



Guidelines

Social and environmental safeguards for Adaptation Benefits Mechanism Activities

Revision 1

I. BACKGROUND

1. The Adaptation Benefits Mechanism (ABM) is a results-based finance mechanism in line with the provisions of Article 6.8 of the Paris Agreement that channels resources to projects enabling communities, economies and ecosystems to adapt and build resilience to the negative impacts of climate change. The ABM will create an incentive for private sector investments in adaptation projects by facilitating payments upon delivery of certified adaptation benefits, thereby generating a new and additional source of revenue for adaptation. The ABM is intended to be a non-market mechanism. It will assist developing countries with achieving their adaptation priorities set out in their NDCs, in particular those that are conditional on international support. The ABM is being piloted by the African Development Bank in the period 2019-2023. The interim Adaptation Benefits Executive Committee (ABM EC) is an independent senior expert body formed by the African Development Bank in October 2019 with the mandate to oversee and execute the rules for the ABM Pilot Phase.

2. In its “Guidelines on the Adaptation Benefits Mechanism Activity Cycle procedure for developers of Adaptation Benefits Mechanism activities”, the ABM EC identified the need for developing “Guidelines on ABM Environmental and Social Safeguards”.

3. At its eleventh meeting, the ABM EC adopted the “Guidelines on Social and Environmental Safeguards for Adaptation Benefits Mechanism activities” (ABM SES)¹. At its 15th meeting, the ABM EC adopted the revised guidelines, as contained in this document, based on the recommendations by the ABM Methodology Panel and its Roster of Experts. An overview of the history of the document is included in Appendix 1.

¹ Document ABM EC/2021/11/5

II. INTRODUCTION

4. The intention of the ABM Pilot Phase is to demonstrate the mechanism through adaptation activities that do not result in any adverse economic, social and environmental impacts that have not been adequately addressed and that will enhance the resilience of the targeted communities and/or ecosystems.

5. The ABM SES contain mandatory safeguards including classification of ABM activities² based on size and environmental impact and the safeguards that apply to each category. The ABM SES also contain simplified safeguards for small- and medium scale activities with no or limited and manageable negative social and environmental impacts. For full-scale activities and activities with significant social and environmental impacts, the ABM SES require the application of the environmental and social safeguard policies and tools of the Green Climate Fund³ and any additional requirements of the co-financing institution. See Table in paragraph 19 for a summary of the applicable rules for all categories of activities

III. OBJECTIVE

6. The aim of this document is to provide guidance to the ABM activity participants on the minimum social and environmental safeguards to be applied for ABM activities during the ABM Pilot Phase.

7. The objective of the ABM SES is to ensure the social and environmental integrity of ABM activities in a manner that meets the needs of the stakeholders involved, while ensuring, among others, the empowerment of women and children, the environment, ecosystems, biodiversity, human rights, labour rights, cultural heritage, and poverty alleviation; and avoiding maladaptation and significant greenhouse gas emissions. The SES requirements will be reviewed as the ABM evolves from a pilot phase into a full-implementation phase. Include extra para on lists.

III. GUIDELINES

Scope and applicability

8. The scope of the ABM SES covers all candidate ABM activities and ABM activities, which are registered in the ABM Registry (ABM Activities).

² ABM activities include projects and programmes as defined in the “Glossary of Terms for the Adaptation Benefits Mechanism”, document ABM EC/2022/15/11.

³ <https://www.greenclimate.fund/projects/safeguards/ess>

Entry into force

9. These guidelines shall become effective upon adoption by the ABM EC.

Normative references

10. The following referenced documents⁴ are indispensable for the application of these guidelines:

- (a) “Guidelines on the Adaptation Benefits Mechanism Activity Cycle procedure for developers of Adaptation Benefits Mechanism activities”⁵;
- (b) “Glossary of terms for the Adaptation Benefits Mechanism”⁶;
- (c) “Guidelines on the development of a methodology for an Adaptation Benefits Mechanism Activity”⁷;
- (d) “Adaptation Benefits Mechanism Activity Description Document”⁸;
- (e) Guidelines on stakeholder consultations and engagement under the Adaptation Benefits Mechanism”;
- (f) Decisions 3/CMA.3 and 4/CMA.4.

Requirements for all ABM activities

11. All ABM activities shall comply with the following requirements:

- (a) For each ABM activity, the ABM participants shall identify all material positive and negative social and environmental impacts, including through stakeholder consultations, and take adequate mitigation measures to prevent, minimize and, where possible avoid negative environmental, economic and social impacts or compensate for them, where they cannot be avoided;
- (b) ABM activities shall comply with all applicable domestic laws and appropriate relevant international laws related to Social and Environmental Safeguards, including social and environmental policies and requirements of the host country⁹ at national, federal and local level, as well as those for the relevant sector, geographical area or social group and attach the relevant documentation to the ADD. reflect this in an environmental and social commitment plan attached to the ADD;
- (c) ABM activities shall comply with relevant guidance on non-market approaches for adaptation under the UNFCCC¹⁰, including to be conducted in a manner that respects, promotes and considers respective obligations of

⁴ All documents are available on the ABM webpage: <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/adaptation-benefit-mechanism-abm/>

⁵ Document ABM EC/2022/14/4.

⁶ Document ABM EC/2022/15/11.

⁷ Document ABM EC/2022/15/15.

⁸ This document is still under preparation. Until a template and guidelines are available, the ADD is format free.

⁹ in some jurisdictions some activities, depending on size and type, such as very small-scale or soft-measures activities might be exempted from implementing an environmental impact assessment. It is recommended to consult the national legislation on this aspect for any exemptions and further guidance.

¹⁰ Such as Article 6.8 of the Paris Agreement and decision 4/CMA.3.

- Parties involved, including the host country, on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity¹¹;
- (d) ABM activities shall comply with the Social and Environmental Safeguards requirements of the entity through which the project funding is channeled;
 - (e) ABM activities shall contribute, in addition to adaptation, to sustainable development and poverty eradication¹², as well as, as appropriate, to mitigation, finance, technology development and transfer and capacity-building¹³;
 - (f) ABM activity participants shall apply the ABM SES as early as possible during the activity preparation and at latest during the preparation of an ABM Activity Design Document (ADD), which must be prior to construction/installation. ABM participants shall continue to monitor, address and report on relevant negative social and environmental impacts throughout the implementation of the activity;
 - (g) The ABM activity participants shall ensure that measures are in line with national environmental and social management systems ¹⁴¹⁵;
 - (h) The ABM activity participants shall disclose information and relevant environmental and social (safeguards) documents;
 - (i) The ABM activity participants shall develop stakeholder engagement plans and conduct local stakeholder consultations prior to validation of the approaches, as referred to in paragraph 21 below;
 - (j) ABM participants shall ensure that benefits accrue to disadvantaged or vulnerable individuals;
 - (k) The ABM activity participants shall address the outcomes of the stakeholder consultations and, if applicable, the outcomes of the environmental impact assessment with adequate measures and shall define the approaches for addressing these outcomes in the ADD;
 - (l) The ABM validator shall include in their written validation report an assessment of the adequacy of the stakeholder consultations and how the ABM participants have addressed the outcomes thereof, and if applicable, the outcomes of the Environmental and Social Impact Assessment; footnote ref to text in the Activity Cycle;
 - (m) The ABM verifiers shall include in their written assurance (certification of adaptation benefits) whether during the specified verification period the

¹¹ Consistent with the 11th preambular of the Paris Agreement and paragraph 3.(e) of the Annex of Decision 4/CMA.3.

¹² Consistent with paragraph 2.(b)(ii) of the Annex of Decision 4/CMA.3.

¹³ Consistent with paragraph 2.(b)(i) of the Annex of Decision 4/CMA.3.

¹⁴ Consistent with paragraph 3.(f) of the Annex of Decision 4/CMA.3.

¹⁵ The positive impacts, subject to monitoring, verification and certification, may be included in the ABM methodology with corresponding indicators and metrics. The remaining positive impacts may be listed in an Annex to the ADD as co-benefits, taking into account that they will be subject to monitoring and verification.

ABM activity has, among others, been consistent with the approaches defined in the ABM ADD to address the outcomes of the stakeholder consultations and, if applicable, the outcomes of the Environmental and Social Impact assessment; ref to the text in the Activity Cycle;

- (a) The ABM verifier shall include in their written assurance an assessment of the compliance with all applicable requirements, as referred to in paragraph 33 of the “Guidelines on the Adaptation Benefits Mechanism Activity Cycle procedure for developers of Adaptation Benefits Mechanism activities”;
- (n) ABM participants shall ensure that ABM activities align with the goals and provisions of the Paris Agreement¹⁶.

12. For each ABM activity, the ABM participants may conduct pre-feasibility studies, gender and social assessment and action plan, or any other studies, and prepare documents that may strengthen their ABM ADD.

Types and categories of ABM activities

13. Three types of ABM activities are distinguished in accordance with the activity size, based on the level of the required investment:

- (a) Small-scale adaptation activity requiring up to US\$ 1 million investment;
- (b) Medium-scale adaptation activity requiring an investment between US\$ 1 million and US\$ 10 million;
- (c) Large-scale adaptation activity requiring an investment above US\$ 10 million.

14. The ABM participants shall indicate for each ABM activity the appropriate size in the ABM ADD, in accordance with paragraph 9 above.

15. Three categories of ABM Activities are distinguished, based on the social and environmental impacts footnote the ABM EC may consider based on experience to define low and high-risk lists for specific adaptation technologies:

- (a) Category I activity, which has no or minimal adverse social and environmental impacts;
- (b) Category II activity, which has limited and manageable social and environmental impacts;
- (c) Category III activity, which has significant social and environmental impacts. The guiding principles for Category III include the magnitude and scale of the impacts considering the level of impacts, the longevity of the impacts, the extent of the impacts in terms of the area affected, the number of people affected by the impacts, the reversibility of the impacts, among other considerations.

16. The ABM activity participants shall indicate the appropriate category in the ABM ADD, in accordance with paragraphs 11 and 15 above, and shall justify the

¹⁶ Consistent with paragraph 38 of the Annex of Decision 3/CMA.3.

categorization¹⁷.

Simplified requirements

17. For small-scale ABM activities, as referred to in paragraph 13 (a) above and for medium-scale ABM activities, as referred to in paragraph 13 (b) above, which are also category I or II activities, as referred to in respectively paragraphs 15 (a) and (b) above, the ABM participants shall conduct at minimum a simplified social and environmental pre-assessment of the negative social and environmental impacts following the template provided in Annex 1 and include this pre-assessment as an annex to the ADD. However, they may conduct more detailed assessments, risk management and stakeholder consultations, in particularly if they intend to mobilize finance through the ABM for replication and expansion of the activity and minor risks are likely to accumulate to more significant risks.

Requirements for other activities

18. Large-scale ABM activities, as referred to in paragraph 13 (c) above, in all categories, as referred to in paragraph 11 above and medium-scale activities, as referred to in paragraph 13 (b) above in category III, as referred to in paragraph 15 (c) above, are required to conduct at minimum one of the following assessment types: either Environmental and Social Impact Assessment (ESIA) or a Strategic Environmental and Social Assessment (SESA); AND either Environment and Social Management Framework (ESMF), or Environmental and Social Management Plan (ESMP). AND if relevant, a Resettlement action plan (RAP). The document chosen needs to be elaborated following the national requirements and legislation, the guidelines of the African Development Bank Group or any other reputable organization. The assessment and plan(s) are to be provided as annexes to the ADD, including a disclosure by the national authority(ies), if applicable.

19. Table 1 below summarizes the social and environmental safeguard requirements for ABM activities in paragraphs 13 to 18 above.

Table 1: Summary of SES requirements for ABM activities

Category/ Scale	Small-scale (<US\$ 1 million)	Medium-scale (US\$ 1 – 10 million)	Large-scale (> US\$10 Million)
Category I	Simplified SES	Simplified SES	Simplified SES
Category II	Simplified SES	Simplified SES	ESIA or SESA AND ESMP or ESMF, and RAP if relevant
Category III	ESIA or SESA AND ESMP or	ESIA or SESA AND ESMP or ESMF, and RAP	ESIA or SESA AND ESMP or ESMF, and RAP if

¹⁷ For categorization and justification of ABM activities, the ABM EC recommends the use of the Green Climate Fund (GCF) “Sustainability guidance note: screening and categorizing GCF-financed activities”, whereby ABM category I activities correspond with GCF category C projects, ABM category II activities correspond with GCF category B projects and ABM category III activities correspond with GCF category A projects. The GCF guidance note is available on the Internet:
<https://www.greenclimate.fund/sites/default/files/document/sustainability-guidance-note-screening-and-categorizing-gcf-financed-activities.pdf>

	ESMF, and RAP if relevant	if relevant	relevant
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Requirements for stakeholder consultation

20. Local stakeholder consultation shall be conducted with the aim of ensuring that all relevant local stakeholders are informed and have full understanding of the proposed ABM activity and impacts, and that any stakeholders affected by the activity are provided with the opportunity to give a free, prior and informed consent, To the extent possible ABM activities shall seek to secure ownership by the final beneficiaries, Ref to Guidelines on Stakeholder consultation and engagement for ABM activities

21. Local consultation shall involve key stakeholders, including the final beneficiaries and any vulnerable groups that would be affected by or will benefit from the ABM activity, as well as relevant local and national authorities. Local consultation shall be conducted as early as possible in the ABM activity development before validation.

22. The stakeholder consultation may include consultation on a new ABM methodology and/or the application of the approved ABM methodology¹⁸.

23. In accordance with the ABM Activity Cycle¹⁹, global consultation with stakeholders shall be conducted during the stages of validation and verification. For this purpose, the validator or verifier shall publish, respectively, the ADD or the monitoring report on the ABM website for the period of 30 days.

24. In the ABM Activity Cycle, during the stages of registration and issuance, the ABM secretariat will publish, respectively, the validation report and the ADD or the verification report and the monitoring report for consultation with Parties²⁰ involved in the ABM activity only for the period of 15 days.

¹⁸ Based on best practices with adaptation, it is envisaged that local stakeholders may provide valuable reflection and insights on the potential adaptation benefits of the activity

¹⁹ Document ABM EC/2021/9/5

²⁰ Parties to the Paris Agreement, which are government(s), including the Host country government.

Annex 1: Social and environmental pre-assessment of potential negative impacts of an ABM activity

Template

Name of the activity:

Country:

Region/state/district/community:

Activity type: micro-scale/small-scale

Activity category: I/II

Summary of measures to be taken under the activity:

Criteria	ESS standard triggered	Expected negative impact (s)	Mitigation measures for negative impacts	Monitoring indicators
ENVIRONMENTAL				
Ecosystems and biodiversity, including protected areas and critically endangered species				
Natural resources, including water, energy and biological resources				
Pollution, including from chemicals and waste				
Direct emissions of greenhouse gases, including due to use of fossil fuel and fossil-fuel-based energy, livestock, land-use and agriculture				
Transboundary impacts on air, water and other natural resources				
Technological installations				
Adaptation				
Maladaptation ²¹				
Leakage ²²				

²¹ An adaptation action that: (a) impacts adversely on, or increases the vulnerability of other systems, sectors, or social groups, and/or (b) inadvertently increases vulnerability, e.g., once critical thresholds have been exceeded; and/or (c) generates other negative impacts that exceed its benefits.

²² Net (negative) change of indicator values which occurs outside the activity boundary, and which is measurable and attributable to the activity.

Other:				
ECONOMIC				
Finance				
Right to development				
Sustainable development				
Poverty eradication				
Altering of land use and restriction of access to natural resources				
Labour rights, including child labour and employment				
Technology development and transfer				
SOCIAL				
Gender equality and empowerment of women.				
Intergenerational equity				
Minority groups, local communities, and indigenous peoples, including resettlement				
Cultural heritage and archeological findings, including those with religious values				
Human rights				
Occupational health and safety				
Health, safety and security and community level and/or at individual level, as relevant.				
Education				
Sexual exploitation, abuse, and harassment				
Resettlement, including involuntary resettlement				
Rights of indigenous peoples, local				

communities, migrants, children, persons with disabilities and people in vulnerable situations.				
Capacity-building				
Other:				

Is any of the abovementioned negative impacts expected to be large scale or permanent or irreversible or outside the area of influence of the activity? Which one(s) and why?

Which are the key stakeholders?

Were they consulted? How and when?

What concerns were expressed? How?

How will these concerns be addressed? What are the timelines?

Were the stakeholders informed on the outcome and how their concerns were/will be addressed and when?

Is an Environmental Impact Assessment applicable, in accordance with national legislation and the ABM SES?

Yes/No

If yes, what were the key outcomes?

What mitigation measures will be taken for any negative outcomes?

Does the project has any transboundary impacts o

Yes/No

If yes, what are those?

What mitigation measures will be taken for any negative impacts?

I declare that the above information is correct,

Signature (s) of the ABM activity participants, including names, function, organization and contact information:

Appendix 1: History of the document

Table 1 below contains the history of the revisions of the document “Guidelines on ABM Environmental and Social Safeguards”.

Table 1. History of the document

Version	Date	Description
2	3 June 2022	Document ABM EC/2022/... Alignment to UNFCCC Decision 4/CMA.3 Old paragraphs 4, 5, 7, 11, 13, 15, 17-19 and Annex 1 substantively amended. New sub-paragraphs 11 (c) - (e), (g), (h) and (m) added.
1	20 May 2021	Document ABM EC/2021/11/5 Initial adoption