

Annex 6: Environmental and Social Impact Assessment and Management Plan

ESMP for the GCF Programme “LoCAL: Supporting Resilient Island Communities in Tuvalu, the Solomon Islands, Fiji and Vanuatu through the Local Climate Adaptive Living (LoCAL) Mechanism

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1. Executive Summary

This Environmental and Social Management Plan (ESMP) has been developed to support the design of the proposed Green Climate Fund (GCF) programme: LoCAL: Supporting Resilient Island Communities in Tuvalu, the Solomon Islands, Fiji and Vanuatu through the Local Climate Adaptive Living (LoCAL) Mechanism.

Climate change magnifies socio-economic development challenges and compounds the negative impacts of unsustainable resource management practices in the Pacific Small Island Developing States (SIDS) of Tuvalu, the Solomon Islands, Fiji and Vanuatu. These SIDS are particularly vulnerable to climate change because of their high exposure to climate hazards such as sea level rise, tropical storms, coastal inundation and extreme weather events. While local government and communities are uniquely placed to address these challenges, local adaptive capacity is constrained by limited technical capacity and financial resources. However, local governments are also best placed to identify, prioritise and address climate change risks owing to their knowledge of local contexts and needs.

The LoCAL Pacific facility is an Enhancing Direct Access (EDA) programme that will strengthen the climate resilience of local communities and economies by improving the capacity of communities and local governments to access and use financing for adaptation investments. It has two main components:

- **Outcome 1:** Local climate governance is strengthened and enables the systemic integration of appropriate local adaptation responses into local development processes.
- **Outcome 2:** Access to climate finance at the local level is enhanced and increases the share of resilience building investments in priority sectors.

The establishment of a performance-based climate finance transfer mechanism and targeted capacity development will improve how climate funds are channelled to the local level and effectively programmed for locally led adaptation. Adaptation investments will allow vulnerable communities to adapt their water supplies and sanitation, introduce resilient agricultural and natural resource management practices, and climate-proof infrastructure. The EDA programme will be managed by SPC and implemented by SPC and UNCDF, acting as Executing Entities, in partnership with the Governments of Tuvalu, the Solomon Islands, Vanuatu and Fiji, and aims at an expansion to 37 local governments by year 6. These governments will benefit from long lasting and improved access to climate adaptation finance and thus improved resilience to climate change impacts.

The primary objective of the ESMP is to provide an overview of the country context for environmental and social risk assessment for each target country, detail the specific environmental and social risks associated with the proposed LoCAL programme, summarize the key risks for sub-grant activities, and provide a mitigation plan for those risks including the parties responsible, the cost, and the expected results, each of which are detailed in the following sections.

At the outset, this Annex provides an in-depth look at the legal and regulatory environment within each target country, and assesses the gaps and vulnerabilities against international standards for environmental and social safeguarding. Overall, the country assessments illustrate that while each

country has its own laws and regulations pertaining to E&S safeguarding, and various gaps and vulnerabilities within the regulatory frameworks and needs for each target country, there are also many similarities and regional ties across all four target countries. As such, it is necessary for the ESMP to include investment criteria and a screening mechanism which addresses the broad needs and vulnerabilities of the programme as a whole, while maintaining flexibility to be tailored to the unique context of each country, and the sectoral focus of each sub-project/investment.

The country-level assessments are followed by an overview of the LoCAL programme as a whole, its high-level E&S needs and considerations, as well as SPC’s internal provisions and requirements for screening and monitoring E&S risks and compliance.

The second half of this annex comprises a detailed assessment of the E&S risk categorization for each of LoCAL’s Outcomes, the proposed ESMP for the LoCAL program and -specificially – investments (sub-projects), and the comprehensive, multi-level grievance redress mechanism (GRM) for the project. Section 5 details the rationalization of the E&S risks categorization for this Programme. The table below provides a summary per programme outcome.

Risk Categorization by Outcome

Component/Outcome	Risk Categorization
<p>Outcome 1: Local climate governance is strengthened and enables the systemic integration of appropriate local adaptation responses into local development processes</p>	<p>Outcome 1 Is focused on the implementation of strategic assessments, technical capacity development, training, and preparatory frameworks and documentation so that the national government partners are able to administer the PBCRG.</p> <p>The outputs and activities under this outcome focus on capacity building and training, awareness building as well as studies, plans and strategies. Based on the type of activities planned under this outcome little to no adverse Environmental and Social impacts are expected to result from this components’ activities.</p> <p>There may be a slight risk in terms of ensuring equitable access to training and capacity support and to ensure women are included as part of any strategic planning or awareness raising. This will be mitigated through the implementation of a robust gender action plan (GAP) included in Annex 8.</p> <p>Overall, the Outcome is assessed to be low risk or Category C.</p>
<p>Outcome 2: Access to climate finance at the local level is enhanced and increases the share of resilience building investments in priority sectors</p>	<p>Outcome 2 focuses on the launch and implementation of the PBCRG mechanism as well as institutionalizing the PBCRG which is designed to attract additional finance for the further scale -up of local level adaptation interventions.</p> <p>All adaptation investments will need to go through a screening process in accordance with the programme’s overarching ESMP,</p>

	<p>and will be required to complete a corresponding E&S Management and Monitoring Plan (ESMMP) for each intervention. Details on the process for each investment is provided as part of the programme's ESMP (section 6 below).</p> <p>The PBCRG mechanism will fund only Category C or B investments and any intervention included in the exclusion list (see Appendix 1) will not be funded. As such, Outcome 2 is assessed to be medium risk or Category B overall.</p>
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Given the PBCRG mechanism includes funding for Category B adaptation investments, the entire programme has been assessed as a Category B programme. As such, proposed investments will undertake a screening and categorization process which will provide a classification of potential risk for each investment. The categorization will determine the level of E&S requirements to be performed as follows:

- All **Category B** transactions will require an Environmental and Social Impact Assessment (ESIA) which also includes an Environmental and Social Management and Monitoring Plan (ESMMP) for managing identified risks. Screening will occur at the local level and will be reviewed and cleared by the programme's Gender and Environmental Social Safeguard Officer (GESS) prepared by the project developer to ensure the screening meets the host country's requirements and the applicable IFC PSs (see Appendix 2 for screening tool that will supplement existing national tools as required). If deemed necessary by the GESS Officer or the corresponding national government entity, grantees will also be required to develop a biodiversity action plan following the IFC Guidance Note 6 (IFC, 2012b) and industry relevant standards.¹
- All proposed transactions with a **Category C** classification would be required to comply with host country legislative and regulatory requirements as well as SPC and the GCF's ESS policies. The investments will be monitored throughout their life to determine whether the risks remain low or whether some additional assessment is required. To establish best practices, they will also be required to develop a site-specific assessment as necessary

As per the above, the programme has been categorized as **Category B – Medium Risk**; however only activities under Outcome 2 are categorized as Medium Risk. Those falling under Outcome 1 have been deemed Category C – Low Risk. At this stage, due to the extensive menu of potential investments provided in the feasibility study (FP Annex 2) and the funding proposal (FP) itself, it is not possible to conduct individual ESIA's for potential investments at sites that have yet to be determined. As a GCF Enhanced Direct Access Programme (EDA), the programme has embedded an extensive mechanism to assess risks at the sub-project level, which is detailed in Section 6 of

¹ Should the target country already apply an ESS tool at subnational level, this tool shall be the preferred one inasmuch as it complies with international standards, in particular IFC PSs.

this annex. Detailed E&S screening templates, as well as other tools, checklists and templates for due diligence screening and ESIA for potential investments under Component 2 are referenced throughout the ESMP and included as appendices.

Finally, the ESMP (Section 6.3) details the implementation arrangements and overall structure of the programme (and budget), including provisions for grievance redress and reporting. A multi-level GRM has been developed specifically to meet the needs of the beneficiaries for the LoCAL programme.

2. Country Environmental and Social Context, Laws and Regulations

In general, Pacific Island countries have made significant efforts to address environmental and social issues through various legislation and regulations. Fiji, Tuvalu, Vanuatu, and the Solomon Islands each have a fairly robust regulatory framework and body of legislation governing the use of natural resources, and safeguarding social protections. However, there remain some gaps and limitations in their implementation and enforcement, largely due to limited resources and capacities to follow through with enforcement. Below is an overview of each country. In addition, the overall effectiveness of these policies is sometimes hindered by weak governance, corruption, and a lack of public awareness and engagement.

2.1. Tuvalu²

Laws and Regulations

Te Kakeega III (2016–2020), Tuvalu’s National Strategy for Sustainable Development, allocates the highest priority to increasing adaptation capacity and island resilience, and aligns these with the targets of its NDC. More recently, a policy paper on ‘*Reinvigorating Decentralization and Local Government Reform Program through Capacity Development*’ was endorsed by Tuvalu’s Cabinet in February 2019. The LoCAL project already underway in Tuvalu has been designed and implemented to align with the National Strategic Action Plan for Climate Change and Disaster Risk Management (NSAP) which is part of the Pacific Islands Framework for Action on Climate Change (PIFACC) and the Regional Framework for Action on Disaster Risk Management. Tuvalu has also secured funding for developing its NAP, which will inform adaptation planning as highlighted by the role of the expanded third phase of LoCAL in Tuvalu to meet the goals of the NAP. Based on the results of the previous phase of LoCAL and lessons learned, the Government has: (i) prioritised full national roll-out of LoCAL and institutionalisation of the mechanism across all LAs; and (ii) expressed its desire and need to target international climate finance for scaling up LoCAL to become the national system for channelling adaptation finance to the local level.

The legislative and policy basis for the provision of the coastal protection infrastructure projects comes under various pieces of Tuvalu legislation, including but not limited to:

- Conservation Areas Act 1999
- Constitution of Tuvalu 1986 (Cap 1)
- Crown Acquisition of Land Act (Cap 24)
- Environmental Protection Act 2008 (Cap 30.25)
- Falekaupule Act 1997
- Foreshore and Land Reclamation Act (Cap 26)
- Marine Resources Act 2006
- Marine Zones Act 1983 (Cap 24A)
- Native Lands Act (Cap 22)

² Drawn from: <https://www.sprep.org/attachments/Publications/EMG/sprep-legislative-review-tuvalu.pdf>

- Wildlife Conservation Act (Cap 47)
- Tuvalu Environment & Social and Safeguard Systems
- Environmental Management and Conservation Act
- EIA amendment 2017

Environmental management and the requirement for an environmental impact assessment are controlled by the Environment Protection Act (EPA) 2008. The Department of Environment (DoE) administers the Act and Regulations. Specifically, Part 5 of the Act (sections 17 and 18) sets out the process and procedures for the undertaking of an Environmental Impact Assessment (EIA). The Environmental Protection Regulations 2014 provides the regulatory management of EIA in Tuvalu. It provides for the undertaking of Preliminary Environmental Assessment Report (PEAR) or EIA. All projects must comply with the legislation and regulations. Under Regulation 4, the Minister determines what projects should have either a PEAR or EIA. Pursuant to Schedule 1 (9) public works that require either a PEAR or EIA include (d) soil erosion, beach erosion and siltation control; and (k), seawalls/land reclamation. In addition, Tuvalu is a signatory to several international, regional, and multilateral agreements and conventions pertaining to the environment. These include:

- Protocol to The International Convention for the Prevention of Pollution from Ships 1978 Environmental and Social Management Plan 11
- International Convention on Standards of Training, Certification and Watchkeeping For Seafarers 1978
- International Plant Protection Convention 1979
- United Nations Convention on The Law of The Sea 1983
- Convention for The Protection of The Ozone Layer 1985
- Convention for The Protection of The Natural Resources and Environment of The South Pacific Region 1987
- Protocol for The Prevention of Pollution of The South Pacific Region by Dumping 1986
- United Nations Framework Convention on Climate Change 1992
- Convention on Persistent Organic Pollutants 2001
- International Convention on The Control of Harmful Anti-Fouling Systems on Ships 2001
- International Convention for The Control and Management of Ships' Ballast Water and Sediments 2004
- Paris Agreement under the United Nations Framework Convention on Climate Change 2016.

E&S Gaps and Considerations

As demonstrated above, Tuvalu has a number of laws and regulations safeguarding E&S principles which are aligned with international standards. However, the Pacific Islands Forum Secretariat (PIFS) has noted that there have been a number of challenges in the implementation of these laws and regulations, chiefly due to limited resources, and a lack of technical expertise in certain areas pertaining to environmental management, climate adaptation and mitigation, and sector-specific knowledge for key sectors such as fisheries, coastal management, and forestry.

Moreover, according to a 2017 report by the World Bank, Tuvalu's legal framework for environmental and social safeguards is relatively weak and lacks a comprehensive legal and institutional framework for environmental management. The report notes that while Tuvalu has some laws and policies in place for environmental protection, there are significant gaps in the legal and institutional framework for environmental and social safeguards. These gaps include weak enforcement mechanisms, limited institutional capacity, and a lack of clarity on roles and responsibilities³.

Tuvalu's legal framework for environmental and social safeguards unfortunately does not meet international standards, such as those outlined in the World Bank's Environmental and Social Framework (ESF) and the International Finance Corporation's (IFC) Performance Standards. For example, the ESF requires that projects financed by the World Bank comply with a set of environmental and social standards that address issues such as labor and working conditions, community health and safety, and the protection of indigenous peoples' rights. Tuvalu's current legal framework does not incorporate these standards. As such, **for the current programme, IFC standards will be applied for all investments undertaken through the LoCAL mechanism.**

Country Climate Context

The geographical, low-lying nature of its islands, a high population density, reliance on imports and limited economic opportunities exacerbate Tuvalu's vulnerability to climate change with very serious consequences for human health, food and water security, housing, infrastructure, land and marine biodiversity.

Tuvalu's Integrated Vulnerability and Adaptation Assessment (TIVA) identifies and prepares the national population to the risks posed by climate change and disasters⁴. The objectives of TIVA are to inform national adaptation planning processes providing a gender- and youth- evidence base for vulnerabilities and adaptation priorities. It also reinforces a bottom-up and top-down approach, helping to create informed, evidence-based planning and prioritisation. In a recent report, the following top five issues were identified in Amatuku which is the smallest locality 10km north of Funafuti⁵:

1. Limited access to coastal protection infrastructure
2. Inadequate household water tank capacity
3. Low resilience of land-based food to sea level rise and saltwater intrusion
4. Limited or no household access to renewable energy
5. Insufficient household income to meet basic needs and services

These issues were ranked according to criteria including the frequency of the issue, whether it is a hotspot sector, high local and national vulnerability, and highly climate related. Coastal

³ World Bank. (2017). Pacific Possible: Climate and Disaster Resilience. Retrieved from <https://openknowledge.worldbank.org/handle/10986/28408>

⁴ Tuvalu's Integrated Vulnerability and Adaptation Assessment (TIVA) Database, available at: <https://www.tuvaluiva.com/>

⁵ Government of Tuvalu, 2020. Tuvalu Integrated Vulnerability Assessment Report

stabilisation infrastructure ranked high, household water tank capacity ranked very high, and land food resilience from sea-level rise and saltwater intrusion ranked high/med.

The figure below shows the top four subsectors that were identified in the TIVA, Ecosystem Health and Natural Resources was the top subsector issue, representing 15% of the top vulnerability issues. This was followed by Security of Place, Water Security and Food Security.

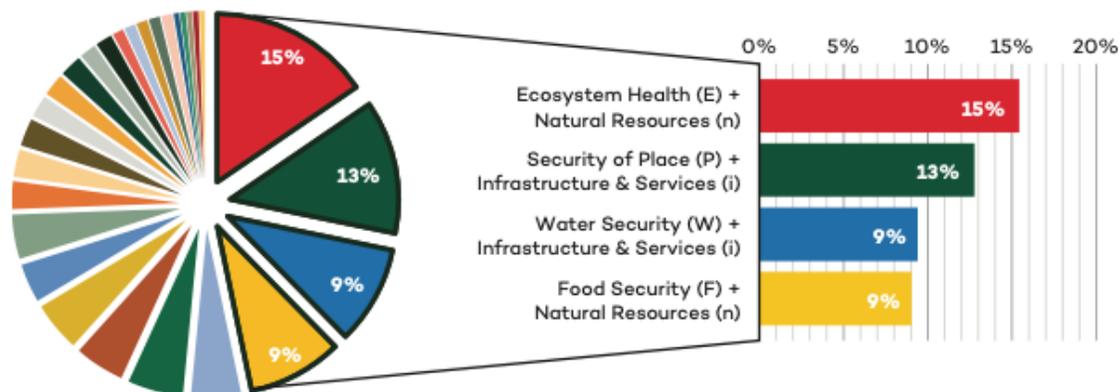


Figure 1: Hotspot subsectors in the Tuvalu Integrated Vulnerability and Adaptation Assessment.

Socio-Economic Context

As is the case with other Pacific Island Countries, Tuvalu faces a unique set of development challenges posed by its small size, notably narrow production and export bases, insularity, remoteness, and fragmented, limited resources and capacity constraints, and proneness to natural disasters and vulnerability to climate change. These factors render Tuvalu’s social and economic development highly vulnerable to forces outside its control - a condition, which continues to threaten its economic viability.

Tuvalu has made progress in the economic development over the past decade⁶, and one of the core pillars in the Public Finance Management reform programs is to strengthen accountability for the use of scarce resources. According to the most recent IMF article 4 staff mission report (August 2021)⁷ for Tuvalu, the country was praised for its good economic development and rapid response to the Covid 19 Pandemic. The report emphasized the need to be prepared for future increased challenges with climate change and disasters and create the financial room to tackle this through a combination of enhance fund mobilisation and continued improved public financial management programs. The economy for 2020 (when final figures are available) is expected to grow with 1 % compared with 14 % in 2019, but with some recovery in 2021 and in the future. Inflation is relatively low with 2.2% in 2021 and with expected level of 2.4 % in 2022. The total GDP in AUS \$ is expected to 83.4 million in 2021 up from 79.6 million AU\$\$ in

⁶ Government of Tuvalu, PFM reform Strategy 2019-21, Final Document

⁷ IMF: Tuvalu 2021 Article IV Consultation Press Release - Staff report, August 4, 2021

2020. However, it is mentioned that Tuvalu is prone to CC risks and disasters, and that the country will need significant funds to climate proof investments. Changing climate also poses a risk to the main revenue source- income from Tuna fish.

The IMF staff report also state that Tuvalu will need to increase its spending to reach the sustainable development goals in energy, roads, water/sanitation/hygiene by 2.3 % annually up to 2030, and that buffers needs to be developed to cater for future natural disasters. Areas to improve efficiency will be budgeting, spending controls, procurement, medium term infrastructure maintenance planning (also areas tackled by the LoCAL program) and emphasize a need to step up investments in physical infrastructure to sustain an inclusive and green growth. Once the economy fully recovers, implementation of reports to achieve fiscal consolidation to preserve fiscal buffers to guard against future shocks, especially natural disasters, and fund climate change adaptation and infrastructure maintenance needs is among the core recommendations (IMF, August 2021).

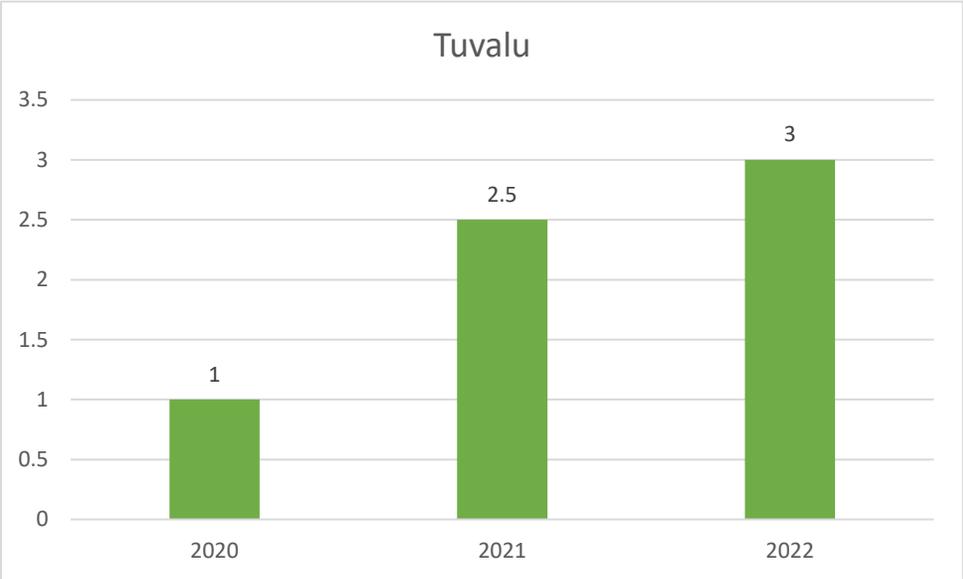


Figure 2: GDP growth rate: Tuvalu (% per year, ADB 2021)

2.2. Solomon Islands⁸

Laws and Regulations

The Constitution of the Solomon Islands (Constitution) is the supreme law in Solomon Islands. All laws in Solomon Islands have their legitimacy in the Constitution. The Constitution provides the legal basis for the enactment of laws by establishing and vesting in the National Parliament, the power to make laws for Solomon Islands (sections 46 and 59). Any law which is inconsistent with any provision of the Constitution has no effect. The Constitution recognises the importance

⁸ Drawn from: <https://www.sprep.org/attachments/Publications/EMG/sprep-legislative-review-solomonislands.pdf>

of the country's natural resources in the preamble, which states that: '*The natural resources of our country are vested in the people and government of Solomon Islands*'. Chapter XI sets out the process for compulsory acquisition of customary land.

The Constitution recognises traditional systems of governance. The preamble to the Constitution provides, in part, that "*we shall cherish and promote the different cultural traditions within Solomon Islands*". The Constitution provides that customary practice is part of the country's law, as long as it is consistent with the Constitution and Acts of the Solomon Island Parliament. The Constitution defines customary law as "*the rules of customary law prevailing in an area of Solomon Islands*." According to article 75 of the Constitution, Parliament shall make provisions for the application of laws, including customary laws. In doing so, the Parliament shall have particular regard to the customs, values and aspirations of the people of Solomon Islands. Similar to other Pacific Island Countries, one of the difficulties of ensuring that environmental issues are adequately addressed in Solomon Islands is the need to accommodate traditional and customary practices alongside formal regulation of environmental matters.

Below is a list of relevant customary and traditional legislation pertaining to E&S principles.

- Land and Titles Act 1978
- Customary Land Records Act 1994
- Provincial Government Act 19979
- Local Government Act
- Environment Act 1998
- Wildlife Protection and Management Act 1998
- Protected Areas act 2010
- National Parks Act 1954
- Fisheries Management Act 2015
- Mines and Minerals Act 1990
- Continental Shelf Act 1970
- Forest Resources and Timber Utilisation Act 1969
- Forest Act 1999
- Solomon Islands Water Authority Act 1993
- Environmental Health Act 1980
- National Disaster Council Act 1990

The Environment Act is the main body of legislation which governs and sets provisions for the protection and conservation of the environment, the establishment of the Environment and Conservation Division, and the Environment Advisory Committee. The Environment Act requires developers to carry out EIAs for projects that may have significant environmental and social impacts. The Environmental Act also requires public consultation and stakeholder engagement in the EIA process. The Environment Act serves as the prevailing body of legislation above any other contradictory provisions in other legislation (aside from the Constitution).

⁹ Provinces are required to provide for cultural and environmental matters, land and land use, local matters (waste disposal, public lands, etc.), rivers and water, and more.

The National Development Strategy (NDS, 2016–35) provides the overarching long-term policy framework for national development priorities and outlines a vision for ‘improving the social and economic livelihoods of all Solomon Islanders. The LoCAL programme will be designed and implemented to align with and achieve the NDS Objective Four, which targets: “Resilient and environmentally sustainable development with effective disaster risk management, response and recovery.” LoCAL will also specifically target objectives of the following policies and plans: National Climate Change Policy 2012–2017; National Adaptation Programme of Action 2008; NDC 2016; National Disaster Management Plan 2018; Agriculture Sector Policy 2015–2019; National Water Resources and Sanitation Policy (draft).

E&S Gaps and Considerations

The country's legal system is based on English common law, as well as customary law. The government has established various environmental and social regulations, including the Environmental Act, the Forestry Act, and the Child and Family Welfare Act. However, there are concerns about the effectiveness of these regulations due to limited resources, capacity, and enforcement. In terms of potential risks or gaps for a climate adaptation project, it would be important to consider the potential impacts on the environment and local communities, as well as any legal requirements for obtaining permits or conducting environmental impact assessments. There is limited legislation designating national protected areas, which means that many ecosystems are vulnerable to exploitation.

Still, the Solomon Islands have a robust permit system which requires contractors and developers to undertake various E&S assessments and feasibility studies and submit those to the government for a wide range of climate, development, and adaptation projects. In addition to integrating IFC screening provisions, **the LoCAL mechanism will comply with all national regulations and requirements, and the national technical committee will closely advise the project team on all necessary permits.**

Country Climate Context

As one of the Small Island Developing States (SIDS), the Solomon Islands is highly vulnerable to climate change. Changing weather patterns affect communities in different ways, including loss in agricultural production and food security, water stress and insecurity, rising sea levels and exposure to climate disasters, changes to ecosystems and loss of biodiversity, and human health.

The Solomon Islands’ adaptive capacity to climate change is generally low. It faces serious threats to its ecosystem-based economy and its communities have few human and material resources with which to meet the challenge. The National Development Strategy states that the Solomon Islands is “extremely vulnerable” to climate change.

Several communities have been displaced from sea level rise and coastal inundation, having been unable to deal with the effects of climate change on their living area. Whilst relocating can offer some respite, it can leave communities facing challenges of changing livelihoods and land issues.

Climate change and disaster risk management are therefore issues of high priority to the Solomon Islands Government, given the current and future impacts expected, and the associated risks posed

to natural ecosystems such as coastal and marine environments, fisheries, agriculture, water resources, health, biodiversity, infrastructure and industry.

Vulnerability to climate change extends to ecosystems and water resources as a result of the relatively high exposure of parts of the country to increasing intensity of tropical cyclones, earthquakes, tsunamis and generally poor governance overuse of natural resources.

Socio-Economic Context

Solomon Islands is facing significant development challenges. Solomon Islands have experienced a period of civil conflict that was ended in 2003, followed by a period of an average annual growth of 5.5%. Nevertheless, while the GDP growth has declined even before the pandemic, population estimates show a population increase of around 2% per year. Moreover, the country's growth was based on unsustainable logging.¹⁰ Poverty remains extensive even though it has declined significantly after 2003. The most recent available figures (2011) show an estimate of 25.1% of the Solomon Islanders living below the international US\$1.90 per person per day poverty line, while 56.7% live on less than US\$3.10.¹¹

Currently, the total Gross Domestic Product (GDP) of the country is valued at USD 1,645 million (World Bank, 2021) and the most recent value of GDP per capita is USD 2,337 (World Bank, 2021)¹². Recent data for the share of economic sectors in GDP are not available.

Solomon Islands are classified as a Small Islands Developing States or SIDS¹³. As other SIDS, Solomon Islands is highly exposed to climate events and natural disaster phenomena which hinder the efforts to eradicate poverty and undermines progress on gender equality and socioeconomic indicators. Solomon Islands are extremely affected by the SIDS constraints i.e., remoteness and deprivation from the benefits of scale, low income and assets, small domestic markets and heavy dependence on a few external markets and international support, high volatility of economic growth, fragile natural environments, and socioeconomic as well as gendered vulnerabilities.¹⁴ In addition to being a SIDS Solomon Islands are also a Least Developed Countries (LDCs).¹⁵

Therefore, among the geographic challenges and the economic development challenges providing access to basic services is extraordinarily challenging, taking into consideration the small population scattered very thinly across this vast archipelago. Lastly, the geographic challenges

¹⁰ World Bank, (2018) The Solomon Islands: Systematic Country Diagnostic Priorities for Supporting Poverty Reduction & Promoting Shared Prosperity

¹¹ Op. cit.

¹² World Bank data portal, see: <https://data.worldbank.org/country/fiji>

¹³ SIDS were recognized as having special status both for their environment and development at the Earth Summit, held in Rio de Janeiro, Brazil in 1992. Updated list of SIDS can be found on: <https://www.un.org/ohrlls/content/list-sids>.

¹⁴ UN-OHRLLS - Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States (2015). Small Island Developing States in Numbers: Climate Change Edition 2015. Report. Available at: https://sustainabledevelopment.un.org/content/documents/2189SIDS-IN-NUMBERS-CLIMATE-CHANGE-EDITION_2015.pdf

¹⁵ UNCTAD LDC list (2020), see: <https://unctad.org/news/vanuatu-graduates-least-developed-country-status>

further accentuate state fragility as there is limited reach and effectiveness and development is very uneven.¹⁶

The COVID-19 pandemic has affected Solomon Islands, though to a lesser extent than Vanuatu and Fiji in terms of GDP. Solomon Islands experienced a 4.5% decrease in GDP in 2020, with positive though slow growth the next year (1%). Solomon Islands also had one of the lowest vaccination rates among Asian countries and the slowest in the Pacific¹⁷.

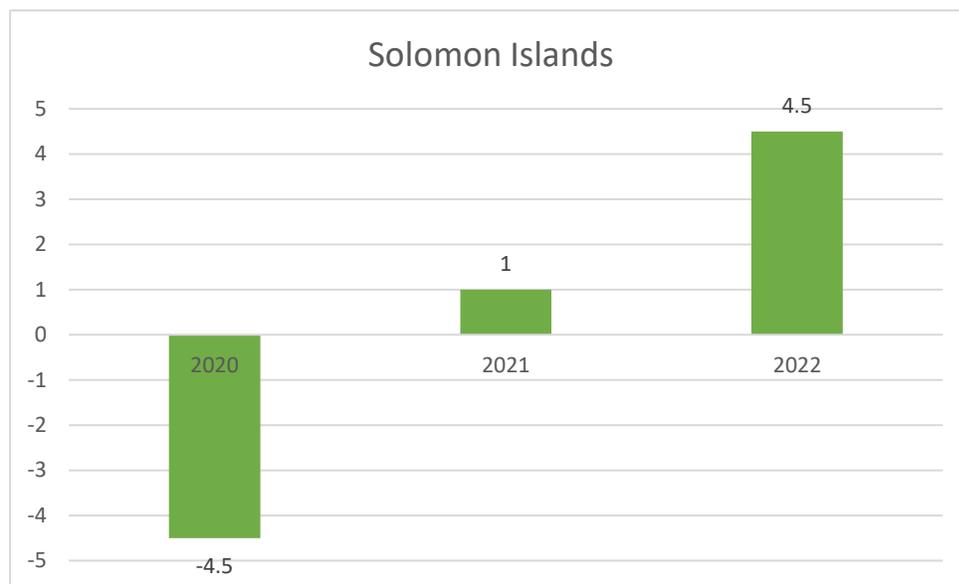


Figure 3: GDP growth rate: Solomon Islands (% per year, ADB 2021)

The World Bank Systematic Country Diagnostic for Solomon Islands (published in 2018) identifies key challenges for institutions to manage the upcoming socioeconomic change. The dispersed population, the remoteness from large markets, the constraints to develop infrastructure and restricted opportunities for the private sector limit Solomon Islands prospects. The predominant economic model has created uneven development and the capacity of the state to redistribute through investment in health, education, and infrastructure provision across the country has been limited.

2.3. Fiji¹⁸

Laws and Regulations

¹⁶ World Bank, (2018) The Solomon Islands: Systematic Country Diagnostic Priorities for Supporting Poverty Reduction & Promoting Shared Prosperity

¹⁷ ADB (2021) Asian development outlook 2021

¹⁸ Drawn from: <https://www.sprep.org/attachments/Publications/EMG/sprep-legislative-review-fiji.pdf>

Fiji has had several governing instruments – the most recent of which have been revised constitutions. The most current Constitution of the Republic of Fiji (Constitution) was created in 2013. It is the supreme law of the country (Article 2) and establishes Fiji as a secular, sovereign democratic State. The Constitution includes specific provisions recognising the indigenous people and their ownership of customary land and relating to protection of the environment. Specifically, the preamble states that: “*We, the people of Fiji, [r]ecognising the indigenous people or the iTaukei, their ownership of iTaukei lands, their unique culture, customs, traditions and language; recognising the indigenous people or the Rotuman from the island of Rotuma, their ownership of Rotuman lands, their unique culture, customs, traditions and language...*”.

The preamble also provides that the people of Fiji “[d]eclare our commitment to justice, national sovereignty and security, social and economic wellbeing, and safeguarding our environment”. In addition, Article 1(h) states that one of the values of the Republic of Fiji is “*a prudent, efficient and sustainable relationship with nature*”. The Constitution includes a bill of rights, which includes rights of ownership and protection of iTaukei, Rotuman and Banaban lands (Article 28), a right to the protection of ownership and interests in land (Article 29) and environmental rights (Article 40). Article 40(1) provides that “*[e]very person has the right to a clean and healthy environment, which includes the right to have the natural world protected for the benefit of present and future generations through legislative and other measures*”.

Fiji continues to operate under a traditional iTaukei system of law and governance in addition to the western elements of law. Customary owners retained customary ownership over land, but over marine resources, they have only restricted customary rights. Legislation supporting the iTaukei system of law includes:

- iTaukei Affairs Act
- iTaukei Lands Act (Native Lands Act)
- iTaukei Lands Trust Act (Native Lands Trust Act)
- iTaukei Development Fund Act (Fijian Development Fund Act)
- iTaukei Trust Fund Act (Fijians Trust Fund Act)
- Local Government Act

The Environment Management Act is an Act “*[f]or the protection of the natural resources and for the control and management of developments, waste management and pollution control and for the establishment of a national environment council and for related matters.*” The purposes of the Act are to apply the principles of sustainable use and development of natural resources; and to identify matters of national importance for the Fiji Islands. The Act also includes a number of Environment and Resource Management Acts, including the Factories Act, the Fisheries Act, the Forest Decree, Public Health Act, Water Supply Act, Rivers and Streams Act, and others.

The Environment Management Act also establishes a National Environment Council whose function is to approve, monitor, and oversee the implementation of the National Environment Strategy, and to establish specific provisions for Environmental Impact Assessments – which are governed by the Environment Management Act.

Fiji’s 5-Year and 20-Year National Development Plan outlines the way forward for Fiji to realising both the SDGs and NDC. Those plans both acknowledge and account for the impacts of Fiji’s

changing climate and related risks. Fiji has also formulated its National Climate Change Policy 2018–2030 (NCCP), which presents a more detailed and deliberate articulation of Fiji’s priorities in reducing present and future climate risks. The LoCAL programme is well aligned with the NCCP, which recognises that local government is a critical player in the formulation of adaptation activities as well as implementing them at the local level. Furthermore, Fiji’s NAP – launched in 2018 – targets vertical integration of adaptation interventions and resource mobilisation action that LoCAL will directly support Fiji to achieve. Fiji is also in the process of securing funding for updating of the NAP, to which the LoCAL mechanism will be aligned as the priorities under the NAP are identified.

E&S Gaps and Considerations

Fiji is unique from the other target countries because in 2017, the government established the Fiji National Climate Fund to provide financing for climate adaptation and mitigation projects. The FNCF is governed by the Fiji National Climate Change Policy and the Climate Change Act, both of which require all government agencies and development partners to consider climate change impacts in their decision-making processes. In this way, Fiji has made significant progress in terms of addressing climate change in a multi-sectoral way, with stakeholders in various Ministries, the private sector, and even development partners such as the GCF.

However, the United Nations Development Programme (UNDP) has noted that Fiji has consistently faced challenges pertaining to the effective implementation and enforcement of environmental laws due to limited resources and capacities. There are also concerns pertaining to a general awareness among legislators and the public alike regarding the oversight and administration of key E&S issues that pertain to climate adaptation interventions specifically, due to a lack of clear oversight and regulatory roles and responsibilities. As such, the identification and appropriate monitoring of projects, as well as the administration of permits for project implementation can become quite convoluted. **The LoCAL programme will need to coordinate closely with its Fijian Government counterparts in order to ensure that all investments are compliant with local and interational laws and regulations.**

Country Climate Context

Vulnerable regions, including the Small Island Developing States, are projected to experience a multitude of interrelated climate risks, resulting in loss of livelihoods, food insecurity and large-scale population displacement.

Fiji recognizes this reality, as it lies on the front line of adverse climate change impacts and will be facing some of the most severe climate-related challenges in the coming decades. These range from prolonged droughts, changes in the hydrological cycle resulting in intense floods, and extreme weather events, to rising sea levels and its resultant saltwater intrusion and loss of habitable land. This has already led to partial and complete relocation of six climate-vulnerable communities, with many more regions in the country being threatened by similar consequences.

The impacts of climate change are affecting all aspects of life for Fijians - the environment, economy, social development, as well as cultural practices and traditional ways of life. Fiji is facing loss and degradation of vital ecosystems and natural resources, including its coral reefs, coasts and catchments, on which key sectors of its economy such as agriculture and fisheries are

dependent. Further, its critical infrastructure- including electricity and water stations, schools and hospitals – are frequently damaged by the increasingly extreme weather events, which are impacting the social well-being, employment and livelihoods of the Fijian people.

A large and increasing population lives in flood-prone areas, driving the increase in disaster vulnerability and risk Fiji's population and has undergone rapid changes in the last decade. According to ongoing monitoring by the Department of Housing in conjunction with the Fiji Bureau of Statistics, the number of people living in squatter and informal settlements has grown rapidly over time. Approximately 10 percent of the national population (20 percent of the urban population) live in more than 200 unplanned (and rapidly growing) urban and peri-urban informal settlements and is particularly vulnerable to natural hazards.

An estimated 12 percent of the urban population and 6 percent of the rural population of Fiji (amounting to about 143,000 people) live in low-elevation coastal zones that are 10 m below sea level or lower and adjacent to the coastline. Annual business surveys point to an ongoing trend of gross fixed capital formation by major public and private sector employers occurring within settlements that are close to the coastline.

Socio-Economic Context

Fiji has one of the most developed and complicated and sophisticated economies among the Pacific Islands. Fiji's economy is the most industrially advanced with substantial manufacturing and services sectors, while Fiji is an important re-exports centre for the Pacific. Fiji also has a developed tourism sector that contributes ~38% to the GDP attracting over 750,000 tourists per year¹⁹.

Currently, the total Gross Domestic Product (GDP) of the country is valued at USD 4,592 million (World Bank, 2021) and the most recent value of GDP per capita is USD 5,086 (World Bank, 2021)²⁰. The share of economic sectors in GDP (2014 values) are: agriculture (13.8%); industry (18.1%); and services (58.4%)²¹.

Fiji is classified as a Small Islands Developing States or SIDS²², which are a distinct group of developing island countries facing specific social, economic and environmental vulnerabilities. As with other SIDS, Fiji is highly exposed to climate events and natural disaster phenomena which hinder the efforts to eradicate poverty and undermines progress on gender equality and socioeconomic indicators. While Fiji has a more developed economy the main constraints that SIDS face still remain i.e. remoteness and deprivation from the benefits of scale, low income and assets, small domestic markets and heavy dependence on a few external markets and international support, high volatility of economic growth, fragile natural environments, and socioeconomic as well as

¹⁹ Kida, M. et al. (2017) Fiji - Systematic country diagnostic (English). Washington, D.C: World Bank Group.

²⁰ World Bank data portal, see: <https://data.worldbank.org/country/fiji>

²¹ World Bank data portal, see: <https://data.worldbank.org/country/fiji>

²² SIDS were recognized as having special status both for their environment and development at the Earth Summit, held in Rio de Janeiro, Brazil in 1992. Updated list of SIDS can be found on: <https://www.un.org/ohrlls/content/list-sids>.

gendered vulnerabilities.²³ Fiji is an upper-middle income economy²⁴, unlike the other three countries off the programme that have been or are characterized as Least Developed Countries (LDCs).²⁵

Fiji’s economy has been devastated by the COVID-19 pandemic, both because of the stop of tourists, but also due to the extensive lockdowns to contain the outbreaks in 2020 and 2021. Real GDP fell by an estimated 15.7% in 2020 and was projected to contract by a further 5% in 2021. In particular, tourism that accounted for about 32.0% of Fiji’s gross domestic product (GDP) in 2019; that share declined to 10.9% of GDP in 2020 because of travel restrictions associated with COVID-19.²⁶ Fiji’s vaccination drive started in the second quarter of 2021 and reopened its border in December 2021 with 61% of its population vaccinated²⁷. The graph in Figure 3, from the Asian Development Outlook Update (September 2021), presents GDP forecasts, displays the pandemic dip experienced in 2020 and the recovery forecasted for 2021 and 2022.

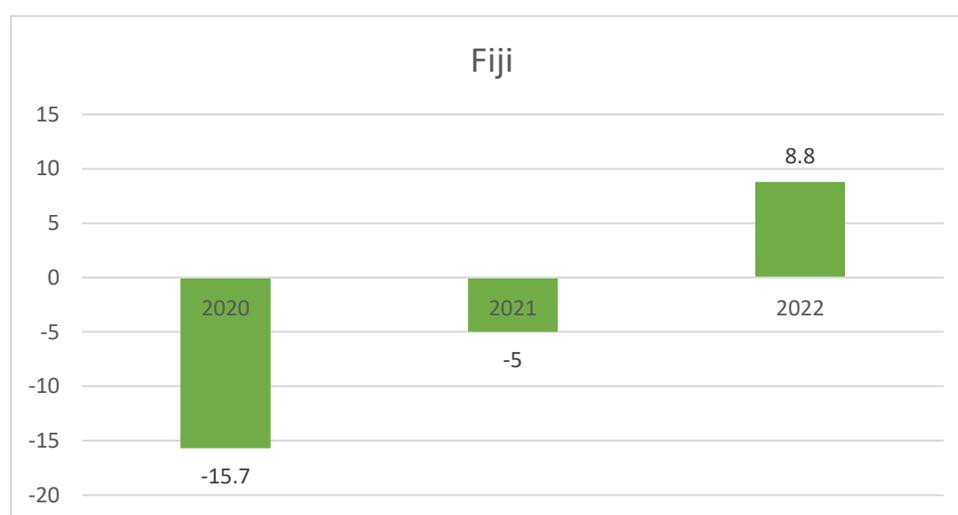


Figure 4: GDP growth rate: Fiji (% per year, ADB 2021)

The World Bank Systematic Country Diagnostic for Fiji (published in 2017) gives positive prospects for Fiji due to its relatively strong institutions, well-educated civil service and high percentage of spending bade on tax revenue. Moreover, Fiji has been rated high on political stability, control of corruption and adoption of reforms.

²³ UN-OHRLLS – Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States (2015). Small Island Developing States in Numbers: Climate Change Edition 2015. Report. Available at: https://sustainabledevelopment.un.org/content/documents/2189SIDS-IN-NUMBERS-CLIMATE-CHANGE-EDITION_2015.pdf

²⁴ World Bank, see <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

²⁵ UNCTAD LDC list (2020), see: <https://unctad.org/news/vanuatu-graduates-least-developed-country-status>

²⁶ ADB (2021), Fiji: Country Classification, Asian Development Bank, Mandaluyong, The Philippines.

²⁷ https://ourworldindata.org/covid-vaccinations?country=OWID_WRL

2.4. Vanuatu²⁸

Laws and Regulations

Law in the Republic of Vanuatu consists of a mixed system combining the legacy of English common law, French civil law and indigenous customary law. The Constitution establishes the bases of the country's law, but customary law and traditional practices, as well as local governments, are afforded a good deal of weight through the Island Courts Act 1988, and the Decentralization Act 1994.

The Environmental Protection and Conservation Act (2002) (EPCA) provides for the conservation, sustainable development and management of the environment of Vanuatu, and the regulation of related activities. It also establishes the Environmental Registry, the Department of Environmental Protection and Conservation, and also establishes provisions and standards for the Environmental Impact Procedure. The law mandates the development of a national Policy or National Plan, as well as a National State of the Environment Report. In addition, the Climate Change and Disaster Risk Reduction Policy and Action Plan (2016-2030) provides a framework for climate adaptation and disaster risk reduction to help strengthen the resilience of Vanuatu's communities and ecosystems to climate change impacts and encourages investments in climate adaptation and disaster risk reduction activities.

In 2016, Vanuatu launched a National Environment Policy (NEP) that provides a comprehensive framework for environmental management and protection. The NEP aims to promote sustainable development, conserve biodiversity, and ensure the sustainable use of natural resources.²⁹

In terms of environmental impact assessment (EIA), Vanuatu has an Environmental Impact Assessment Act (EIA Act, 2012) that requires developers to carry out EIAs for projects that may have significant environmental and social impacts. The EIA Act also requires public consultation and stakeholder engagement in the EIA process³⁰.

Vanuatu's 2030 *The Peoples Plan* is the country's National Sustainable Development Plan (NSDP) for the period 2016 to 2030. The NSDP recognises that the economy is dependent on a narrow range of productive sectors that are vulnerable to external shocks and charts the country's vision and overarching policy framework for achieving a prosperous Vanuatu. The environment pillar seeks to ensure a pristine natural environment on land and at sea that continues to serve Vanuatu's food, cultural, economic and ecological needs, and enhance resilience and adaptive capacity to climate change and natural disasters. The objectives of LoCAL are well aligned with the objectives of Vanuatu's NSDP. Vanuatu is also in the process of securing funding for development of a NAP, to which the LoCAL mechanism will be aligned as the priorities under the NAP are identified.

E&S Gaps and Considerations

²⁸ Drawn from: <https://www.sprep.org/attachments/Publications/EMG/sprep-legislative-review-vanuatu.pdf>

²⁹ <https://www.sprep.org/attachments/Publications/EMG/vanuatu-nepip.pdf>

³⁰ <https://faolex.fao.org/docs/pdf/van149150.pdf>

Vanuatu's Climate Change and Disaster Risk Reduction Policy and Action Plan (2016-2030) provides a framework for climate adaptation and disaster risk reduction, and has been commended by development partners in the climate sector. However, the World Bank has identified weak governance and corruption as key challenges to effective implementation of environmental and social laws. There are also concerns about the need for improved coordination and cooperation among government agencies and other stakeholders, because many of Vanuatu's E&S-related policies and regulations are administered in silos. **Coordination of multiple government agencies on the National Technical Committees will be key to the successful (and smooth) implementation of LoCAL, as well as management and oversight of all sub-investments.**

Vanuatu's EPCA has been assessed against the GCF's ESPs under other GCF-funded projects, the Government of Vanuatu has received technical support to ensure that project implementation is aligned with both the EPCA, as well as the GCF's ESS criteria.³¹ As such, there is already a standard understanding and acknowledgement of the E&S requirements for GCF-funded activities within the country.

Country Climate Context

Vanuatu was ranked as being at the highest risk level in the 2019 World Risk Index for disaster exposure and has consistently featured among the top 10 most climate-impacted countries in the world. The 80-odd islands in the archipelago are highly heterogeneous in geographic, topographic and climatic conditions. For example, some of the larger, more mountainous islands have good ground- as well as surface water resources, whilst others have either ground or surface water or rely entirely on rainwater catchment. However, steep catchments and narrow coastal plains are ubiquitous in these islands and are vulnerable to flooding and sea-level rise. Water resources in the country, therefore, vary and are influenced by climatic and geographic factors. Concomitantly, the island nation is prone to multivariable water-related climate risks coupled with underlying social and economic vulnerabilities.

Since Vanuatu's population is also concentrated along the coasts, the balance of freshwater and saltwater (coastal) ecosystems also plays a vital role in the subsistence and commercial life of the population. The islands have uniquely fragile water resources due to its small scale, lack of storage and limited freshwater reserves – which are increasingly exposed to climate impacts. Climate impacts particularly destabilize natural resource-dependent livelihoods of rural communities (pegged at 75% of the population), who continue to rely on subsistence farming in the different islands.

Vanuatu's climate varies from wet tropical in the north to subtropical in the south. From May through September, south easterly winds support fine sunny days and cooler nights. November to April is the wet season with higher temperatures, heavy rain and occasional cyclones. The wettest months are from January through March. Average temperatures range in Port Vila from 27 degrees Celsius in February to 22 degrees Celsius in July.

³¹ <https://www.greenclimate.fund/sites/default/files/document/fp191-spc-vanuatu.pdf>

Rainfall is also affected by latitude and altitude. The northern higher islands in the Banks and Torres groups receive an annual average of 4,000 mm rainfall, while the southern and lower islands may receive only half of such figures, showing regional disparity in the water sources available.

The hot or wet season in Vanuatu, which typically extends from November to April of the following year, is the tropical cyclone season. The geographical location of the archipelago in the southwest Pacific means that tropical cyclones occasionally traverse the country with wind speeds of at least 62 km/hr. According to the Vanuatu Meteorological and Geo-Hazard Department statistics, the area of Vanuatu (land and sea) receives about two to three cyclones per season. The most significant frequency of these events is in January and February. On average, Vanuatu, and its marine economic zone experience 20 to 30 cyclones per decade, between three and five causing severe damage. Tropical cyclones can affect any island of Vanuatu, with several impacts: heavy rainfall, flash flooding, flooding of low-lying areas, coastal flooding, riverine flooding, storm surge, landslides, and very rough seas. These events regularly cause damage to life, infrastructure and public goods, as well as property in the islands – and also have direct and indirect impacts on water security and WASH infrastructure in the country.

Socio-Economic Context

The country is highly homogeneous – 99% of its population are the indigenous, Melanesian ni-Vanuatu peoples. Around three-quarters of the people live in rural areas, although Port Vila – and the surrounding capital region – account for about 21% of the total population. There are over 100 languages and dialects, of which approximately 80 are actively spoken, making it one of the one of the most linguistically diverse countries in the world. There are three official languages: Bislama, English and French.

Vanuatu's limited WASH service delivery and infrastructure affect women and men differently. Traditionally, gender roles typically involve women and girls putting in more labour and spending more time than men and boys in managing the household's water, sanitation and hygiene.³² Increased walking times during dry seasons or climate-induced emergencies to source water can increase instances where women and children are further exposed to gender-based violence (GbV). Vanuatu is an endemic region (with the broader Pacific SIDS) for high-GbV levels in the world. Adaptive capacity to external shocks, including climate change, in the WASH sector, therefore, crosscut with existing gender vulnerabilities. These are explored in the Gender Assessment and Action Plan (Annex 8 of the Funding Proposal). WASH-related gender and socioeconomic issues must be mainstreamed to ensure the project benefits are inclusive and accrue to all members of communities, who risk being left further exposed to climate and weather events, which have occurred in the islands with more intensity in recent times.

³² Halcrow G, Rowland C, Willetts J, Crawford J and Carrard N (2010), Resource Guide: Working effectively with women and men in water, sanitation and hygiene programs, International Women's Development Agency and Institute for Sustainable Futures, University of Technology Sydney, Australia, available at: <http://www.genderinpacificwash.info/system/resources/BAhbBlsHOGZmIj4yMDExLzAxLzI0LzE5LzA0LzI3LzIwMi9XQVNIX1JFU09VUkNFX0dVSURFX2ZpbmFsNHdIYi5wZGY/WASH%2520RESOURCE%2520GUIDE-final4web.pdf>

Vanuatu's economy is still primarily based on subsistence or small-scale agriculture, which provides a living for more than 70% of the population.³³ Since the early 2000s, tourism, land sales and high commodity prices for copra and coffee, and donor funding have driven the economy.³⁴ Major impediments to the economy include: undiversified economic base, constraints from poor transport infrastructure and a small domestic market.

Despite this, Vanuatu exhibits a relatively high per-capita income. This combines with reasonably widespread land access for subsistence agriculture, and informal, community-based social safety nets to keep the incidence of extreme poverty low. However, these high per-capita incomes overshadow the fact that Vanuatu (along with the Federated States of Micronesia, Kiribati and Marshall Islands) has higher than 10% extreme poverty (the regional average for the Pacific is around 3%). Vanuatu (along with the FSM, Kiribati and Marshall Islands) collectively hosts over 90% of people in poverty in the southern Pacific.

The education system of Vanuatu is atypical in that it represents an amalgamation of two disparate systems, the British and the French, that co-existed within the country. Additionally, the church plays an important role in the establishment and functioning of schools. Government expenditure on education (as a percentage of total government expenditure) is 12.6% and the sector is the largest government service deliverer and employer.

Overall, there is no statistically significant difference between the performance of boys and girls, from available data. However, the Vanuatu Education and Training Sector Strategic Plan 2020 – 2030 identifies the importance of developing the capacities to identify further gender inequalities and address them through the Ministry of Education and Training (MoET). Particularly, a module on GbV has been developed by the Vanuatu Education Sector Program (VESP) in collaboration with the MoET as an awareness-raising exercise and for broader use in the education sector.

The NGEF states “Inequalities between women and men in Vanuatu exist against these multifaceted layers of social, political, economic, cultural and environmental factors.” Women face many barriers to participating in decision making from the national to community level and they are largely left out of the chief system of informal governance. Vanuatu has one of the highest rates of gender-based violence in the world and is at the bottom of global rankings for women's political participation in parliament, with special measures introduced at municipal level for gender quotas partially applied.

The Water Resource Management Act was amended in 2016 to require a minimum 40% representation of women on rural water committees. As a result of amendments to the Decentralisation Act#16 (2013), Area Councils' sectoral representatives include women. The Sub-national Development Planning framework includes elements of gender sensitive disaster risk reduction and disaster risk management.

With a large proportion of the population (more than 75%) live in rural areas, a large percentage of women depend largely on natural resources to earn an income. Particular groups of women such

³³ ILO (undated). The ILO in Vanuatu, available at: https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/publication/wcms_366547.pdf

³⁴ ILO – *ibid*.

as widows, women with children separated from their husbands, and single mothers have limited access to earn income, with a key factor being lack of land ownership.

2.5. Indigenous Peoples

In the context of the Pacific region, "indigenous peoples" refers to the original inhabitants of the various island nations and territories scattered across the Pacific Ocean. They are often referred to as "Pacific Islanders" or "Pacific Indigenous peoples." Indigenous peoples in the Pacific have distinct cultural, historical, and ancestral ties to the lands, waters, and resources of their respective territories. They possess a rich heritage, traditional knowledge, languages, and customs that have been passed down through generations. These communities have faced significant challenges over the years, including colonialism, forced assimilation, displacement, and loss of traditional lands.³⁵ Despite these difficulties, Pacific Indigenous peoples have demonstrated resilience and continue to strive for the preservation and revitalization of their cultures, as well as the protection of their rights, lands, and resources.

It's important to note that each of the target countries are classified as small island nations. Due to their small size and homogenous population, there is not a significant presence of distinct indigenous or non-indigenous groups within the target countries.

- Solomon Islands: Indigenous Solomon Islanders represent approximately 95% of the population.³⁶
- Vanuatu: Indigenous Ni-Vanuatu people make up around 95% of the population.³⁷
- Fiji: Indigenous Fijians make up approximately 57% of the population, while an additional 40% of the population is comprised of other native Pacific Islanders.³⁸
- Tuvalu: There is no publicly-available data on population demographics. It is generally accepted that the population is very homogenous, and there is not a distinct differentiation between indigenous and non-indigenous groups.³⁹

In general, population studies and consultations for this project revealed that most participants view themselves as "indigenous". As such, the project's target populations and beneficiaries can generally be classified as "indigenous". As such, since the majority of the populations in each of the target countries falls under this classification, there is no pressing need to develop a separate Indigenous Peoples Plan (or similar). Adherence to customary law and traditional legislation will ensure that cultural heritage and the needs and practices of indigenous people are being respected, and are inherently addressed and included in the design of the project, and the screening templates enclosed herein as annexes.

³⁵ <https://lcipp.unfccc.int/about-lcipp/un-indigenous-sociocultural-regions/pacific>

³⁶ <https://minorityrights.org/country/solomon-islands/#:~:text=The%20Solomon%20Islands%20are%20an,and%20Polynesian%20groups%20also%20resident.>

³⁷ <https://www.globalsecurity.org/military/world/oceania/vanuatu-people.htm#:~:text=About%2095%25%20of%20the%20population,as%20%22Ni%2DVanuatu%22.>

³⁸ <https://www.britannica.com/place/Fiji-republic-Pacific-Ocean/People>

³⁹ <https://www.refworld.org/docid/4954ce5323.html>

2.6. Risk of Conflict

The Global Conflict Risk Index (GCRI) expresses the statistical risk of violent conflict in a given country in the coming 1-4 years and is exclusively based on quantitative indicators from open sources. While there is not significant data available for any of the target countries, current data shows that, for the next 1-4 years, there is no discernable risk for conflict within any of the target countries.

The Solomon Islands has been experiencing some socio-political instability since 2021, due to the decision to delay the elections to 2024.⁴⁰ However, while there have been several protests associated with this decision, overall there were no particular risks identified which might directly impact the project or its beneficiaries.

While the context and risk for conflict in the target four countries is low there are some potential conflicts that may be exacerbated by the project. These could include the following:

- **Resource Conflicts:** As the project involves adaptation investments in areas such as water supplies, sanitation, agriculture, natural resource management, and infrastructure, it could potentially exacerbate existing conflicts over resources. For instance, changes in the use or access to natural resources, such as water or land, could lead to disputes among local communities or between communities and local governments.
- **Inequality and Marginalization:** If the benefits of the project are not equitably distributed, it could exacerbate social inequalities and lead to conflict. This could occur if certain groups, such as women, indigenous peoples, or other vulnerable groups, are not adequately included in the project or do not receive their fair share of the project's benefits.
- **Cultural Conflicts:** The project could potentially lead to conflicts if it does not adequately respect and incorporate local cultures, traditions, and knowledge systems. This could occur if the project's interventions are perceived as undermining traditional ways of life or if they are not aligned with local values and beliefs.
- **Governance Conflicts:** The project could potentially exacerbate conflicts related to governance, particularly if there are disagreements or tensions between local communities and local governments regarding the management and use of climate funds, the selection of adaptation interventions, or the implementation of the project.

To mitigate these potential conflicts, the programme will adopt a conflict-sensitive approach, which involves understanding the local context, identifying potential sources of conflict, and designing and implementing sub-projects in a way that minimizes the risk of exacerbating these conflicts. This will involve measures such as inclusive decision-making processes, equitable benefit-sharing mechanisms, and respect for local cultures and traditions.

It is also worth noting that while the programme could potentially exacerbate certain conflicts, it also has the potential to contribute to conflict resolution and peacebuilding by promoting

⁴⁰ <https://islandsbusiness.com/news-break/solomon-islands-election-delayed-to-2024/>

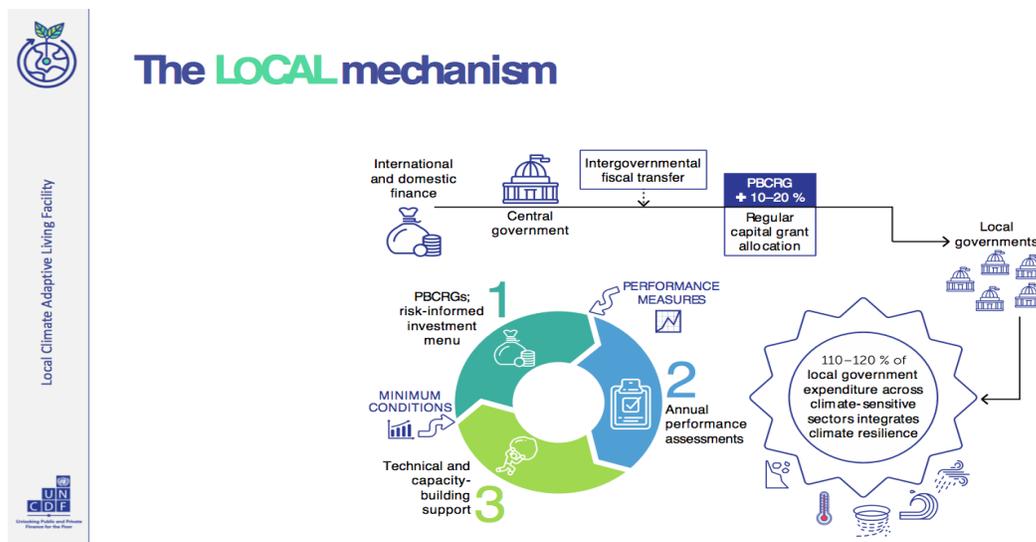
cooperation and dialogue among local stakeholders, enhancing local capacities for conflict management, and addressing some of the underlying causes of conflict, such as resource scarcity or social inequality.

3. LoCAL Programme

3.1. Programme Overview

Climate change magnifies socio-economic development challenges and compounds the negative impacts of unsustainable resource management practices in the Pacific Small Island Developing States (SIDS) of Tuvalu, the Solomon Islands, Fiji and Vanuatu. These SIDS are particularly vulnerable to climate change because of their high exposure to climate hazards such as sea level rise, tropical storms, coastal inundation and extreme weather events. While local government and communities are uniquely placed to address these challenges, local adaptive capacity is constrained by limited technical capacity and financial resources. However, local governments are also best placed to identify, prioritise and address climate change risks owing to their knowledge of local contexts and needs.

Figure 5: LoCAL Mechanism Operational Structure



The Local Climate Adaptive Living (LoCAL) Facility presents a unique mechanism to support this charter and drive adaptation efforts at the local level following the Green Climate Fund (GCF) EDA pilot, capitalising on the unique position of local governments in being able to identify and take action to address climate change risks within the local social, economic, environmental and institutional contexts. The programme will strengthen the climate resilience of local communities and economies by improving the capacity of communities and local governments to access and use financing for adaptation investments. The design and execution of a PBCRG mechanism will support small-scale grants for the implementation of the locally led adaptation interventions

selected from a menu of eligible adaptation investments. The establishment of a performance-based climate finance transfer mechanism (PBCRG) mechanism and targeted capacity developments will improve how climate funds are channelled to the local level and effectively programmed for locally led adaptation. Adaptation investments will allow vulnerable communities to adapt their water supplies and sanitation, introduce resilient agricultural and natural resource management practices, and climate-proof infrastructure, amongst others. Awareness raising, monitoring and evaluation will ensure achievement of the programme's adaptation objectives and demonstrate the programme's contributions to adaptation through PBCRG.

The Pacific Community (SPC) is the Accredited Entity (AE) and will manage the project as a regional Direct Access Entity (DAE), while also participating in implementation as an Executing Entities, together with UNCDF. The EEs will work in partnership with the Governments of Tuvalu, the Solomon Islands, Vanuatu and Fiji, and aim to expand their reach to 37 local governments by year 6. These governments will benefit from long lasting and improved access to climate adaptation finance and thus improved resilience to climate change impacts.

3.2. Summary of Activities

Below is a brief summary of the anticipated activities of the proposed project

Outcome 1: Local climate governance is strengthened and enables the systemic integration of appropriate local adaptation responses into local development processes.

- Output 1.1: The awareness and response capacities of local governments is strengthened and climate change adaptation is mainstreamed into local governments' planning and budgeting systems
 - Activity 1.1.1: Assessment of awareness and capacity-building needs of communities and local governments
 - Activity 1.1.2 Hold awareness raising events and workshops for local governments, stakeholders and communities
 - Activity 1.1.3 Development of a local communication and outreach strategy
- Output 1.2 Climate data availability and access are improved for risk informed local decision making:
 - Activity 1.2.1: Carry out Climate Risk, Vulnerability and Adaptation Assessments (CRVA) and prioritise investment options to inform climate-proofed local development plans.
 - Activity 1.2.2: Establishment of a Local Information System for Adaptation (LISA)
- Output 1.3. Capacities of local governments (LGs) to plan, budget, implement and monitor for effective locally led adaptation are enhanced
 - Activity 1.3.1: Strengthening LGs capacity for participatory and gender-sensitive adaptation planning.

- Activity 1.3.2 :Climate change mainstreaming into local development plans
- Activity 1.3.3: Risk-informed adaptation plans
- Activity 1.3.4 Establishment of management and monitoring capacities and systems for local adaptation investments.

Outcome 2: Access to climate finance at the local level is enhanced and increases the share of resilience building investments in priority sectors.

- Output 2.1: The PBCRG mechanism is established, and adaptation interventions are implemented in line with the mechanism.
 - Activity 2.1.1: ESS and ESMP capacity building and application for final categorisation and assessment of adaptation interventions
 - Activity 2.1.2: Transfer PBCRG allocations to target local governments
 - Activity 2.1.3 Adaptation investments are implemented
 - Activity 2.1.4 Undertake Annual Performance Assessments
- Output 2.2: The PBCRG system is progressively institutionalized and attracts additional finance for the further scale up of the Facility
 - Activity 2.2.1 Institutionalization of the PBCRG mechanisms in target countries for scale up.
 - Activity 2.2.2 Mobilize domestic and international, systemic and long-term financing.

From the above list of outputs and activities, the main E&S risks will be associated with the funded adaptation interventions as part of the PBCRG under output 2.1, specifically Activities 2.1.2 and 2.1.3. The ESMS has been designed to ensure E&S risks under the PBCRG mechanism are properly identified, mitigated and monitored. The next sections lay out SPC’s overarching E&S Policy and lay out the ESMS for the programme.

4. SPC’s Environmental and Social Policy for the LoCAL Programme

SPC’s Social and Environmental Responsibility Policy (SER Policy)⁴¹ provides the framework, including guiding principles, for SPC to ethically and sustainably manage social and environmental risks and impacts of all its activities. This will be done in an inclusive manner, so as to maximize whole-of-society benefits. The intent of this policy is to help SPC:

⁴¹ <https://www.spc.int/cces/environmental-sustainability#:~:text=The%20SER%20policy%20provides%20a,enhance%20social%20and%20environmental%20benefits>

- to promote and drive continuous improvement of SPC’s social and environmental performance by:
 - identifying, assessing and managing social and environmental risks, impacts or opportunities in all SPC activities and projects;
 - improving existing practices in the implementation of other relevant SPC policies.
- to strengthen the involvement of staff and all stakeholders’ in defining and implementing social and environmental performance standards; and
- to meet the International Finance Corporation’s Environmental and Social Performance Standards. This policy will be implemented through an SER action plan and integrated coherently with all other relevant SPC policies, including its human resources, financial, and monitoring and evaluation policies.

SPC is committed to improving its social and environmental responsibility along three pillars: people, operations and programmes.

- **People.** SPC is committed to providing its staff with a workplace that promotes diversity and inclusion, guarantees equal rights, and provides for a safe, healthy and dynamic working environment. SPC is committed to the prevention of abuse and to the well-being of members, children, vulnerable adults and their families.
- **Operations.** SPC is committed to being a responsible organisation in the fight against climate change and biodiversity loss and in the protection of the environment. SPC will endeavour to reduce its own environmental and carbon footprint with the ultimate goal of achieving carbon neutrality and zero waste. To this end, SPC will implement a robust in-house climate and environmental responsibility framework, and ensure that relevant policies are adapted to reflect this approach, including the greening of its procurement and travel policies.
- **Programmes.** SPC is committed to supporting programmes and projects to deliver activities that maximise social benefits and minimize environmental degradation. SPC aims to prevent or, where not possible, mitigate any significant or unjustified impacts on the environment, or negative social impacts, such as those that affect gender equality or human rights.

To this end, SPC has a robust environmental and social management system (ESMS) to screen and appraise its activities through a dynamic and continuous process supported by management. The ESMS includes tools, methodologies and guidelines that are applied in a consistent and supportive manner with SPC’s integrated programmatic approach. Overall, SPC is committed to achieving the following outcomes:

- All activities, programmes and projects are subject to a risk categorisation exercise through a screening process, which is operationalised through the SER action plan.
- Where risks are identified in the light of the SER screening process, activities, programmes and projects are assessed for the magnitude of potential social and environmental risks.
- Against these risks and potential impacts, social and environmental mitigation measures are proposed and included in the formulation of the project and its activities, and monitored throughout the life of the project.

- Staff are trained in the identification and assessment of social and environmental risks and impacts, as well as in the implementation of mitigation measures.
- Openness and transparency are maintained with affected communities or stakeholders who are engaged in the identification of risks and impacts and who can express their concerns through a grievance mechanism.

All of this is designed to be compliant with GCF's Environmental and social management system (adopted by decision B.BM-2021/18)⁴², the GCF's updated Gender policy (as per decision B.24/12)⁴³, and the GCF's Indigenous People's Policy (as per decision B19//11).⁴⁴ This comprises the following elements as they relate to the GCF:

- The GCF environmental and social policy;
- The GCF environmental and social safeguards (ESS) standards, including the relevant ESS standards;
- The ESMS manual containing the rules and procedures for the implementation of the ESMS;
- The guidance and tools, consisting of references and best practices, to guide the implementation of the ESMS;
- The stakeholder engagement consisting of guidance and related policies of GCF promoting multi-stakeholder engagement; and
- Related policies and practices of GCF relevant to, and complementing and supporting, the ESMS;
- Reaffirmation of the Fund's commitment to addressing Sexual Exploitation, Sexual Abuse, and Sexual Harassment in addition to environmental and social considerations in its funded activities;
- An approach to incorporating the circumstances of indigenous peoples into decision-making while working towards climate change mitigation and adaptation;
- Promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach; and
- Encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects.

As the AE, SPC shall undertake all necessary measures to ensure that activities are implemented in such a manner that:

- (i) Ensures that environmental and social management plans, and all measures to mitigate and manage environmental and social risks and impacts and to improve outcomes are implemented, monitored and continuously improved; and

⁴² <https://www.greenclimate.fund/document/revise-environmental-and-social-policy#:~:text=Revised%20environmental%20and%20social%20policy%20Adopted%20by%20decision,environmental%20and%20social%20considerations%20in%20its%20funded%20activities.>

⁴³ <https://www.greenclimate.fund/document/gender-policy>

⁴⁴ <https://www.greenclimate.fund/document/indigenous-peoples-policy>

- (ii) Ensures that 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.

In relation to environmental safeguards, SPC as the AE will:

- 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;
- 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 (all of these will be reflected in the agreements with the executing entities);
- undertake all necessary measures to ensure that the communities affected or potentially affected by the activities (including vulnerable populations, local communities, groups and individuals including women, children, people with disabilities, people marginalized by virtue of their sexual orientation and gender identity, indigenous peoples and other marginalized groups of people 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 entity 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 Policies of GCF and SPC.

As outlined in Section 2, there are varying degrees of robustness in terms of each country's E&S standards/regulations with Fiji and Solomon Islands having the greatest alignment with SPC and GCF's standards followed by Vanuatu and Tuvalu:

- **Tuvalu:** In terms of the SPC's E&S standards, Tuvalu's national policies may have gaps in areas such as environmental impact assessment (EIA) and stakeholder engagement. The SPC's ESMF requires PICTs to carry out EIAs for projects that may have significant environmental and social impacts, and to engage with stakeholders throughout the project cycle. It is unclear if Tuvalu's national policies fully incorporate these requirements. Regarding the GCF's E&S safeguards, Tuvalu's national policies may also have gaps in areas such as gender equality and indigenous peoples' rights. The GCF's E&S safeguards require projects to promote gender equality and the full and effective participation of indigenous peoples and local communities in project design and implementation. It is unclear if Tuvalu's national policies fully incorporate these requirements. Overall, it is

important to note that Tuvalu is a small island nation with limited resources and capacity, and developing and implementing comprehensive E&S policies can be challenging. Therefore, through this programme under Activity 2.1.1 Tuvalu will receive support and assistance to implement environmental and social safeguards inline with GCF and SPC's standards

- **Vanuatu:** Vanuatu's national policies appear to be aligned with the SPC's guidelines for the management of environmental and social risks in its projects and activities. Vanuatu has a number of laws and policies in place for environmental protection, including the EIA Act, the Environment Protection and Conservation Act, and the Forestry Act. These laws and policies provide a legal and institutional framework for environmental management in Vanuatu. In terms of the GCF's E&S safeguards, Vanuatu's national policies may have some gaps in areas such as gender equality. The GCF's E&S safeguards require projects to promote gender equality and the full and effective participation of local communities in project design and implementation. While Vanuatu has laws and policies in place to protect the rights of all peoples, there may be room for improvement in terms of their participation in project design and implementation. Overall, Vanuatu appears to have a relatively strong legal and institutional framework for environmental and social safeguards. However, as with any country, there may be areas for improvement in the implementation and enforcement of these policies, as well as alignment with international standards and best practices. This programme will provide support to Vanuatu at the local government level to enhance capacity and mainstream robust ESS practices in to local level interventions.
- **Solomon Islands:** Solomon Islands' national policies align well with both SPC and GCF's E&S standards with laws and policies in place to protect the rights of indigenous peoples and promote gender equality, there may be room for improvement in terms of their participation in project design and implementation. The Solomon Islands also has laws and policies in place to protect natural resources and biodiversity. Overall, Solomon Islands have a relatively strong legal and institutional framework for environmental and social safeguards. However, as with any country, there may be areas for improvement in the implementation and enforcement of these policies, as well as training needed to ensure alignment with international standards and best practices. This programme will provide the additional support required to enhance capacity in this area.
- **Fiji:** Fiji's national policies align well with the SPC's guidelines for the management of environmental and social risks in its projects and activities. Fiji's policies promote gender equality and the full and effective participation of indigenous peoples and local communities in project design and implementation. In addition, Fiji has policies and regulations in place to protect the rights of indigenous peoples and promote their participation in decision-making processes. In terms of the GCF's E&S safeguards, Fiji's national policies also align well with the GCF's requirements. Fiji's policies promote climate resilience and the protection of natural habitats, particularly in areas of high biodiversity. Overall, Fiji appears to have a strong legal and institutional framework for environmental and social safeguards but may lack some capacity to implement these robustly. The Programme will support this through relevant capacity building and institutional strengthening.

5. Screening and Categorization of Risks

5.1. LoCAL Programme

This section applies to the overall risk categorization and alignment of programme components with the IFC’s performance standards. The category of overall project risk is according to the table below:

- 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.

Table 1: Risk Categorization by Outcome

Component/Outcome	Risk Categorization
<p>Outcome 1: Local climate governance is strengthened and enables the systemic integration of appropriate local adaptation responses into local development processes</p>	<p>Outcome 1 Is focused on the implementation of strategic assessments, technical capacity development, training, and preparatory frameworks and documentation so that the national government partners are able to administer the PBCRG.</p> <p>The outputs and activities under this outcome focus on capacity building and training, awareness building as well as studies, plans and strategies. Based on the type of activities planned under this outcome little to no adverse Environmental and Social impacts are expected to result from this components’ activities.</p> <p>There may be a slight risk in terms of ensuring equitable access to training and capacity support and to ensure women are included as part of any strategic planning or awareness raising. This will be mitigated through the implementation of a robust gender action plan (GAP) included in Annex 8.</p> <p>Overall, the Outcome is assessed to be low risk or Category C.</p>
<p>Outcome 2: Access to climate finance at the local level is enhanced and increases the share of resilience building</p>	<p>Outcome 2 focuses on the launch and implementation of the PBCRG mechanism as well as institutionalizing the PBCRG which is designed to attract additional finance for the further scale -up of local level adaptation interventions.</p>

investments in priority sectors	<p>All adaptation investments will need to go through a screening process in accordance with the programme’s overarching ESMP, and will be required to complete a corresponding E&S Management and Monitoring Plan (ESMMP) for each intervention. Details on the process for each investment is provided as part of the programme’s ESMP (section 6 below).</p> <p>The PBCRG mechanism will fund only Category C or B investments and any intervention included in the exclusion list (see Appendix 1) will not be funded. As such, Outcome 2 is assessed to be medium risk or Category B overall.</p>
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Given the PBCRG mechanism includes funding for Category B adaptation investments, the entire programme has been assessed as a Category B programme. As such, proposed investments will undertake a screening and categorization process which will provide a classification of potential risk for each investment. The categorization will determine the level of E&S requirements to be performed as follows:

- All **Category B** transactions will require an Environmental and Social Impact Assessment (ESIA) which also includes an Environmental and Social Management and Monitoring Plan (ESMMP) for managing identified risks. Screening will occur at the local level and will be reviewed and cleared by the programme’s Gender and Environmental Social Safeguard Officer (GESS) prepared by the project developer to ensure the screening meets the host country’s requirements and the applicable IFC PSs (see Appendix 2 for screening tool that will supplement existing national tools as required). If deemed necessary by the GESS Officer or the corresponding national government entity, grantees will also be required to develop a biodiversity action plan following the IFC Guidance Note 6 (IFC, 2012b) and industry relevant standards⁴⁵.

All proposed transactions with a **Category C** classification would be required to comply with host country legislative and regulatory requirements as well as SPC and the GCF’s ESS policies. The investments will be monitored throughout their life to determine whether the risks remain low or whether some additional assessment is required. To establish best practices, they will also be required to develop a site-specific assessment as necessary.

Due to the exhaustive nature of the programme’s potential “menu” of investment options, it is not feasible at this stage to assess the unique environmental risks posed by any potential investments under Outcome 2. All potential investments will undergo a comprehensive, multi-stage E&S screening process which requires interested investees to develop mitigation plans for any potential E&S risks, as well as tailored, individual monitoring plans.

⁴⁵ Should the target country already apply an ESS tool at subnational level, this tool shall be the preferred one inasmuch as it complies with international standards, in particular IFC PSs.

There are certain social and environmental risks, however, which can be anticipated (at an initial level) at this stage. An indicative list of potential impacts/risks and some general mitigation strategies are included in Table 2 below – though please note that each sub-investment will incorporate additional risks and mitigation measures depending on the sub-project context

Table 2: Indicative Social and Environmental Risks with Possible Mitigation Measure

Social Risks/Impacts	Possible Mitigation Measures
<p>Working conditions – Although planned interventions are not significant in scale or likely to require specialised equipment that is unusual to construction, some activities (infrastructure improvements or new infrastructure) under Outcome 2 may generate potential risk of injuries or health complications during construction work. Occupation health and safety concerns may be an issue for some projects under Outcome 2.</p> <p>Working under close quarters and inside offices in projects may increase the risk of infection by the COVID 19 virus.</p> <p>There is a risk that children under the legal working age in each of the target countries are employed by third party service providers. However, the work entailed under the programme is not classified as dangerous work and therefore this risk is not deemed high.</p>	<p>The programme will ensure that stakeholders and involved partners are not exposed to any health and safety risks. This will be further assessed and evaluated during the E&S screening process (See Annex 1). All contracting and labour conducted under the project will comply with national legislation, as well as the ILO’s provisions for safe and decent working conditions including laws mitigating unhealthy or unsafe working conditions and forced or child labour.</p> <p>The project will ensure adequate health and safety requirements are set out and adhered to during each step of the activity’s implementation, and in particular for infrastructure-related work under Component 2. Safety equipment, if needed, will be procured.</p> <p>Remedial actions include: provide workers with personal protective equipment, ensure adequate training, abide by relevant laws, and have emergency plans.</p> <p>All project employees will abide by government endorsed COVID 19 safety measures, wear protective equipment (masks etc), and maintain social distancing in the office space in accordance with government regulations present at the time. The project coordinator will closely monitor the COVID 19 situation in country and amend COVID 19 operating procedures accordingly, in compliance with government regulations.</p> <p>Through the project, the AE will pass down its recruitment policy that is compliant with GCF and ILO standards through its Subsidiary Grant Agreement with the EE. As such the EE will be legally bound to ensure that no contracts are provided to service providers that are not compliant with GCF or ILO standards. This will be monitored by the Procurement Officer within the PMU through the procurement process.</p>

<p>Cultural heritage and indigenous identity – Under some unlikely circumstances, some activities such as building new climate-resilient infrastructure, if not conducted properly and without significant enough stakeholder engagement, could negatively affect cultural heritage sites or impact indigenous people’s identity.</p>	<p>Sub-project activities will be community led and driven through direct investments. By incorporating significant and iterative stakeholder engagement for climate-resilient infrastructure design and implementation, the programme will be able to mitigate any risks of damaging cultural heritage and will work to support traditional cultural practices. By carrying out ESS screening and ESIA’s in conjunction with stakeholder engagement cultural sites and sites of importance to indigenous peoples should be identified in a timely manner. If it is assessed there could be a risk to indigenous communities’ identity or way of life, then GCF FPIC procedures will be employed.</p>
<p>Gender mainstreaming – The project will be an entry point for gender inclusivity and will have positive impacts on women and girls.</p>	<p>Women in Vanuatu share a disproportionate burden of responsibilities when it comes to household management of resources, and are disproportionately and uniquely impacted by the effects of climate change. Not only will the programme work to directly address these inequalities and meet women’s unique needs, it will also provide additional livelihoods opportunities by directly engaging them in project implementation, and through direct investment under Component 2. The risk of domestic violence will be eliminated and addressed by offering gender-specific (non-mixed) training workshops where deemed necessary.</p>
<p>Sexual Exploitation, Abuse and Harassment (SEAH) - Project staff, consultants, facilitators and service providers will be required to stay in or near communities for prolonged training sessions or technical assistance. This can place them in a position of relative power with regards to the distribution of project inputs and increases the risk of committing SEAH breaches or even Gender Based Violence (GBV) offences. In addition to this, community members may not be aware of the SEAH policies that project related employees or contractors are obliged to follow, or Grievance Redress Mechanisms (GRM) that are available to them.</p>	<p>All staff conducting training and activities directly with communities will be trained on the Prevention of SEAH principles and Standards as in alignment with GCF policies. In addition to this, the ESS Officer will build SEAH protocols into the GRM processes and provide trainings to staff and investees. They will then pass this down to trainings at community levels. Whilst the risk of SEAH is deemed to be low due to the trainings and policies imposed on the project, the GESS Officer will ensure that all communities engaged are made aware of the GRM systems presented in section 7 below. The project will post a multi-level GRM mechanisms and include a specific SEAH protocol to ensure a survivor centred approach is in place. This will allow for survivors to select multiple avenues to file a grievance. Varied options for grievance redress enhances confidence in the survivor to come forward and log a formal complaint and be assured that the perpetrator should not be involved in a specific GRM process as well as ensuring them of protection and confidentiality.</p>
<p>Management of Environmental and Social Risks</p>	<p>The current list of potential areas for adaptation investments are indicative. However, to ensure E&S impacts, risks and opportunities of</p>

<p>There is a risk of not ensuring E&S impacts, risks and opportunities of investments are identified and mitigated at the sub-project level</p>	<p>investments are identified, each investment will undertake individual E&S risk screenings (section 5.2 further details this process). Category B investments will develop individual E&S Management and Monitoring Plan (ESMMP) to ensure proper management of any identified environmental and social risks. All investments will require extensive community engagement.</p> <p>Activity 2.1.1 of the programme is dedicated to ESS and ESMP capacity building to support applications in their categorization and assessment of risk for adaptation interventions as well as how to monitor and implement E&S risks throughout the lifetime of an intervention.</p>
<p>Water Pollution Activities related to water supply and sanitation, as well as certain agricultural practices, could potentially lead to water pollution if not properly managed.</p>	<p>For certain sub-project this could be flagged as a risk and could be mitigated by implementing best practices for waste management, using environmentally friendly materials and technologies, and regularly monitoring water quality.</p>
<p>Soil and Land Pollution: Infrastructure development and certain agricultural practices could potentially lead to soil and land pollution.</p>	<p>For certain sub-projects this could be flagged as a risk and could be mitigated by implementing best practices for waste management, promoting organic and sustainable farming practices, and conducting regular soil health assessments.</p>
<p>Unintended Ecosystem Disruption: Even well-intentioned conservation efforts can sometimes have unintended negative impacts on local ecosystems, such as disrupting food chains or altering habitats.</p>	<p>For certain sub-projects this could be flagged as a risk and mitigation strategies could include conducting thorough ecological assessments before implementing any conservation measures, and closely monitoring the effects of these measures to ensure they are having the intended positive impact.</p>
<p>Potential Damage during Restoration Activities: Restoration activities, while intended to repair damaged ecosystems, can sometimes cause further damage if not carried out carefully.</p>	<p>For certain sub-projects, this could be flagged as an environmental risk. Mitigation strategies could include using low-impact techniques, conducting restoration activities during periods of the year when they are least likely to disrupt wildlife, and monitoring the effects of restoration activities to ensure they are beneficial.</p>

While the risks outlined in table 2 are present, it is important to note that the PBCRG mechanism's focus on community-based and locally led initiatives is a key strength, as it ensures that those who are most familiar with the local environment and most affected by its condition are directly involved in its protection and management.

A screening assessment of the anticipated environmental and social risks associated with the project for the overall LoCAL Programme against the IFC’s performance standards is included in table 3 below. Additional screening assessments will be required for all adaptation investments under the PBCRG, this is further detailed in section 5.2.

Table 3:LoCAL Project Screening Against IFC Performance Standards

IFC Performance Standards	Programme Risk Assessment	Likelihood/ Consequence
<p>Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts</p>	<p>The current list of potential areas for adaptation investments are indicative. However to ensure E&S impacts, risks and opportunities of investments are identified, each investment will undertake individual E&S risk screenings (section 5.2 further details this process). Category B investments will develop individual E&S Management and Monitoring Plan (ESMMP) to ensure proper management of any identified environmental and social risks. All investments will require extensive community engagement.</p> <p>Activity 2.1.1 of the programme is dedicated to ESS and ESMP capacity building to support applications in their categorization and assessment of risk for adaptation interventions as well as how to monitor and implement E&S risks throughout the lifetime of an intervention.</p> <p>Overall, with the attention and resources embedded to ensure each investment is screened and monitored properly, the overall likelihood of risks against PS1 is low.</p>	<p>Low/Medium</p>
<p>Performance Standard 2: Labor and Working Conditions</p>	<p>Occupational health and safety concerns are low outside of Output 2.1 of the programme. All contracts with staff, consultants or contractors outside of the PBCRG will be conducted through UNCDF’s procurement and contracting procedures which are inline with ILO guidance.</p> <p>The programme is committed to environmental and social risk management and performance, starting with its own operations. All employees will be guided by the project’s internal E&S and Human Resource policies, which will be adopted during the inception phase from SPC, and are in line with IFC PS2. As an AE, SPC’s internal labor and human resource policies are in line with both the GCF’s requirements for Category B projects, as well as the IFC’s PS’s. These internal policies ensure that staff are treated fairly, provided with safe working conditions, and practice environmental protection according to host-country laws.</p>	<p>Low/Medium</p>

	In terms of Output 2.1, screening under PS2 will take place to assess and evaluate this risk under each adaptation investment through the PBCRG.	
Performance Standard 3: Resource Efficiency and Pollution Prevention	<p>The envisioned adaptation investments will focus on improving resource efficiency and adaptation through the provision of technical assistance and financing for investments in relation to, e.g. water resources management, agriculture and coastal fishery development and food security, cyclone protection and risk reduction, community-based natural resource management and coastal protection.</p> <p>Each investment will be screened for risk in accordance with the template provided in Appendix 2, and only Category B and C projects will be selected. Each will be required to develop an ESMMP to ensure any potential impacts of pollution to air, water, and land, as well as social issues such as noise pollution, are identified and mitigated.</p>	Low/Low
Performance Standard 4: Community Health, Safety, and Security	<p>The programme will work to provide direct fiscal transfers from national to local government levels with the ultimate goal of directly increasing flows of climate finance resources straight to local levels to enable targeted resilience investments in priority sectors identified by local planning actions.</p> <p>While there are some risks that programme activities are not designed and implemented to optimally respond to specific local vulnerabilities resulting in exacerbated impacts over time, the safeguards in place and screening of investments will ensure avoiding or minimizing any risks and impacts to community health, safety, and security.</p>	Low/Low
Performance Standard 5: Land Acquisition and Involuntary Resettlement	<p>There will be no involuntary resettlement under this programme (please see Appendix 1 Exclusion list).</p> <p>Mechanisms and stakeholder engagement processes will be in place to ensure unidentified investments do not result in any involuntary resettlement.</p>	None
Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	The PBCRG mechanism includes financing in the area of Community-based Natural Resource Management and Coastal Protection. This includes funding conserving ecosystems and the local environment to protect valuable development assets; safeguarding and restoring critical ecosystems; and developing plans for sustainable natural resource management relating to reef and coastal fisheries and maintaining island vegetation. As such, the overall potential for adverse impact on biodiversity and conservation of living natural resources is ultimately quite low.	Low/Low

	Nonetheless, the PBCRG will include screening under PS6 to assess and evaluate this risk under each adaptation investment. If needed for a particular sub-project, an indicative outline of a biodiversity action plan (BAP) is included in Appendix 10.	
Performance Standard 7: Indigenous Peoples	<p>Each of the four target countries is composed of several distinct indigenous cultural groups with a collective attachment to geographical distinct habitats or ancestral territories, and each has a strong tradition of local and indigenous-led solutions to various problems.</p> <p>The programme is specifically designed to support local communities and provide funds directly to the most vulnerable. For the adaptation investments any investment that targets Indigenous Peoples will include a process for Informed Participation through an FPIC process centered on mitigation measures, sharing of developmental benefits and opportunities and implementation issues as outlined in PS7. As in PS5, the PBCRG will not support any land acquisition or involuntary resettlement.</p>	Low/Low
Performance Standard 8: Cultural Heritage	The trainings and capacity building activities under outcome 1 will not have any adverse risks for cultural heritage. To the extent that the additional empowerment activities The PBCRG mechanism will screen to ensure cultural heritage is protected and no investment that will affect cultural heritage will be funded (see exclusionary criteria Appendix 1)	None
Sexual Exploitation Abuse or Harassment (SEAH)	While there is risk of SEAH within the context of the programme, it is deemed to be low. To mitigate any risk in this area the programme will include specific provisions for SEAH in its overall grievance mechanism (see section 7 below) and will ensure targeted women-only training to provide safe spaces for women to engage during implementation. The programme will also ensure that all staff, consultants, contractors, and oversight bodies will undertake mandatory SEAH training. These provisions have also been integrated into the Gender Action Plan (GAP – see Annex 4).	Low/Medium

5.2. Additional Screening for Outcome 2: PBCRG

Throughout the overall LoCAL mechanism ESS-related considerations will be embedded into: 1. Risk-informed adaptation plans⁴⁶ (based on climate risk assessments and on the Assessing Climate Change Adaptation Framework (ACCAF) which take into account ESS related issues); 2. Annual

⁴⁶ Please see FP Annexes 23 a, b, c, and d

Performance Assessments (with ESS and gender-specific indicators and measures); and 3. Technical and capacity building support as needed for both local governments, as well as grantees and other stakeholders (Activity 2.1.1).

The investments under the PBCRG mechanism will require additional screening and ESS provisions. Section 6 details the Environmental and Social Management Plan (ESMP) for the overall programme with the details of the ESS screening process of the PBCRG mechanism detailed in Section 6. In the context of the PBCRG, the investments are referred to as “sub-projects” which refer to specific, smaller-scale initiatives or activities designed to provide climate resilience additionality to wider grant funded projects. These sub-projects will be designed to contribute towards the overall objectives of the main programme, but they have their own specific goals, activities, timelines, and budgets set on climate resilience

Under activities 2.1.2 and 2.1.3 allocations to target local governments will be conducted and adaptation investments implemented. The PBCRG investments will be implemented according to Annual Investment Plans (AIPs) developed from local governments under Outcome 1, in particular Output 1.3. Local investments will be in alignment with a pre-defined national level investment menus previously identified in consultation with relevant national and sub-national stakeholders and in line with science-based evidence of climate risks, taking into account local governments’ mandates as well as NDC and/or NAP priority areas. Investment menus are presented in the respective country design notes. A national LoCAL committee for each country will be formed and will ensure that all prioritized investments are in alignment with the investment menus and do not include non-eligible activities. The investment plans will include potential sub-projects that can apply for grant funding from LoCAL. It provides an indicative pipeline for applications under the PBCRG investment window. As such the AIPs themselves will not be screened as they are only an indicative investment pipeline. Rather, it is the proposals to the PBCRG mechanism themselves, which would follow the screening to determine if the proposal will receive GCF funding through the PBCRG as part of the EDA mechanism.

The priority areas of intervention of eligible adaptation investments for the four countries can be clustered as follows, in line with their NDC priority sectors and contributing to all GCF adaptation results areas:

- Community-based Natural Resource Management and Coastal Protection
- Water Resources Management
- Agriculture and Coastal Fishery development and Food Security
- Cyclone protection and risk reduction

At the programme level, the main E&S risks concern the potential adverse environmental and/or social consequences of the activities carried out locally through the investments. Risks will be reported on and monitored through Annual Performance Assessments (activity 2.1.4).

6. Environmental and Social Management System (ESMS)

6.1. Purpose and Applicability

LoCAL is committed to environmental and social risk management and performance, starting with its own operations. LoCAL funded project staff will be guided by this ESMS, as well as SPC and UNCDF SER policy which has been developed in line with the IFC's Performance Standards (PSs). This will ensure that LoCAL staff are treated fairly, provided with safe working conditions, and practice environmental protection according to host-country laws.

This ESMS comprises a set of procedures that will be followed to ensure that all programme activities and investments under the performance-based climate resilience financing mechanism (PBCRG) are aligned with SPC's SER Policy and GCF ESS requirements. This includes a process for screening of potential investments against the Exclusion List (Appendix 1) prior to a Go/No Go decision (Appendix 4), to ensure that no investment is made with excluded activities.

The screening process permits the provisional categorization of proposed projects into high, medium and low risk (Category A, B or C respectively) investment and that then determines the level of E&S due diligence required and the actions to be taken to minimize potential impacts. All investments financed by the PBCRG shall comply with host country regulatory requirements, SPC's SER policy, and the GCF's E&S safeguard policies, which will be confirmed during a Go/No Go decision meeting. **No high risk, Category A, screened investments will be funded.** Within this ESMS are provisions and templates (where applicable) tailored to each of the components covered in the following section 6.2.

6.2. Scope and Coverage

Phase 1: Assessment (during Y1)

Gap and Vulnerability Assessments

Per activity 1.2.1. in the FP, at the onset of the programme, LoCAL will support local governments (LG) to conduct local government level Climate Risk and Vulnerability Assessments (CRVA) to identify the country's priorities. This process will support the identification of the adaptation options for each LG. Options will be narrowed down to address local needs, based on the list of nationally approved measures as described in the investment menus.

Communications Strategy

In order to ensure that all interventions are tailored to meet the needs of the target communities and to reach as many potential investments as possible, LoCAL will develop a tailored communications strategy, to be implemented under the leadership of the local governments and take into consideration already established communication channels relevant to climate change impacts such as established disaster management agencies, community-based organisations, and community platforms that can function as communication multipliers.

The communications strategy will incorporate awareness pertaining to E&S requirements for investments and foster support among key stakeholders and local communities. The communications strategy will ensure target populations are aware of the programme's multi-level Grievance Redress Mechanism (GRM), so any community member can submit and access the GRM as/if needed throughout LoCAL's life cycle.

Phase 2: PBCRG Deployment (Y2 – beyond programme close)

This section applies to the early E&S screening of potential adaptation investments and approval to proceed with funding as an outcome for early Go/No Go decisions. This process includes exclusion list screening, initial risk identification, potential E&S issues, assignment of applicable IFC PSs, assignment of provisional E&S categorization and communication of findings to the National PMU

Tendering

Any proposed sub-projects and investments will be required to submit a detailed investment proposal with extensive baseline and secondary data, as well as potential indicators and viability. This will include an analysis of the local context, including the potential conflict risks associated with the specific adaptation measure

Initial Screening

Proposed investments will be screened against SPC's E&S Policy and an exclusion list (see Appendix 1) at the earliest point of engagement to determine if the intervention is acceptable. This includes screening against all IFC PSs to assess their applicability and level of risk. If any proposed investment involves an excluded activity, or if the investment is not in compliance with the E&S Policy, then the project will not be considered; as articulated above, no Category A projects will be funded.

For interventions screened as Category B, the programme GESS Officer will review and determine the level of due diligence needed. Appendix 2 provides an indicative review checklist that the GESS Officer will utilize.

Due Diligence

After the initial screening, interventions deemed low-risk or Category C, will be reviewed by the each country's field officer, while Category B interventions will need to be reviewed and cleared by the programme's GESS officer. The interventions will undergo administrative specific E&S due diligence (as applicable)⁴⁷:

⁴⁷ For example, there may be interventions that are baseline studies or that support policy development – for these types of activities project-site visits and ESMPs as an example would not be applicable

- Identify and assess potential E&S risks and/or impacts, both adverse and beneficial, associated with a proposed intervention (see Appendix 3);
- Visit the project site, area of influence, associated facilities and interview the project affected persons;
- Prepare, or ensure that the project proponent / investee has prepared, an ESIA and ESMMP in relation to the requirements of the IFC's PSs; Proponents will be provided with the necessary capacity building services to prepare ESIA and ESMMPs in relation to the requirements of the IFC PSs with support from LoCAL technical experts or, if needed, external consultants (under Activity 2.1.1)
- Identify actions/information required to address E&S compliance during the due diligence phase;
- Identify actions/information to be addressed in contract legal documentation;
- Prepare, as needed, an ESAP that contains specific tasks designed to close observed gaps in the ESIA;
- Brief the National Technical Committees, GESS Officer, and Regional PMU on material E&S risks and opportunities.

Due Diligence Assessment: An E&S due diligence assessment (see Appendix 5) will be prepared to describe project risks under the IFC PSs and to identify opportunities to improve performance against these standards; all PSs will be assessed with regard to risk potential. This will include an analysis of potential conflict.

Third-Party Consultants: If needed, LoCAL may engage one or more third-party consultants to assist in E&S due diligence.

Funding Agreement

Once the investment has been identified and selected for PBCRG funding by the target LGs, the GESS Officer will liaise on all Category B interventions to ensure that any formal ESMMP or ESIA requirements are included in the project investment files. LoCAL will support target LGs integrate GESS provisions and conditions in the selected project files. The project files will also contain project-specific reporting requirements as well, building on the ACCAF tracker.

ESMP

All **Category B** transactions require an ESIA which also includes an Environmental and Social Management and Monitoring Plan (ESMMP) for managing identified risks. prepared by the project developer or by a qualified consultant. These will be reviewed and cleared by the GESS officer.

All proposed transactions with a **Category C** classification are required to comply with host country legislative and regulatory requirements as well as SPC and the GCF's ESS policies and will be cleared by the National PMUs and shall be subject to annual performance assessment. The results of the latter are cleared by the National Steering Committees. The investments will be

monitored throughout their life to determine whether the risks remain low or whether some additional assessment is required. Where needed, site-specific assessments will be conducted.

Phase 3⁴⁸: Compliance Through Technical Assistance, Capacity Building, and Disclosure (ongoing throughout the programme life cycle)

Technical Assistance (TA) and Capacity Building

In order to ensure that investees are able to meet these requirements and that each government is able to effectively monitor and oversee the implementation, technical capacity building and support will be provided, tailored to the needs of the government per the nature and requirements of each individual project. The types of capacity building are twofold:

- To Local governments in financial and project management, E&S management and identification, gender-responsive planning, and SEAH risks.⁴⁹
- To local authorities and communities with technical assistance and capacity building on an on-going basis to improve their response to climate change adaptation challenges.

In both instances, capacity building and technical assistance will be demand-driven and tailored to specifically address the identified needs of each recipient. The technical assistance for E&S safeguard compliance and implementation is embedded in Activity 2.1.

Monitoring and Evaluation

At the LoCAL investment-level, Category B investments will be screened based on IFC PSs and monitored by the regional PMU with support from a GESS Officer. Category C investments will be monitored by the field officers in each respective country.

Per SPC's E&S screening policies, the overall programme results shall be monitored by SPC to verify if the programme is effectively implemented as approved. Results and outcomes as a result of the programme are stipulated in SPC's PEARL policy (see Appendix 8). The PEARL policy provides a framework for MEL. It is managed by the Project Monitoring, Evaluation and Learning Officer (and overseen by the PMU more broadly) who will support the EEs and LGs in monitoring, evaluation and learning activities. Monitoring will enable the EEs and LGs to respond to unexpected events during the implementation phases as well as to build trust and respond to stakeholders and affected communities. The scope, robustness, frequency of monitoring and reporting will vary depending on the type of activities and the significance of risks/impacts identified through the screening process and, eventually, assessed before project approval. In addition, monitoring requirements will take into consideration the circumstances in which the project takes place and is implemented.

⁴⁸ Phase 2 and Phase 3 may be simultaneous – subject to the needs and requirements of each investee/project.

⁴⁹ Per the FP, All training provided will be based on the initial identification of gaps under Activity 1.1.1. and the annual assessment of performance measures for each LG (Activity 2.1.4).

Along with regular monitoring reports, updated ESMPs will be submitted annually and certified by the MEL Officer and LGs with support as needed to ensure identified risks have been mitigated and that the ESMP is being followed appropriately. APRs, MTRs and end of project closure reports will include updated information on E&S risks identified through monitoring plan laid out in Table 4, and this information will be reported to SPC and the GCF.

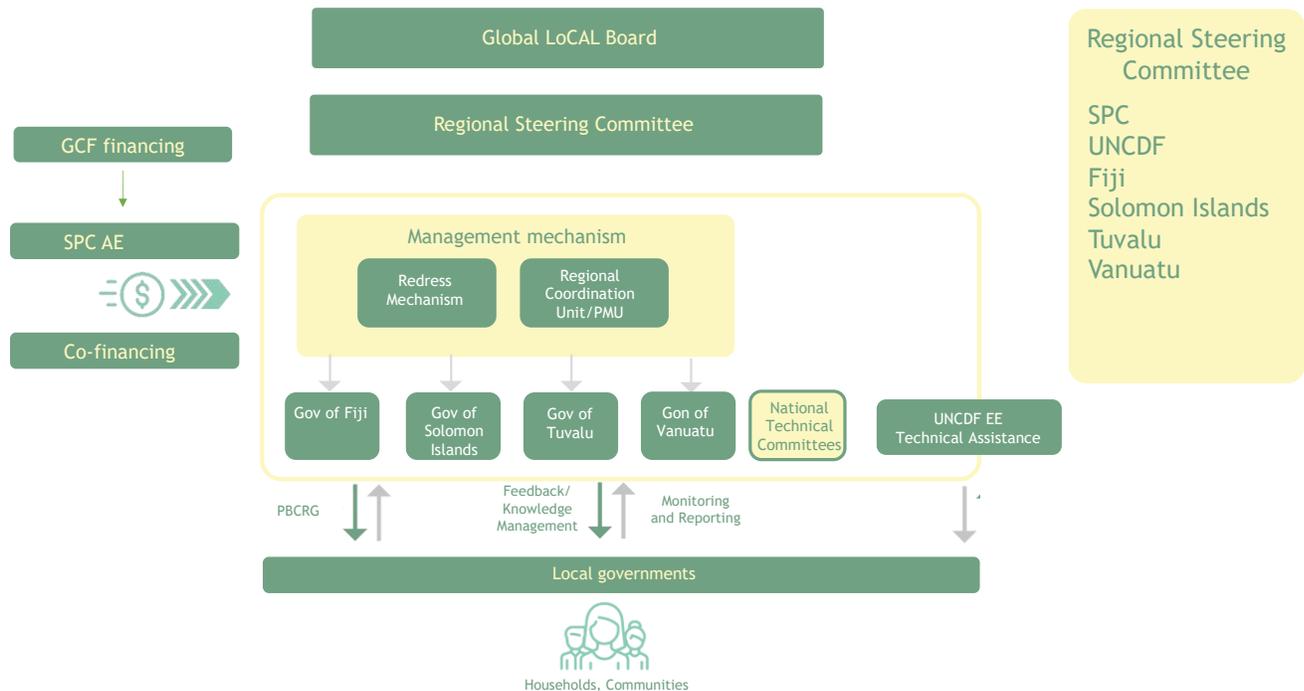
Disclosure

In compliance with Section 15.2 of SPC's Social and Environmental Responsibility Policy and GCF's Information Disclosure Policies. In the case of Category B subprojects, the ESIA and an ESMP will be disclosed at least 30 days in advance of the approving authority's decision. The safeguard reports will be available in both English and the local language (if not English). The reports will be submitted to GCF and made available to GCF via electronic links in both the AE and the GCF's website as well as in locations convenient to affected peoples in consonance with requirements of GCF Information Disclosure Policy and Section 7.1 of (Information Disclosure) of GCF Environmental and Social Policy.

6.3. Institutional Framework: Implementation Roles and Responsibilities

Figure 3 below provides an overview of the programme structure. The roles and responsibilities for the various entities involved in the programme as related to E&S safeguards are detailed below.

Figure 6: LoCAL Programme Structure



The various entities involved in the programme are all responsible for ensuring compliance with national, SPC and GCF E&S safeguards as well as SPC and GCF’s SEAH policies. However, each entity also has a unique and complementary role and responsibilities as summarized below.

- Regional Programme Steering Committee:** A Regional Programme Steering Committee (RPSC) will be formally established as a part of the inception workshop for the programme and will be co-chaired by SPC and UNCDF. The RPSC will include representatives from the NDAs, the four governments and relevant CSO’s. The Project Manager, will be included in the RPSC as observer.

The Regional PMU will act as the Secretariat for the RPSC. The RPSC will provide implementation guidance, strategic support and financial and procedural oversight to the project. Specifically, the RPSC will:

- provide strategic guidance and implementation oversight of the Programme through review of progress and evaluation reports and provision of recommendations to the PMU for improved implementation;
- provide guidance and direction on cross-cutting issues which require consensus from the various stakeholders involved in the Programme;
- ensure that institutional strengthening through the activities is consistent with the Programme’s overall objective as well as national policies and strategies;
- facilitate full cooperation of various stakeholders under their jurisdictions to provide access and support to the Programme team in carrying out their tasks;

- represent the interests of civil society and communities derived through NDAs bilateral dialogues;
- approve the project's administrative, financial, accounting and operations manual;
- approve the project's Annual Work Program and Budgets (AWPB); and,
- ensure complementarity with other GCF-funded projects in the country

The RPSC will act in accordance with best practices and standards for governing bodies and ensure that the PMU delivers expected results with best value for money, fairness, integrity, transparency and effectiveness. The RPSC will meet at least annually, as well as maintain regular contact with the AE, EE and PMU as needed on an ad hoc basis.

- **LoCAL National Steering Committees:** A LoCAL national steering committee will be established in each country (activity 2.2.1 in the FP) to provide day-to-day guidance and support to local governments and subnational stakeholders on the implementation. The principal functions of National Steering Committees will be to provide policy direction, programme funding approval and overall programme performance monitoring to the LoCAL Programme. This includes monitoring of E&S risks, in line with the LoCAL standard. The composition of these committees is presented below:
 - **Fiji** - LoCAL Steering Committee - Ministry of Rural and Maritime Development and Disaster Management (Chair - MRDM), Ministry of iTaukei Affairs (MoIA), Ministry of Finance (MoE), Climate Change Department (NDA), line ministries, representatives from the provincial government councils, divisional boards, district commissioner, development partners contributing to the LoCAL, Office of the Auditor General, and other invited partners.
 - **Solomon Islands** - Joint Oversight Committee of the PCDF: Permanent Secretary of the MPGIS (Chair), Ministry of Finance and Treasury (MoFT), Ministry of Provincial Government and Institutional Strengthening (MPGIS), Ministry of Public Service (MPS), Ministry of Development Planning and Aid Coordination (MDPAC), Ministry of Rural Development, Deputy Secretary to Cabinet, Ministry of Women, Youth, Children and Family Affairs (MWYCFA), Ministry of Education and Human Resource Development, Ministry of Health and Medical Services (MHMS), Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM), DSTC, Ministry of Infrastructure Development (MID), Office of the Auditor General (OAG) (as observer) and the Provincial Secretaries of 9 provinces.
 - **Tuvalu** - National Steering Committee/Government Advisory Committee (GAC)
All permanent secretaries
 - **Vanuatu** - LoCAL National Steering Committee: Director general of the Ministry of Internal Affairs (Chair – MoIA), Ministry of Climate Change Adaptation, Meteorology & Geo-Hazards, Energy, Environment and National Disaster Management (MoCC), Ministry of Finance and Economic Management (MoFEM),

Ministry of Internal Affairs (MoIA), Ministry of Public Service (MoPS), line ministries, representatives from the provincial government councils, development partners contributing to the LoCAL, Office of the Auditor General, and other invited partners.

- **Regional Programme Management Unit:** The RPMU will be established under the UNCDF. Staff will be contracted by UNCDF, who will manage and support the RPMU as described above. On implementation matters, the RPMU will carry out AWPBs in alignment with RPSC and NSPC decisions.

The RPMU will consist of various positions hired by the UNCDF in an open competitive process. All positions will be advertised at regional and local levels and preference will be given to Pacific Islander applicants if they meet the positions criteria. The PMU will house a Gender and Environment and Social Safeguards Officer (GESS) who will coordinate and ensure the E&S risks of individual investments are being properly identified, mitigated, and monitored. The PMU members will have the following roles in relation to ESS.

- The RPMU will coordinate actions to ensure the programme is adequately supported to efficiently implement the activities, including ensuring that programme ESMP is properly undertaken. More specifically for ESS the RPMU will oversee tasks throughout implementation to ensure that National level operations are implementing programme interventions in alignment with SPC, GCF and national standards. The RPMU roles on ESS are the following.
 - **Programme Manager:** Will oversee day-to-day implementation and administration of LoCAL, including all operational, technical and financial management across all four target countries. Will serve as the primary point of contact between the Regional EE and the national EEs, as well as with the AE. The Programme Manager will be responsible for ensuring that implementation is carried out in accordance with the FAA and relevant national standards. This applies to ESS standards. As such, the Programme Manager will work closely with the GESS Officer to ensure that the programme implementation is in compliance with relevant ESS standards. The Programme Manager will provide a bridge for the GESS Officer to national level governments. This will support the GESS Officer in carrying out their functions at the national level.
 - **Gender, Environment and Social Safeguards Officer** – will support the overall programme implementation through providing technical assistance to enhance ESS (including gender related topics) into the intervention selection processes, supporting training under activity 2.1.1. The GESS Officer will also take on a quality assurance role to ensure investments are properly categorized and that EIAs are conducted in accordance with national laws and SPC and GCF's standards. The GESS officer will also be responsible for ensuring all programme staff, contractors, and relevant stakeholders have undertaken SEAH training as per SPC's policy. Beyond

intervention design and implementation, the GESS Officer will support the MEL Officer in conducting relevant monitoring and evaluation of project implementation against the ESMP and GAA. This will ensure standards on ESS and Gender matters are maintained throughout implementation.

Please note that the GESS officer will hold primary responsibility for identifying and overseeing the proposed mitigation measures for both programme and sub-project level risks and mitigation measures mentioned above in section 5, and during implementation.

At the country level National Project Management Units (NPMU) will be established. These consist of the following positions that will support ESS matters.

- **National Programme Management Specialists** - will coordinate inputs at a national level to support the GESS in ensuring implementation and monitoring of ESS risks is carried out in alignment with relevant standards.
- **Local Government Finance Officer/Climate Change Expert** – will liaise with the GESS to provide support at the national level and tie in ESS into training curriculums and project supervision support that they conduct and to support on monitoring as needed.
- **Field Officers** – will provide crucial links for the GESS expert to liaise directly to the local government level to ensure implementation of ESMPs and GAs are implemented correctly at the ground level. They will also directly support monitoring and gathering of evidence to support ESS reporting in APRs.
- **National Executing Entities:** The governments as EE's will participate in the implementation of all activities. The Regional EE (UNCDF) will enter into a grant agreement with each of the national EEs pursuant to which they will on-grant GCF resources for implementation of activities as described in the LoCAL country design documents under Annexes 23a, b, c, and d. These agreements will pass down GCF obligations under the SPC-UNCDF subsidiary agreement to ensure compliance with the project FAA and relevant ESS standards.

Once the PBCRG mechanism is triggered and launched, the NPMU will ensure that all prioritized investments are in alignment with the investment menus and do not include non-eligible activities, **including for E&S exclusionary activities (this will be monitored by the GESS Officer as a secondary assurance mechanism)**. In addition to the above, the NPMU may hire ad-hoc experts from local and international sources identified based on project needs, with the concurrence of the RPSC, to provide adaptive management support.

Finally, it is important to note that throughout the project cycle (design, implementation, exit and evaluation), pictorial evidence, objectives, and findings will be incorporated, and all stakeholders (see FP) will be actively consulted.

7. Grievance Mechanism

A grievance is a concern or complaint raised by beneficiaries of affected communities and stakeholders related to the perceived or actual impacts of the project activities. The objectives of setting up an appropriate grievance redress mechanism (GRM) are to:

- provide stakeholders with a clear process for providing comment and raising grievances and concerns in an anonymous manner;
- structure and manage the handling of comments, responses, and grievances in a timely manner; and,
- ensure that comments, responses, and grievances are handled in a fair and transparent manner and in line with local and national policies.

The GRM can serve as an effective tool for early identification, assessment, and resolution of grievances and therefore for strengthening accountability to beneficiaries. The GRM is an important feedback mechanism that can improve project impact and respond to concerns and grievances of project-affected parties (e.g., related to the environmental and social performance of the project) in a timely manner. With restrictions on movement, it is important that, where possible, staff managing grievances can access systems remotely to enable GCFM processes to be conducted effectively. The SEP will keep the local communities and other stakeholders informed about the project's activities, to specifically address gender-based violence (GbV) and other cross-cutting issues. When a SEAH grievance is received, the complainant will have multiple SEAH-specific avenues for redress, depending on the nature of the grievance. All staff will be trained in SEAH, and the GESS advisor will provide additional support and guidance as well as needed. Finally, please note that SPC has its own gender and SEAH specialists in-house, who can be called upon as needed as an in-kind contribution.

All grievances will be closely monitored by the Accredited Entity to assess the number and type of grievances and evaluate any trends over time. This will be conducted by the relevant responsible parties as highlighted under SPC's policies for accountability.⁵⁰ All monitoring and reporting will be carried out conforming to confidentiality and consent from aggrieved parties or survivors. This applied to all reporting obligations to the GCF as imposed through the Accreditation Master Agreement and Funded Activity Agreement.

7.1. GCF Grievance Redress Mechanism

Paragraph 69 of the Governing Instrument of the Green Climate Fund (GCF) requires the Board to establish an Independent Redress Mechanism (IRM) that will report to the Board. The Board established the IRM through the adoption of the Terms of Reference (TOR) of the IRM which sets out various matters, including the role and functions, governance and administrative arrangements of the IRM. In accordance with its TOR, the IRM is mandated to carry out the following functions:

- (a) Review requests for reconsideration of a project or programme that has been denied funding by the Board and, as appropriate, make recommendations to the Board;

⁵⁰ <https://www.spc.int/accountability>

- (b) Address grievances or complaints by a person, group of persons or community who/which have been or may be adversely impacted by a GCF funded project or programme through problem solving and/or compliance review, as appropriate.
- (c) Initiate proceedings on its own to investigate grievances of a person, group of persons or community who/which have been or may be adversely impacted by a GCF funded project or programme;
- (d) Monitor whether decisions taken by the Board based on recommendations made by the IRM, or agreements reached in connection with grievances or complaints through problem solving, have been implemented, and report on that monitoring to the Board;
- (e) Recommend to the Board the reconsideration of existing policies, procedures, guidelines and systems of the GCF based on lessons learned or good international practices;
- (f) Share best practices and give general guidance that can be helpful for the GCF’s readiness activities and accreditation process and for supporting the strengthening of the capacities of accountability/redress mechanisms of the DAEs; and
- (g) Provide education and outreach to GCF staff, relevant stakeholders, and the public.

A request may be submitted to the IRM, by sending it to the mailing address or email address of the IRM as published on its website.⁵¹ A request may be submitted in any of the six official languages of the United Nations (UN), provided that where a request is in a language other than English, it must be accompanied by an English translation. The English version will prevail in the event of a conflict.

The GCF Secretariat’s indigenous peoples focal point is additionally available for assistance at any stage, including before a claim has been made, as required by paragraph 70 of the GCF IPP.

7.2. Grievance Related to Sexual Exploitation, Abuse and/or Harassment

In all situations involving complaints related to gender-based violence (GBV), sexual exploitation, abuse or harassment (SEAH), violence against children (VAC) and human trafficking (HT), the relevant grievance redress mechanism (8.3-8.5) will take on a “survivor-centred approach”. This will apply to all grievance address mechanisms controlled by SPC or the PMU of each country. In line with this approach, the following principles will be systemically applied through all steps and actions:

- The rights, needs, and wishes of the survivor (or victim) is the foremost priority of everyone involved with the project.
- The survivor has a right to:
 - be treated with dignity and respect instead of being exposed to victim-blaming attitudes.

⁵¹ <https://irm.greenclimate.fund/case-register/file-complaint>

- choose the course of action in dealing with the violence instead of feeling powerless.
 - privacy and confidentiality instead of exposure.
 - non-discrimination instead of discrimination based on gender, age, race/ethnicity, ability, sexual orientation, HIV status or any other characteristic.
 - receive comprehensive information to help her or him make their own decision instead of being told what to do.
- The safety of the survivor shall always be ensured. Potential risks to the survivor will be identified and action take to ensure the survivor’s safety and to prevent further harm including ensuring that the alleged perpetrator does not have contact with the survivor. If the survivor is an employee of the Project, reasonable adjustments may be made to the survivor’s work schedule and work environment to ensure their safety.
 - All actions should reflect the choices of the survivor.
 - All information related to the case must be kept confidential and identities protected. Only those who have a role in the response to an allegation should receive case-level information, and then only for a clearly stated purpose and with the survivor’s consent. This applies to any documentation or reports related to the case. Identities will not be revealed unless explicit written consent is provided by the survivor.
 - The survivor must provide informed consent to progress with each stage of the complaints process. Survivors may withdraw their consent at any time during the process.

In the case that a case of SEAH or GBV is submitted. SPC as the Accredited Entity will carry out duty of care to the survivor in line with its policies. This includes where relevant, support for the provision of medical services (including psychosocial support), legal counsel, community driven protection measures, and reintegration of the survivor. This will be conducted in a timely manner to ensure maximum safety and support is provided to the survivor.

7.3. SPC’s Grievance Redress Mechanism

SPC has a Grievance and Redress Mechanism (GRM) in place to ensure that complaints are being promptly reviewed and addressed by the responsible units.⁵² This process aims to address complaints from affected stakeholders, including communities, about the social and/or environmental performance of the project, and to take measures to redress the situation, where necessary. For the process to be efficient, project stakeholders must be properly informed that SPC has such a mechanism established, and how they can access to it to settle their grievance, see Section 7.4.

The SPC GRM is operated through a web-hosted page on SPC site for the expression of concerns or complaints, which can be posted by email with the information in using the complaints’

⁵² <https://www.spc.int/accountability>

template.⁵³ Concerns expressed shall be received by the legal team who will reach out internally, primarily to the division in charge of the project or to relevant division. Grievances will be sorted out through a conflict resolution process. In case this process is not functional, other process will be used, such as a compliance system, the overall objective being to address and redress project stakeholders' grievances in a simple and efficient manner.

7.4. Programme-level Grievance Redress Mechanism

Through a project-level GRM, SPC will receive concerns or grievances from an affected community about the environmental and social plans or performance of the project. In that direction, communities and stakeholders will be sensitized about the existing grievance process and form. Both national and local level government agencies for each of the four target countries will be responsible for supporting the communities with the information they need to properly submit a grievance letter. The national level and local level government agencies are taking part into the grievance and redress mechanism through documenting grievances and coordinating with SPC the process to settle the grievances. There are several processes to submit project related grievances:

1. Bring up the complaint during the meetings of the LoCAL National Steering Committee that exists for each of the four countries. The complaint then must be directed to the project GCF focal point who will then forward to the SPC legal team.
2. Contact by email the Project Management Unit for each country.
3. Contact by email the key project institution (Fiji – the MRMDDM, Solomon Islands – MPGIS, Tuvalu – MLGA, Vanuatu – MoIA), which will then forward to SPC.
4. Email SPC through the online process: <https://www.spc.int/accountability>.
5. Email address complaint@spc.org

The Project Management Unit will receive and register grievances and will contact SPC legal team. He/she will provide an initial response within two business days to the person who submitted the grievance to acknowledge the grievance and explain that the grievance will be logged onto the SPC GRM. As a first timeframe, a response will be provided to the complainant within a two-month period, with indication of appropriate process to address the grievance. However, responses to urgent cases will be provided in a shorter timeframe; as quickly as possible. This duration should be sufficient to screen the complaint, outline how the grievance will be processed, screen for eligibility as well as assign organizational responsibility for proposing a response. This process will possibly involve engaging with other project stakeholders to resolve the issue.

SPC GRM is responsible to inform th complainant that he/she has the right to pursue other options to resolve the complaint if unsatisfied after the SPC GRM process, noting that the GRM may respond to questions from the complainant, but does not constitute an advisor or attorney for the

⁵³ (Please see Annex IV of SPC's GRM see SPC website: <https://www.spc.int/sites/default/files/documents/Application%20SPC%20Social%20and%20Environmental%20Responsibility%20Grievance%20Mechanism.pdf>).

complainant. All grievances will be recorded, and these records will be kept at a secure place for up to three years after the life of the project.

7.5. Community-level Grievance Redress Mechanism

At the community level, GRM procedures will be made available for each investment/sub-project. This will include locally suitable mechanisms such as hotlines, text messaging services and dropboxes, as appropriate and in local languages. In addition, all stakeholders will be made aware of the GRM's availability once a "go" decision has been made and a sub-project commences with inception and project preparation (as well as upon hiring of any new employees or contractors).

Fiji

The community level grievance mechanisms will follow the established processes in Fiji as they are described below.

1. iTaukei communities are always encouraged to communicate freely and frankly with their community folks on issues and grievances affecting them or their family members and this is usually the end point of any issues and grievances.
2. The 1944 iTaukei Affairs Act does have the provision for Fijian Magistrates in which they shall have and exercise such civil jurisdiction and powers, criminal jurisdiction shall have and exercise, with respect to such offenses, jurisdiction and powers similar to those conferred on second class magistrates by the Criminal Procedure Code and this have been abolished.
3. Informal /Traditional Alternative Dispute Resolutions mechanisms such as mediation are practiced in the iTaukei Community settings whereby the community leader (Chief) are being notified of the issues and parties are called upon to discuss such disagreements and issues amicably with the community leader presiding as a mediator over such sitting.
4. This is highly successful taking into account its applicability to the community settings, faster resolution rate, lower cost, flexibility, and preservation of existing relationships.
5. In case the above is fully exhausted and no amicable solution has been achieved the right is with the parties/Chief/Village Headman to report further to relevant stakeholders including the 14 provincial Council which usually sought the advice of relevant stakeholders and convene a meeting to find the solution on the issues being raised.
6. Issues addressed at this level often include land boundaries, chiefly titles, and conflict among villagers to name a few.
7. The Village council is sometimes summoned to discuss the matter with the aggrieved parties taking into account the preservation of peace within the village settings.
8. However, issues of domestic violence and criminal matters are usually reported directly to the Police and this is dealt with via formal court proceedings.

9. Apart from the Village council, there are also the Tikina Council and Provincial Council which are development forums and such issues can be raised on these platforms to seek verification and advice from relevant government departments who are usually present during schedule sittings.

If grievances cannot be addressed within the above-mentioned methods, then the Provincial Council should address the grievance to the programme level redress mechanisms.

Solomon Islands

Regarding a complaint's mechanism, in the Central province there are a number of complaint protocols already present. The programme will utilize this established community grievance mechanisms. Grievances can be submitted;

- through the ward development support officer,
- the Ward Development Committee chairperson,
- the planning team,
- the public Accounts Committee, and
- the provincial assembly members for each Ward.

Once a grievance is submitted, to the extent that it cannot be addressed with the ward level, it should be communicated to the Ward Development Committee chairperson.

Tuvalu

Tuvalu being a homogenous and fairly egalitarian society, people are encouraged to speak freely and voice their concerns. In the case of an uprising or a grievance occurrence, people in the community always first resort to arrangements within the family first, kins, social and traditional groupings. Here we note some key points for Tuvalu:

1. There exist mechanisms of addressing issues within the community 'faka te aganu' traditional and customs for different forums.
2. Within the community there are groupings or associations as a form of organizing people based on gender, interests, villages, kins and etc. Each has their own means of voicing concerns, issues, agenda that affect their unit/organization welfare.
3. When matters need escalation from these groupings, then it's raised with the elders of the community in the Falekaupule settings however people always resort to deal with these grievances outside of the island assembly to maintain integrity of their groups and families first.
4. Often a form of traditional (aganu) process is expedite to look into issues/grievances before it is brought into the assembly's attention by conducting of a savaliga. A group of respectful members of community are selected to investigate the situation and provide solutions and reconciliation to the situation
5. To raise such grievances or disagreement in the Falekaupule assembly, an elder that has close affiliation to the group or people in question will be the mediator or the

communicator. It's usually a male elderman and he will explain the situation to the assembly. In most cases the assembly rarely discussed who's right and who's wrong. It's more about reconciling their relationship as individuals and arrangements as a group/organization.

6. In the case of a grievance that occurred directly with women and women affairs, the leader of the women's group always advocate or be the spokesperson to the assembly. If there's a savaliga the members are usually women and it's very common to involve the pastor's wife of the island from the Ekalesia o Tuvalu.
7. The Falekaupule ultimate goal is to be neutral and keep the peace and solidarity of the community. The grievance or issues raised in the assembly is an indication that traditional ways outside of the Falekaupule has been exhausted. It is also indicated the level of seriousness involve in the situation.
8. At times the Falekaupule will seek the views or advices of the religious leaders present on the island. Some grievances are voiced through the religious leaders of the society too.
9. On each island there is always a policeman and community policemen present and that is also another way of raising or channeling grievances within the community. People usually resort to this option if it's something drastic and concerning the national law provisions. Individuals who are not happy with decisions made by the Falekaupule or feel their rights are being threaten are encouraged to raise it with the police.
10. In terms of community grievances about welfare of the whole community the Falekaupule will be the mediator and will instruct the Kaupule to investigate and find the means to the solutions. If the grievance or the issue involves an external party or a project the Falekaupule will commission the Kaupule to raise it with the Ministry of Local Government.

Vanuatu

At the community level in Vanuatu, concerns or grievances can be addressed through the traditional governance structures and processes managed by the chiefly systems of individual islands. The community-level GRM will mainly address issues related to utility access, conflicts among villagers, complaints from marginalized gender or vulnerable groups, issues related to water access points and gender-based violence. This level of the GRM will ensure that communities are able to resolve issues and conflicts with consensus, as a first level, and then escalate to the project-level GRM only if deemed appropriate. This will also ensure that, within the indigenous communities being targeted, the project benefits from active, traditional mechanisms of conflict resolution and decision-making structures.

The nakamal or Village Council is made up of chiefs and community leaders of a particular village. This authority is convened by the paramount chief, or a designated customary leader and it deliberates, and resolves matters at the specific village level which could include family matters, disputes/disagreements as well as land disputes.

The Ward Council of Chiefs sits above the Nakamal or Village Council and comprises chiefs and customary leaders from several different villages who all fall within a designated Ward Council. The Ward Council deals mostly with land ownership disputes.

Matters unresolved at the Ward Council are elevated to the Area Council of Chiefs or even higher to the Island Council of Chiefs if they are not resolved by the council below. In the event an individual or a group of individuals are aggrieved, their grievance can be raised for redress at the Nakamal or Village Council. If matters are not able to be resolved at this level, the paramount chief or head of the council may decide as follows:

- elevate the grievance for redress at the Ward Council or with the Chief; or
- register the grievance directly with the representatives of the provincial authority for redress through the provincial institutional arrangements.

Matters raised with the representatives of the provincial authority are usually done through Area Administrators or Area Secretaries. These provincial officers then have the option to raise the issues for redress as follow;

- table the grievance for redress at the Provincial Area Council level through the Area-Technical Advisory Committee (Area-TAC);
- table the grievance for redress directly through the Provincial Technical Advisory Commission (PTAC); and,
- raise the grievance directly with the relevant national government representative present at the provincial level.

If and when the grievance is raised through the provincial institutional arrangements, the matter can then be elevated to the national government level for redress by the relevant government agency or ministry.

7.6. Chance find procedures

If any person discovers a physical cultural resource, such as (but not limited to) archaeological sites, historical sites, remains and objects, or a cemetery and/or individual graves implementation, the following steps shall be taken:

- i. Stop all works in the vicinity of the find, until a solution is found for the preservation of these artefacts, or advice from the relevant authorities is obtained.
- ii. Immediately notify the Programme Manager and GESS Officer.
- iii. The contracting party will then notify the Respective Country's National Cultural Council who will then trigger a response through its appropriate channels.
- iv. At the site GESS Officer will record details in Incident Report and take photos of the find and delineate the discovered site or area to secure the site and prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive

remains, a night guard shall be arranged until the responsible local authorities take over.

- v. Programme-related work could resume only after permission is granted from the appropriate national authorities, in their capacity as the responsible authority on these matters.

7.7. Community Engagement Plan

Given that the programme will be working with the community (country)-level GRMs detailed in section 7.5 above, many community members will already be aware of modalities for them to access and report any concerns. However, the project will also implement a number of additional measures to ensure that all community members and project staff feel included and safe to file grievances. These include:

- Providing means at project sites (available in local languages) for employees and relevant stakeholders to access the GRM instantaneously and privately (e.g. through a hotline, dropbox or other means).
- Ensuring that new employees are made aware of the GRM and specific access points.
- Conducting community engagement sessions (as/if needed or requested by the government) to spread awareness.
- Liaising with the host country governments to expand access and awareness through other modalities as they see fit.

8. Monitoring, Supervision and Reporting

Per SPC's E+S screening policies, the overall project results shall be monitored by SPC to verify if the programme is effectively implemented as approved. Results and outcomes as a result of the programme are stipulated in SPC's PEARL policy (See Annex 5). The PEARL policy provides a framework for MEL.

The E&S performance of projects and project contractors will be supervised and monitored to ensure compliance with the investment agreement and any ESIA and ESMP requirements based on the following activities:

- Periodic site visits by PESS (or third-party consultant), according to the level of ESS risk and to check on ESMMP and ESAP implementation;
- Submission of routine progress reports on any actions and monitoring requirements documented in the agreed ESAP to rectify outstanding EHS issues;
- Commissioning of external environmental audit reports by the PESS as necessary;
- Ensure that EPC contractor is submitting routine progress reports;
- Review progress reports and ensure that any E&S incidents are reported;
- Ensure that reports are prepared based on site visits and external audits;

- Ensure Grievance Mechanism is in place, being implemented effectively and that grievances are being addressed;
- Standard report structure with evidence of project E&S performance and compliance with the ESAP, contract and regulatory conditions; and
- Annual monitoring reports.

9. Budget

A tentative budget for the ESMP is provided below.

Item	Description	Anticipated Budget (USD)
Capacity Building	E&S capacity building for select entities under Objectives 1 and 2 pertaining to the effective operation of the PBCDG and the sustainability and operation of sub-grants.	1,260,000 (Activity 2.1.1 budget)
Screening	E&S Screening of potential sub-grants using the screening template/questionnaire provided in this document. Ongoing throughout the life of the programme.	252,000 20% of GESI Officer Time
Mitigating Risks	Active mitigation efforts in respect of the specific risks identified for both the programme as a whole, as well as for each specific sub-grant including any related to environment, health, and safety measures (based on the initial E&S screening and full proposal stages, and in accordance with their individual E&S Frameworks (as applicable)). Ongoing throughout the life of the programme.	1,990,000 (10% of PBCRG budgets)
M&E of E&S Risks	Active monitoring of each E&S risk identified as part of the programme and for each sub-grant. Ongoing throughout the life of the programme.	1,134,000 (80% of GESI Officer and 10% of MEL Officer)
Total		4,636,000

Appendix 1: Exclusion List

There are a number of activities that the programme will not fund. A simple set of exclusion criteria will be implemented to ensure that all programme activities are supporting priority adaptation sub-grants aligned with GCF investment criteria and GCF ESS Category B+C. Any investment that is determined to be a Category A project will automatically be excluded. The LoCAL programme will not be used to directly or indirectly fund activities that⁵⁴:

- Conflict with adopted plans and established uses of the target community
- Substantially affect a rare or endangered species of animal or plant or the habitat of such species.
- Interfere substantially with the movement of any resident or migratory fish or wildlife species.
- Substantially diminish habitat for fish, wildlife, or plants.
- Breach standards relating to solid waste or litter control.
- Substantially degrade water quality.
- Contaminate a public water supply.
- Substantially degrade or deplete ground water resources.
- Interfere substantially with ground water recharge.
- Extend a sewer line with capacity to serve new development.
- Encourage activities which result in the use of large amounts of fuel, water, or energy.
- Use fuel, water, or energy in a wasteful manner.
- Disrupt or adversely affect an archaeological site or a property of historic or cultural significance.
- Induce substantial growth or concentration of population.
- Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system.
- Displace a large number of people over the long term.
- Increase substantially the ambient noise levels for adjoining areas over the long term.
- Cause substantial flooding, erosion or siltation.
- Expose people or structures to major geological hazards.
- Create a potential public health hazard or involve the use, production or disposal of materials which pose a hazard to people or animal or plant populations in the areas affected.
- Violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.
- Convert prime agricultural land to non-agricultural use or impair the agricultural productivity of prime agricultural land.
- Interfere with emergency response plans.
- Relate to the extraction or depletion of non-renewable natural resources.
- Cause involuntary resettlement of people or the removal or alteration of any physical cultural assets and property;
- Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage
- Projects spoiling cultural heritage
- Projects affecting negatively indigenous people.

⁵⁴ This is an indicative list based on FSM Environmental Impact Assessment Regulations; Available at: <http://www.fsmlaw.org/fsm/regulations/envimp.htm>

Appendix 2: IFC Performance Standards Checklist

In 2012, the IFC updated the Environment and Social Sustainability Performance Standards (PSs) and associated documents as:

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- Performance Standard 2: Labor and Working Conditions
- Performance Standard 3: Resource Efficiency and Pollution Prevention
- Performance Standard 4: Community Health, Safety and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Performance Standard 7: Indigenous Peoples
- Performance Standard 8: Cultural Heritage

These eight PSs define the responsibilities of implementers and executing entities for managing their E&S risks. The most significant change is the role expected of ‘the client’. Summary: The following sections summarize the Performance Standards. These should be read in conjunction with the PS Guidance Notes as well as the various IFC Good Practice Notes that have been developed by IFC.

All projects must fill out the following checklist. Where possible, please provide supporting documentation.

Question	Yes/No
PS 1: Assessment and management of E&S risks and impacts	
Was there an ESIA conducted?	
Is there an ESMS in place?	
If yes, how often is the ESMS reviewed and updated?	
Are there dedicated person(s) responsible for implementing the ESMS?	
Is there a grievance mechanism in place?	
Are there procedures in place to monitor performance?	
PS 2: Labour and working conditions	
Is there an HR policy?	
Does it provide information on rights under national labor and employment law?	
Does the company have (or agree to) equal opportunity and non-discrimination as applicable at the national level?	
Does the company have a safe and healthy working environment?	
PS 3: Resource Efficiency and pollution prevention	
Does the company have procedures for storage, handling and disposal of various types of waste?	
Does the company have an emergency prevention, preparedness and response plan?	
PS 4: Community health, safety and security	
Will the proposed intervention affect any communities?	

Is there a designated person responsible for receiving and responding to questions, concerns or complaints?	
Are security provisions (materials and personnel) provided? If so, please provide a detailed list and attach it as an annex.	
What risks to women and girls may stem from the subproject? Particularly, do any of the subproject activities have a risk of causing or increasing SEAH in the project area?"	
ATTENTION FOR PS 5-8:	
<ol style="list-style-type: none"> 1. Does, or will the project trigger PS 5, 6, 7, or 8 in any capacity? 2. If no, the following questions are not applicable and can be left blank. 3. If yes, each individual question should be answered accordingly, and supporting documentation attached as necessary. 	
PS 5 Land Acquisition and involuntary resettlement	
Is there any land acquisition involved? If yes, what was the previous use and how was the land acquired?	
Has there been any physical and/or economic displacement as a result of land acquisition?	
If the answer to any of the above is yes, has there been engagement with displaced persons and communities? What compensation was offered?	
Is there an effective grievance mechanism in place?	
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resource	
Will there be significant negative impacts on biodiversity?	
Will modified, natural and critical habitat be impacted by the company's activities?	
Is there a commitment to use renewable natural resources, and manage them in a sustainable manner?	
PS 7: Indigenous Peoples	
Is it likely that IPs will be adversely impacted as a result of the project's operations? Has the ESIA or ESAP identified appropriate mitigation measures?	
Have there been consultations or has a process been established for Informed Participation through an FPIC process?	
Have IPs been informed of their rights according to national laws, including those which recognize customary rights?	
Have good faith negotiations been entered into?	
PS 8: Cultural Heritage	
Is the project located in an area where cultural heritage is likely to be found? ⁵⁵	

⁵⁵ If any person discovers a physical cultural resource, such as (but not limited to) archaeological sites, historical sites, remains and objects, or a cemetery and/or individual graves implementation, the following steps shall be taken:

- i. Stop all works in the vicinity of the find, until a solution is found for the preservation of these artefacts, or advice from the relevant authorities is obtained.
- ii. Immediately notify the Programme Manager and GESS Officer.
- iii. The contracting party will then notify the Respective Country's National Cultural Council who will then trigger a response through its appropriate channels.
- iv. At the site GESS Officer will record details in Incident Report and take photos of the find and delineate the discovered site or area to secure the site and prevent any damage or loss of removable

Is the project located in a legally defined buffer zone or protected area? If so, have you complied with the requirements of PS 8?	
Have good faith negotiations been entered into?	

objects. In cases of removable antiquities or sensitive remains, a night guard shall be arranged until the responsible local authorities take over.

- v. Programme-related work could resume only after permission is granted from the appropriate national authorities, in their capacity as the responsible authority on these matters.

Appendix 3: Investment E&S Risk Categorization Template

GCF Project Risk Categorisation

Please carefully consider the results of the rating above and determine the appropriate risk category of the project by a tick:

Risk Category	Tick	Explanation & Recommended Courses of Action
A		Proposed project activities have potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented likely to cause significant adverse environmental and/or social risks/impacts that are diverse, irreversible or unprecedented. The PBCRG does not finance projects in this risk category. Please Explain:
B		Proposed project activities have 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; Please Explain (including planned mitigation measures):
C		Project activities have minimal or no adverse environmental and/or social risks and/or impacts. Please Explain:

Determining Significance of Risk

Use the risk matrix below to determine the overall “Risk Rating” (severe, high, medium or low)

		Consequence				
		Insignificant	Minor	Moderate	Major	Critical
Likelihood	Almost Certain	Low	Medium	High	Severe	Severe
	Likely	Low	Medium	Medium	High	Severe
	Possible	Low	Low	Medium	High	Severe
	Unlikely	Low	Low	Low	Medium	High
	Rare	Low	Low	Low	Medium	High

What are the potential social and environmental risks (as identified through the screening process in Part I)?		What is the likelihood and consequence of the risk before mitigation measures are applied? (likely, possible, unlikely)	What is the significance of the risk? (low, medium or high)?
1	Lack of policy representation for Agriculture Policy development		
2	Unequal opportunity and benefits for women		
3	Exclusion of indigenous groups and other protected populations		
4	Conflict with existing E&S Frameworks and legislation		
5	Conflict with existing social frameworks and norms		
6	Adverse or harmful labor or working conditions		
7	Adverse or harmful effects on community health and safety		

Part II: What is the overall project categorization based on the potential risk and impact profile?	
	Comments
Category A - Projects with the potential to cause significant adverse social and / or environmental impacts that are diverse, irreversible or unprecedented.	No projects will be selected for implementation.
Category B – Projects with the potential to cause limited adverse social and/or environmental impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures	
Category C – Projects that include activities with minimal or no risks of adverse social and environmental consequences	

Recommendations for next steps:

- Is further assessment needed (Please specify if it is a topic or full Environmental and Social Impact Assessment, as well as in which areas or on which topic(s) any such further assessment should be conducted):

Topics/areas to be further assessed	Type of Assessment

I, undersigned, Mr/Ms XX, hereby certify that I have answered this Questionnaire truthfully and to the best of my knowledge.

Signature:

Appendix 4: Screening Template for Go/No Go Decision

GO/NO GO FINAL SCREENING

Project Name:	Country:	Sector:	Exclusion List Screening (Y/N):
E&S Appraiser:	E&S Approval (Y/N):	Date of Review:	Categorization (B/C):
Proposed Investment:			
Description:			
Potential E&S Issues (identified per IFC PSs)			
<i>IFC Performance Standard</i>	<i>Appraiser Comments</i>	<i>Risk (H/M/L)</i>	<i>Justifications</i>
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts			
Performance Standard 2: Labor and Working Conditions			
Performance Standard 3: Resource Efficiency and Pollution Prevention			
Performance Standard 4: Community Health, Safety, and Security			
Performance Standard 5: Land Acquisition and Involuntary Resettlement			

Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources			
Performance Standard 7: Indigenous Peoples			
Performance Standard 8: Cultural Heritage			
Sexual Exploitation Abuse or Harassment (SEAH)			

INVESTMENT DECISION

Decision (Y/N):	Decision Date:
Investment Amount:	Project ID:
ESIA/ESMP Required (Y/N):⁵⁶	Categorization (B/C):
Description of TA to be provided:	
Summary of E&S Issues:	
Monitoring Requirements:	
Signature:	Date:

⁵⁶ If ESIA/ESMP are required (Category B Projects primarily, potentially with some exceptions), the ESIA/ESMP should be attached along with the Go/No Go Investment Decision.

Appendix 5: Indicative Due Diligence Screening for E&S Risks

The checklists below comprise the operation, financial and E&S due diligence screening which follows the comprehensive E&S risk categorization and screening done during the assessment of investment/funding proposals. The due diligence screening, accompanied by site visits, as deemed necessary, will provide an additional layer of quality assurance.

Checklist 1: Health and Safety Risks

S = Satisfactory U = Unsatisfactory NA = Not Applicable

Area	Illustrative Questions	Rating (S/U/NA)	Notes
Communities	Are there any health and safety risks to local communities associated with the investment?		
Training	Is general training and materials on safety provided?		
Workspace	Are the electrical, plumbing, etc. systems of a reasonable standard? Are there any fire and explosion hazards, or those pertaining to toxic chemicals, dusts, etc.? If so, is sufficient personal protective equipment provided? Is there a first aid station or equipment available?		

Checklist 2: Environmental Risks

S = Satisfactory U = Unsatisfactory NA = Not Applicable

Area	Illustrative Questions	Rating (S/U/NA)	Notes
Applicable Laws	Are relevant, up-to-date environmental permits and certifications obtained? Are there any criminal or civil proceedings (present or past)?		
Risk Management	What is the process for identifying, mitigating and managing environmental risks?		

	Have there been reported environmental incidents within the last 5 years? If yes, additional details should be provided.		
Resource Conservation	Are there records and targets for energy and other resource use?		

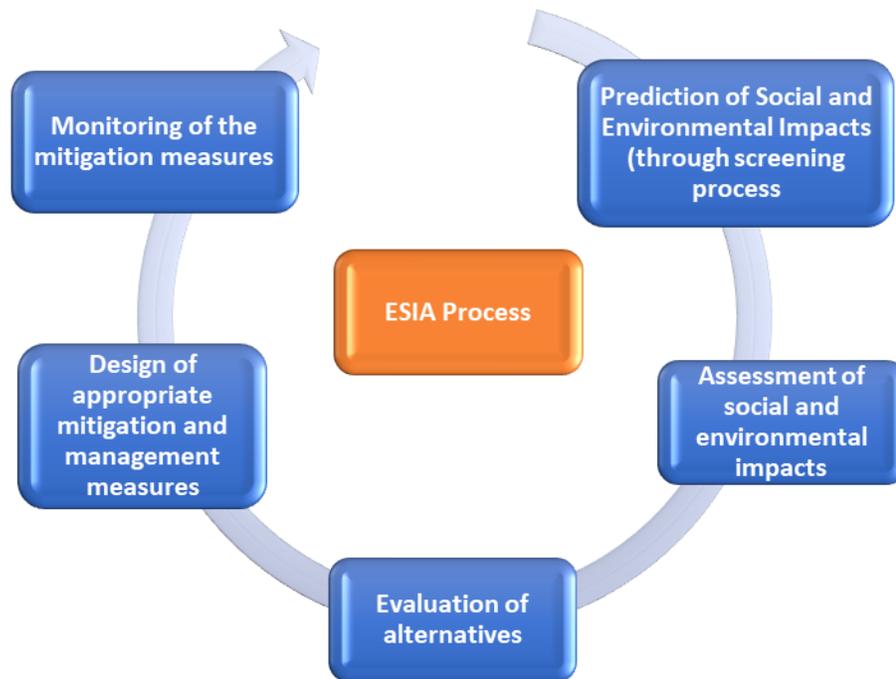
Checklist 3: Social Risks

S = Satisfactory U = Unsatisfactory NA = Not Applicable

Area	Illustrative Questions	Rating (S/U/NA)	Notes
Low Wages	Are wages at or around the level of the national minimum wage?		
Community Development	Does the investment contribute to any community development programs? What will the positive impacts be on the local community?		
Contracts	Are proper labour contracts in place for all staff?		
Child labour	Are children under 18 employed? If so, for what kind of work? How old are they?		
Retrenchment	Are job/livelihoods opportunities expected to be lost as a result of the investment (i.e. privatization, restructuring, etc.)?		
Non-Local workforce	Will the investment require the employment of non-local workers? If so, are plans and measures in place to provide appropriate accommodation and access to facilities for the duration of their work with the investment?		
Cultural Property	Does the investment affect a religious or ancestral site, or natural resources ascribed by local people and communities with cultural/sacred significance?		
Conflict	Has the project area experienced any conflicts in the recent past? What is the current conflict situation? This could include conflicts related to resources,		

	land, governance, social or ethnic tensions, etc		
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Appendix 6: Detailed Procedures for Conducting an Environmental And Social Impact Assessment (ESIA)



ESIA is a step-by-step process. Before starting the assessment itself, it is important to define the ESIA Terms of Reference (ToRs) in order to ensure that identified risks will be further assessed while verifying how the assessment can be effectively carried out internally at SPC.

Step 1 – Elaborate the ToRs of the ESIA:

The following questions can help guide and structure the ToRs:

- To specify the scope of the ESIA: based on the SER assessment questionnaire reports, what are exactly the risks or impacts needed to be further assessed in a comprehensive manner?
- To identify additional information or analysis necessary to conduct the ESIA that should/could be requested from the selected communities proponent: is available information on the project sufficient to undertake the ESIA given its scope?
- To identify who should be involved in the assessment process: who are the stakeholders and communities that can be directly or indirectly affected by the project?
- To determine whether an external expertise may be needed to conduct the ESIA: is there the necessary technical expertise within SPC to coordinate/oversee the ESIA?

Step 2 - Project description:

- ✓ Notwithstanding the scope of the ESIA as defined by the ToRs, it is necessary to provide a description of the initiate state of the environment where the project will be located comprising information on environmental or social sensitivity of the geographical area likely to be affected, paying particular attention to protected areas, landscapes and sites of historical, cultural or archaeological significance.
- ✓ It is equally important to provide a detailed description of the project itself comprising information on the design, size and other relevant features of the project, including the socio-economic context, the use of natural resources, in particular land, soil, water and biodiversity; the production of waste; pollution and nuisances, including the generation of greenhouse gases; and the risks to human health (for example due to water contamination or air pollution).

Step 3 - Analysis of policy and legal framework:

- ✓ It is of crucial importance to ensure that the project can be in compliance with national statutory or international standards. In particular, the ESIA should provide answers to the following questions:
 - Is an EIA required by the national law of the country(ies) where the project is to be implemented?
 - Is the project subject to authorization in any of the country(ies) where the project is to be implemented?
 - Does available or additional information provide sufficient evidence that the project is in compliance with the applicable laws and other standards, including international social or environmental agreements?

The screening template below can help to facilitate this process.

Standard / Law / Regulation	Actions/Concerns	Priority (L/M/H)	Responsibility during Implementation	Deadlines / Important Dates	Completion Indicator

Step 4 - Stakeholder consultation:

- ✓ When stakeholders or affected communities are subject to risks/impacts from the project during the risk assessment process, it is necessary to undertake a consultation process to provide them with an opportunity to express their views on the risks identified as well as on mitigation measures that are envisaged. This is a more focused and inclusive consultation process than for the screening phase which should target:
 - To review the comments made by stakeholders and affected communities about identified risks/impacts and check if they have been taken into account by the selected DWSSP communities proponent.

- To ensure that relevant comments can be addressed through mitigation measures in a revised project proposal.

Step 5 - Impact assessment:

- ✓ It is necessary to provide a description of the likely direct and indirect effects of the project on the natural or social environment that are relevant with regard to the initial state of the social and environmental environment described under Step 1, in taking account of:
 - the magnitude and spatial extent of the impact (for example geographical area and size of the affected population likely to be affected);
 - the nature of the impacts;
 - the trans-frontier and/or global nature of the impact;
 - the magnitude intensity and complexity of the impact;
 - the probability of the impact;
 - the expected onset, duration, frequency and reversibility of the impact;
 - the cumulative effect of the impacts with the impact of other existing and/or approved projects;
 - the feasibility of effectively reducing or mitigating the impact.

Step 6 - Analysis of prevention, minimization, mitigation and compensation measures:

- ✓ For each significant impact, an appropriate mitigation strategy must be developed. It is necessary to analyse measures proposed for the project implementation to avoid, prevent or reduce and, where avoidance or minimization is not possible, to offset likely significant adverse effects on the natural and social environment, including compensation of affected communities for their losses.

Step 7 - Analysis of alternatives:

- ✓ If the assessment has identified very significant risks/impacts, it is then necessary to check if there are other options available to achieve the expected project objectives with lower risks/impacts. In that case, less adverse though reasonable alternatives (for example in terms of project design, technology, location, size and scale), which are relevant to the proposed project and its specific characteristics, should be studied as part of the ESIA process.

Step 8 - Establishment of a management and monitoring plan (ESMP):

- ✓ To require appropriate measures to prevent or minimize, or offset adverse social and environmental impacts identified through the ESIA process;
- ✓ To request information necessary for the monitoring of management measures;

- ✓ To facilitate the project management during the implementation phase, by indicating resources and costs, responsibilities, schedule for implementation and indicators for monitoring progress.

Appendix 7: TEMPLATE – Project-Level Environmental and Social Action Plan (ESAP)

IFC Performance Standard	Risk Identification	Mitigation Measures	Monitoring Responsibilities and Frequency	Risk Classification
Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts	Risk 1			
	Risk 2			
	Risk 3			
Performance Standard 2: Labor and Working Conditions	Risk 1			
	Risk 2			
	Risk 3			
Performance Standard 3: Resource Efficiency and Pollution Prevention	Risk 1			
	Risk 2			
	Risk 3			
Performance Standard 4: Community Health, Safety, and Security	Risk 1			
	Risk 2			
	Risk 3			
Performance Standard 5: Land Acquisition and Involuntary Resettlement	Risk 1			
	Risk 2			
	Risk 3			

Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Risk 1			
	Risk 2			
	Risk 3			
Performance Standard 7: Indigenous Peoples	Risk 1			
	Risk 2			
	Risk 3			
Performance Standard 8: Cultural Heritage	Risk 1			
	Risk 2			
	Risk 3			
Sexual Exploitation Abuse or Harassment (SEAH)	Risk 1			
	Risk 2			
	Risk 3			

Appendix 8: SPC’s Planning, Evaluation, Accountability, Reflection and Learning (PEARL) Policy

Purpose

To provide the framework for planning, monitoring, evaluation, reporting, reflection and learning across SPC, so as to strengthen performance management and improve the way SPC measures the achievement of SPC’s objectives.

Scope

This policy applies to all SPC projects and programmes.

Authority

This policy is issued under paragraph 21 of the Pacific Community Governance Arrangement.

Overview

The PEARL principles and processes provide the mechanisms for SPC to increase the effectiveness of SPC’s work and strengthen engagement between the secretariat and its members and partners. It also strengthens alignment between planning, budgeting, evaluation and reporting at all levels of the organisation. In supporting development effectiveness, PEARL provides for learning from experiences so that SPC can apply these lessons to improve practice and services to members.

This policy provides the framework for four key areas:

- planning and programming
- monitoring and evaluation
- learning and reflection
- accountability.

It aims to:

- provide structure and coherence from SPC projects, programmes, business plans through the Pacific Community Strategic Plan and to international sustainable development measurement commitments
- clarify internal reporting and evaluation expectations
- demonstrate SPC’s commitment to evidence based practice from design, through implementation, to completion and closure of our work
- compel a culture of learning and institutionalise acting on lessons through improvements, course corrections and looping learning back into new design
- encourage the use of Indigenous Knowledge Systems and draw on SPC’s deep understanding of Pacific cultures
- set out minimum requirements, principles to be respected, roles, responsibilities and better practices for non-financial performance.

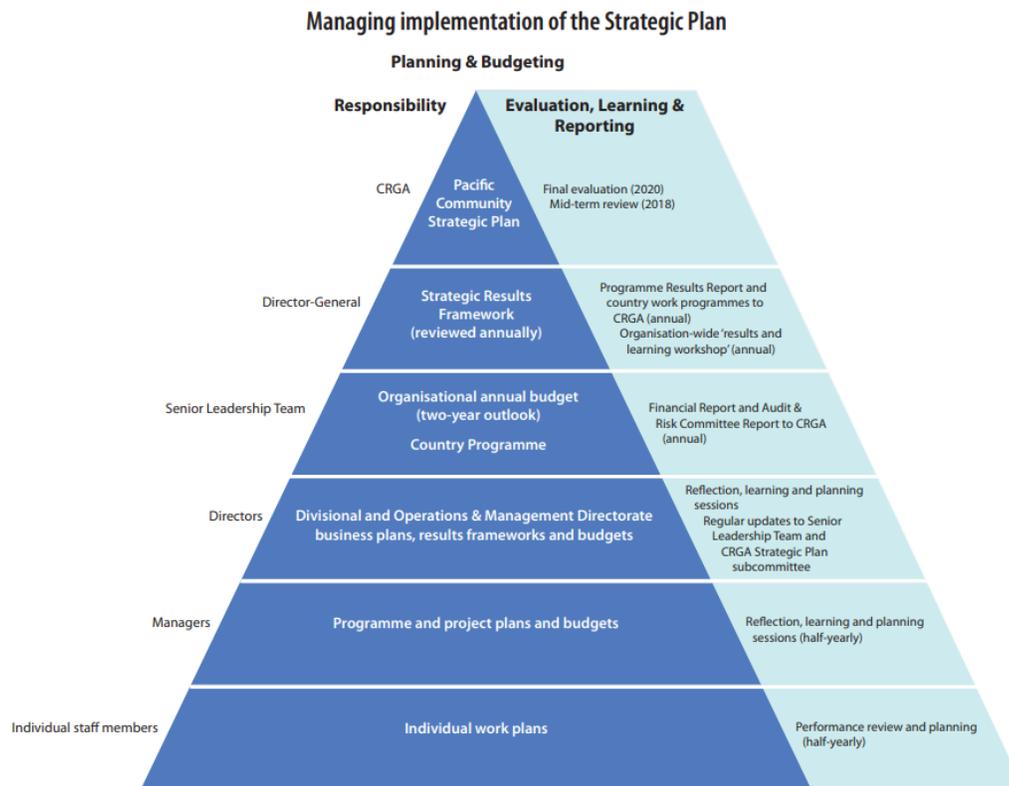
SPC’s operating environment

SPC operates across all its member countries, has multiple development partners, complex funding and financial requirements, and unique and distinct reporting demands. In addition, SPC works in multiple-sectors, drives cross cutting issues, and is building more multi-sectoral responses.

The strategic direction of SPC is set by Conference of the Pacific Community in SPC’s Strategic plan, which outlines key development and organisational objectives. The Director-General is responsible for the implementation of the Strategic Plan, which is overseen by the CRGA sub committee on the Implementation of the Strategic Plan. The roles of Conference and the subcommittee are set out in SPC’s Governance Compendium.

The Director-General is required to report annually to the governing body on the secretariat’s progress in implementing the Strategic Plan. The annual Results Report is first considered by the CRGA sub-committee, which provides also its opinion to the governing body on progress.

The Director-General is supported in implementing the Strategic Plan by SPC’s divisions and programmes, which are responsible for developing and delivering valuable, effective and efficient projects and programmes. They are also supported in the annual reporting by the mechanisms set out in this PEARL policy and guided by support from the Director-General. Directors are expected to be champions for PEARL, while staff are expected to build PEARL practices into the project/program lifecycle to ensure they are aligned with SPC’s organisational objectives and goals.



Key principles

The following key principles underpin and drive PEARL:

- **Aptitude:** evidence based and learning culture that encourages regular reflection of ‘is SPC doing the right thing, in the right place, at the right time, to make the most difference for Pacific Island communities’
- **Coherence:** connected organisational processes, procedures and practice that are consistent yet flexible
- **Alignment:** meaningful engagement with members to align SPC’s work to member national plans and priorities
- **Transparency:** clarity to realise a common understanding of agreed upon practices to sustain and improve SPC’s work, aligned with strategic objectives and goals, and to provide clarity to governing member countries and other stakeholders
- **Quality:** incentivising on-going improvements in quality in processes, policies and systems, systematically reviewed and adjusted to respond to new and changing member needs
- **Utility:** providing critical information to improve SPC activities, with a focus on relevance for staff and contributing to organisational development and informing decisions
- **Inclusivity and cultural competence:** value identity and diversity; practice respectful, inclusive communication and engagement; reciprocity and two way learning.

Planning and programming

Scope

To be a relevant and impactful development partner providing scientific and technical work in the Pacific, SPC’s strategy, planning, and programming needs to be guided by member needs and priorities, coherence with the regional frameworks and with line of sight to the global Sustainable Development Agenda 2030.

Improved planning and programming will help to achieve efficient and effective organisational results, aligning strategy, planning and programming assists with linking non-financial and financial performance management so that learning informs decisions to improve programme performance and financial allocation.

Within SPC there are several key planning documents, each of which is interlinked and has minimum expectations and requirements:

- SPC Strategic Plan
- Country programmes
- Division or Programme Business Plans and workplans
- Integrated programmes
- Project or activity plans

SPC Strategic Plan

The Pacific Community Strategic Plan mandates the direction for SPC as a whole and is approved by Conference of the Pacific Community. SPC new 2022 Strategic Plan has a 10 years horizon (2022-31) , defines the organisation’s strategic direction including its vision, mission, values, unique role and high-

level development and organisational goals and objectives. The Strategic Plan will include the Strategic Results Framework, which further articulates the results to be achieved to realise the objectives.

The strategic planning process is guided by principles set by the governing body, and is led by the Director-General. The process involves strong engagement with staff, members, partners and key stakeholders including civil society, youth and the private sector. It is intended to incorporate evidence-based reflection and futures practices including forecasting, modelling and scenario planning.

Country programmes

Country programming is a participatory prioritisation process with national governments to strengthen engagement and collaboration with members and partners. Country Programmes are informed by national priorities and national development policies, SPC's own Strategic Plan, and SPC capabilities. The aim is to support the shared objectives of SPC and its member country and to improve programmes and project designs that deliver measurable outcomes in line with country priorities. A strong focus is on multi-sectoral and multi-disciplinary approaches to provide solutions to complex problems and issues identified as priority for the member.

Country programmes are generally initiated at the request of members. The Director General will identify a senior staff member with responsibility for leading the development of the country programme, including its activities and results framework.

A successful country programme requires an internal SPC consultative process identifying priorities for inclusion, responsibility for the overarching country programme, setting and context, existing partnerships, and a summary of ongoing SPC works within the Member state as aligned to its national development policy strategies. The country programme is to be aligned to SPC's competencies and capabilities and the Member's national development policy strategies and regional commitments.

At a country level, discussions are expected to include SPC focal point from Foreign Affairs as well as key sector representatives from the identified country priorities and the office of national sector coordination (e.g. Ministry of Finance Aid/Sector Coordination Unit)

Where resources are not already available within SPC to implement the country programme, the member shall be committed to mobilize resources from other sources to be provided to SPC on a full cost recovery basis to enable SPC to begin implementation.

Division or Programme Business Plans

Division or Programme Business Plans capture how divisions and programmes will operationalise and contribute to the SPC Strategic Plan, respond to regional, sectoral and thematic requirements and partner with members, donors and partners. The process is led by the Director and involves consultation with internal and external stakeholders.

Each Division or Programme Business Plan contains a description of context, key stakeholders, budget and resource mobilisation plan, risk matrix, theory of change and results framework clearly linked to SPC's Strategic Results Framework, as well as a workplan linked to results.

Divisional and programme work plans are to be informed by the outcomes of country and or regional sector specific mechanisms for negotiating priorities aligned with SPC capabilities that best respond to member needs

Where possible, the horizon of the Business Plan is best to align with the time frame for the Strategic Plan. Any changes to the Strategic Plan will trigger a review of business plans to ensure coherence between strategic goals and results and divisional results.

Integrated Programmes

SPC addresses a broad range of sector and strategic priorities at the national and regional level. SPC's competitive advantage to addressing these complex cross-cutting development challenges lies in in-house expertise in both the socio-economic and scientific and technical fields. At its core, 'integration' refers to activities in which actors from different sectors deliberately coordinate their work to maximise impact and progress towards common or complementary goals.

Integrated programmes are designed and implemented through the deliberate coordination of different divisions, teams or sectors with different technical/scientific expertise. There are five key stages of development: concept development, technical appraisal, design phase, design appraisal, final approval.

Evidence from reflection and learning will be used to inform the five key stages of integrated programme development.

The Director-General will nominate staff members with responsibility for appraising new concepts as part of due diligence prior to committing to any new funding agreements.

Project or activity plans

Project or activity plans capture project level activities. These will be managed by each project manager. They should align with the development partner requirements, as well as SPC's Strategic Plan framework and Division or Programme Plans.

Monitoring and evaluation

Scope

SPC is committed to implementing monitoring and evaluation activities across the organisation, at the strategic, corporate, division, programme and project levels to improve its programme and project impact.

The overarching performance framework that supports SPC's monitoring and evaluation is the Strategic Results Framework. It is the primary tool for measuring progress towards the goals and objectives of the Strategic Plan, and explains the connections between SPC's work and the outcomes and impact it sets out to achieve. Country programmes, business plans, integrated programmes, programs and projects all have their own results frameworks that aligned to the Strategic Results Framework.

While monitoring and evaluations are distinct activities, they are highly interdependent and inseparable from each other. Monitoring allows SPC to track progress and performance for course correction and adaptation along the way; evaluation establishes the causes of results. Both are needed for SPC to learn from its successes and failures and improve our decision making towards better impact from programmes and projects.

Monitoring and evaluation activities are not the end goal, but rather the means by which SPC can achieve its development outcomes more effectively. SPC's thinking and approaches to monitoring and evaluation are continually maturing to better understand context, Pacific ways of knowing and being, contribute

knowledge and build capacity in the Pacific, and to build strong relationships with those involved in the evaluation.

Responsibilities

SPC's monitoring and evaluation system is supported by staff across the organisation.

The Director-General has committed SPC to investing in monitoring, evaluation and learning capacity and embedding monitoring, evaluation and learning (MEL) practitioners across SPC. The Director-General nominee leads the monitoring and evaluation process facilitating strong engagement with staff, members, partners and key stakeholders including civil society, youth and the private sector.

Directors are champions of SPC's monitoring and evaluation systems and are expected to build in adequate resourcing to support the practice.

Managers ensure adherence to and compliance with appropriate monitoring and evaluation practices, processes and tools. They are also responsible for quality assurance of monitoring and evaluation activities.

The MEL practitioners across SPC are responsible for the planning, implementation and quality assurance of monitoring and evaluation activities. SPC's network of MEL practitioners (MELnet) and the Director-General's nominee are custodians of divisional and directorate monitoring and evaluation systems, responsible for the design of fit-for-purpose systems and for ensuring capacity, guidance and tools are built to support system implementation.

Minimum MEL requirements

Resourcing

To ensure that MEL is embedded across SPC, Directors are expected to build in adequate resourcing to allow for the monitoring and evaluation of business plans, programmes and projects. A baseline of 4% of the relevant budget is recommended for any monitoring and evaluation activities, though the actual cost of an evaluation will depend on the type of evaluation undertaken, and the effort considered to be proportionate. This will need to be determined on project-by-project basis.

Systems for programmes and projects

Directors with support from managers and their MEL practitioners, with support from SPL if/when required, will ensure that a results framework is designed for each business plan, programme or project plan, to enable tracking of expected results. The outcomes and key performance indicators in results frameworks are to be aligned to the Strategic Results Framework to enable tracking towards SPC's sustainable development goals. The results frameworks will include baseline and target information to enable tracking progress and performance over time.

Project and programme monitoring and evaluation systems are to be flexible to respond to the complex environment in which SPC operates, in particular changing needs and priorities from its members. Managers and MEL staff are responsible for regularly reviewing and adapting program theories and monitoring and evaluation plans and processes as required to adapt to context while maintaining line of sight to the desired outcomes.

Evaluations

Many development partners require SPC to conduct evaluations as a condition of their funding. In addition, SPC will conduct project, program or service delivery evaluations for:

- multi-year funded programmes
- projects that require proof of concept before possible scaling
- projects that aim to bring about particular changes for communities, and
- projects or thematic investments over 3 million Euros.

Where feasible and relevant, managers and MEL staff are to include a diverse group of experts (programme staff, national government, civil society, communities etc.) in the design, research, conduct, sense making and/or oversight of evaluations, to build evaluative capacity, and empower these stakeholders to co-drive evaluations and better ‘own’ findings and recommendations.

Where external or independent expertise is required to support or conduct evaluations, when choosing these experts, consideration needs to be given both to the technical capability to undertake the evaluation, but also to the expert’s contextual and cultural competence.

Evidence

The sources of results evidence will be derived from both monitoring and evaluation activities. Methodologies for collecting results evidence are to be rigorous and include both quantitative and qualitative methods. MEL staff are to ensure that corporate, standardised monitoring and evaluation data collection tools are used where they exist.

Quality assurance of monitoring and evaluation data collected should be performed by MEL staff on a regular basis, and by Managers on an ad hoc basis.

For the annual evidence collection for the report against the Strategic Plan results framework, the Director-General’s nominee will coordinate conversations on a sample of monitoring and evaluation evidence for verification by Regional Directors and member country counterparts to ensure the perception of results achieved is shared.

Publication of evaluations

SPC’s Social and Environmental Responsibility Policy commits SPC to being open and transparent with its stakeholders. In addition, several development partners require the publication of evaluations.

SPC commits to publishing an executive summary of all project, programme and strategic evaluations on the SPC digital library and/or the Pacific Data Hub, unless confidentiality requirements prevents SPC from doing so.

Any evaluations conducted for Green Climate Fund projects must be published in full, on the Pacific Data Hub and be linked to from the SPC website.

Learning

Evidence and learning from Monitoring and evaluation activities are to be fed back to project or program participants and member governments for accountability and learning. In particular, adaptive processes are to be documented to monitor progress and facilitate learning.

Learning and reflection

Scope

SPC is committed to improve its work through reflection to develop and share learnings across teams, divisions and the organisation and to incorporate learnings into designs and management of projects and programs. Making the time and creating the space to pause and reflect on work is important and useful to create shared understanding of how SPC is contributing to change, how it is responding to challenges and how work can be purposefully adapted to be more impactful. The value of group reflection helps incorporate different viewpoints and overcome bias.

To be a learning organisation is about advancing knowledge and understanding of what is working, what is not, and how to improve performance over time. It is about identifying lessons and about actioning these into learning and change.

Minimum requirements for learning and reflection

Directors and managers are responsible for building a culture of reflection and allowing space for reflection sessions. Reflections can occur at all stages of the programme or project, and can cover a wide arrange of questions: team culture, preferred ways of working, changing contexts, environments or stakeholders, reviewing work plans, results frameworks and budgets, most significant changes and challenges.

The Director-General will convene an annual learning and reflection workshop to consider the progress of the implementation of the Strategic Plan. The outcomes from the workshop will be used to inform the annual results report and planning for the following year. Ideally the workshop will be attend by the Executive, Directors, MELnet and a broad range of managers from across the organisation. Progress towards the development and organisational objectives will be convened using rigorous and contextually relevant methodologies.

Directors will convene division and team level reflection sessions twice a year, to gather and discuss evidence on progress of implementing business plans, programmes and projects. The outcomes from these workshops will be used to inform divisional contributions to the mid-year and annual results reporting.

Managers are encouraged to hold peer to peer reflection sessions as needed to consider shared themes, country perspectives, challenges or development partners.

During and after the reflection sessions, the learnings are to be documented and fed back into processes, project or team workings.

Learning arising from reflections, evaluations, research and reviews are to be shared, curated and made available by all teams in a user friendly format to all staff. The Director General is responsible for coordinating the learning efforts across the organisation.

Accountability

Annual results reporting

To be transparent and accountable to members and partners, the Director-General provides an annual Results Report to the governing body through the CRGA Subcommittee for the Implementation of the Strategic Plan. The results report provides analysis on SPC's progress against the Strategic Plan's development and organisational objectives based on quantitative and qualitative evidence for the reporting

period (1 January to 31 December). The reporting will be informed by the reflection processes outlined above.

In addition, through the reporting intelligence, SPC will produce a series of reporting products to suit the needs of the CRGA members and Executive in formats that are easy to access and are useful for decision making.

The Annual Results Reporting series will be publicly accessible on the SPC website and the result frameworks through the Pacific Data Hub.

The results reporting products will be shared across the organisation through multiple communication channels to encourage the uptake and utilisation of findings and learning.

Mid-year reporting

ISPC produces a mid-year report for management purposes. The report documents reflection and learning processes and progress in implementing divisional and programme business plans. With an internal focus, the report has a learning posture and includes considerations on changes in context, execution rates, challenges and adaptations to work for improved performance and impact.

Mid-year reporting products will be developed to meet the internal management needs of the Secretariat for the first two quarters of the calendar year, and a synthesis may be provided to the governing body or one of its committees.

Programme and project reporting

Project level donor reporting requirements are negotiated between the development partner, project focal points and the SPC development partner focal points. Wherever possible, donor partners are encouraged to accept the Annual Results Report as sufficient evidence for accountability reporting. This is in an effort to harmonise reporting efforts across SPC and member countries.

Where the donor requires additional reporting, efforts are to be made to align the reporting to existing internal reflection and reporting mechanisms to minimise the burden on SPC.

Reporting processes should, where possible, include the sharing of draft reports with those whom have been consulted in the data collection processes. This process facilitates fact checking, interpretation and sense making between data providers, data collectors and analysts.

The dissemination of reports and knowledge products is encouraged across SPC, members, stakeholders and beneficiaries to support utilisation of findings.

Appendix 9: Generic Safety Measures for Infrastructure and Construction Activities

First and foremost, the programme will comply with all national-level legislation and regulations pertaining to physical labour, construction and infrastructure. However, in light of the legal gap analysis conducted in this ESMP and the Feasibility Study (see FP Annex 2), we note that there may be some gaps and mitigation measures necessary to ensure the safety of all workers and persons associated with the programme. Some generic safety measures that can be adopted:

1. **Proper Training:** Ensure that all workers receive proper training related to their tasks, including training on the safe use of equipment and tools, handling of hazardous substances, emergency procedures, and awareness about potential environmental and climate risks.
2. **Personal Protective Equipment (PPE):** Workers should be equipped with PPE such as helmets, safety shoes, gloves, safety glasses, and high-visibility clothing. For climate-specific risks, additional equipment like sun protection, hydration measures for heatwaves, or thermal clothing for extreme cold may be necessary.
3. **Site Safety:** All construction sites should be secured properly to avoid unauthorized access. Clear signage indicating potential dangers and restricted areas should be installed. Regular inspections should be carried out to identify and fix potential safety hazards.
4. **Health and Wellbeing:** Consider the mental and physical health of the workers. Heat stress, for example, could be an issue on climate change projects. Adequate rest periods, access to drinking water, and provision for shade can help manage this risk.
5. **Community Engagement:** Engage with the local community to understand their concerns related to safety and integrate their inputs into safety planning.

Note these are general safety measures and each sub-project may require additional specific measures based on its unique context and the specific nature of the work being performed.

As such, the programme will also comply with the ILO's Code of Practice for Safety and Health in Construction. A copy of the guide can be found here: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/normativeinstrument/wcms_861584.pdf

Appendix 10: Indicative Outline Biodiversity Action Plan (BAP)

I. Introduction

- a. Overview of the sub-project and its potential impacts on biodiversity
- b. Purpose of the BAP
- c. Reference to IFC Performance Standard 6 and other relevant standards

II. Biodiversity Baseline Assessment (BAP)

- a. Description of the project area and its surroundings
- b. Detailed inventory of the biodiversity present (flora, fauna, ecosystems)
- c. Identification of critical habitats and areas of high biodiversity value

III. Legal and Regulatory Framework

- a. Overview of local, national, and international laws and regulations related to biodiversity
- b. Description of how the project will comply with these requirements

IV. Impact Assessment

- a. Detailed assessment of the potential direct and indirect impacts of the project on biodiversity
- b. Identification of any potential impacts on critical habitats or endangered species

V. Biodiversity Conservation Objectives

- a. Clear, measurable objectives for biodiversity conservation
- b. Alignment of these objectives with IFC Performance Standard 6

VI. Mitigation Hierarchy

- a. Description of how the project will apply the mitigation hierarchy (avoid, minimize, restore, offset) to manage its impacts on biodiversity
- b. Specific mitigation measures for each identified impact

VII. Biodiversity Monitoring and Evaluation

- a. Description of how the project will monitor its impacts on biodiversity and the effectiveness of its mitigation measures
- b. Key performance indicators for biodiversity conservation
- c. Regular reporting and review procedures

VIII. Stakeholder Engagement

- a. Identification of key stakeholders (local communities, government agencies, NGOs, etc.)
- b. Description of how the project will engage with these stakeholders on biodiversity issues
- c. Grievance mechanism for stakeholders to raise concerns or complaint

IX. Implementation Schedule and Budget

X. Timeline for the implementation of the BAP

XI. Conclusion

This is a general outline and may need to be adapted based on the specific context and requirements of the specific sub-project. It is also important to ensure that the BAP is developed in consultation with relevant stakeholders and is regularly reviewed and updated as the sub-project progresses.