

MEMO – Independent Assessment of FAO’s Background Information for the FCPF Common Approach to Environmental and Social Safeguards

To: Alberto Sandoval, Senior Natural Resources Officer, FAO

From: Bruce Jenkins, independent consultant¹

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Introduction

This memo summarizes the findings of an independent assessment of the Background Information provided by the Food & Agricultural Organization (FAO, 4 August 2011 version). FAO’s Background Information presents its safeguard policies, procedures, definitions, and explanatory notes in order to demonstrate FAO’s capacity to achieve Substantial Equivalence as defined in the [FCPF’s Common Approach to Environmental and Social Safeguards](#) (9 June 2011).

The assessment compared FAO’s safeguard policies and procedures with those of the World Bank (WB) and found significant alignment between the two. At the same time, some gaps and partial gaps in FAO’s policies were identified (discussed below), the most significant of which concern certain requirements related to forests and indigenous peoples. The detailed results of the complete assessment are contained in the accompanying gap analysis table. The assessment did not analyze institutional policies and procedures related to information disclosure (beyond those contained in individual safeguard procedures) as the [FCPF’s Guidance on Disclosure of Information](#) stipulates required FCPF disclosures. This memo includes brief comments on FAO’s proposal for creation of an accountability/grievance mechanism.

FAO Policy Framework

FAO is currently updating its environmental and social safeguards policy framework. FAO’s “Environmental Impact Assessment Guidelines for FAO Field Projects (dated 1 July 2011; hereafter EIA Guidelines) are to be approved in the near future (but are not yet publicly available on FAO’s website). The EIA Guidelines will apply to all FAO units and all supported policies and programs. Environmental and social impacts are to be addressed in an integrated manner and the Guidelines include provisions related to natural habitats, resettlement, indigenous peoples, and physical cultural resources. The Guidelines establish a risk categorization system (A, B, C) with corresponding due diligence procedures. Sector-specific policy requirements are included in an annex, addressing projects related to agriculture, biodiversity, forestry, livestock, pesticides, water, socio-economic, and gender. FAO indicates that it does not finance nor execute projects that involve involuntary resettlement (IR). In addition, FAO applies the principle of “Free, prior informed consent” in operations that affect indigenous peoples. FAO is also a partner to the UN-REDD Programme and has committed to apply UN-REDD guidelines and procedures.

FAO has listed a number of additional policies and guidelines relevant to its REDD+ activities, including:

- [FAO Policy on Indigenous and Tribal Peoples](#), 2010 (PITP)
- [UN-REDD Programme Operational Guidance: Engagement of Indigenous Peoples & other Forest Dependent Communities](#), 2009
- [Guidelines for the Management of Tropical Forests: 1. The Production of Wood \(FAO Forestry Paper 135\)](#), 1998
- [FAO, Responsible Management of Planted Forests Voluntary Guidelines](#) (2006)
- UN-REDD Social and Environmental Principles and Criteria (under development)

¹ Consultant can be reached at bjenk@mac.com or US+973 783 7954.

Methodology

The assessment compared FAO's Background Information with the [Operational Principles](#) contained in Table A1 of the World Bank's OP 4.00, "Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects." The FCPF Task Force that developed the Common Approach had utilized the Operational Principles as a baseline to provide an overview of and a framework for analyzing the World Bank's safeguards relevant for REDD+. Principles related to pest management and safety of dams contained in OP 4.00 were not included.

Since the individual Operational Principles in OP 4.00 often contain multiple requirements, they have been disaggregated here in order to allow for "apples-to-apples" comparisons. The accompanying gap analysis table lists 115 baseline requirements (expanded from the original 54) across the following policy areas: environmental assessment, natural habitats, forests, involuntary resettlement, indigenous peoples, and physical cultural resources (each safeguard area is contained on its own Excel sheet; see tabs on lower left). The Operational Principles are listed in the left hand columns. The middle column contains elaborations and clarifications from WB operational policies and procedures. The right column lists comparable FAO policy provisions and includes comments.

Comparisons are scored on a simple three indicator scale: ✓=no gap; X=gap; – = partial gap. In a few instances further clarification is required (including by the World Bank on the intent of the Operational Principle) and is marked by "?". In cases where gaps or potential gaps have been identified, they have only been assessed against the Operational Principles (not the additional elaborations/clarifications in the middle column).

The table also identifies several important provisions of WB safeguard policies that do not appear in the Operational Principles; these are included in a Notes section at the end of each topical area in the accompanying table (but are not scored).

Summary of Key Issues identified in Gap analysis of FAO's Background Information

FAO's environmental and social safeguard policies align closely with the Operational Principles of the World Bank's OP 4.00. The gap analysis indicates that FAO's approach to safeguards fulfills the key overarching Operational Principles, such as risk-based environmental assessment with supporting procedures, prohibitions on significant conversion or degradation of critical natural habitats (including forests), avoidance of involuntary resettlement, and attention to customary rights of indigenous peoples.

Of the 115 disaggregated baseline requirements, the assessment found no gaps for 104. Six gaps between FAO's guidelines and the WB Operational Principles were identified, 4 of which concern forest certification requirements. An additional 3 partial gaps were noted. Two requirements require interpretive guidance from the World Bank and were not scored.

The most significant identified gaps or partial gaps include:

- **Lack of a specific requirement for independent certification systems for commercial, industrial-scale forest harvesting (Gap):** FAO applies Sustainable Forest Management (SFM) standards in its forest-related projects and calls for the use of criteria and indicators to measure progress toward SFM. While SFM may lead to adoption of certification systems, and FAO has adopted voluntary guidelines that address certification, FAO's policy provisions do not match the firm requirement contained in the Operational Principle that projects involving commercial, industrial-scale forest harvesting would be supported "only when" independently certified.
- **Lack of preference to small-scale community-level management approaches to forest harvesting for sustainable poverty reduction (Gap):** FAO's Background Information indicates that FAO guidelines emphasize social and economic development of local communities in tropical and planted forest projects. However, it does not indicate that FAO gives preference to small-scale community management approaches to forest harvesting when addressing poverty reduction.
- **Lack of an explicit requirement for an action plan for legal recognition of indigenous peoples' customary rights to lands and territories when a project involves acquisition of such lands or activities contingent on such recognition (Partial Gap):** FAO's Background Information cites UN-

REDD guidelines that require identification of legal, land tenure, and indigenous rights issues. However, the cited UN-REDD guideline appears to be more general and less binding than the specific "action plan" requirement of the Operational Principle. It reads: "Issues to consider and address in the independent social and environmental impact assessment could include: The customary rights of Indigenous Peoples both individual and collective pertaining to ancestral domains, lands or territories; the cultural and spiritual values that Indigenous Peoples attribute to those lands and resources; sacred sites; Indigenous Peoples' natural resource management practices and systems; human rights assessment; and the legal situation of land tenure and government recognition of indigenous territories" [emphasis added]. FAO's EIA Guidelines and Policy on Indigenous and Tribal Peoples clearly recognize customary rights of IPs. FAO's EIA Guidelines state more generally that "[p]rojects will have to address the land tenure and land administration dimensions of the changes that they may provoke, including issues of security of land tenure and land access ..." (EIA, p. 27). While this requirement does not necessarily commit to an "action plan for legal recognition of customary rights," it partially fulfills the Operational Principle.

Additional Issues for Consideration

- **Implementation of new guidelines:** As noted above, FAO is in the process of strengthening its environmental and social safeguards framework. The draft EIA Guidelines institute a wide range of new policy requirements and procedures. As with any system-wide policy and management change process, issues regarding staff training and incentives, supervision, and budgetary resources are determinative in ensuring successful implementation. FAO may wish to update the FCPF on the supporting implementation measures that will accompany the new safeguards framework.
- **Resettlement due diligence:** FAO's EIA Guidelines state that FAO will not support projects that involve involuntary resettlement (IR). At the same time, FAO indicates in its Background Information that it will apply the WB Operational Principles on Involuntary Resettlement "if needed." In serving as an FCPF Delivery Partner, FAO – despite its own prohibition – would be required to ensure that the partner country's Environmental and Social Management Framework (ESMF) – which will govern application of safeguards beyond the Delivery Partner's assistance in developing a Readiness Package – includes a Resettlement Policy Framework to address any potential REDD+-related land acquisition and/or physical relocation as well as a Process Framework for potential situations of restriction of access to natural resources within legally designated parks and protected areas (for more details, see [FCPF Guidelines and Generic Terms of Reference for SESA and ESMF](#)). Given that FAO is less familiar with the complexities of IR projects and does not have detailed internal IR procedures, it may be necessary for FAO to seek guidance from the FCPF on ensuring that the technical IR requirements (i.e., related to compensation/benefit standards, timing of benefits, etc.) are fully reflected in the partner country's Resettlement Policy and Process Frameworks.
- **Accountability/grievance mechanism proposal:** FAO will utilize its Office of Inspector General to review and investigate complaints from project-affected communities and individuals. The Inspector General's office typically audits management controls and internal governance processes as well as conducts investigations of irregularities, primarily financial (see [Charter for the Office of Inspector General](#)). FAO has determined that the Inspector General's mandate provides for also serving as a complaint and investigation body related to implementation of FAO environmental and social policies and procedures. The Office of Inspector General reports to FAO's Director-General and will hire an EIA specialist (with no working relationships with FAO management) as an independent consultant within the Inspector General's office to assist in processing complaints and conducting investigations.

In describing its proposal for a 'substantially equivalent' complaint mechanism, FAO responds to many of the key features of the World Bank's Inspection Panel that are outlined in the Background Information. While this assessment did not systematically review FAO's proposal, a preliminary appraisal reveals that FAO may wish to address additional accountability mechanism features as it further develops its proposal, such as: sufficient budgetary resources to carry out activities; timelines

for processing complaints, determining eligibility, conducting investigations, and notifying complainants; clarifying eligibility criteria and who authorizes an investigation; required outputs (report and action plan); commitment to disclose reports and translate for claimants, among others.

Complete Listing of Identified Gaps and Partial Gaps

Listed below are the gaps and partial gaps identified in the assessment. Lettering/numbering of the Operational Principles below refer to those contained in the accompanying table. This summary of the gap assessment does not refer to specific Operational Principles where no gaps were identified.

A. Environmental Assessment

Standards and procedures regarding the assessment, avoidance, and mitigation of environmental and social risks related to FAO-supported projects and programs are stipulated in FAO's Environmental Impact Assessment Guidelines for FAO Field Projects. FAO will also follow the UN-REDD Social and Environmental Principles and Criteria in REDD+ projects. The assessment rests on the assumption that FAO will approve its EIA Guidelines prior to its formal consideration as an FCPF Delivery Partner. The assessment identified no gaps (nor any partial gaps) between FAO's EIA Guidelines and Background Information and the Operational Principles.

B. Natural Habitats

Risks to natural habitats are addressed primarily through FAO's EIA Guidelines and the UN-REDD Social and Environmental Principles and Criteria.

- **Operational Principle 1.b, "Determine if project benefits substantially outweigh potential environmental costs," (Gap):** Background Information does not address cost-benefit requirement.

C. Forests

Risks to forests are addressed largely through the natural habitats provisions of FAO's EIA Guidelines as well as the UN-REDD Social and Environmental Principles and Criteria. In addition, FAO follows its own Guidelines for the Management of Tropical Forests: 1. The Production of Wood, and its Responsible Management of Planted Forests Voluntary Guidelines. FAO pursues a policy of Sustainable Forest management (SFM).

- **Operational Principle 5, "Support commercial, industrial-scale forest harvesting only when the operation is certified, under an independent forest certification system, as meeting, or having a time-bound action plan to meet, internationally recognized standards of responsible forest management and use," (Gap):** Background Information states that "[a]lthough FAO does not adhere to specific forest certification scheme, it encourages and calls for the use of criteria and indicators to measure progress toward SFM." SFM may lead to adoption of certification systems, and FAO has adopted voluntary guidelines that address certification. However, it does not contain a hard requirement as in the Operational Principle that such projects (i.e., commercial, industrial-scale forest harvesting) would be supported "only when" independently certified.
- **Operational Principle 7.a, "Give preference to small-scale community-level management approaches where they best reduce poverty in a sustainable manner," (Gap):** Background Information indicates that FAO guidelines emphasize social and economic development of local communities in tropical and planted forest projects. However, it does not indicate that FAO gives preference to small-scale community management approaches when addressing poverty reduction.
- **Operational Principle 8.a, "Support commercial harvesting by small-scale landholders, local communities or entities under joint forest management ... [that] ... demonstrates that these operations achieve a standard of forest management consistent with internationally recognized standards of responsible forest use or that they are adhering to an approved time-bound plan to meet these standards," (Partial Gap):** FAO promotes SFM but Background Information does not

address specific standards for support for small-scale harvesting. FAO indicates that it will provide a definition of "small scale" as a gap filling measure.

- **Operational Principle 9.a, b & c, "Use forest certification systems that require [9 criteria are listed]," (3 Gaps):** FAO promotes SFM and has developed Voluntary Guidelines on Planted Forests. It includes references to "recognized certification schemes." While Voluntary Guidelines elaborate on criteria, they are not mandatory.

D. Involuntary Resettlement

As noted above, FAO stipulates that it will not finance nor execute projects that involve involuntary resettlement but agrees to apply the Operational Principles "if needed." Potential risks of involuntary resettlement are identified by the environmental and social procedures of the FAO EIA Guidelines, which also address requirements related to participation and information disclosure. With FAO's commitment to apply the Operational Principles if a project should involve IR, it would presumably satisfy the detailed definitional, compensatory, and procedural requirements. Hence, no gaps were identified.

E. Indigenous Peoples

Potential risks to indigenous peoples posed by FAO-supported operations are addressed through FAO's EIA Guidelines, its Policy on Indigenous and Tribal Peoples (PITP) as well as the UN-REDD Operational Guidance: Engagement of Indigenous Peoples & other Forest Dependent Communities and the UN-REDD Social and Environmental Principles and Criteria. As noted above, FAO applies the principle of "Free, prior informed consent" to projects involving indigenous peoples.

- **Operational Principle 1.b, "Indigenous Peoples are identified as possessing the following characteristics in varying degrees: self-identification and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral territories and to the natural resources in these habitats and territories; presence of distinct customary cultural, economic, social or political institutions; and indigenous language," (Partial Gap):** FAO employs the following definition: 'FAO will abide by the following criteria when considering indigenous peoples: (i) priority in time, with respect to occupation and use of a specific territory; (ii) the voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions; (iii) self-identification, as well as recognition by other groups, or by State authorities, as a distinct collectively; and (iv) an experience of subjugation, marginalization, dispossession, exclusion or discrimination, whether or not these conditions persist' (PITP, p. 4). It does not utilize the Operational Principle's "collective attachment" to lands criteria.
- **Operational Principle 5.a, "Put in place an action plan for the legal recognition of customary rights to lands and territories, when the project involves: (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples traditionally owned, or customarily used or occupied; or (b) the acquisition of such lands," (Partial Gap):** FAO follows UN-REDD guidelines that require identification of legal, land tenure, and indigenous rights issues. However, the cited UN-REDD guideline (while comprehensive) appears to be more general and less binding than the specific "action plan" requirement of the Operational Principle. FAO's EIA Guidelines and PITP clearly recognize customary rights of IPs. FAO's EIA Guidelines state more generally that "[p]rojects will have to address the land tenure and land administration dimensions of the changes that they may provoke, including issues of security of land tenure and land access ..." (EIA, p. 27). While this requirement does not necessarily commit to an "action plan for legal recognition of customary rights," it partially fulfills the Operational Principle.

Further clarification required from World Bank

Two requirements included in the Operational Principles require further clarification from the World Bank regarding their meaning and intent before a final gap assessment can be reached. These are:

- **Forests Operational Principle 3, “Do not finance natural forest harvesting or plantation development that would involve any conversion or degradation of critical forest areas or related critical natural habitats,” [emphasis added]:** The World Bank should clarify the intent behind the Forest Policy prohibition against "any" conversion or degradation of critical forest areas/critical natural habitats for harvesting and plantation projects given that it appears to be a more stringent standard than that applied more generally to critical natural habitats (i.e., no "significant conversion or degradation," see NH Operational Principle 2). If a more stringent standard is intended, this may impact the assessment and design of plantation projects adjacent to critical natural habitats. It is unclear whether FAO's standard of "no significant conversion or degradation" would satisfy the prohibition against "any" conversion or degradation of CNH/critical forests.
- **Involuntary Resettlement, Operational Principle 3, “Identify and address impacts also if they result from other activities that are (a) directly and significantly related to the proposed project, (b) necessary to achieve its objectives, and (c) carried out or planned to be carried out contemporaneously with the project” [emphasis added]:** The World Bank should clarify how it applies this principle to sub-point (c) regarding resettlement impacts caused by contemporaneous projects in order to determine if FAO's policy fulfills this requirement. FAO's EIA Guidelines address direct and indirect impacts, but Background Information does not elaborate on assessing IR impacts of contemporaneous projects.

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	FAO Gap Analysis	
	Note: Operational Principles from WB OP 4.00			Key: ✓=no gap; ✕=gap; – = partial gap; ?=clarification required
A.	ENVIRONMENTAL ASSESSMENT	OP/BP 4.01 Environmental Assessment and Annexes		FAO Background Information (27 July 2011 version) and FAO, "The Environmental Impact Assessment Guidelines for FAO Field Projects," Draft 27 July 2011 (hereafter EIA)
1	Screening			
	a screen all proposed projects		✓	Each project subjected to Initial Environmental Review (IER) to determine potential positive and negative E/S impacts (EIA, p. 10).
	b screen as early as possible		✓	"The environmental review takes place as early as possible when a project concept or proposal is identified" (EIA, p. 16)
	c determine appropriate type and extent of EA based on risk	OP defines risk categories, assigns them to projects; requires Environmental Management Plan (EMP) for those with highest risk (OP 8; OP Annex A.3)	✓	FAO environmental review and screening processes assign risk categories (A, B, C) and scoping process determines the extent of required environmental analysis. Cat. A projects require full EIA and development of an Environmental Management Plan (EMP); Cat. B projects require targeted environmental analysis; Cat. C projects require no further analysis (EIA, section 2.3).
	d assess direct, indirect, cumulative, associated impacts	OP requires assessment of project's "area of influence," incl. "all ancillary aspects" (OP 2, OP Annex A5). Regional & sectoral EAs pay particular attention to cumulative impacts (OP Annex A 6 & 8)	✓	FAO indicates that both direct and indirect impacts are to be addressed. EIA Guidelines state that the "EIA shall address both positive and negative potential environmental impacts of the given project, any related social implications, as well as eventual transboundary effects. EIA evaluates a project's potential environmental and social risks and impacts in its area of influence" (EIA, p.8). A project's "area of influence" typically includes associated impacts. In addition, the Guidelines state: "Both direct impacts and indirect impacts will be addressed, as well as relevant trans-boundary issues, or any onward funding that may be planned" (EIA, p. 17). Cumulative impacts are included in definition of potential effects of Category A projects (EIA, p. 11) and "residual impacts" are expected to be covered in EIA reports (EIA, p. 22).
	e use sectoral or regional EA when appropriate	OP requires these when "project is likely to have sectoral or regional impacts." (OP 7)	✓	FAO states that the "EIA guidelines will be applied at regional/ sectoral level if project is likely to have regional or sectoral impacts, particularly in case of cumulative impacts (EIA, p. 10).
2	Assess Impacts			
	a assess impacts on physical, biological, socio-economic, and physical cultural resources		✓	EIA Guidelines stipulate assessment procedures. FAO's Governing Principles (Annex 1), Basic Policy Requirements (EIA Annex 3), and Environmental and Social Review Form (EIA Annex 2) indicate that physical, biological, socio-economic, and physical cultural resources are to be included in assessments.

	b	assess transboundary and global concerns		✓	"The EIA shall address both positive and negative potential environmental impacts of the given project, any directly-related social implications, as well as eventual transboundary effects" (EIA, p. 8). Also, "Management of climate change impacts" is one of the Governing Principles of FAO field operations (EIA Annex 1).
	c	assess impacts on human health and safety		✓	Included in Environmental and Social Review Form for Cat. A & B projects (EIA, Annex 2).
3	Assess legal framework				
	a	assess adequacy of applicable legal and institutional framework	OP calls for review of "institutional capabilities related to environment and social aspects" (OP 3). This appears linked to OP's call for capacity strengthening "[w]hen the borrower has inadequate legal or technical capacity to carry out key-EA-related functions" (OP 13)	✓	"Scoping will include an initial identification of the environmental policies, laws, and regulations (particularly with respect to EIA) of the country in which the project will be implemented and with which the project must comply. It will also include an initial review of capacity issues concerning the prevention and mitigation of environmental impacts ..." (EIA, p. 17). Cat. A EIA reports are to include a description of "applicable national environmental management policies, regulations, and requirements, including those for environmental impact assessment, with which the project must comply" (EIA, p. 22). "Capacity Development (CD) of country or (sub) regional stakeholders should be addressed during the scoping phase and fully reviewed for Category A projects as part of the EMP" (EIA, p. 18).
	b	ensure projects do not contravene international obligations		✓	"FAO will employ the EIA procedures to ensure adherence to relevant international environmental treaties and agreements" (EIA, p. 17). "...FAO does not support projects ... that will contravene applicable international environmental agreements." (EIA, p. 26)
4	Assess alternatives				
	a	assess feasible alternatives		✓	For Category A projects, the "EIA also assesses feasible alternatives (including a "without project scenario), and makes recommendations to prevent, minimize or mitigate adverse impacts." (EIA, p. 11)
	b	include no action alternative		✓	see 4.a above
	c	include recurrent costs, suitability, training and monitoring requirements		✓	Guidelines state that "[a]nalysis of alternatives includes assessment of recurrent costs, suitability, training and monitoring requirements. Supportive tools commonly include interactive matrices, map overlays, checklists, and participatory appraisal." (EIA, p. 11)
5	Apply pollution abatement standards				

	a	apply PPAH standards	NOTE: WB has revised PPAH into the Environmental, Health, and Safety Guidelines (EHS); Operational Principle should be updated to reflect this.	✓	Background Information includes statement that "FAO commits to apply the [PPAH] if needed."
	b	justify deviations		✓	Background Information indicates that FAO will justify any deviations from PPAH standards.
6	Prevent or mitigate impacts				
	a	prevent where possible or at least minimize or compensate for adverse impacts		✓	FAO defines EIA as a tool "to identify potential environmental impacts of proposed projects, to evaluate alternative approaches, and to design and incorporate appropriate prevention, mitigation, management, and monitoring measures" (EIA, p. 7). EIA Guidelines require project implications "to be fully considered early in the planning process ... so as to avoid significant negative impacts" (EIA, p. 7)
	b	utilize management and planning that includes mitigation, monitoring, institutional capacity development, training, implementation schedule, cost estimates		✓	FAO requires development of an Environmental Management Plan (EMP) as part of the EIA for Cat. A projects. The EMP details mitigation measures and specifies monitoring and capacity development objectives (EIA, p. 12). Outline of EMP include implementation schedule and cost estimates (EIA Annex 5). EIA Guidelines (p. 20) specify further requirements of monitoring system.
7	Stakeholder participation				
	a	involve stakeholders as early as possible in project preparation	For highest risk projects (Cat. A), OP requires consultations before EA TOR completed and when draft EA is prepared (OP 14)	✓	"As early as possible in the project formulation process, the LTO [Lead Technical Officer] will make every effort to engage project stakeholders and beneficiaries including indigenous people and vulnerable groups in analysis and decision-making with respect to potential project environmental and social impacts" (EIA, p. 21). "For Category A projects, the LTU should consult these groups at least twice: (i) shortly after the environmental screening and before the terms of reference for the EIA are finalized; and (ii) once a draft EIA report is prepared" (EIA, p. 21).
	b	include project-affected groups and local NGOs		✓	"For all Category A and B projects, the LTO – or more formally, the lead technical unit (LTU) – will consult project-affected groups and relevant NGOs, take account of their comments in the environmental analysis and EIA reports, and more generally in project design and implementation" (EIA, p. 21).
	c	ensure stakeholder views and concerns are taken into account		✓	see 7.b above

	d	consult throughout project implementation		✓	"Stakeholders' participation including indigenous peoples and vulnerable groups will be ensured in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits including establishing appropriate and accessible grievance mechanisms" (EIA, p. 21). "In addition, the LTO should consult with such groups throughout project implementation as necessary to address EIA-related issues that affect them " (EIA, p. 21). Although second sentence appears aspirational ("should"), first sentence is mandatory ("will be ensured"), including regarding implementation and monitoring.
8	Independent Expertise				
	a	use independent expertise in EA preparation where appropriate	OP requires that independent experts carry out Cat. A EAs (OP 4)	✓	"At a minimum, Category A projects requires a site visit by an independent qualified environmental and a social assessment expert or a team of such experts, as independent advisory panels – required only for highly risky projects – during EIA preparation and implementation" (EIA, p. 11).
	b	use independent advisory panels, during preparation and implementation, for highly risky or contentious projects		✓	see 8.a above
9	Integration of EA				
	a	link EA with economic, financial, institutional, social, technical analyses	OP emphasizes need for EA considerations to be given adequate weight in project selection, siting, and design (OP 2 & ft. nt. 7)	✓	Background Information emphasizes inclusion of monitoring, participatory, institutional measures. Content requirements for EMP includes statement "Integration of EMP with Project: For the EMP to be executed effectively, it must be integrated into the project's overall planning, design, budget, and implementation" (EIA, p. 48).
10	Subprojects				
	a	apply EA Operational Principles to subprojects and financial intermediary activities		✓	Background Information states that "FAO's work does not involve subprojects. However, FAO commits to ensure the application of the Operational Principles to subprojects under investment and financial intermediary activities if needed.
11	Disclosure				
	a	disclose draft EA in a timely manner, before appraisal		✓	"During the formulation process the LTO will arrange for timely provision of information on potential environmental and social impacts as well as of draft EA/EIA (including EMP, IPP and RP) to stakeholders and beneficiaries – with particular attention to indigenous peoples and vulnerable groups – in a language and format to be accessible and understandable. This consultation will be governed by the 'Free, prior informed consent principle'" (EIA, p. 21).

	b	disclose draft EA in accessible place		✓	see 11.a above
	c	disclose in form & language understandable to key stakeholders		✓	see 11.a above
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy					
		prior review/ approval high risk subprojects	OP requires WB prior review/approval of Cat. A and some Cat. B FI subprojects if there is a lack of capacity (OP 11)		FAO states that it will not support subprojects, but will apply Operational Principles to any potential subprojects if needed.
DEFINITIONS (ADB utilizes similar definitions of Category A and B projects as those of the World Bank)					
		Category A	OP, 8a: "Category A: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works." "A potential impact is considered "sensitive" if it may be irreversible (e.g., lead to loss of a major natural habitat) or raise issues covered by OP 4.10, Indigenous Peoples; OP 4.04, Natural Habitats; OP 4.11, Physical Cultural Resources; or OP 4.12, Involuntary Resettlement."		"Category A projects may involve significant, cumulative or even potentially irreversible negative environmental impacts or risks." "The significant negative effects may extend to the social arena and beyond the boundaries of the project site. Such projects automatically require an EIA to ensure that the negative impacts are identified and analyzed and that stakeholders are consulted" (EIA, p. 11).
		Category B	OP 8b.: "Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects. The scope of EA for a Category B project may vary from project to project, but it is narrower than that of Category A EA. Like Category A EA, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B EA are described in the project documentation (Project Appraisal Document and Project Information Document)."		"Category B projects should not entail significant (or potentially irreversible) negative environmental (and associated social) impacts, but may still have adverse effects which can be mitigated with suitable preventative actions." Category B projects do not require a full EIA but will require further deepening of environmental or social considerations, depending on the expected magnitude of risks. In many cases, the analysis would aim at gathering additional information in sufficient detail so as to be able to discuss concretely how risks could be addressed and minimized (and possibly eliminated in the project design. Attention must be paid also to appropriate monitoring requirements during project implementation. The scope of analytical work may vary from a detailed study of a specific project component to routine checks to ensure that the project design conforms to FAO's governing principles" (EIA, p. 13)

Operational Principles			Elaboration from WB Operational Policies/Bank Procedures	FAO Gap Analysis
				Key: ✓=no gap; ✕=gap; – = partial gap; ?=clarification required
B.	NATURAL HABITATS		OP/BP 4.04 Natural Habitats, OP 4.04 Annex A Definitions	FAO Background Information and FAO, "The Environmental Impact Assessment Guidelines for FAO Field Projects," (hereafter EIA)
1	Precautionary Approach			
	a	use precautionary approach	BP requires highest due diligence standard (Cat. A) if project may significantly convert/degrade NH (BP 2)	✓ "In making determinations with respect to projects in or around [designated protected areas, critical natural habitats or ecosystems], FAO will employ a precautionary approach in order to ensure adequate protection of these areas" (EIA, p. 26).
	b	determine if benefits substantially outweigh potential environmental costs		✕ Background Information does not refer to cost-benefit analysis. While EIA Guidelines refer to assessment of both potential positive and negative impacts, there is no indication of weighing costs against benefits.
2	Avoid significant conversion of CNH			
	a	Avoid significant conversion or degradation of critical natural habitats (CNH)	OP "does not support" such projects (OP 4)	✓ "It should be highlighted that FAO does not support projects that involve the significant conversion or degradation of critical natural habitats, including those habitats that are: legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, or so recognized (i.e. private properties)" (EIA, pp. 10-11). "...FAO does not support projects involving the significant conversion of critical natural habitats including forests..." (EIA, p. 26). "FAO will neither finance nor execute projects related to infrastructure or other types of physical investment involving land use, water space in or around designated protected areas, critical natural habitats or ecosystems. This includes lands and land uses important to indigenous and other ethnic groups, ..." (EIA, p. 26).
	b	CNH includes those habitats that are (a) legally protected, (b) officially proposed for protection, (c) identified by authoritative sources for their high conservation value, or (d) recognized as protected by traditional local communities	OP definition includes "sites that maintain conditions vital for the viability of these protected areas" (OP, Annex A 1.b)	✓ "Critical natural habitats include those natural habitats that are either legally protected or officially proposed for protection, or unprotected but of known high conservation value, or that are essential for the conservation of rare, vulnerable or endangered species. Such sites may include areas recognized by traditional local communities; areas designated for conservation of biodiversity" (EIA, p. 26).
3	Non-critical natural habitats			

	a	if adverse impacts on non-critical natural habitats, proceed only if no viable alternatives exist and include mitigation measures		✓	"Where projects can adversely affect non-critical habitats, FAO will support only if viable alternatives are not available, and if appropriate conservation and mitigation measures, including those required to maintain ecological services provided by these habitats, are in place. The project will have to include mitigation measures that minimize habitat loss and establish and maintain an ecologically similar protected area" (EIA, p. 26).
	b	Mitigation measures to include those necessary to maintain ecological services, that minimize habitat loss and that establish/maintain ecologically similar protected areas	BP requires that costs of offsets ("compensatory natural habitats") be included in project financing (BP 4)	✓	see 3.a above
4 Siting Preference					
	a	whenever feasible site projects on lands already converted	OP excludes siting on lands converted in anticipation of project (OP 5)	✓	"Wherever feasible, preference must be given to projects dealing with lands already converted." (EIA, p. 26)
5 Stakeholder participation					
	a	consult stakeholders including local NGOs and communities		✓	see EA 7.b
	b	involve such stakeholders in design and implementation of mitigation and monitoring plans		✓	"Stakeholders' participation including indigenous peoples and vulnerable groups will be ensured in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits including establishing appropriate and accessible grievance mechanisms" (EIA, p. 21).
6 Appropriate expertise					
	a	use appropriate expertise for design and implementation of mitigation and monitoring plans		✓	For Cat. A projects FAO requires site visit by independent experts (EIA, p. 11). The lead technical officer is required to rely on internal or external expertise in developing EIA, including mitigation and monitoring plans (EIA, p. 11.)
7 Disclosure					
	a	disclose draft mitigation plan/strategy in timely manner, before appraisal formally begins		✓	see EA 11.a
	b	disclose in accessible place		✓	see EA 11.b
	c	disclose in form & language understandable to key stakeholders		✓	see EA 11.c
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy					

		Capacity development	OP specifies that If there are potential institutional capacity problems, "project includes components that develop the capacity of national and local institutions for effective environmental planning and management" (OP 6)		FAO includes capacity development measures as part of EA process.
		DEFINITIONS	Natural Habitats, Critical Natural Habitats, Significant Conversion, Degradation		
					FAO employs similar definitions save for Natural Habitats, which is not as comprehensive as that of the World Bank.
		Natural Habitat	"OP Annex A, 1.a: "Natural habitats are land and water areas where (i) the ecosystems' bio-logical communities are formed largely by native plant and animal species, and (ii) human activity has not essentially modified the area's primary ecological functions. All natural habitats have important biological, social, economic, and existence value. Important natural habitats may occur in tropical humid, dry, and cloud forests; temperate and boreal forests; Mediterranean-type shrub lands; natural arid and semi-arid lands; mangrove swamps, coastal marshes, and other wetlands; estuaries; sea grass beds; coral reefs; freshwater lakes and rivers; alpine and sub alpine environments, including herb fields, grasslands, and paramos; and tropical and temperate grasslands."		Natural habitats are "The place or type of site where species and communities normally live or grow, usually characterized by a relatively uniform portion of the physical features or by consistent plant forms. Deserts, lakes and forests are all habitats," (FAO, 1997b). [Note: source unclear]

	Critical Natural Habitat	<p>OP, Annex A 1.b: "Critical natural habitats are: (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of the World Conservation Union [IUCN] classifications), areas initially recognized as protected by traditional local communities (e.g., sacred groves), and sites that maintain conditions vital for the viability of these protected areas (as determined by the environmental assessment process); or (ii) sites identified on supplementary lists prepared by the Bank or an authoritative source determined by the Regional environment sector unit (RESU). Such sites may include areas recognized by traditional local communities (e.g., sacred groves); areas with known high suitability for biodiversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species. Listings are based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes."</p>	<p>"Critical natural habitats include those natural habitats that are either legally protected or officially proposed for protection, or unprotected but of known high conservation value, or that are essential for the conservation of rare, vulnerable or endangered species. Such sites may include areas recognized by traditional local communities; areas designated for conservation of biodiversity" (EIA, p. 26).</p>
	Significant Conversion and Degradation	<p>"OP Annex A, 1.c: "Significant conversion is the elimination or severe diminution of the integrity of a critical or other natural habitat caused by a major, long-term change in land or water use. Significant conversion may include, for example, land clearing; replacement of natural vegetation (e.g., by crops or tree plantations); permanent flooding (e.g., by a reservoir); drainage, dredging, filling, or channelization of wetlands; or surface mining. In both terrestrial and aquatic ecosystems, conversion of natural habitats can occur as the result of severe pollution. Conversion can result directly from the action of a project or through an indirect mechanism (e.g., through induced settlement along a road)."</p> <p>OP Annex A, 1.d: Degradation is modification of a critical or other natural habitat that substantially reduces the habitat's ability to maintain viable populations of its native species."</p>	<p>"Significant conversion is the severe diminution of the integrity of a critical or natural habitat caused by significant long term change in land or water use" (EIA, p. 26).</p> <p>"Degradation is the modification of a critical or other natural habitat that reduces the habitat's ability to maintain viable populations of its native species, resulting from natural processes, land or water uses or other human activities, and habitation patterns such as land contamination, soil erosion and the destruction of the vegetation cover" (EIA, pp. 26-27).</p>

Operational Principles			Elaboration from WB Operational Policies/Bank Procedures	FAO Gap Analysis
				Key: ✓=no gap; ✕=gap; – = partial gap; ?=clarification required
C.	FORESTS		OP/BP 4.36 Forests, OP 4.36 Annex A Definitions	FAO Background Information and FAO, "The Environmental Impact Assessment Guidelines for FAO Field Projects," (hereafter EIA)
1	Screening			
	a	screen for impacts on forest health and quality and on rights and welfare of forest-dependent people		✓ Initial Environmental Review (IER) to determine potential positive and negative E/S impacts of projects (EIA, p. 9). "Projects should be screened as early as possible for potential impacts on health of important ecosystems including forests and quality and on the rights and welfare of people who depend on them" (EIA, p. 26).
	b	screen as early as possible		✓ "The environmental review takes place as early as possible when a project concept or proposal is identified" (EIA, p. 16).
	c	evaluate prospects for new markets/arrangements as appropriate		✓ "As appropriate, the prospects for new markets and marketing arrangements should be evaluated" (EIA, p. 26).
2	Critical forest areas			
	a	do not finance projects that would significantly convert or degrade critical forest areas or related critical natural habitats		✓ "It should be highlighted that FAO does not support projects that involve the significant conversion or degradation of critical natural habitats, including those habitats that are: legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, or so recognized (i.e. private properties) ..." (EIA, pp. 10-11). "... FAO does not support projects involving the significant conversion of critical natural habitats including forests ..." (EIA, p. 26).
	b	do not finance projects that would contravene applicable international environmental agreements		✓ "FAO will employ the EIA procedures to ensure adherence to relevant international environmental treaties and agreements" (EIA, p. 17). "...FAO does not support projects ... that will contravene applicable international environmental agreements." (EIA, p. 26)
3	Plantations/commercial harvesting			

	a	do not finance natural forest harvesting or plantations that involve any conversion or degradation of critical forest areas or related CNH	QUESTION FOR WORLD BANK: The World Bank should clarify the intent behind the Forest Policy prohibition against "any" conversion or degradation of critical forest areas/critical natural habitats for harvesting and plantation projects given that it appears to be a more stringent standard than that applied more generally to critical natural habitats (no "significant conversion or degradation," see NH Operational Principle 2). If a more stringent standard is intended, this may impact the assessment and design of plantation projects adjacent to critical natural habitats.	?	It is unclear whether FAO's "no significant conversion or degradation" standard would satisfy prohibition against " <u>any</u> " conversion or degradation of CNHs, including forests. World Bank should clarify (see middle column).
4	Non-critical forest areas				
	a	if adverse impacts on non-critical natural forests or related NH, proceed only if no viable alternatives exist and include mitigation measures		✓	"Where projects can adversely affect non-critical habitats, FAO will support only if viable alternatives are not available, and if appropriate conservation and mitigation measures, including those required to maintain ecological services provided by these habitats, are in place. The project will have to include mitigation measures that minimize habitat loss and establish and maintain an ecologically similar protected area" (EIA, p. 26).
5	Certification for commercial harvesting				
	a	support commercial, industrial-scale forest harvesting only when certified under independent forest certification system or have time-bound action plan to meet internationally recognized standards		×	Background Information states that "[a]lthough FAO does not adhere to specific forest certification scheme, it encourages and calls for the use of criteria and indicators to measure progress toward SFM [sustainable forest management]." SFM may lead to adoption of certification systems, and FAO has adopted voluntary guidelines that address certification. However, it does not contain a firm requirement as in the Operational Principle that such projects (i.e., commercial, industrial-scale forest harvesting) would be supported "only when" independently certified.
6	Restoration projects				
	a	ensure forest restoration projects maintain or enhance biodiversity and ecosystem functionality		✓	"Furthermore, it should be ensured that forest restoration projects maintain or enhance biodiversity and ecosystem functionality and that all plantation projects are environmentally appropriate, socially beneficial and economically viable" (EIA, p. 26).
	b	ensure all plantation projects are environmentally appropriate, socially beneficial and economically viable		✓	see 6.a above
7	Preference to small-scale approaches				

	a	give preference to small-scale community-level management approaches when they best reduce poverty in sustainable manner		×	Background Information indicates that FAO guidelines emphasize social and economic development of local communities in tropical and planted forest projects. However, it does not indicate that FAO gives preference to small-scale community management approaches when addressing poverty reduction.
8	Community forestry				
	a	support commercial small-scale harvesting by local communities where operations are consistent with internationally recognized standards of responsible forest use		–	FAO promotes SFM but Background Information does not specifically address standards for supporting small-scale harvesting. FAO indicates that it will provide a definition of "small scale" as a gap filling measure.
	b	monitoring includes meaningful participation of local communities		✓	"Stakeholders' participation including indigenous peoples and vulnerable groups will be ensured in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits including establishing appropriate and accessible grievance mechanisms" (EIA, p. 21).
9	Certification criteria				
	a	use forest certification systems that require (a) compliance with relevant laws; (b) recognition of, and respect for, legal or customary land tenure and use rights as well as the rights of Indigenous Peoples and workers; (c) measures to enhance sound community relations; (d) conservation of biological diversity and ecological functions; (e) measures to maintain or enhance environmentally sound multiple benefits from the forest; (f) prevention or minimization of environmental impacts; (g) effective forest management planning; (h) active monitoring and assessment of relevant forest management areas; and (i) independent, cost effective, third-party assessment of forest management performance against measurable standards		×	FAO promotes SFM and has developed Voluntary Guidelines on Planted Forests. It includes references to "recognized certification schemes." While Voluntary Guidelines elaborate on criteria, they are not mandatory.
	b	ensure decision-making procedures are fair, transparent, independent, and designed to avoid conflict of interest		×	FAO does not require independent certification systems
	c	ensure meaningful participation of key stakeholders, including private sector, local communities, IPs	OP contains clearer participation requirement that "the system's standards must be developed with the meaningful participation of local people and communities; indigenous peoples; non-governmental organizations representing consumer, producer, and conservation interests; and other members of civil society, including the private sector." (OP 11)	×	FAO does not require independent certification systems
10	Disclosure				

a	disclose any time-bound action plans in timely manner, before appraisal formally begins		✓	FAO requires disclosure of mitigation plans in a timely manner. See also EA 11.a
b	disclose said plans in accessible place		✓	see EA 11.b
c	disclose in form & language understandable to key stakeholders		✓	see EA 11.c
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy				
	introduction of invasive species	OP requires plantation projects be designed to prevent and mitigate threat of invasive species (OP 7)		FAO requires avoidance of the introduction of new species or new technologies for which local knowledge is limited (EIA, Annex 3, Sec. 3.4 Forestry).
	siting of plantations	OP includes siting preference for plantations on unforested or already converted lands (OP 7)		"Wherever feasible, preference must be given to projects dealing with lands already converted" (EIA, p. 26).

Operational Principles			Elaboration from WB Operational Policies/Bank Procedures	FAO Gap Analysis
				Key: ✓=no gap; ✕=gap; – = partial gap; ?=clarification required
D.	INVOLUNTARY RESETTLEMENT		OP/BP 4.12 Involuntary Resettlement, OP 4.12 Annex A Involuntary Resettlement Instruments	FAO Background Information and FAO, "The Environmental Impact Assessment Guidelines for FAO Field Projects," (hereafter EIA)
Objectives				
		To avoid or minimize involuntary resettlement and, where this is not feasible, to assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.		EIA Guidelines state that FAO will not finance projects that involve involuntary resettlement.
1	Alternatives			
	a	assess all viable alternative project designs to avoid, where feasible, or minimize IR		✓ Given FAO's prohibition of financing projects that involve IR, it will explore options to avoid IR. FAO's prohibition is stated as follows: "FAO will not finance or execute projects that involve physical relocation, acquisition of land, or any loss of land or other assets resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; (iii) loss of income sources or means of livelihood, whether or not the affected people must move to another location; (iv) loss of well-being due to dislocation from cultural or traditional areas and practices (relevant particularly for indigenous populations). Involuntary resettlement is included in Category A projects as a potentially adverse social impact that would require further assessment/prevention/mitigation through the EIA process" (EIA Guidelines, p. 30).
2	Assess impacts			
	a	identify, assess, and address potential economic and social impacts that are caused by involuntary taking of land or involuntary access restrictions to legally designated parks and protected areas		✓ FAO includes economic and social impacts in IR definition (see 1.a above) and indicates that potential resettlement triggers Category A designation and risks are to be assessed. FAO's IR definition (see 1.a above) includes access restrictions ("loss of well-being due to dislocation from cultural or traditional areas and practices").
	b	use census and socio-economic surveys to identify people who will be affected		✓ EIA Guidelines require an Initial Environmental Review and more intensive environmental scoping for projects with IR risks. Scoping is to include "socio-economic surveys and census taking" (EIA, p. 17).

	c	impacts caused by involuntary taking of land include relocation or loss of shelter, loss of assets or access to assets, loss of income sources of means of livelihood, whether or not affected person must move to another location		✓	FAO employs similar definition, see 1.a above (EIA, Annex 1, p. 30)
3	Address impacts of related activities				
	a	identify and address impacts of other activities (a) directly related to project, (b) necessary to achieve project objectives, and (c) carried out or planned contemporaneously with project	QUESTION FOR WORLD BANK: World Bank should clarify how subpoint c. regarding contemporaneous projects is operationalized.	?	EIA policy addresses direct and indirect impacts, but Background Information does not elaborate on assessing IR impacts of related or contemporaneous projects. See middle column.
4	Stakeholder participation				
	a	consult project-affected communities and local NGOs, as appropriate		✓	"As early as possible in the project formulation process, LTOs will make every effort to engage project stakeholders and beneficiaries including indigenous people and vulnerable groups in analysis and decision-making with respect to potential project environmental and social impacts. For all Category A and B projects, the LTO ... will consult project-affected groups and relevant local NGOs, take account of their comments in the environmental analysis and EIA reports, and more generally in project design and implementation" (EIA, p. 21). Early "consultation will be governed by the "Free, prior informed consent principle." (EIA, p. 21)
	b	provide them opportunities to participate in planning, implementation, monitoring of resettlement program, especially in developing and implementing procedures for determining eligibility for compensation/assistance and in establishing appropriate grievance mechanisms		✓	"Stakeholders' participation including indigenous peoples and vulnerable groups will be ensured in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits including establishing appropriate and accessible grievance mechanism." (EIA, p. 21).
	c	pay particular attention to needs of vulnerable groups among displaced, especially poor, landless, elderly, women and children, IPs, ethnic minorities	OP emphasizes complexity of IP relocation, requiring consideration of all viable alternatives to avoid IP displacement; if relocation, then should be "compatible with cultural preferences." (OP 9)	✓	EIA includes general provisions for identification of project impacts on vulnerable groups and gender dimensions of risks.
5	Compensation				
	a	inform displaced persons of rights and consult on options		✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	b	provide them with technically and economically feasible resettlement alternatives and assistance		✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."

	c	provide prompt compensation at full replacement cost for loss of assets		✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	d	if relocation, provide assistance during relocation	OP states "such as moving allowances" (OP 6.b)	✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	e	if relocation, provide residential housing, or housing sites, or agricultural sites of equivalent productive potential, as required		✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	f	provide transitional support and development assistance (i.e., land preparation, credit, training) in addition to compensation		✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	g	provide cash compensation for land when impact of land acquisition on livelihoods is minor	OP states that cash compensation may be appropriate when taken land is a small fraction [generally less than 20% of total productive area, ft. nt. 17] of affected asset and residual is economically viable, there is sufficient supply of land and housing, or livelihoods not land-based (OP, 12)	✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	h	provide civic infrastructure and community services as required	OP requires that alternative or similar resources be provided to compensate for "loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder)" (OP 13.b)	✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
6	Land-for-land preference				
	a	prefer land-based resettlement strategies for displaced persons whose livelihoods are land-based	OP calls for preference be given to land with at least equivalent productive and locational advantages as land taken (OP 11)	✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
7	No formal title				
	a	provide resettlement assistance, in lieu of compensation, to those without formal legal rights to lands or recognized claims to help improve or at least restore their livelihoods		✓	Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
8	Disclosure				
	a	disclose draft resettlement plans in timely manner, before appraisal formally begins		✓	see EA 11.a
	b	disclose in an accessible place		✓	see EA 11.b
	c	disclose in form & language understandable to key stakeholders		✓	see EA 11.c

9	Sub-projects			
	a	apply IR material elements to sub-projects or sub-strategies requiring land acquisition	OP requires submission of a resettlement plan and Bank approval of subprojects that involve resettlement (OP 29)	✓ FAO includes note that it will not undertake subprojects as an FCPF Delivery Partner but will apply requirements if needed (see EA 10.a). Also, Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed.
10	Access restrictions to parks & protected areas			
	a	For projects involving involuntary access restrictions to legally designated parks and protected areas, develop participatory process for (a) preparing and implementing components, (b) establishing eligibility criteria, (c) agreeing on mitigation measures that help improve or restore livelihoods in a manner that maintains sustainability of areas, (d) resolving conflicts, (e) monitoring implementation	OP specifies that "the nature of restrictions" is determined with the participation of the displaced persons during the design and implementation of the project." (OP 7)	✓ Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	b	disclose participatory process plan before project appraisal		✓ covered by general disclosure requirements (see EA 11.a)
11	Timing of plans and compensation			
	a	implement all relevant resettlement plans before project completion		✓ Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	b	provide resettlement entitlements before displacement or restriction of access	OP requires that "taking of land and related assets may take place only after compensation has been paid, and where applicable, resettlement sites and moving allowances have been provided...." (OP 10).	✓ Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
	c	for projects involving access restrictions, impose restrictions in accordance with timetable of plan of actions		✓ Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."
12	Evaluate success			
	a	assess whether resettlement objectives have been achieved upon completion, utilizing baseline conditions and monitoring results		✓ Background Information states that while it does not support projects that involve IR, "FAO commits to apply World Bank Operational Principles on Involuntary Resettlement if needed."

NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy			
	physical relocation of indigenous peoples	IR OP notes complexity of resettlement of indigenous peoples and requires that all viable alternatives be explored to avoid it. When avoidance not feasible, preference is given to land-based resettlement strategies for these groups that are compatible with their cultural preferences (OP Annex A, 11)	FAO states that it will not finance projects that involve IR
	locational advantage of compensatory land	For land-for-land compensation, OP calls for preference be given to land with at least equivalent productive and locational advantages as land taken. Operational Principle does not address "locational advantage" criteria (OP 11)	
DEFINITIONS			
	WB Full Replacement Cost	WB: "With regard to land and structures, "replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, para. 6." (OP Annex A, ft. nt. 1). "For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities." (OP, ft. nt 11)	
	FAO does not support projects that involve IR and thus does not articulate a replacement cost standard		

Operational Principles			Elaboration from WB Operational Policies/Bank Procedures	FAO Gap Analysis
				Key: ✓=no gap; ✕=gap; – = partial gap; ?=clarification required
E. INDIGENOUS PEOPLES			OP 4.10 Indigenous Peoples (July 2005), BP 4.10, and related annexes	FAO Background Information and FAO, "The Environmental Impact Assessment Guidelines for FAO Field Projects," (hereafter EIA); FAO Policy on Indigenous and Tribal Peoples, 2010 (hereafter PITP)
Objective				
		To design and implement projects in a way that fosters full respect for Indigenous Peoples' dignity, human rights, and cultural uniqueness and so that they: (a) receive culturally compatible social and economic benefits; and (b) do not suffer adverse effects during the development process.		FAO indicates that the core principles of UNDRIP – self determination, development with identity, FPIC, participation and inclusion, rights over lands and other natural resources, cultural rights, collective rights, gender equality – "must consequently for the basis of FAO's work in this area" (PITP, pp. 4-6).
1	Screening			
	a	screen early to determine whether IPs are present in, or have collective attachment to, project area		✓ Initial Environmental Review takes place as early as possible (EIA, p. 16). Environmental and Social Review Form includes indicator for identifying whether IPs may be adversely impacted by project (EIA, p. 34).
	b	IPs are identified as possessing following characteristics in varying degrees: self-identification and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral lands and to natural resources in these areas; distinct customary cultural, economic, social or political institutions; and indigenous language	Regarding identification of IPs, OP also includes groups that lost collective attachment to lands due to prior forced severance (OP 4). OP also requires screening involve technical judgment of qualified social scientists (OP 8)	– FAO employs the following definition: 'FAO will abide by the following criteria when considering indigenous peoples: (i) priority in time, with respect to occupation and use of a specific territory; (ii) the voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions; (iii) self-identification, as well as recognition by other groups, or by State authorities, as a distinct collectively; and (iv) an experience of subjugation, marginalization, dispossession, exclusion or discrimination, whether or not these conditions persist" (PITP, p. 4). It does not utilize Operational Principle's "collective attachment" to lands criteria.
2	FPICon and Broad Community Support			

	a	undertake free, prior, informed consultation (FPIC) with affected IPs to ascertain their broad community support (BCS) for proposed projects	OP sets 'FPIC resulting in BCS' as a financing condition ("Bank provides project financing only where") (OP 1). Also, OP requires FPIC at each stage of project (OP 6) and defines FPIC (OP 10 and fn 4)	✓	FAO employs free prior informed consent standard which matches or exceeds FPIC standard. "Consultation and free, prior informed consent will be sought when FAO projects directly affect indigenous peoples" (PITP, p. 14.) Background Information states: "For projects that involve or affect indigenous peoples, FAO will facilitate the inclusion of representatives of indigenous peoples in its consultations and programming cycles, in accordance with the principle of "free, prior and informed consent" (PITP, p. 5)
	b	solicit IP participation in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits	OP 6 requires 'FPIC resulting in BCS' as participation standard	✓	Presumably covered by FPIC standard. Also, "Stakeholders' participation including indigenous peoples and vulnerable groups will be ensured in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits including establishing appropriate and accessible grievance mechanisms" (EIA, p. 21).
3 Social assessment					
	a	use social assessment or similar methods to assess potential impacts on IPs	OP requires social assessment be carried out by "social scientists whose qualifications, experience, and terms of reference are acceptable to the Bank" (OP 9)	✓	Background Information indicates FAO employs UN-REDD guidance on engagement with IPs, noting that it requires "a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle."
	b	avoid adverse impacts, or, when avoidance is not feasible, minimize, mitigate, or compensate for such effects		✓	FAO notes objective of its EIA is in part "to design and incorporate appropriate prevention, mitigation, management and monitoring measures" (EIA, p. 7).
	c	give full consideration to options preferred by the affected IPs in the provision of benefits and design of mitigation measures		✓	"Full consideration will be given to options preferred by the affected IPs in the provision of benefits and design of the mentioned mitigation measures" (EIA, p. 12).
	d	tailor social and economic benefits in a culturally appropriate manner and are gender and intergenerationally inclusive		✓	EIA Basic Policy Requirements for Field Projects (EIA, Annex 3) incorporate gender considerations and promote intergenerational equity (EIA, sec. 3.9, 3.10).
4 Access restrictions to parks and benefits					
	a	Where access restrictions are not avoidable, ensure affected IPs participate in the design, implementation, monitoring and evaluation of management plans for such parks and protected areas	OP emphasizes that access restrictions are to occur only under "exceptional circumstances" and that priority be given to collaborative arrangements that enable IPs to continue to use areas/resources (OP 21)	✓	Background Information indicates that FAO will apply FPIC standard to projects that may involve access restrictions which should address participation requirements of Operational Principle.
	b	ensure affected IPs share equitably in benefits from the parks and protected areas		✓	FAO cites UN-REDD requirements calling for assessment of "fair and equitable benefit sharing." Presumably FPIC standard provides opportunity for IPs to co-determine equitable benefit sharing arrangements.

5	Action plan for legal recognition			
	a	put in place an action plan for legal recognition of customary rights to lands and territories when project involves (a) activities that are contingent on establishing legally recognized rights to lands/territories that IPs traditionally owned, or customarily used or occupied; or (b) the acquisition of such lands		<p>– Background Information cites UN-REDD guidelines that require identification of legal, land tenure, and indigenous rights issues. However, the cited UN-REDD guideline (while comprehensive) appears to be more general and less binding than the specific "action plan" requirement of the Operational Principle. It reads: "Issues to consider and address in the independent social and environmental impact assessment <u>could include</u>: The customary rights of Indigenous Peoples both individual and collective pertaining to ancestral domains, lands or territories; the cultural and spiritual values that Indigenous Peoples attribute to those lands and resources; sacred sites; Indigenous Peoples' natural resource management practices and systems; human rights assessment; and the legal situation of land tenure and government recognition of indigenous territories" [emphasis added].</p> <p>FAO's EIA Guidelines and PITP clearly recognize customary rights of IPs. FAO's EIA Guidelines also state more generally that "[p]rojects will have to address the land tenure and land administration dimensions of the changes that they may provoke, including issues of security of land tenure and land access ..." (EIA, p. 27). While this requirement does not necessarily commit to an "action plan for legal recognition of customary rights," it partially addresses the</p>
6	Commercial development			
	a	do not undertake commercial development of cultural resources or knowledge of IPs without prior agreement	✓	FPIC standard would presumably address this issue. Background Information notes that UN-REDD requires FPIC where proposed activities involve the removal of cultural, intellectual, spiritual or religious property."
7	Indigenous Peoples Plan			
	a	prepare Indigenous Peoples Plan (IPP) based on social assessment and IP consultations that includes mitigation measures, culturally appropriate benefits/compensation, and includes grievance, M&E and budget arrangements	✓	EIA requires an IPP. "The mentioned plan must include specific measures in order to monitor the benefits/risks affecting the [IPs] and to create specific mitigation actions, culturally appropriate benefits/compensation, and includes grievance, M&E and budget arrangements" (EIA, p. 12).
	b	use qualified professionals in development of IPP	✓	"... an [IPP] will be formulated and monitored by qualified professionals in consultation with stakeholders and the communities" (p. 12).
8	Disclosure			
	a	disclose draft IPP in timely manner, before appraisal formally begins	✓	"The draft IPP will be disclosed in a timely manner, before appraisal formally begins" (EIA, p. 12).

	b	disclose in accessible place		✓	see EA 11.b
	c	disclose in form and language understandable to stakeholders		✓	see EA 11.c
9	Monitoring				
	a	monitor IPP implementation using experienced social scientists		✓	"...an [IPP] will be formulated and monitored by qualified professionals in consultation with stakeholders and the communities" (EIA, p. 12).
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy					
		equitable benefit sharing of commercial development of IP cultural resources or knowledge	OP states that IPP is to include" arrangements to enable [IPs] to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development" (OP 19)		FPIC standard would presumably address equitable benefit sharing arrangements though not specified.
		commercial development of natural resources	For commercial development of natural resources on lands/territories traditionally owned, or customarily used or occupied by IPs, OP requires IPs be informed of their rights to such resources and that the IPP is "to enable [IPs] to share equitably in the benefits" of such commercial development. At a minimum, IPP "must ensure that the [IPs] receive, in a culturally appropriate manner, benefits, compensation, and rights to due process at least equivalent to that to which any landowner with full legal title to the land would be entitled in the case of commercial development of their land" (OP 18).		FPIC standard would presumably address equitable benefit sharing arrangements though not specified.
		physical relocation	OP emphasizes complexity of relocation of IPs and "requires the borrower to explore alternative project designs to avoid physical relocation of Indigenous Peoples. In exceptional circumstances, when it is not feasible to avoid relocation, the borrower will not carry out such relocation without obtaining broad support for it from the affected Indigenous Peoples' communities as part of the free, prior, and informed consultation process." (OP 20)		FAO does not support projects that would involve physical relocation of IPs.
DEFINITIONS					

	Free Prior Informed Consultation (FPICon)	OP ft. nt. 4: "Free, prior, and informed consultation with the affected Indigenous Peoples' communities' refers to a culturally appropriate and collective decisionmaking process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of the project. It does not constitute a veto right for individuals or groups (see paragraph 10)." BP, 2.a: "(a) 'free, prior, and informed consultation' is consultation that occurs freely and voluntarily, without any external manipulation, interference, or coercion, for which the parties consulted have prior access to information on the intent and scope of the proposed project in a culturally appropriate manner, form, and language."	FAO follows FPIC standard in projects involving indigenous peoples; FPIC is not defined.
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Operational Principles			Elaboration from WB Operational Policies/Bank Procedures	FAO Gap Analysis
				Key: ✓=no gap; ✗=gap; – = partial gap; ?=clarification required
F. PHYSICAL CULTURAL RESOURCES			OP/BP 4.11 Physical Cultural Resources	FAO Background Information and FAO, "The Environmental Impact Assessment Guidelines for FAO Field Projects," (hereafter EIA)
1	Assess and address			
	a	use EA to identify PCR	OP lists project types that require risk categorization for potential PCR impacts (significant excavations, demolition, earth movement, flooding, PCR preservation projects) (OP 5)	✓ EIA guidelines include provisions for identification of PCR (EIA, p. 30) and minimizing impacts.
	b	prevent or minimize or compensate for adverse impacts on PCR	OP requires development of a PCR management plan that specifies mitigation measures, capacity strengthening, and monitoring (OP 9)	✓ FAO states that it will "avoid projects that may have adverse impacts on or limit access to [PCR]" (EIA, p. 30). Projects that may have potentially significant impacts on [PCR] appear on the indicative list of Category A projects (hence triggering full EIA procedures) (EIA, p. 13).
	c	enhance positive impacts on PCR through site selection and design		✓ "FAO will also enhance positive impacts on physical cultural resources through site selection and design" (EIA, p. 31).
2	Field surveys			
	a	conduct field based surveys using qualified specialists to identify PCR issues		✓ EIA Guidelines state that contractors "usually will hire an Expert (e.g. Archaeologist or Paleontologist) in cases where there is a high chance of PCR (EIA, p. 31).
3	Consultation			
	a	consult government authorities, relevant NGOs, experts, and local people in PCR identification, impact assessment, and design and implementation of mitigation plans		✓ Background Information indicates FAO will rely on general consultation requirements of EIA.
4	Chance find procedures			
	a	provide for use of "chance find" procedures for PCR that may be discovered during project implementation		✓ FAO states that bidding documents and contracts for civil works which may encounter PCR must include "chance findings" clauses in line with national procedures/rules (EIA, p. 31).
5	Disclosure			
	a	disclose draft mitigation plans as part of EA in timely manner, before appraisal formally begins		✓ see EA 11.a
	b	disclose in accessible place		✓ see EA 11.b
	c	disclose in form and language understandable to stakeholders		✓ see EA 11.c