**A Coordinated Approach to Social and Environmental Sustainability and Accountability:**

**A joint Initiative of FAO, UNDP and UNEP**

**Concept Note – 4 September 2012**

# Introduction

There is increased recognition that social and environmental policies and procedures need to underpin the technical and financial support provided by United Nations agencies to achieve sustainable development. The objective of these policies and procedures is to prevent or mitigate undue harm to people and their environment and to enhance benefits in the development process. They are designed to avoid, mitigate, or minimize the adverse social and environmental impacts of projects and strategies, and to implement projects and strategies that produce positive outcomes for people and the environment. Accountability mechanisms, with grievance and compliance functions, complement such policies, to ensure individuals and communities affected by project activities have access to appropriate procedures for hearing and resolving disputes.

The necessity of such policies and associated accountability measures, for example in the context of climate finance, has led to new conditions on funding and new initiatives to address organizational gaps. The impetus comes from within the UN and from external expectations.

This concept note spells out the expectations that are currently driving the development of social and environmental policies and accountability processes, outlines how FAO, UNDP and UNEP could coordinate their efforts to address these expectations, and identifies some of the benefits of doing so, taking in consideration the agencies’ mandates and nature of work.

# UN System Process

The senior officials of the **UN Environmental Management Group (EMG)**[[1]](#footnote-1),(Executive Heads of UN Agencies, Funds and Programmes), including FAO, UNDP and UNEP endorsed a ***Framework for Advancing Environmental and Social Sustainability in the United Nations System*** in 2011 as a means of furthering sustainability performance by: 1) Strengthening environmental and social sustainability in the activities of their respective organizations; 2) Supporting the further development and implementation of a UN System-wide framework for environmental and social sustainability including environmental and social safeguards; 3) monitoring collective efforts; and, 4) reporting back to the Governing Bodies of their respective organizations on progress made, good practice and lessons learned.

# Climate Finance and Other Processes

**The Global Environment Facility (GEF)** requires Partner Agencies, including FAO, UNDP and UNEP, to meet minimum environmental and social standards and have grievance and compliance functions in place by 2014 to receive funds.

**The Forest Carbon Partnership Facility (FCPF),** hosted by the World Bank, under the Common Approach to Environmental and Social Safeguards requires Delivery Partners, including FAO and UNDP, to meet minimum environmental and social standards and have grievance and compliance functions in place to receive funds (in 2012).

The **Board of the Green Climate Fund (GCF)** will agree on and adopt best practice environmental and social safeguards, which shall be applied to all programmes and projects financed by the Fund. The Fund will also support the strengthening of capacity in recipient countries, where needed, to assist them in meeting the Fund’s environmental and social safeguards.

There is also strong demand from **donors, stakeholders and civil society** for UN agencies undertaking REDD+ activities to have safeguards and accountability measures in place, given the potential impacts on their constituencies.

# Towards a Coordinated Approach to Social and Environmental Sustainability and Accountability for FAO, UNDP and UNEP

Given the structure and legal nature of the UN system and its agencies, a coordinated approach must build on each agency’s social and environmental policy, procedural and accountability framework.

In accordance with this, initial steps for developing coordinated standards and an accountability framework are outlined below:

* Review agencies’ social and environmental policies and procedures and compliance review and grievance redress functions against common requirement ‘benchmarks’, for example those of GEF and FCPF and the emerging GCF. Such a review could build on existing comparisons, for example those undertaken by FAO and UNDP to demonstrate equivalence with the World Bank safeguards and accountability mechanism under the FCPF Common Approach.
* Determine agencies’ policy, procedural and accountability gaps and assess opportunities for coordinating approaches to addressing these gaps, by for example applying existing approaches based on comparative advantages, including for example UNEP’s leadership in setting normative standards for the UN System, FAO’s Environmental Impact Assessment (EIA) and UNDP’s efforts to build Country Office capacity to address grievances.
* Following the internal revision and updating of agencies’ policies, procedures and accountability functions, articulate a coordinated social and environmental policy and accountability framework that could be applied in the context of joint programmes (at global and national levels).

# Benefits of a Coordinated Approach to Social and Environmental Sustainability and Accountability

In addition to responding to the expectations outlined above, there could be a number of benefits to developing a coordinated approach.

First, this approach could provide a model for coordinating standards across the UN system and would serve as a joint contribution to the application of the Framework for Advancing the Environmental and Social Sustainability in the United Nations System (under the EMG). This approach would also have the advantage of being tailored to the types of activities typically undertaken by UN agencies, as opposed to being based solely on the demands of external partners. Joint programming such as through the UNREDD Programme could provide an opportunity to ‘pilot’ elements of the EMG framework as well as provide inputs into the process moving forward.

Second, this approach would provide the framework necessary to ensure the UN-REDD Programme addresses social and environmental issues in one coherent way across agencies. The UN-REDD ‘social and environmental principles and criteria’ (SEPC) which provides a guiding framework on social and environmental issues for the Programme, could inform this initiative.

Third, a coordinated approach could collectively demonstrate to partners and stakeholders that FAO, UNDP and UNEP, jointly:

* are well positioned to build the capacities of countries to internalize environmental and social standards;
* have a credible, transparent, coherent and effective approach to social and environmental sustainability and accountability, built on international norms and best practice; and
* are committed to responding to calls, for example in the [Paris Declaration and Accra Agenda for Action](http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html), to enhance transparency, accountability and harmonization across UN operation.

Fourth, there may be economic efficiencies in establishing a common framework where issues such as dispute resolution and the handling of grievance claims are dealt with jointly. There may also be economic benefits in pooling resources to undertake the appraisal of projects with similar environmental and social impacts.

# Table of Social and Environmental Minimum Standards and Accountability Requirements

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|  | **FCPF** | **GEF[[2]](#footnote-2)** | **GCF** | **UN Environment Management Group (EMG)** |
| **Relevant Documentation** | [FCPF Common Approach to Environmental and Social Safeguards](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Aug2012/FCPF%20Readiness%20Fund%20Common%20Approach%208-9-12.pdf) | [GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.41.10.Rev_1.Policy_on_Environmental_and_Social_Safeguards.Final%20of%20Nov%2018.pdf) | [Draft decision -/CP.17 - Green Climate Fund -Report of the Transitional Committee](http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_gcf.pdf) | [Framework for Advancing Environmental and Social Sustainability in the UN System](http://www.unemg.org/Portals/27/Cooperation/EnvironmentalandSocialSustainability/report/tabid/79637/Default.aspx) |
| **Agencies** | WB, UNDP, FAO | FAO, UNDP, UNEP | WB, FAO, UNDP, UNEP | All EMG agencies including FAO, UNDP, UNEP |
| **Level of ‘bindingness’** | Part of the legally binding  Transfer Agreements | In order to be accredited as a GEF Project Agency, applicants will need to demonstrate to the GEF Accreditation Panel that they have policies and systems that comply with the criteria of all eight minimum standards | The Board will agree on and adopt best practice environmental and social safeguards, which shall be applied to all programmes and projects financed using the resources of the Fund. | The framework is not binding. The next steps include the inter-agency process continuing its consultative work. This will focus on evolving  the policy-level framework into an implementation phase that  all United Nations entities can take forward in a flexible and  phased approach. |
| **In-force date** | 2012 | 2014 | 2015 | Framework endorsed by EMG Senior Officials in 2011 |
| **Social and Environmental Minimum Standard**  **Requirements** | Substantial equivalence to the material elements of the WB’s environmental and social safeguard policies and procedures applicable to the FCPF Readiness Fund:   1. Environmental Assessment 2. Natural Habitats 3. Forests 4. Involuntary Resettlement 5. Indigenous Peoples 6. Physical and Cultural Resources   Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) | 1. Environmental and Social Impact Assessment; 2. Natural Habitats; 3. Involuntary Resettlement; 4. Indigenous Peoples; 5. Pest Management; 6. Physical Cultural Resources; 7. Safety of Dams; 8. Accountability and Grievance Systems |  | The importance of environmental and social safeguards measures was recognized by the senior officials of the EMG. The UNEP Governing Council at its 26th session in February 2011 also encouraged the EMG to put in place a process for environmental impact assessment and the use of environmental and social safeguards in respect of projects taken up directly by the organizations of the United Nations system. The endorsed framework individual entities are expected to commit to the following outputs related to the programme/project management entry point:   * An environmental and social assessment framework (including safeguards) is developed and implemented; it includes screening, review, management plans, monitoring, accountability and transparency.   + The consideration of environmental and social performance objectives is integrated into existing management approaches, such as partnerships and networks. |
| **Corporate Grievance** | Delivery Partners shall have sufficient capacity for dispute resolution | Partner Agencies to have systems for receiving and responding to complaints, which are sometimes referred to as grievance or ombudsman functions. | The Board will establish an independent redress mechanism that will report to the Board. The mechanism will receive complaints related to the operation of the Fund and will evaluate and make recommendations (still under discussion) | In the next phase of the EMG Consultative Process, accountability issues including grievance are anticipated to be considered more closely and clarified as part of a roadmap for UN agencies to operationalize the framework. |
| **Corporate**  **Accountability (Compliance)** | Each Delivery Partner shall have accountability measures available for FCPF Preparation Readiness grant agreements that are designed at a minimum to address breaches of the DP’s policies and procedures | Partner Agency has systems or measures to ensure accountability, including determination of whether Agencies are complying with their own policies. |

1. **The Environment Management Group (EMG)**is a United Nations System-wide coordination body. Its [Membership](http://www.unemg.org/LinkClick.aspx?link=1149&tabid=1120&language=en-US) consists of the specialized agencies, programmes and organs of the United Nations including the secretariats of the Multilateral Environmental Agreements. It is chaired by the Executive Director of United Nations Environment Programme (UNEP) and supported by a secretariat provided by UNEP. [↑](#footnote-ref-1)
2. GEF’s minimum safeguard standards are derived from World Bank safeguard policies, and the World Bank already has a best-practice accountability system, the Secretariat recommends that the Council note that the Bank already meets the proposed minimum standards. [↑](#footnote-ref-2)