

Climate action and biodiversity conservation often take place in challenging contexts involving weak rule-of-law structures, structural inequalities and fragile ecosystems.

To ensure optimal protection for both the environment and people, the International Climate Initiative (IKI) is committed to complying with international environmental and social standards. This is guaranteed through the IKI Safeguards System.

What are safeguards?

Safeguards are protective measures designed to prevent, minimise or mitigate adverse impacts from project activities on people and the environment.

The IKI Safeguards System

The IKI Safeguards System has the following objectives:

- Prevent adverse impacts on people and the environment while ideally maximising the positive environmental and social impacts of projects
- Enhance project effectiveness, sustainability and quality
- Strengthen stakeholder engagement and participation, especially of indigenous communities, marginalised or vulnerable groups

- Increase transparency and accountability to stakeholders and the public
- Transparently communicate criteria which are excluded from IKI funding

To achieve these objectives, the Safeguards System incorporates a number of components:

- The **IKI Safeguards Standards** define environmental and social standards that projects must comply with. They are in line with the Safeguards Standards of the Green Climate Fund (GCF), which currently uses the [IFC Performance Standards on Environmental and Social Sustainability](#).
- The [IKI Safeguards Policy](#) sets out principles and procedures for ensuring that environmental and social standards are met.
- The [IKI Exclusion Criteria](#) define types of activities that cannot receive IKI funding because they involve potential risks, which would jeopardise compliance with the environmental and social standards or would not be ethically justifiable.
- The [IKI Complaints Mechanism](#) ensures that people who are adversely affected by project activities can express their concerns, and report infringements of the environmental and social standards to an official body.

IKI projects comply with the following IFC Performance Standards (PS):

- Environmental and Social Management System (PS 1)¹
- Labour and Working Conditions (PS 2)
- Resource Efficiency and Pollution Prevention (PS 3)
- Community Health, Safety, and Security (PS 4)
- Land Acquisition and Involuntary Resettlement (PS 5)
- Biodiversity Conservation and Sustainable Management of Living Natural Resources (PS 6)
- Indigenous Peoples (PS 7)
- Cultural Heritage (PS 8)

¹ Individual projects are not required to establish an overarching Environmental and Social Management System (ESMS) policy.

The IKI Safeguards Policy

Adopted on 15 January 2023, the IKI Safeguards Policy has proven to be a useful instrument for the effective management and monitoring of environmental and social risks, while countering potential adverse impacts on people and the environment, and strengthening positive effects. Guiding principles of the Safeguards Policy include social and environmental sustainability, the conservation of biodiversity, upholding international human rights and labour rights, non-discrimination, as well as applying a risk-based approach and the mitigation hierarchy.

The mitigation hierarchy

Safeguards measures are developed for the entire mitigation hierarchy:

1. Avoid/prevent adverse impacts,
2. Minimise/reduce adverse impacts, if avoidance/prevention is not possible,
3. Mitigate adverse impacts,
4. In exceptional cases, remedy adverse impacts, if avoidance/prevention, minimisation/reduction and mitigation measures are unavailable or insufficient.

Applying the IKI Safeguards Policy ensures that tasks and responsibilities are clearly assigned, procedures and processes are structured, and consequences are identified. This increases the quality, coherence and efficiency of IKI projects and the funding programme itself.

The risk-based approach and its scope of application

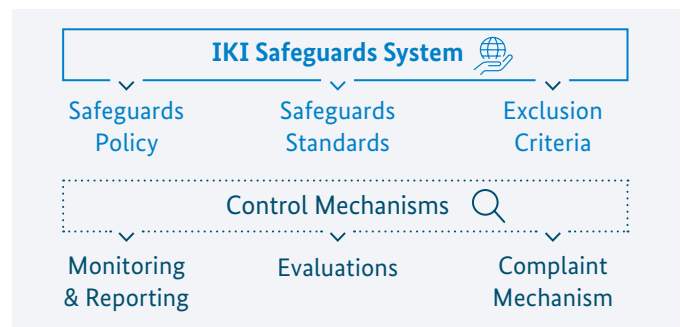
The safeguards standards are applied to all projects that receive IKI funding, as well as to associated facilities and activities. Each project is analysed and assessed in relation to its environmental and social risks and impacts. The Safeguards Policy pursues a risk-based approach in managing these environmental and social risks. In other words, the higher the risk category of a project, the more extensive the requirements for the project's safeguards regimen.

Managing environmental and social risks throughout the IKI project cycle

Different tasks ensure compliance with the safeguards standards within the individual phases of the project cycle:

- Initial screening of risks in the outline phase
- Categorisation of risks and identification of measures to adequately manage environmental and social risks in the proposal phase
- Stakeholder engagement in the proposal and implementation phase ensures access to information, meaningful consultation and participation of people potentially affected by adverse effects
- Monitoring and evaluation in the implementation phase

If project activities cause safeguards-relevant adverse impacts on people and the environment, projects must promptly notify Zukunft-Umwelt-Gesellschaft (ZUG) gGmbH as the project management agency. An amendment process can be initiated in response. If the challenges persist, the project may be subject to termination.



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