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Advisory report of the Independent Redress Mechanism: Prevention of Sexual Exploitation, Abuse and Harassment in GCF projects or programmes (P&PrSEAH) – Addendum I Secretariat management response

Summary

This document presents the Secretariat management response to the Advisory Report of the Independent Redress Mechanism (IRM): Prevention of Sexual Exploitation, Abuse and Harassment (SEAH) in GCF projects or programmes: Learning from the World Bank's Inspection Panel cases. In considering the IRM Report, the Secretariat also offers its perspective in relation to an action plan for the Report's recommendations.

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I. Introduction

1. The GCF's Independent Redress Mechanism (IRM) developed the Advisory Report of the IRM on prevention of SEAH in GCF projects or programmes (IRM Advisory Note), to be presented to, and considered by, the GCF Board. This Secretariat Management Response presents the compilation of inputs from various offices within the Secretariat as part of the IRM consultation exercise.
2. The IRM Advisory Note was drafted by IRM on selected case studies on SEAH issues, as part of their mandate to "report to the Board on lessons learned and insights gained from handling cases... and from good international practices, and may recommend reconsideration of relevant policies, procedures, guidelines and systems of the GCF, including environmental and social safeguards".
3. After an initial round of consultations, and as a result of the approval of the updated SEAH policy by the GCF Board at B.23 (July 2019), the IRM presented its Revised Advisory Note to the Secretariat for review on 17 April 2020. Based on the IRM Revised Advisory Note, the Secretariat developed the present response.
4. The Secretariat hereby presents this Secretariat Management Response, with relevant considerations on the IRM Advisory Note included in annex I.

II. Process

5. As requested by the IRM, the GCF Secretariat began a process of consultation in relation to the IRM Advisory Note scheduled to be presented at B.26. The various responses were consolidated and reviewed by the Senior Management Team before being presented in annex I.
6. The Secretariat Management Response below includes overall strategic comments from the Secretariat to the IRM Advisory Note, and responses to the Note's recommendations including suggested implementation strategies and actions in place or under development in GCF.

III. General Comments

7. The Advisory Note presented by IRM illustrated the complexity of encountering and addressing sexual exploitation, sexual abuse and sexual harassment at the project level, in particular for the responsible implementing institution. As the report highlights, there are a multitude of factors affecting when and how SEAH issues manifest, warranting that robust monitoring and risk management procedures must always be applied. The report urges GCF to pay special attention to SEAH matters when considering projects and in its relations with Accredited Entities (AEs).
8. The Secretariat notes the importance of having comprehensive and effective SEAH safeguards, especially considering the well-being of, and rapid action for, victims. However, the Secretariat also notes that effective mechanisms should consider the limitations of the GCF business model and avoid unpractical liabilities for the Fund. The Secretariat must take into account the possible implications for the Fund should a SEAH incident occur or be alleged.
9. The two cases presented from the World Bank are an interesting study of SEAH implications in global funded projects. These cases raise questions as to what extent either the GCF or some of the Fund's AEs could find themselves in similar situations. Questions also arise about the type of liabilities GCF would experience in case of being co-financer in projects similar to the ones in Uganda and the Democratic Republic of Congo.

10. The Secretariat recognizes the efforts of the IRM to present an informative study on SEAH situations in large funding organizations like the World Bank. An important factor to be considered is the significant difference in resources and SEAH expertise available to the World Bank as compared to those available to the GCF in such circumstances. It is clear that robust SEAH risk assessments are needed to benefit the project development and help prevent harm to the beneficiaries of, and other persons involved in, GCF-funded projects. Whilst the Secretariat welcomes IRM's initiative to share a set of tools, being developed by the World Bank (WB) and the International Finance Corporation (IFC), with the Secretariat, the Secretariat notes that WB and IFC have dedicated experts assigned, and the human resources to follow up on this work. Therefore, the Secretariat recognizes that the Fund may find it extremely difficult to implement such tools and manage similar depth of work with the current resources at its disposal. Nevertheless, the Secretariat is open to considering how the relevant elements of the aforementioned tools might be designed to fit into the GCF's SEAH risk assessment framework.

11. The Secretariat welcomes IRM's observations in the Advisory Note that: (i) prior to the adoption of the SEAH Policy, the GCF already had in place a policy framework that addressed issues relating to SEAH at the project level through the interim environmental and social safeguards and the Gender Policy and Action Plan (paragraphs 4 and 18); and, (ii) that the World Bank addresses SEAH matters through its environmental and social safeguards (paragraph 19).

12. At B.25, the Board adopted a decision to render inoperative provisions relating to third parties set out in the Updated SEAH policy and requested the Secretariat to present to the Board a proposed revision to the SEAH Policy no later than B.27. Taking into consideration the recommendations and observations highlighted in the IRM's Advisory Note, the Secretariat endeavours to review the obligations placed on Accredited Entities, Executing Entities and procured parties with respect to SEAH in funded activities, to ensure the establishment of a fit-for-purpose and robust framework to effectively mitigate SEAH risks as comprehensively as possible.

IV. Overall response to recommendations

13. The Secretariat acknowledges the recommendations as valuable and insightful. Currently, the Secretariat has already begun to implement several of the recommendations; furthermore, planning is ongoing for actions to be put in place that will align with the Advisory Note's recommendations.

14. The Secretariat will take the recommendations detailed in the IRM's Advisory Note into account in developing a revised SEAH Policy, and particularly when creating SEAH action plans, implementation tools, guidelines, manuals and training programs; however, in doing so, additional constraints may be noted and resources may need to be considered.

15. However, as noted in paragraph 12 above, the counterparty and third party obligations in the SEAH policy are currently not in force; however, this does not affect the continuing effect of the provisions of the interim environmental and social safeguards, and the Gender Policy and Action Plan as noted in paragraph 11 above.

16. The Secretariat would highlight the significant differences in its business model with that of the World Bank that create differences linked to capacity and resident SEAH expertise between the two institutions. While the World Bank originates and implements its own projects, GCF works through a network of 95 Accredited Entities and an additional 62 Readiness delivery partners for project implementation. Therefore, GCF must approach the matter in a manner that is tailor-made and truly fit-for-purpose under its business model, which may well depart from the approach taken by the World Bank.

V. Conclusion

17. The IRM's Advisory Note is a useful document for the Secretariat to consider and reflect on. The Advisory Note illustrates the complexity of SEAH situations and how devastating they can be for victims and organizations, as well as the reputational risk to the GCF that such matters may present. There are important lessons to be learned, particularly for GCF as it reviews the SEAH policy implementation relating to funded activities and counterparties/third parties.

18. The Secretariat will further consider the recommendations deriving from the IRM report considered as part of its revision of the Updated SEAH Policy. The Secretariat will also consider resource implications of the recommendations and the best cost-effective way to address them.

Annex I: Secretariat management response – Views on Recommendations

Recommended Action Points and/or Actions already in place or planned
<p data-bbox="161 375 2078 438">Recommendation 1: GCF to develop a P&PrSEAH risk assessment tool and provide guidance and support to Accredited Entities on developing their own risk assessment tools</p> <p data-bbox="161 443 2078 582">The SEAH policy adopted at B.22 required the Secretariat to develop guidelines in relation to the policy implementation. As the third party-related obligations of the Updated SEAH policy are presently inoperative, the Secretariat takes onboard the IRM’s recommendation and will seek to retain the requirement for the GCF to develop SEAH guidelines, as well as establish SEAH Standards (to be developed by the Independent Integrity Unit). Deriving from these guidelines and the SEAH Standards, the Secretariat will evaluate its need for a tailored SEAH risk assessment tool.</p> <p data-bbox="161 619 2078 718">At the moment, the Secretariat is in the process of engaging a consultant with relevant SEAH expertise to support the technical revision of the SEAH policy provisions as relate to counterparties/third parties. The Secretariat aims to be in a position to present a revised policy, aligned with industry best practice, to the Board at B.27.</p>
<p data-bbox="161 758 2078 790">Recommendation 2: GCF to ensure that it maintains adequate capacity and expertise regarding P&PrSEAH</p> <p data-bbox="161 794 2078 861">The Secretariat engaged a consultant with SEAH expertise to begin implementation of the SEAH policy obligations pertaining to GCF personnel. In this regard, the Secretariat has developed training material and concluded the first phase of staff training in February 2020.</p> <p data-bbox="161 898 2078 1101">Regarding the third-party aspects of SEAH, the Secretariat will fully consider its capacity needs in developing fit-for purpose revisions to the Updated SEAH policy given the importance of SEAH risk mitigation. In anticipation of long-term resource needs, the Secretariat has already created a position for a SEAH specialist which is currently under recruitment. Also, in line with the B.25 board decision requesting the Secretariat to consider the cost implications of the policy revisions planned to be presented at B.27, the Secretariat will conduct a thorough assessment of projected implementation costs and will seek to secure appropriate budgetary allocation to facilitate access to expert resource requirements on SEAH in relation to projects, accreditation, and legal agreements.</p>
<p data-bbox="161 1141 2078 1173">Recommendation 3: P&PrSEAH expertise and capacity at the project level</p> <p data-bbox="161 1177 2078 1378">This recommendation provides: “For those projects or programmes that are deemed as high-risk, the GCF should ensure that the Accredited Entities retain appropriate P&PrSEAH expertise and capacity to manage P&PrSEAH risks at the project level.” The Secretariat is unable to “ensure” such steps will be taken by the accredited entities, as the retention of such expertise and capacity is inherently a matter for the accredited entities to undertake, and the GCF cannot take such steps if accredited entities do not do so.. However, for projects that have been identified with a high risk of SEAH, the Secretariat would consider incorporating specific provisions in legal agreements in relation to SEAH, which may include contractually obliging the relevant accredited entities to retain appropriate SEAH expertise and capacity to manage SEAH risks at the project level. Identifying circumstances</p>

Recommended Action Points and/or Actions already in place or planned

requiring such provisions, and crafting appropriate obligations, will be dependent on the GCF having adequate capacity and expertise, on which we refer you to the response on recommendation 2 above.

Recommendation 4: GCF to provide guidance to staff and Accredited Entities on P&PrSEAH

To the extent already covered by the Gender Policy and Action Plan, the Secretariat's Sustainability team conducts regular checks which may include the points raised in IRM's recommendation. Furthermore, the Secretariat will consider developing general guidelines and training materials for third parties on the GCF requirements on SEAH (i.e. arising under the ESS and/or Gender Policy and Action Plan, and the Updated SEAH Policy to the extent necessary and appropriate).

Additionally, the Secretariat will continue to raise internal awareness and deliver periodic training to GCF's personnel on matters relating to SEAH, in the same manner as the training presented in February 2020 to all GCF personnel by OED, HR and IIU.