

**FCPF Readiness Fund: Guidelines and Generic Terms of Reference for  
SESAs and ESMF**

*(Annexes to the R-PP v. 6 draft Revised (April 20, 2012))*

**Annex C: Guidelines for the Development of ToRs for the ESMF****GUIDELINES FOR THE DEVELOPMENT OF TERMS OF REFERENCE (ToRs) FOR AN  
ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)  
IN THE CONTEXT OF THE  
REDD-PLUS READINESS PREPARATION PROCESS SUPPORTED BY THE FCPF**

This document provides guidelines on the preparation of Terms of Reference (ToRs) for an Environmental and Social Management Framework (ESMF) during an FCPF-supported REDD-Plus Readiness Preparation process. The resulting ToRs will, in turn, guide the preparation of an ESMF in relation to the specific Bank safeguard policies that are triggered by the REDD country's emerging REDD-plus strategy. The ESMF is prepared for application during the Implementation phase of REDD+, as part of the implementation of the REDD-Plus strategy formulated during Readiness. Each ESMF prepared will take on a different form depending on the safeguard policies that apply and the particular country circumstances involved. Dissemination of this initial guidance on preparing the ESMF will be followed by the dissemination of sample ESMFs, which can loosely serve as models of the final documents REDD countries will have to produce.

Guidance provided for component 2d. of the R-PP template mentions that the ESMF should be prepared as a stand-alone document "as early as possible" in the REDD-Plus Readiness Preparation phase. However, note that if an ESMF is prepared **too far** upstream, especially in cases where the REDD country is interested only in pursuing legal/regulatory, policy and/or institutional reforms rather than discrete activities having site-specific impacts, then the resulting Framework might not provide a suitable basis for public consultations. In fact, attempts to consult on such a Framework too far upstream under these circumstances could prove misleading for the public. Therefore, these Guidelines assume that preparation of the initial draft of the ESMF "as early as possible" means that said preparation will take place during the Readiness Preparation phase but only after decisions stemming from an inclusive public dialogue are taken, and the country's REDD-plus strategy begins to take concrete shape on the basis of these decisions.

All other provisions in section 2d. of the R-PP template are assumed to remain the same. For example, there would still be an initial draft ESMF, as well as an "advanced" or final draft of the Framework that becomes part of the country's Readiness Package (R-Package) and completion report (or just the completion report if a country is not preparing an R-package). Both the initial and advanced draft versions of the ESMF are publicly disclosed.

Before the ESMF is disseminated to the public for the first time, it should contain 1) relevant information for stakeholders regarding risks and potential impacts that could affect them as a

result of the implementation of the emerging REDD-Plus strategy; and 2) useful descriptions of principles to be adopted and procedures to be followed by the lead agencies to comply with the relevant safeguards, based on an assessment of how the Delivery Partner (DP) in the lead in the country has achieved substantial equivalence to the material elements of the applicable World Bank safeguard policies, as provided for under the FCPF Common Approach.

These Guidelines assume that facilitation of workshops organized to consult on the initial draft of the ESMF will be the responsibility of those managing the overall stakeholder engagement process, with the consultants for ESMF preparation taking account of the outputs of these workshops when updating the Framework. Finally, it should be noted that the Guidelines may need to be revised to take account of relevant decisions that emerge from the ongoing REDD-Plus negotiations within the UNFCCC regime.

## **GUIDELINES FOR THE DEVELOPMENT OF TERMS OF REFERENCE (ToRs) FOR AN ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)**

### **I. INTRODUCTORY SECTION**

Overall this section should state the purpose of the ToR and describe the context for the development of the ESMF, outline the general principles and specific objectives of the ESMF, and explain the institutional arrangements for preparing the ESMF.

#### **1. Background Information**

This sub-section should provide pertinent background for preparing the ESMF, relating its preparation to the other activities underway as part of the REDD-plus Readiness process in the country in question. This would include a brief history of this process, a description of activities to be funded by the FCPF, the interactions between/among the various implementing entities involved, and a description of:

- The main risks to the natural environment or to human communities associated with the pursuit of different REDD-plus strategy options; and
- The list of relevant safeguard policies that apply. In cases where the World Bank is the lead DP, this reflects the confirmation of the initial determination of the policy triggers that was made during the R-PP Formulation phase.

#### **2. Principles and Objectives**

This sub-section should describe the general principles upon which the ESMF is based, as well as its specific objectives, taking into account the following points:

- The SESA ensures compliance with relevant safeguards during both formulation and implementation of the R-PP. The ESMF is an output of SESA. It provides for an examination of the risks and potential impacts associated with one or more project(s), activity(-ies), or policy(-ies)/regulation(s) that may occur in the future as part of the

implementation of the REDD-plus strategy designed during the readiness preparation phase. The ESMF sets out the principles, guidelines, and procedures to assess environmental and social risks, and proposes measures to reduce, mitigate, and/or offset potential adverse environmental and social impacts and enhance positive impacts and opportunities of said project(s), activity(-ies), or policy(-ies) /regulation(s).

- The ESMF provides procedures for: (i) consultations with concerned stakeholder groups; (ii) institutional capacity building; (iii) environmental and social impact screening, assessment, and monitoring; and (iv) grievance redress. The ESMF also specifies the inter-institutional arrangements for the preparation of time-bound action plans for managing and mitigating adverse impacts related to the future project(s), activity(-ies), or policy(-ies)/regulation(s).
- By doing the above, the output is an ESMF that is compliant with applicable safeguard policies at the time of the assessment of the R-Package (or submission of the country's completion report for those countries not preparing an R-Package), while also providing the overall framework for addressing social and environmental risk management issues in REDD-plus activities that are implemented beyond the readiness preparatory work.

## II. MIDDLE SECTION

Overall this section should describe the tasks needed to prepare the ESMF in (i) initial draft form; and (ii) final draft form.

### 3. Scope of Work

The ToR should make clear that preparation of an initial draft ESMF suitable for disclosure and public consultations would involve the following minimum tasks:

- a) A description of the **indicative REDD-plus strategy**, its main social and environmental considerations, and the various risks involved in its implementation, drawing from information available from the assessment described in section 2b. of the R-PP template;
- b) An outline of the **legislative, regulatory, and policy regime** (in relation to forest resources management, land use, indigenous rights, etc.) that the strategy will be implemented within, drawing from the information available from the assessment described in section 2a. of the R-PP template, with a focus on any reforms to this regime that are proposed as part of the strategy's implementation;
- c) A description of the **potential future impacts**, both positive and negative, deriving from the project(s), activity(-ies), or policy(-ies)/regulation(s) associated with the implementation of the emerging strategy, and the geographic/spatial distribution of these impacts;
- d) A description of the **arrangements for implementing the specific project(s), activity(-ies), or policy(-ies)/regulation(s)** that are finally decided on, with a focus on the procedures for (i) screening and assessment of site-specific environmental and social impacts; (ii) the preparation of time-bound action plans for reducing, mitigating, and/or offsetting any adverse impacts; (iii) the monitoring of the implementation of the action plans, including arrangements for public participation in such monitoring.

- e) An analysis of the particular **institutional needs within the REDD+ implementation framework for** application of the ESMF. This should include a review of the authority and capability of institutions at different administrative levels (e.g. local, district, provincial/regional, and national), and their capacity to manage and monitor ESMF implementation. The analysis should draw mainly from section 2c. of the R-PP template and may extend to proposed laws and regulations, new agencies or agency functions, staffing needs, inter-sectoral arrangements, management procedures, operation and maintenance arrangements, budgeting, and financial support.
- f) An outline of recommended **capacity building actions** for the entities responsible for implementing the ESMF.
- g) Requirements for **technical assistance** to public- and private-sector institutions, communities, and service providers to support implementation of the ESMF.
- h) A description of applicable **grievance redress mechanisms**.
- i) An outline of the **budget** for implementing the ESMF.

This sub-section should also make clear that preparation of a final draft ESMF would have to contain specific sections addressing the requirements of the lead DP's applicable safeguard policies. These sections would draw on country-specific information generated by steps a)-d) above in taking the form of free-standing "chapters" within the ESMF that would resemble the frameworks provided for in the policies themselves, including as relevant:

- Environmental Management Framework (EMF) of World Bank or equivalent, to address any potential environmental impacts, including cumulative and/or indirect impacts of multiple activities;
- Resettlement Policy Framework/Process Framework of World Bank or equivalent, to address any potential land acquisition and/or physical relocation, loss of livelihoods or restriction of access to natural resources, including in legally designated parks and protected areas; and
- Indigenous Peoples Planning Framework (IPPF) of World Bank or equivalent, to address any effects on Indigenous Peoples.

Finally, this sub-section will indicate how public consultations on the ESMF will be integrated into ongoing consultation processes in the country (following section 1c. of the R-PP template), and identify any additional consultations and field work needed to prepare the ESMF. Consultations should extend from the national level to the lowest level (e.g. district) where site-specific project(s) and activity (-ies), if any, will be proposed, approved, and then implemented.

### III. ENDING SECTION

Overall this section should specify the conditions (relating to budget, timeframe, deliverables, etc.) under which the Consultant(s) selected will be expected to develop the ESMF.

#### 4. Schedule and Deliverables

The ToR should specify the consultancy deliverables (e.g. detailed workplan (if not already provided for in the SESA workplan), initial draft ESMF, final draft ESMF), the schedule for

delivery (e.g. detailed workplan within 2 weeks, initial draft ESMF within 2 months, and final draft ESMF within 6 months of contract signature), and the overall duration of the consultancy (e.g. 6 months from contract signature).

## **5. Budget and Payments**

The ToR should indicate if there is a budget ceiling for the consultancy. It should also specify the payment schedule (e.g. 10% on contract signature, 10% on delivery of detailed workplan, 40% on delivery of initial draft ESMF, and 40% on delivery of final draft ESMF).

## **6. Consultant Qualifications and Expected Level of Effort**

The ToR should convey that the ESMF preparation team will have to be capable of addressing all of the safeguard policies triggered by the project(s), activity(-ies), or policy (-ies)/regulation(s) that may occur in the future from the implementation of the emerging REDD-plus strategy, and of carrying out all the tasks outlined in the Scope of Work above. Where multiple safeguard policies need to be addressed in an ESMF for REDD-Plus readiness, the Framework would ideally be prepared by a multi-disciplinary team reflecting the necessary ecological and socio-cultural expertise. The ToR should furthermore state that the team will be expected to manage the preparation of both the overall ESMF and each of its separate sections or “chapters” (corresponding to the EMF, IPPF, etc.). This can be accomplished by calling for a Team Leader and Lead Specialists, with accompanying qualifications (training and experience) requirements.

The expected level of effort required for the preparation of the ESMF should be indicated in the ToR if it will not be specified in a formal request for proposals. The level of effort may be expressed as a total (e.g. 18 person months) or subdivided by team members or ESMF chapters.

## **7. Services, Facilities, and Materials to be Provided**

The ToR should specify what services, facilities, and materials will be provided to the Consultant by the DP and the Participant Country. The ToR should also outline the actions to be taken by the Government to facilitate the work of the Consultant by providing access to government authorities, key stakeholders, and potential project sites.

## **8. Other Information**

The ToR should include lists of complementary data sources, project background reports and studies, relevant publications, and other items to which the Consultant's attention should be directed.

**Annex D: Summary of SESA Activities and Outcomes in the REDD-Plus Readiness Package/completion report**

*Note: This Annex provides an overview of how SESA outcomes and outputs, including the ESMF, will eventually be included in the Readiness Package/completion report. Accordingly, this Annex does not need to be prepared for submission as part of the R-PP.*

Countries receiving support of the FCPF for REDD-plus Readiness must comply with the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners regarding the management of environmental and social issues and impacts. The main safeguard process to be applied is the Strategic Environmental and Social Assessment (SESA), which includes preparation of an Environmental and Social Management Framework (ESMF). Whereas preparation of the ESMF will result in a stand-alone document, other components of the SESA will be reflected in the preparation of the Readiness Package/completion report in an integrated way, mostly in the form of the final REDD-plus strategy and the documentation of the consultation and participation process carried out during the R-PP Formulation and Readiness Preparation stages.

This Annex provides guidelines on how a country eventually should produce a SESA Summary that satisfies this objective. This document should summarize in 10-15 pages the public consultation and participation processes in which the SESA was embedded, and the main findings and results of SESA. The Summary should refer to relevant sections of the Readiness Package/completion report where the elements of SESA are discussed in detail. The Summary must be included with the Readiness Package/completion report, but progress on elements of the work below will be reflected in the country progress reports to be submitted during Readiness Preparation.

Including references to relevant sections of the Readiness Package/completion report, the Summary should briefly discuss the following at a minimum:

- The institutional arrangements for coordinating the integration of environmental and social issues into the REDD-plus readiness process (refer to relevant sections of component 1a.).
- The safeguard policies triggered and the specific environmental and social studies or diagnostics carried out (refer to relevant sections of component 1a. and component 2b.).
- The key environmental and social issues (including in relation to gender and youth) associated with the drivers of deforestation and forest degradation (refer to relevant sections of component 2a.).
- The social and environmental priorities defined in relation to the drivers of deforestation and how these results fed into the refinement of the most promising responses to them in the form of REDD-plus strategy options (refer to relevant sections of component 2b. on enhancing preparation of the REDD-plus strategy and, as needed, of component 2c. on the design of a benefit sharing mechanism).
- The legal, regulatory, policy, institutional, and capacity recommendations to address gaps for managing the environmental and social priorities mentioned above.

- The results of the assessment of environmental and social risks and potential impacts (both positive and negative) of REDD-plus strategy options, and how the results of this assessment fed into the selection and formulation of the final REDD-plus strategy (refer to relevant sections of component 2b. on environmental and social safeguarding).
- A final or advanced draft ESMF as the framework for managing environmental and social risks and potential impacts during the implementation of the Readiness Package (or during the implementation of Readiness activities for those countries not preparing an R-Package), and a discussion of how the safeguards triggered during the Readiness Preparation phase have achieved substantial equivalence with the material elements of the Common Approach (refer to the stand-alone ESMF described in component 2d.).
- Description of activities relating to consultation, public participation, disclosure of information, and grievance redress.
  - For general procedures followed on consultations, public participation, disclosure of information, and grievance redress refer to relevant sections of components 1a and 1c.
  - For stakeholder analysis, awareness raising and initial vetting of environmental and social concerns refer to relevant sections of component 1b.
  - For participation of stakeholders including forest-dependent indigenous peoples, forest dwellers, forest-dependent local communities and civil society; for methods followed to ensure representative participation of stakeholders and neutral facilitation of consultations; for how the feedback from stakeholders was used; and for how stakeholders informed the implementation of SESA and the preparation of the ESMF refer to relevant sections of component 1c., 2b. and 2d.