified ESS risks, gender considerations, stakeholder engagement, accountability and effectiveness of the grievance mechanism, and key lessons learned in the project.³⁷ It is anticipated that future reports will gradually incorporate more MTRs and TEs aligned with the updated ESS Policy, enriching the annual progress report.

CONCLUSION AND NEXT STEPS

37. The in-depth analysis of projects and programs demonstrates significant strides in implementing the ESS Policy across all Agencies. Noteworthy, progress is evident in identifying ESS-related risks, along with a positive reporting trend on ESS screening and risk ratings. Practical application of the ESS Policy is increasingly apparent during the design and development stage of GEF projects and programs, facilitated by dedicated ESS systems within Agencies. Importantly, all projects exhibit comprehensive ESS risk classification, detailed risk screening, and mitigation plans by the time of CEO Endorsements and Approvals. Best practices, including consideration of conflict risks in FCS countries, potential impacts on vulnerable communities and Indigenous Peoples, are prominently featured in PIFs and at CEO Endorsement stage.

38. The Secretariat will continue to review PIFs and PFDs, and CEO Endorsements and Approvals, monitor MTRs and TEs applying ESS Policy, and report annually to the Council. The Updated Third Party Review of Agency Compliance with GEF Minimum Standards¹⁰, encompassing ESS, underscores overall compliance with GEF ESS Policy. It affirms implementation capacity and effectiveness across Agencies, recognizing variations in alignment with the diverse size and experience of each Agency.

39. In line with the IEO report⁶ and the GEF Strategy for Knowledge Management and Learning,⁷ the Secretariat will facilitate ongoing knowledge exchange in this area. The benefit derived from sharing lessons learned in ESS implementation extend beyond the imperative of “do no harm”, proactively contributing to “doing good” and enhancing the overall quality of GEF projects and programs.

³⁷ Since the project’s CEO Approval was approved on July 30, 2019, before the ESS Guideline was approved in December 2019, the project was not classified as its overall ESS risk at the CEO Approval stage.