



Linkages between Env. and social requirements for UNDP Vertical Funds programming and the EU Taxonomy

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Vertical Funds
(GEF, GCF, AF)
Approx.
2B USD/yr

Mutually
coordinated
Environmental and
Social Standards of:
VFs & Accredited
Entities &
country systems

UNDP and Vertical Funds promote:

Integrated projects based on

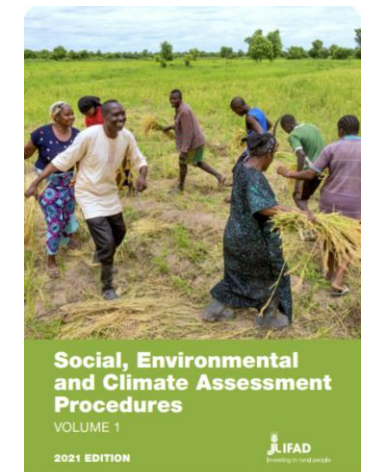
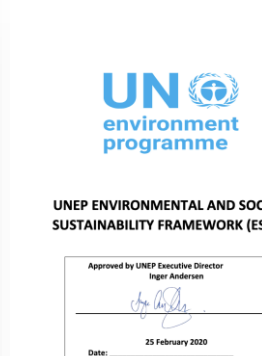
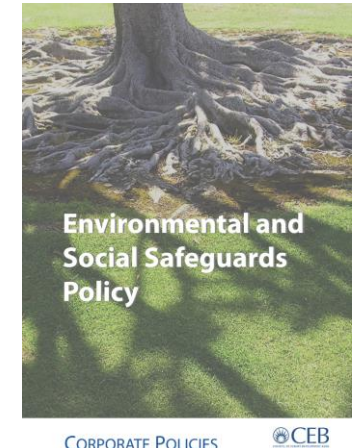
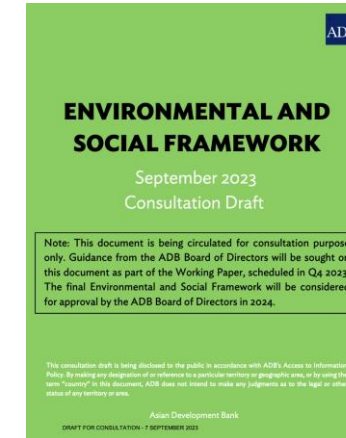
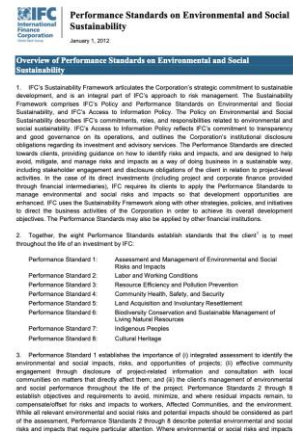
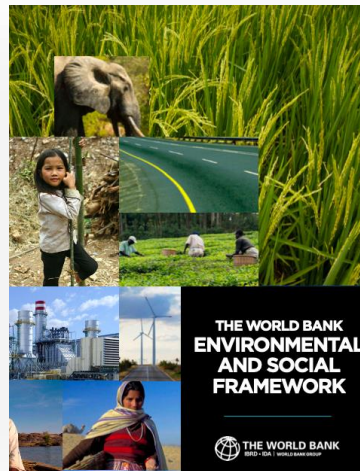
**Nationally Determined Contributions,
National Adaptation Plans,
National Biodiversity Strategies and Action Plans, etc.**

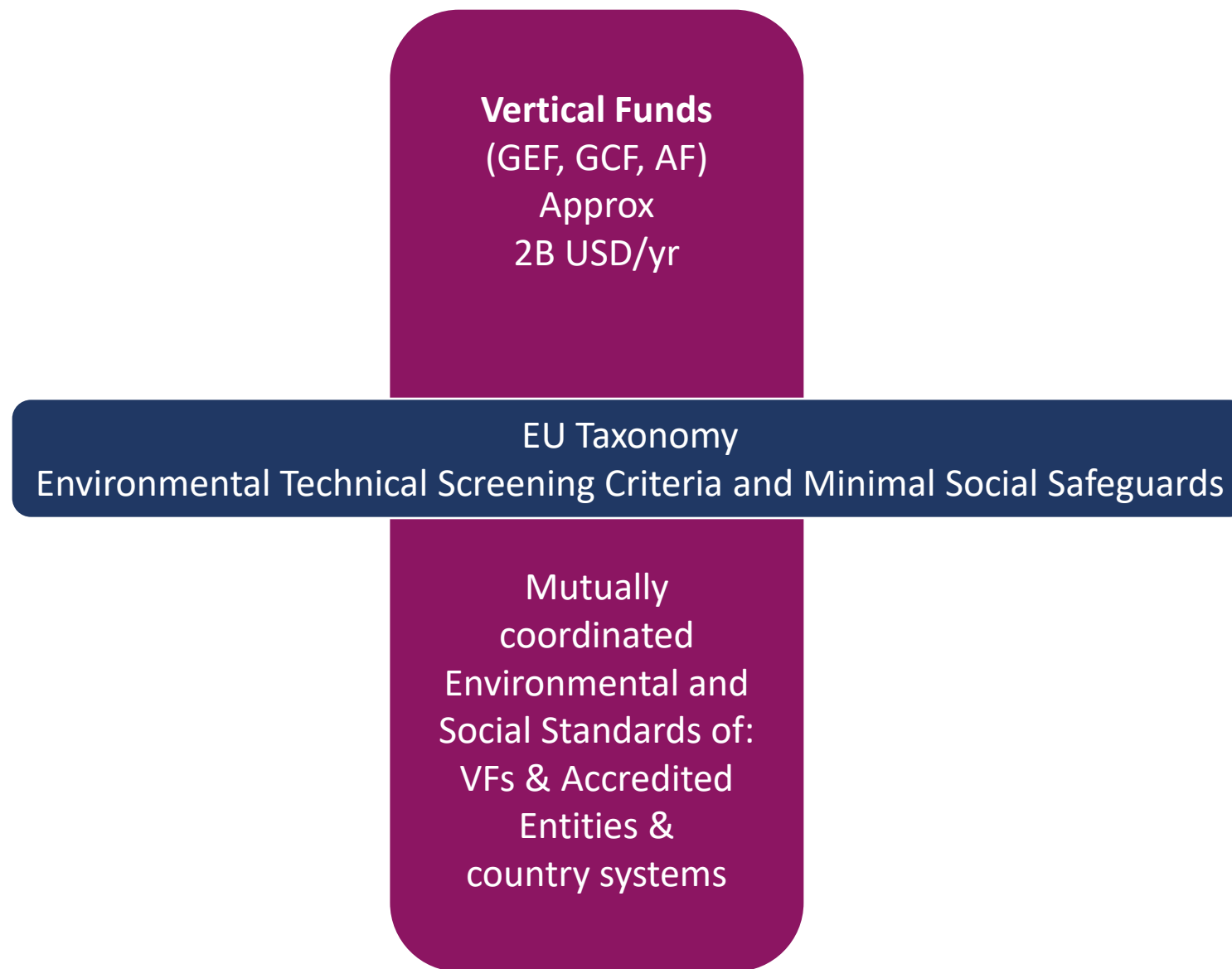
Selected based on their blending, paradigm shift,
catalytic effect potential

Vertical Funds implement projects through Accredited
Entities that use **mutually synchronized E&S standards**:

IFIs (WB/IFC, EIB, EBRD, CEB, ADB, AIIB, AfDB),
UN (UNDP, FAO, IFAD, UN Environment, etc.),
and major NGOs (WWF, IUCN, etc.)

IFIs, UN agencies, Vertical Funds and their accredited/executing entities follow materially equivalent Environmental and Social procedures





Wide-range of economic activities (not projects – e.g. operation of car fleets)

that can be labeled as sustainable

by private actors that seek funding on EU capital markets

applies also to non-EU entities

EU-based standards with some references to global standards (e.g. IFC)

Environmental and Social Standards x EU Taxonomy

	ESS/SES	EU Taxonomy
Impacts considered	<p>Primarily negative impacts.</p> <p>Positive impacts are not typically well considered.</p>	<p>Both positive impacts (Substantial Contribution - SC) and negative impacts (Do No Significant Harm - DNSH).</p>
Assessment scope	<p>Broad coverage of all relevant environmental issues:</p> <p>(a) human beings, fauna, and flora;</p> <p>(b) soil, water, air, climate, and the landscape;</p> <p>(c) material assets and the cultural heritage;</p> <p>(d) the interaction between the factors</p>	<p>Six strategic environmental issues:</p> <ul style="list-style-type: none"> • Climate change mitigation; and adaptation; • Pollution prevention and control, and circular economy; • Sustainable use and protection of water; • Protection and restoration of biodiversity and ecosystems.
Transparency	<p>High ex-ante transparency of the assessment process and its results.</p> <p>Solid ex-post transparency through EIA information systems.</p>	<p>Only ex-post disclosure of the overall financial figures.</p> <p>The actual assessments do not have to be publicly disclosed. Central depositories of the actual assessments are not yet foreseen.</p>

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Approx
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EU Taxonomy
Environmental Technical Screening Criteria and Minimal Social Safeguards

Mutually
coordinated
Environmental and
Social Standards of:
VFs & Accredited
Entities &
country systems

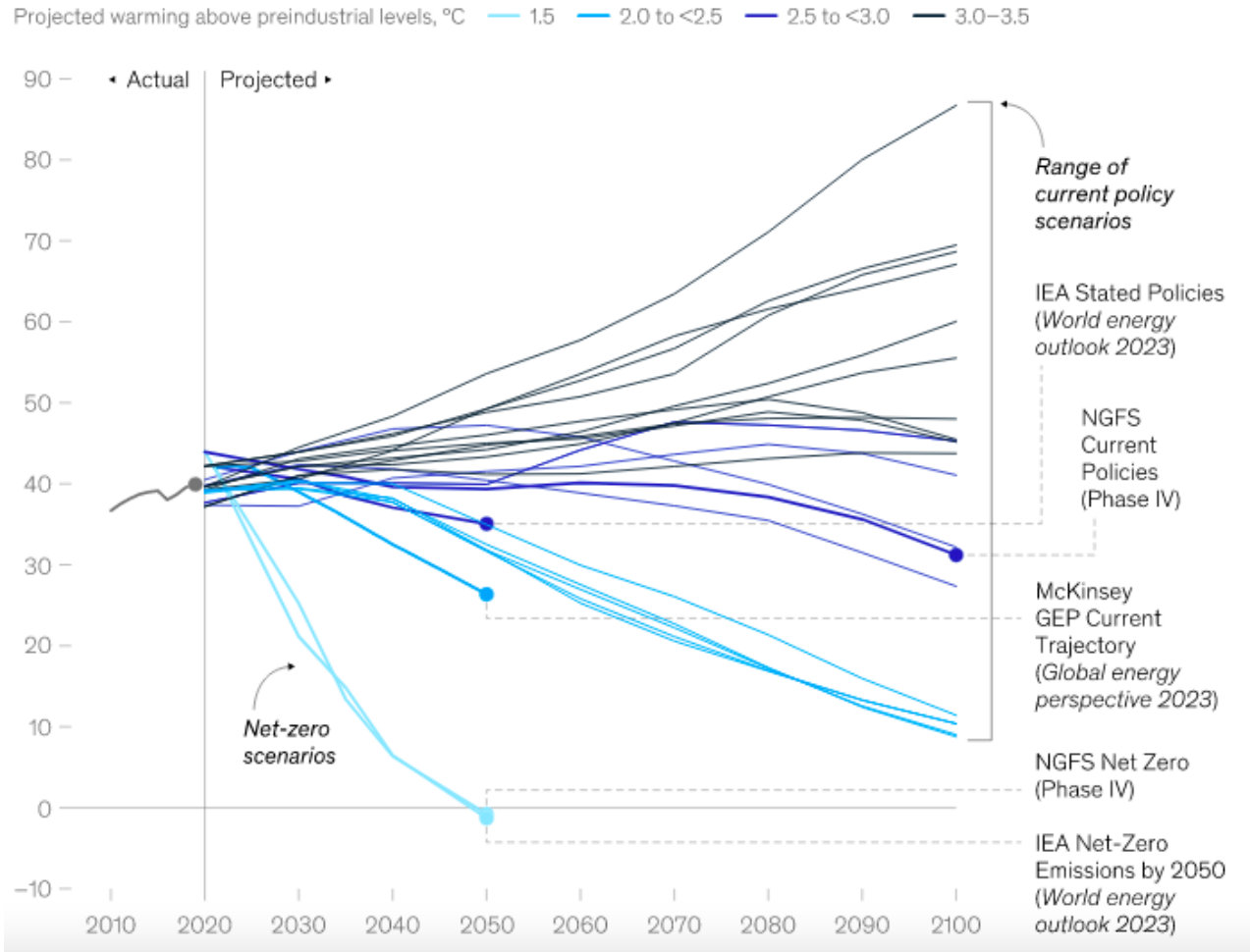
**Increasing
requirements for project
financing**

**Resource & time
implications**

**Impacts speed of the
transition process**

A wide range of scenarios shows that if the world stays on its current trajectory, net zero will not arrive during this century.

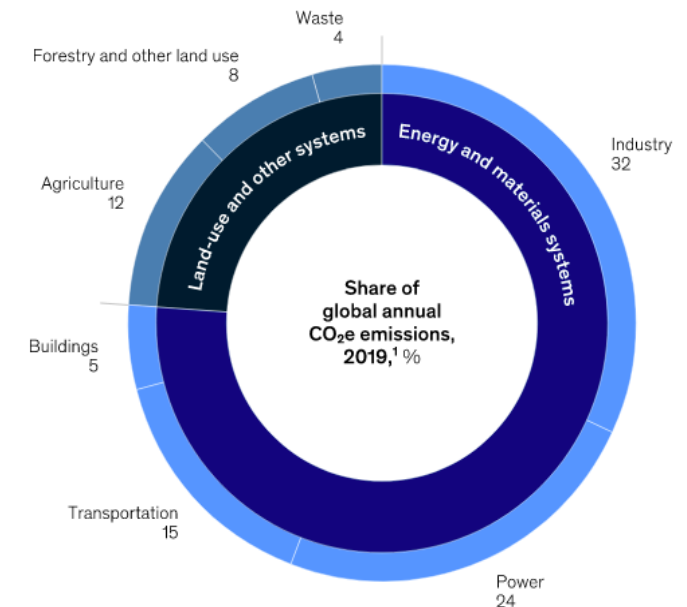
Global CO₂ emissions by scenario,¹ gigatons



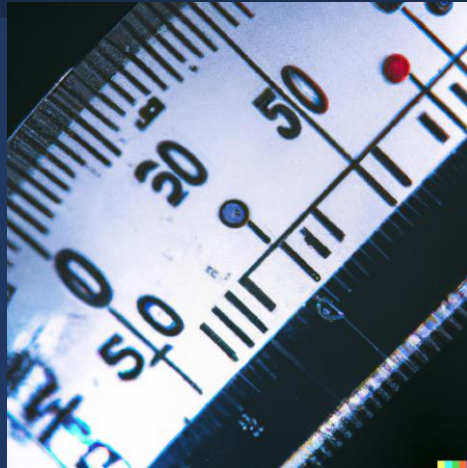
The transition requires agility and system coordination

System integration is needed to speed-up the rapid application of the agreed standards, support the exchange of lessons learned, and accelerate innovation that facilitates further scale-up

The transition calls for transforming the energy, materials, land-use, and other systems that emit greenhouse gases.



What opportunities exist for aligning or linking the assessment systems?



Two different
communities with a near-
zero interaction.....

A unique opportunity
to propose mutually
beneficial solutions
across silos



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Thank you for your attention