

Attachment 1

Guidelines and Generic Terms of Reference for SESAs and ESMF

(Annexes to the R-PP v. 5 draft Revised (December 22 2010))

Annex C: Generic Guidelines for Draft Input to ToR for ESMF

GUIDELINES FOR THE DEVELOPMENT OF TERMS OF REFERENCE (ToRs) FOR AN ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF) IN THE CONTEXT OF REDD-PLUS READINESS OPERATIONS SUPPORTED BY THE FCPF

PURPOSE OF THIS EXERCISE: This document provides guidelines on the preparation of Terms of Reference (ToRs) for an Environmental and Social Management Framework (ESMF) for an FCPF-supported REDD-Plus operation. 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 emerging REDD-plus strategy. The ESMF is prepared for application during the Readiness Package implementation stage (i.e. the Carbon Fund stage), as part of the implementation of REDD-Plus strategy option(s) formulated during readiness preparation. Each ESMF prepared will take on a different form depending on the safeguard policies that apply and the particular country circumstances involved. As a next step, these initial guidelines will be followed by the dissemination of generic examples of ESMFs, which can loosely serve as models of the final documents participant countries will have to produce.

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 participant country is interested only in pursuing legal, regulatory, and/or policy 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 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 World Bank's safeguard policies, based on an assessment of which policies are most likely to apply.

This Guidelines assumes 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 this 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 World Bank safeguards policies most likely to apply, which serves as a confirmation of the initial determination of these 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 World Bank's safeguard policies during both preparation and implementation of the Readiness Package. 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 option(s) 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) capacity building measures; and (iii) environmental and social impact screening, assessment, and monitoring. 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 in an ESMF that is compliant with applicable World Bank safeguard policies at the time of the assessment of the Readiness Package with, 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 option(s)**, 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 National Readiness Management Arrangements** for implementing 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) An outline of the **budget** for implementing the ESMF.

This sub-section should also make clear that preparation of a final draft ESMF suitable for inclusion in the R-Package would have to be consistent with the safeguard policy on Environmental Assessment (OP 4.01) and contain specific sections addressing the requirements of other 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) to address any potential environmental impacts, including cumulative and/or indirect impacts of multiple activities;
- Resettlement Policy Framework (RPF) to address any potential land acquisition and/or physical relocation, as required by the World Bank Involuntary Resettlement policy (OP 4.12);
- Process Framework (PF) for situations of restriction of access to natural resources within legally designated parks and protected areas, as required by the World Bank Involuntary Resettlement policy (OP 4.12); and
- Indigenous Peoples Planning Framework (IPPF) as required by the World Bank Indigenous Peoples policy (OP 4.10).

Finally, this sub-section will indicate how public consultations on the ESMF will be integrated into ongoing consultation processes in the country (following section 1b. 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, 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, 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 option(s), 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, RPF, 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 World Bank 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 How the Integrated SESA Will be Included in the REDD-plus Readiness Package

Note: This Annex provides an overview of how SESA, including the ESMF, will eventually be included in the Readiness package. However, this Annex does not need to be prepared for submission of the R-PP at this point.

Countries receiving support of the FCPF for REDD-plus readiness must comply with World Bank safeguard policies regarding the management of environmental and social issues and impacts. The 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 integrated into the preparation of the Readiness Package, mostly into the REDD-plus strategy and the Consultation and Participation Process of the REDD-plus Readiness Process.

This Annex provides guidelines on how a country eventually should produce an annex with this title for the Readiness Package. It should summarize in 5-10 pages the public consultation and participation processes, in which the preparation of SESA was embedded, and the main findings and results of SESA. The summary should refer to relevant sections of the Readiness Package where the elements of SESA are discussed in detail. The final Annex will be submitted with the Readiness Package, but progress on elements of the work below will be reflected in the country progress reports to be submitted during readiness.

Including references to relevant sections of the Readiness Package, 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 World Bank safeguard policies triggered and the environmental and social studies or assessments carried out (refer to relevant sections of component 1a and component 2b).
- The key environmental and social issues associated with the drivers of deforestation and forest degradation (refer to relevant sections of component 2a).
- The legal, institutional, regulatory, and capacity recommendations to address gaps for managing environmental and social priorities associated with the drivers of deforestation and forest degradation and how these results fed into the selection and preparation of the REDD-plus strategy options (refer to relevant sections of component 2b on enhancing preparation of the REDD-plus strategy; and, if needed, component 2c).
- The results of the assessment of environmental and social risks and potential impacts of REDD-plus strategy options, and how the results of this assessment fed into the selection and preparation of the REDD-plus strategy options (refer to relevant sections of component 2b on environmental and social safeguarding).

- The ESMF as the framework for managing environmental and social risks and potential impacts during the implementation of the Readiness Package and a discussion of compliance with the World Bank's safeguard policies triggered during the preparation of the Readiness Package. (refer to the stand-alone ESMF described in component 2d).
- The consultations, public participation, disclosure and dissemination of information on environmental and social issues.
 - For general procedures followed on consultations, public participation, disclosure and dissemination of information refer to relevant sections of components 1a and 1c.
 - For stakeholder analysis, awareness raising and initially vetting environmental and social concerns refer to relevant sections of component 1b.
 - For participation of stakeholders including forest-dependent indigenous people, forest dwellers, forest-dependent 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 SESA and the preparation of ESMF refer to relevant sections of component 1c, 2b and 2d.