

Terms of Reference for the Strategic Environmental and Social Assessment (SESA) of the National REDD+ Program in Shangriland

1. Objectives

The overall objective of these Terms of Reference (ToR) is to ensure that Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) are applied so as to integrate environmental and social considerations into Shangriland's REDD+ Readiness Preparation.

2. Background information on Shangriland

Shangriland is a country with significant forestry potential. In the early 20th century 70% of the country was covered by forests. However, between 1950 and 1995 deforestation in Shangriland was rampant due to the expansion of the agricultural frontier, urbanization and mining. Almost 40% of its forest was lost. By early 2000s deforestation was reversed but since threats have emerged such as (i) conversion to agricultural land particularly in the northeast of the country, (ii) infrastructure development and construction of hydropower plants, (iii) illegal logging and (iv) forest fires. The government of Shangriland is interested in arresting deforestation, conserving biodiversity and promoting green growth. As a result, Shangriland joined the FCPF. Its R-PP was approved in mid-2013.

3. Links between the SESA/ESMF and the REDD+ strategy options

Implementation of REDD+ in Shangriland is expected to provide a number of benefits, but it may also pose some risks. These risks will be mitigated through an extensive consultation and participation process, analytical work, and the SESA. The SESA will assist a range of stakeholders in defining social and environmental priorities in relation to land use and forest conservation. This information will help refine the selection of the REDD+ strategy options as the SESA will assess gaps in existing systems for managing these priorities. Once the REDD+ strategy options are refined, they will be implemented in the future through specific activities and projects. The Environmental and Social Management Framework (ESMF) will provide a framework to manage the potential environmental and social impacts related to these specific projects and activities, including investments and carbon finance transactions.

4. Strategic Environmental and Social Assessment

These ToR specify the activities the Consultant should undertake in order to conduct the SESA in line with current FCPF guidance on SESA application, the World Bank's environmental and social safeguard policies, and the Shangriland's legal and regulatory framework.

4.1 Launching of SESA

4.1.1 Consultation and Participation Activities

During the preparation of the R-PP, extensive stakeholder analysis and consultations were carried out to identify key stakeholders, in collaboration with the UN-REDD Shangriland Programme. There is no need of further work on stakeholder analysis for the SESA. The key stakeholder groups that should be considered include **public sector** entities (not just key ministries and departments, but also bodies such as the Provincial and District Committees), representatives of the **business sector** (such as forestry and wood processing companies, whether public or private), and **civil society organizations** (including NGOs operating at every level). The RPP showed that indigenous peoples and villagers are well represented by their national organizations, NGOs and CSOs.

4.1.2 National Validation Workshop

The Consultant will prepare a SESA Work Plan, which will in the first instance outline the consultation and participation activities of the SESA. The SESA Work Plan shall be subject to broad stakeholder validation in a national workshop. The validation workshop is crucial in establishing the legitimacy of all subsequent stakeholder consultation and participation actions. Representation from all key stakeholder groups related to forest management in Shangriland as previously mentioned should therefore be considered. Representatives from local and indigenous communities are not expected to participate in the workshop.

The workshop should be held at Shangriland's capital where most of stakeholder group representatives are located, including national representatives of indigenous and local forest communities. The format and facilitation of the workshop should also ensure that all stakeholders feel comfortable voicing their views and concerns, that all voices are heard, and that all inputs are considered. Views and comments from the workshop should be used by the consultants to finalize the SESA Work Plan. The Work Plan and any other outcomes of the workshop shall then be publicly disclosed via the websites of Ministry of Agriculture and Environment (MAE) and the UN-REDD Programme in Shangriland.

4.2 Scoping of priority issues

4.2.1 Identification of key environmental and social issues

The Consultant will identify key environmental and social issues associated with land use and forest conservation in Shangriland to inform the definition of the SESA's environmental and social priorities. For scoping key environmental and social issues the Consultant will carry out a literature review of environmental and social problems of land use in Shangriland and use this report to

discuss with focal groups comprising all key stakeholders convened in the launching workshop. The results of the focal groups will be documented in specific consultation reports.

Building on the results of focus groups, the Consultant will produce a Scoping Report of key environmental and social issues in forests areas in Shangriland. This Report will analyze critical institutional, legal, regulatory, policy and capacity gaps underlying the key environmental and social issues identified. The Scoping Report will inform the public consultations to be undertaken with key stakeholders for the definition of environmental and social priorities, discussed below.

4.2.2 Definition of environmental and social priorities

In line with the consultation and participation plan of the SESA, the key environmental and social issues shall be reviewed and prioritized through a voting system by representatives of the key stakeholders identified in the SESA Work Plan. The Consultant will prepare a report on the selection of priorities by all the SESA stakeholders. The report shall then be publicly disclosed to reach a wide range of interested constituencies.

4.3 Assessment

The Consultant will assess the environmental and social sustainability of the REDD+ strategy options as follows:

4.3.1 Assessing candidate REDD+ strategy options vis-à-vis previously defined priorities

The Consultant will assess the extent to which the preliminary REDD+ strategy addresses the environmental and social priorities defined through SESA. When the REDD+ strategy options address partially or do not address some of the priorities, the gaps will be identified and specific recommendations will be made to refine the REDD+ strategy options to close these gaps. In this way, priority environmental and social considerations will be integrated into the preparation of the REDD+ strategy. The expected output is revised REDD+ strategy options.

The revised REDD+ strategy options shall be assessed against the environmental and social impacts that they may induce or create during their implementation. These environmental and social impacts will be identified vis-a-vis the protections provided by the relevant World Bank environmental and social safeguard policies. For example, one of the REDD+ strategy options may induce involuntary restriction of community access to forest resources in parks or protected areas located in Shangriland, which would trigger the application of certain provisions of World Bank OP 4.12 on involuntary resettlement. In view of such a possibility, the Consultant shall make recommendations to refine further the REDD+ strategy options in order to eliminate or minimize this risk. If some residual risk still remains, it will be dealt with in the Environmental and Social Management

Framework (ESMF) prepared to manage risks during implementation of the improved REDD+ strategy.

5. Environmental and Social Management Framework (ESMF)

The Consultant will prepare an initial draft ESMF suitable for disclosure and public consultations that would involve the following minimum tasks:

- a) A description of the REDD+ strategy and the various risks involved in its implementation.
- b) An outline of the legislative, regulatory, and policy regime (in relation to forest resources management, land use, forest carbon and customary rights, etc.) within which the strategy will be implemented.
- c) An analytical guide or framework to identify and describe 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 REDD+ strategy.
- d) A description of the arrangements for implementing the specific project(s), activity(-ies), or policy(-ies)/regulation(s) 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; and, (iii) the monitoring of the implementation of the action plans, including arrangements for public participation in such monitoring.
- e) An outline of the budget for implementing the ESMF.

A final draft ESMF suitable for inclusion in the R-Package (or grant completion report) shall contain specific sections addressing the requirements of the applicable World Bank safeguard policies.

5.1 Consultation on and disclosure of the ESMF

The generation of a draft ESMF needs to be preceded by the preparation of the ESMF ToR for which inputs shall be solicited through their public disclosure. In putting together the draft ESMF, the Consultant should carry out additional stakeholder consultations. The draft document should also be subject to broad stakeholder consultations and inputs prior to the preparation of the final draft ESMF. Hard copies of the document should also be available at the offices of the sub-national REDD+ Networks, District Committees, or similar in the identified critical areas.