

## **Environmental and Social Standards Task Force (ESSTF)**

Seventh Meeting –June 25 9:00 am EDT

Attendees:

Scott Lampman (USAID)  
Camila Monteiro (Individual)  
Sean Nazerali (BIOFUND, Mozambique)  
Mirjam de Koning (PONT)  
Laura Werner (Blue Action Fund)  
Geof Giacomini (CNF)  
Kathy Mikitin (Individual, Task Force facilitator)

### Minutes of June 11 Meeting

The draft minutes were approved. Final version will be sent to Kumar for filing in the CFA website ESS Task Force space.

### Review of the Survey Results Continued

Camila continued where we had left off with the survey results (from Slide 8 onwards). Several takeaways:

- With regard to the additional risks/issues identified in Slide 8, the consensus was that many of these would actually fit into the common safeguards categories, and certainly into the Bank's more numerous and broader standards.
- The three most commonly used tools (75% of the respondents with ESMS) grievance mechanism, monitoring system and procedures manual.

Given the importance that Charles di Leva placed on having a grievance mechanism, it could be worthwhile to speak to several of the CTFs to find out more about their grievance mechanism(s), whether they use an internal, external mechanism or both and their experience. Mention was made of the IAIA webinar that featured the toolkit of the Compliance Advisor Ombudsman of the World Bank Group. A toolkit document from that webinar with a link to the more detailed document was distributed to the group on June 23.

Laura described briefly how the Blue Action Fund grievance mechanism worked:

- There is a requirement for the main grantee to have a mechanism
- The grantee has an obligation to announce the existence of the mechanism at every meeting or consultation

- The process for addressing and resolving grievances is easily accessible and also made known to sub-grantees ([https://www.blueactionfund.org/wp-content/uploads/2020/01/200108\\_BAF\\_Grievance\\_Mechanism\\_V-Jan20.pdf](https://www.blueactionfund.org/wp-content/uploads/2020/01/200108_BAF_Grievance_Mechanism_V-Jan20.pdf))
  - If sub-grantees are not satisfied, they can escalate their case to the Blue Action Fund
  - If not resolved at the BAF level, the grievance is elevated to the donor
- About 40% of respondents were positive about the operation of their own ESMS, with 60% indicating mixed results. Any future discussions with the participating CTFs should look further into the challenges they faced as well as those of their grantees.
  - About 80% of the respondents fell into the range of satisfied to very satisfied with their ESMS; 20% were non-committal.

### ESS Task Force Deliverables

On June 11, Scott circulated a document setting out his thoughts on the deliverables the Task Force should aim for. Mirjam and Boris added comments and the note was re-circulated on June 23. It is attached to these minutes for ease of reference and entry into the ESS TF web space.

Through discussion of Scott's note there was a consensus that:

- i. a general framework would be the best output of this group
- ii. screening tools should be developed for program level screening, but might also be necessary at project level (i.e. for broad purpose small grant CTFs).
- iii. a phased approach that would allow CTFs to build their ESMS capability over time would be the most practical. Spreading the costs of building capacity and adapting tools over time would make costs easier to bear. Indicative stages suggested by Sean:
  - 0-nothing
  - 1-exclusion list and a doc of some principles
  - 2-level 1+ screening process for program
  - 3-level 2+ grievance mechanism
  - 4-level 3+ safeguards/policies for specific programs that are on the original "exclusion list"
  - 5-level 4+ ??
  - 6-GEF/WB/IFC
- iv. A consultant could help define the model tools for each stage. The CEPF and IUCN frameworks could be the basis for those. An estimate of the time and resources needed to move through the levels should also be prepared.

- v. There is work to be done to obtain donor acceptance of the concept (Mirjam's example of PONT currently using an exclusion list, recognizing that a better system is needed for doing restoration work and that bringing in new donors is likely to mean different requirements)
- vi. The point to reach out to the CTFs we identified through our survey is when we have a conceptual model fleshed out (principles, levels, tools, support required, etc.)

Scott volunteered to draft a simple framework showing what elements of an ESMS might exist at different levels.

#### Next Meeting

The next meeting is scheduled for July 9 at 9 am. The focus of the meeting will be on reviewing and refining the suggested approach based on levels.

## Scott's Thoughts on the CTF Safeguard Task Force Next Steps / Objectives

June 11, 2020

I missed about 20 minutes of the Charles di Leva engagement on the conference call, so please forgive any comments below that are out of context or already addressed. I did, however, wish to share what I see as a possible deliverable from the Task Force.

After reviewing the survey results, we may be able to develop a case study from one of the more "advanced" CTFs in this context or, perhaps more appropriately, present a generic model CTF case. By "model" I do not imply a value judgement of best case, simply an example. Of course, the same information could be conveyed without a model, but it is one communication option.

### Model CTF

- This CTF would have a number of *CTF institution-specific* "**policies**". These would be themes that apply to the CTF itself and any actions taken by the CTF (including grants). Some of the line items from our survey better apply perhaps to these "policies". For instance, information disclosure, grievance mechanisms, perhaps consultation & stakeholder engagement or gender could better be placed as policies.
- This CTF could even have an **exclusion list** (a.k.a. negative list) of activities not to be funded. This could also end up being a CTF-level policy.
- This CTF would also have a number of Environmental and Social "**safeguards**". These would *apply* selectively to grant recipients, just as any MDB would selectively apply its safeguards to its projects (e.g. not all grants will affect indigenous peoples). The CTF might even offer the grantee simplified "**templates**" for how to address each safeguard of concern (like CEPF and CI do).
- This CTF would use of a **risk management system** to categorize each grant (e.g. high, medium, or low risk) and apply its CTF institutional response *proportionally* to the expected impact and risk context. Low risk could simply defer to the local laws, regulations, policies, practices.
- Importantly, maximizing benefits and minimizing costs to itself and to its grantees, this CTF would demonstrate the **components** of its limited "**due diligence systems**" used to oversee and implement its policies and safeguards. For example, the CTF has a designated safeguards employee(s), simplified grantee reporting requirements, capacity building options, an independent accountability mechanism external to the administrative grievance mechanism, etc.
- The Task Force would offer the proposed Tool Kit with reference materials.

The trick here is to balance the needs of the donors (e.g. KfW) with the needs of the CTF (e.g. simplicity and cost effective options). In this case, I doubt KfW cares if a topic is covered by policy or safeguard, it simply needs assurances that the themes (e.g. biodiversity) are ultimately safeguarded.