



GLOBAL
CENTER ON
ADAPTATION

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT POLICY

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Executive Summary and Details

Purpose and Objectives	This Environmental and Social Risk Management Policy (hereafter the Policy) aims to ensure that activities funded by the Global Center on Adaptation (GCA) do no harm to the environment or people and will promote sound Environmental and Social (E&S) management practices.
Description and Scope	<p>GCA’s mission is to broker solutions to initiate, innovate, accelerate, and scale up adaptation actions through partnerships and collaboration with different stakeholders who bring the best adaptation science and practice.</p> <p>GCA’s operating model is to work with, through, and leverage affiliated partners/implementation institutions by bringing the best adaptation science and practice to mainstream innovative adaptation solutions into their projects and programs.</p> <p>As such, GCA will rely on well established international Environmental and Social (E&S) standards and procedures of partners such as international financial institutions (IFIs), regional or national institutions to identify and manage E&S risks.</p> <p>For the Technical Assistance Program (TAP) institutions, GCA’s finance includes support to meet the E&S risk management requirements of the Green Climate Fund (GCF), to which they seek accreditation.</p> <p>For other institutions, GCA will conduct proportionate due diligence review of their E&S management processes and procedures to avoid, manage, or mitigate any potential adverse E&S impacts of adaptation activities. Where relevant, GCA will provide Technical Assistance (TA) and capacity development to improve the E&S performance of supported adaptation activities.</p>
Applicability	This Policy applies to all Representatives of the Global Center for Adaptation
Commencement Date	30 August 2022

1. Introduction

The Global Center on Adaptation (GCA) is a mission-driven international organization focused on brokering solutions to initiate, innovate, accelerate, and scale up adaptation action through partnerships and collaboration with international, regional, and national institutions. While GCA funds are used for technical advice and capacity building, GCA wants to ensure that such activities do not inadvertently cause negative E&S impacts. It is against this backdrop that this **Environmental and Social Risk Management Policy** has been formulated. It underscores GCA's commitment to sound E&S stewardship that ensures sustainability and inclusivity in activities supported by the organization.

2. Purpose of the Policy

The GCA E&S policy statement articulates the commitments of GCA. Specifically,

- It assists partners and implementation institutions in understanding GCA's clear commitment to sound E&S risk management.
- It sets out how GCA will work with its partners and implementation institutions to ensure that activities funded by GCA will not lead to negative E&S impacts.
- It provides GCA Representatives with an understanding of GCA's approach to E&S risk management of its activities, including roles and responsibilities.

3. GCA E&S Guiding Principles

As GCA fosters sustainable adaptation science and practices in the realization of its mission, the following principles will guide GCA's E&S commitments:

- Promote environmentally and socially inclusive adaptation solutions to the impacts of climate change carried out with recognition of the health and safety of people and with no harm to any individual or group of persons, which ensures a 'win-win' for livelihoods, food security, water supply, health, security, and economic growth.
- Apply an efficient and practical approach to manage E&S risks of activities it finances.
- Identify global, regional, and national partners to bring the best science and operational expertise, as well as E&S risk management to adaptation solutions.
- Leverage the effective and efficient application of established E&S standards of implementing partners rather than undertaking independent assessments.
- Build or strengthen E&S processes of institutions with no established E&S procedures to access international climate financing such as GCF.
- Update the Policy (a) when new types of activities are added to the toolkit of GCA; (b) when a new type of partner not described in this document is added to the GCA partner

category; and (c) when, based on this experience with implementation of the policy, modifications are needed.

4. GCA Partnerships and Modality for Managing E&S Risks

GCA partners with three types of stakeholders, namely: international financial institutions (IFIs), which include Multilateral Development Banks (MDBs), bilateral organizations (BO) and Development Finance Institutions (DFIs), Technical Assistance Program (TAP) institutions; and Youth entrepreneurs with their Small and Medium-Sized Enterprises (SMEs). GCA, therefore, has three approaches to implement its E&S policy. They are as follows:

- With IFIs, GCA will rely on their well-established E&S policies and procedures, including E&S monitoring, reporting, and evaluation systems in place. GCA will report the E&S risks through its regular project-level reporting system.
- With Technical Assistance Program institutions where GCA is supporting their accreditation process to become eligible for GCF funds, GCA will provide support to meet the E&S requirements of GCF or similar global climate finance institutions. The supported institutions will then follow the GCF E&S policies and are responsible for their implementation.
- With youth entrepreneurs, including those with small enterprises with a limited number of employees, GCA will conduct a simplified due diligence assessment of E&S risks of the enterprise and, if needed, provide capacity development to these SMEs.
- In the unlikely case there are other partners that GCA finances directly without the involvement of other IFIs, GCA will conduct proportionate due diligence review of their E&S management processes and procedures to avoid, manage, or mitigate any potential adverse E&S impacts of adaptation activities. Where relevant, GCA will provide Technical Assistance (TA) and capacity development to improve the E&S performance of supported adaptation activities.

5. Roles and Responsibilities

The Chief Executive Officer (CEO), supported by the management team and all staff, will provide leadership in applying this E&S policy across GCA activities.

The Director in charge of a regional program will be responsible for the overall implementation of the E&S policy, including monitoring, reporting, and resolution of E&S issues.

The Program Leads will be responsible for close monitoring of the E&S risks and informing the Director if high risks materialize, and the Director will raise them to Project Approval Committee (PAC), Chaired by the CEO.

The Executive Board will oversee the implementation and effectiveness of the policy.

6. Monitoring and Reporting

Implementing partners are responsible for E&S monitoring and reporting and share the relevant information with GCA for its records. GCA will report on E&S issues as part of its regular operational reporting and will, in the event when E&S high risks of a project materialize, raise it through the hierarchy by informing the Director and, as appropriate, the PAC, and the CEO. GCA will report on the overall E&S performance as part of its annual report.

Abbreviations

Term	Definition in this document
BO	Bilateral Organizations
CEO	Chief Executive Officer
DFI	Development Finance Institutions
GCA	Global Center on Adaptation
GCF	Green Climate Fund
IFI	International Financial Institution
MDB	Multilateral Development Bank
PAC	Project Approval Committee
SME	Small and Medium Enterprise
TA	Technical Assistance
TAP	Technical Assistance Program