

Government of Nepal
Ministry of Forests and Soil Conservation
REDD-Forestry and Climate Change Cell
Babarmahal, Kathmandu, Nepal

Terms of Reference (ToRs)
for a
Strategic Environmental and Social Assessment (SESA)
and the formulation of an
Environmental and Social Management Framework (ESMF)
(FCPF/REDD/S/QCBS-5)

1 Introduction

1.1 General

Reducing Emissions from Deforestation and Forest Degradation (REDD+) is evolving as a means to reduce forest sector carbon emissions through forest management and forest governance improvements in forestry and related sectors. The World Bank's Forest Carbon Partnership Facility (FCPF) assists Nepal with financial and technical support to develop and apply strategies to address the drivers of deforestation and forest degradation.

Nepal is one of the countries participating in the FCPF REDD+ Readiness Fund and is currently implementing the REDD+ Readiness Programme. Part of this process includes the solicitation of consultant services to conduct a series of activities which will inform the readiness process and increase the country's REDD+ readiness.

1.2 Technical

The Strategic Environmental and Social Assessment (SESA) is essential for both avoiding negative impacts and ensuring positive or additional REDD+ benefits, especially in terms of safeguarding livelihood improvements and the rights of forest-dependent communities (i.e. indigenous peoples, women, dalits); promoting the conservation of the environment and biodiversity; and maintaining cultural heritage, gender balance, capacity development and good governance. For this, it is essential to identify the likely outcomes, opportunities and adverse impacts associated with implementation of strategic options before implementing REDD+.

2 Background Information

REDD+ implementation will involve forest dependent communities, women and other affected marginalised groups to the best extent possible. Although REDD+ is expected to have significant climate change benefits, it risks causing negative impacts on the environment and local

forest dependent communities. Therefore, the SESA will be conducted in order to assess these potential positive and negative impacts. Furthermore, the participatory SESA process will aim to involve all relevant stakeholders while maintaining a focus on the most affected stakeholder groups.

Given the FCPF is the main source of funding for REDD+ readiness, the World Bank's Safeguard Policies have to be fulfilled. These include (i) OP 4.01 on 'Environmental Evaluation'; (ii) OP 4.04 on the Natural Habitats; (iii) OP 4.10 on Indigenous Populations; (iv) OP 4.11 relating to Physical Cultural Resources; (v) OP 4.12 on Involuntary Resettlement; and (vi) OP 4.36 on the Forests. Furthermore, the SESA must adhere to the following REDD+ objectives, which have emerged from numerous stakeholder consultations: (i) regulating forest sector activities and promoting the fight against deforestation and forest degradation, and (ii) protecting and promoting the rights, responsibilities and opportunities of forest dependent people from the start. The SESA must not only comply with the World Bank's safeguard policies but also consider existing national legislation, international agreements ratified by the government and the principles of international practices and protocols protecting the rights of citizens, especially with regard to impacts on the environment, traditional rights and access to natural resources.

An initial stakeholder analysis was conducted during the preparation of the Readiness Preparation Proposal (R-PP), including specific consultations with forest dependent communities. Possible drivers of deforestation and degradation and feasible strategic options for addressing those drivers were also identified during the R-PP process.

3 Objectives

The overall objective of the SESA is to identify opportunities to mitigate environmental and socioeconomic risks during under the implementation of a REDD+ mechanism in Nepal. The SESA may also identify where REDD+ can improve development activities and other environmental measures adopted to combat climate change.

The specific purpose of the SESA is to identify opportunities that:

- Enable an understanding of the operating environment for REDD+ programs, including stakeholder analysis and the socio-environmental dimensions of the forestry sector in Nepal;
- Screen and assess possible social impacts and issues related to REDD+ programs in Nepal;
- Develop a multi-stakeholder engagement approach to address these impacts;
- Propose methods and measures to mitigate environmental and socioeconomic risks during REDD+ strategy implementation; and
- Provide leads to improve development activities and the state of the environment through REDD+ as well as any associated measures adopted to counter climate change.

In order to develop an Environmental and Social Management Framework (ESMF), the consultant will present proposals that aim to strengthen the positive impacts of the REDD process on: the quality of the environment; the social, cultural and economic well-being of the population, particularly that of population groups most dependent on forest ecosystems and biodi-

versity; the respect for traditional modes of using natural resources; and the community consultation and participation process.

The ESMF will have to specify procedures for:

- Consultations with concerned stakeholder groups;
- Institutional capacity-building;
- Environmental and social impact screening, assessment, and monitoring; and
- Grievance redress.

The ESMF will also provide the inter-institutional arrangements for the preparation of time-bound action plans for managing and mitigating adverse impacts related to future projects, activities, or policies/regulations.

4 Scope of Work

The Strategic Environmental and Social Assessment (SESA) will include a comprehensive stakeholder analysis, a description of the initial social and environmental situation of the forestry sector in Nepal, an analysis of the possible impacts of different REDD+ strategy option scenarios, an analysis of impacts of different REDD+ alternatives and the verification of compliance with World Bank policies.

SESA preparation will be the basis for the formulation of an ESMF:

- The SESA will ensure compliance with relevant safeguards during both preparation and implementation of the R-PP.
- The ESMF will be an output of SESA. It examines the risks and potential impacts associated with one or more projects, activities, or policies/regulations that may occur in the future as part of the implementation of the REDD+ strategy options designed during the readiness preparation phase.

Moreover, it is important that the SESA confirms the two major REDD objectives mentioned above.

The consultant should identify interfaces with the REDD+ SES process that has been initiated in Nepal and clearly spell out the scope for synergies with this process.

4.1 Major tasks

4.1.1 SESA

Task 1: Review stakeholder analysis

The consultant shall review and update the comprehensive list of stakeholders identified during R-PP development that are directly linked with the social and environmental impacts of the REDD readiness and implementation process. The consultant should prepare a map of the stakeholder landscape including the positions and views of various stakeholders in the forestry sector, with a particular focus on REDD+ programs. The consultant shall identify and focus on those stakeholders who have been most actively engaged in the process so far and critically assess if any group of stakeholders has been left out of the process due to lacking awareness and capacity to engage with REDD+ discussions.

The feedback solicited during past stakeholder consultations (as part of the R-PP preparation or the preparation of individual projects) should be reviewed during this analysis.

Task 2: Initial description of the social and environmental situation of the forestry sector in Nepal

This task provides an update of the diagnostic already done for the R-PP and draws on the detailed studies of environmental and social issues regarding REDD+ that are already underway. The consultant will collect, analyse and present basic data relating to the current environmental and social situation of the forestry sector in Nepal, including:

- A map of the forest dependent communities and disadvantaged groups accessing forest resources (following the lines of the stakeholder analysis);
- A review of their relationship to the forests from an ethnic, historical, cultural and economic perspective as well as an analysis of their attachments, access to and use of forest resources, including the formal/ informal institutions and internal mechanisms regarding the use of forests and the sharing of benefits from this utilisation;
- A summary of their views, concerns and recommendations for REDD+ program.

Task 3: Outline the legislative, regulatory, and policy regime

The outline of the legislative, regulatory, and policy regime (in relation to forest resources management, land use, forest-based enterprises, etc.) should draw from the assessment described in Section 2a of the R-PP template with a focus on any proposed reforms to this regime as part of the REDD+ strategy implementation. This part of the analysis must include:

- A review of relevant acts, regulations and government policies regarding forest resource use versus the traditional use and usufruct rights to forest resources;
- An analysis of constitutional provisions and ILO 169 on indigenous and tribal populations, relevant stakeholder understandings and its implications for REDD+ programs.

Task 4: Outline of REDD+ strategy option(s)

The consultant will prepare a description of the indicative REDD+ strategy option(s), the main social and environmental considerations, and the various risks involved in implementation.

Task 5: Formulation of arrangements for implementation

The consultant shall prepare a description of the required arrangements for implementation modalities 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) monitoring the implementation of the action plans, including arrangements for the participation of relevant stakeholders in such monitoring.

Task 6: Analysis of the particular institutional needs within the REDD+ implementation framework

The consultant will review the authority and capability of institutions at different administrative levels (e.g. local, district, provincial/regional, and national), also in view of their capacity to

manage and monitor ESMF implementation. Capacity gaps need to be highlighted and be addressed in the 'Capacity Building' task below. The analysis should draw mainly from Section 2c. of the R-PP template but may propose new acts, rules and regulations, new agencies or agency functions, staffing needs, inter-sectoral arrangements, management procedures, operation monitoring and maintenance arrangements, budgeting and financial support.

Task 7: Analysis of the possible impacts of different REDD+ strategy option scenarios

The consultants will analyze the social and environmental impacts of each strategic option. This will help the implementing agency to move the program in the right direction for poverty reduction, environmental protection, socioeconomic development and the protection of traditional rights and biodiversity.

4.1.2 ESMF formulation

Task 8: Development of an Environmental and Social Management Framework (ESMF)

The consultant will develop an ESMF that addresses the following issues:

- The consultant will recommend **strategies and procedures** to implement the framework throughout the REDD+ process in view of adopting measures that prevent adverse environmental and social impacts.
- The consultant will recommend a **simple screening methodology to monitor the activities** recommended each year in the annual work plans from a social and environmental perspective in order to remove or reduce risks and negative impacts. The proposal should take into account existing national legislation and provisions regarding EIA and IEE.
- The consultant will also recommend a **simple monitoring and evaluation system** for the social and environmental impacts of the REDD+ process, with monitoring indicators and a corresponding evaluation procedures and methodology. In order to avoid duplication of efforts, the consultant will take into consideration the monitoring indicators developed as part of the REDD+ SES process.
- Based on the analyses and recommendations above, the consultant will do an initial screening to test the **compliance of the REDD+ process with the World Bank's Safeguard Policies** mentioned in the Background Section above.
- Finally, the consultant will recommend a **stakeholder consultation mechanism for the monitoring and evaluation of the REDD+ process**. Taking into account the public consultation mechanisms developed under various other REDD+ initiatives (e.g. REDD+ SES), the consultant will make concrete recommendations to increase the understanding of forest management and strengthen the involvement of forest dependent people, placing particular emphasis on indigenous groups, women, *dalits*, NGOs and other civil society institutions and the private sector during implementation and monitoring of the REDD+ process.

The draft ESMF will have to be publicly disclosed and disseminated through a major consultation event (or through multiple meetings at lower levels). Comments generated will be addressed when finalizing the ESMF.

Preparation of the **final ESMF** suitable for inclusion in the R-Package will have to contain specific sections addressing the requirements of Government of Nepal's applicable safeguard poli-

cies. These sections can take 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/Process Framework to address any potential land acquisition and/or physical relocation, loss of livelihoods or restriction of access to natural resources, including in legally designated parks and protected areas;
- Indigenous Peoples Planning Framework (IPPF) to address any effects on Indigenous Peoples; and
- Cultural Heritage Management Framework, which must be implemented to ensure that the programs and activities do not harm the physical or moral cultural heritage, or traditional practices and customs.

Task 9: Required technical assistance

The consultant will identify required technical assistance by public- and private-sector institutions, communities, and service providers to support implementation of the ESMF.

Task 10: Capacity building

The consultant will present a 'Learning Plan' that provides a detailed capacity-building strategy with measures to ensure that the ESMF can be effectively implemented. The consultant will recommend public and/or civil society institutions likely to conduct this capacity-building work and define the necessary budget. This capacity-building process could include institutional adjustments or procedures, recruitments or new assignments and training for national, local and regional institutional leaders and civil society organizations.

Task 11: Outline of the budget for implementing the ESMF

Estimated costs of the ESMF shall be evaluated for each measure recommended above. If there is no specific estimate, a methodology for estimating costs should be suggested. This estimate includes the needs for institutional improvement and training to apply the given safeguard measures. The consultant will present the ESMF in the form of measures incorporated directly into the REDD+ process activities (e.g., methodological improvements, supplements to recommended activities) so that it does not duplicate or overlap with the REDD+ process.

5 Schedule and Deliverables

The consultant will prepare a detailed **workplan** within two weeks of taking up the assignment.

Summaries of the outputs of the various SESA tasks will be prepared to later be included in the SESA section of the R-Package.

Initial drafts of the ESMF will be submitted within four months after taking up the assignment.

Final versions of the ESMF (including the 'Learning Plan' for capacity building) are expected within **six months** from contract signature. The two documents will include the outcomes from

all the steps listed above. The presentation of the SESA and the ESMF will be complemented by annexes containing all supporting data, supplementary analyses, consultation reports with summaries of key issues identified, suggested mitigation measures, as well as lists of participants in specific activities.

6 Consultant Qualifications and Expected Level of Effort

6.1 Consultant qualifications

The SESA/ESMF team will have to be capable of addressing all 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+ strategy option(s), as well as be capable of carrying out all the tasks outlined in the Scope of Work above. Expertise and experience in the application of safeguards policies are therefore mandatory for all members on the team.

As multiple safeguard policies need to be addressed, ideally a multi-disciplinary team with the necessary ecological, legal and socio-cultural expertise will prepare the ESMF.

The experts to be involved in this assignment should demonstrate the ability to analyze a range of sensitive issues in relation to REDD+ and to facilitate multi-stakeholder consultation processes surrounding these issues. The experts to lead the team should also demonstrate sufficient experience in leading multi-disciplinary teams.

6.2 Coordination with the REDD Cell

The REDD+ Cell will provide a supervising officer to oversee the contract and to support implementation of the study by providing feedback and coordination with other government agencies as necessary.

A close coordination is desired between the SESA/ESMF team and the REDD+ Cell. The Team Leader will meet the REDD+ Cell once a month to discuss the progress of work, any outstanding issues and prepare an intended timeline for subsequent work.