

**Government of Ethiopia Ministry of
Agriculture
REDD+ Secretariat
Addis Ababa, Ethiopia**

**Terms of Reference(ToR)
for
the Strategic Environmental and So-
cial Assessment (SESA)
and
Environmental Social Management
Framework (ESMF) formulation
for the REDD+ Process in Ethiopia**

Contents

Part I. Strategic Environmental and Social Assessment (SESA)	3
1 Introduction	3
2 Objectives	4
3 Scope of Work	5
3.1.Major tasks	5
PART II. Terms of Reference of Environmental and Social Management Framework (ESMF)	11
1. BACKGROUND	11
2. PRINCIPLES AND OBJECTIVES	12
3. Scope of the work.....	12
III. Schedule and Deliverables	15
IV. Consultant Qualifications and Expected Level of Effort.....	15
Consultant qualifications	15
Coordination with Ethiopia REDD+ Secreteriate.....	16

Part I. Strategic Environmental and Social Assessment (SESA)

1 Introduction

Greenhouse gas emissions from deforestation and forest degradation have come to the forefront of the international discussions on climate change given their overall significance. Since 2005, REDD+ (Reducing Emissions from Deforestation and Forest Degradation, Enhancement of Forest Carbon Stocks, Sustainable Forest Management and Conservation) has been discussed in the context of the United Nations Framework Convention on Climate Change (UNFCCC).

The Forest Carbon Partnership Facility (FCPF) assists selected countries in their REDD+ efforts. It has the dual objectives of building capacity for REDD+ (the "Readiness Fund"), and testing a program of performance-based incentive payments in some pilot countries (the "Carbon Fund"). Assistance under the Readiness Fund includes support for: (i) developing a national reference scenario for REDD+; (ii) adopting a national socially and environmentally sound REDD+ strategy that would reduce emissions and at the same time conserve biodiversity, enhance the livelihoods of forest-dependent peoples and other forest dwellers; (iii) setting up implementation management framework for the effective and efficient implementation of REDD+; and (iii) designing and implementing accurate measurements, monitoring and verification systems to enable countries to report on emissions from deforestation and forest degradation.

Ethiopia was selected as a REDD+ country participant in the FCPF in 2008. The Government started preparation of a Readiness Preparation Proposal (R-PP) in April 2010, involving various analyses of the current issues around forest cover loss in the country through a highly participatory process. The final R-PP of Ethiopia, which was approved in Vietnam in March 2011, will cost about US\$14 million to implement. The World Bank, as Trustee of the FCPF, has provided US\$3.6 million for the implementation of key activities identified in the R-PP Assessment Note, leaving a financing gap of about US\$11 million that would have to be secured from other sources. The activities include support to the na-

tional readiness management arrangements, support to the design of the national REDD+ strategy and preparation of the national REDD+ implementation framework. It should be noted that REDD+ is a key pillar of Ethiopia’s Climate Resilient and Green Economy Vision.

The REDD+ Readiness process should ensure that implementation of proposed programs and activities will not cause adverse social and environmental impacts, while striving to enhance benefits for local communities and the environment. Countries participating in Readiness activities with support from the FCPF are required to undertake a Strategic Environmental and Social Assessment (SESA) to assess the potential impacts from national REDD+ programs and policies, formulate alternatives and develop mitigation strategies. SESA offers a platform for consultation to integrate social and environmental concerns into the policy-making process of REDD+. SESA is complemented by an Environmental and Social Management Framework (ESMF), which establishes the principles, guidelines, and procedures for reducing, mitigating, and/or offsetting potential adverse environmental and social impacts, enhancing positive impacts and opportunities, and otherwise guiding potential investments towards compliance with relevant safeguards.

The SESA is a tool that seeks to integrate social and environmental considerations into policy-making processes, leading to more sustainable REDD+ policies and programs. It supports the design of the national REDD+ policy framework, including the National REDD+ Strategy.

2 Objectives

SESA aims to ensure that environmental and social issues and risks are addressed from an early stage in the process of formulating REDD Policy and programmes, and incorporated throughout this process.

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

- Facilitate an understanding of the operating environment for REDD+ programs, including stakeholder analysis and the socio-environmental dimensions of the forestry sector in Ethiopia;
- Identify potential environmental and social impacts related to REDD+ programs in Ethiopia; (the SESA process should ensure full coherence and coordination with the ongoing institutional and legal assessment, including benefit sharing for REDD+ in Ethiopia, led by the WB)
- Design enhanced stakeholders consultation and participation approach to mitigate and/or enhance the identified impacts;
- Suggest methods and measures to mitigate environmental and socioeconomic risks during REDD+ strategy implementation;

3 Scope of Work

The Strategic Environmental and Social Assessment (SESA) will encompass stakeholder analysis, a description of the initial social and environmental situation of the forestry sector in Ethiopia, 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.

3.1. Major tasks

Task 1: Identifying key issues and assessment of key stakeholders

The consultants 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, giving attention to the underserved populations and other forest dwellers. The consultants shall prepare a map of the stakeholder's landscape including the positions and views of various stakeholders in the forestry sector, with a particular focus on REDD+ programs. The consultants 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.

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

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+. The consultants will collect, analyze and present basic data relating to the current environmental and social situation of the forestry sector in Ethiopia, including:

- A map of the forest dependent communities and under-served groups accessing forest resources (following the lines of the stakeholder analysis);
A review of forest dependent community relationship to the forests from an ethnic, historical, cultural and economic perspective.
- 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 equitable distribution of benefits from this utilisation;
- Assessment of issues and options related to land tenure and land rights, conflict resolution mechanisms, natural resource management and benefit sharing mechanisms;
- 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 2c 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 Environmental impact assessment guidelines, regulations and government policies regarding gaps for addressing environmen-

tal and social impacts/ effects including conflict and grievance redress mechanisms;

Task 5: Formulation of arrangements for implementation

The consultants 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) Coordination, facilitation, monitoring the implementation of the action plans, including arrangements for the participation of relevant stakeholders in such monitoring. The consultants will seek guidance from the REDD+ Coordination office, with inputs from the SESA, Consultation and Participation Working Group.

Task 6. Review particular institutional requirements within the REDD+ implementation framework

Review the influence and ability of institutions at different administrative levels (e.g. Kebele, Woreda, Zonal, regional, and Federal), also in view of their capacity to manage and monitor ESMF implementation. The analysis should draw mainly from 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. Particular attention should be paid to the new safeguard policies and requirements arising from the CRGE Facility.

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.

TASK 8: Preparation of final SESA documents

Compiling of a SESA consultation reports process report that provides the findings and recommendations that have emerged from the SESA process. This will be an inclusive documentation of the SESA specific consultations;

This report would, at a minimum, achieve the following:

1. Identify the key REDD+ social and environmental impacts emerging from the SESA analyses and consultations.
2. Based on analyses and consultations, describe the policy, legal, regulatory, institutional, and capacity gaps to implement REDD+ and to manage the key environmental and social issues relevant to REDD+.
3. Identify, analyse, evaluate and mitigate/enhance impacts of policy options so as to maximize the positive impacts and avoid or minimize the negative ones.
4. Present recommendations for REDD+ policy design, implementation, and monitoring and evaluation (including legal and policy reforms) based on the results of the SESA.
5. Formulate policy recommendations for a policy framework to address key environmental and social impacts, and for addressing institutional and governance weaknesses.
6. Identify any gaps in knowledge where additional data-gathering and analysis may be needed.
7. Refine REDD+ Strategy options as outlined in the Ethiopia R-PP.
8. Prepare an Environmental and Social Management Framework (ESMF). The ESMF would apply to future REDD+ activities in the country financed through UNFCCC, the FCPF, UN-REDD or by other donors willing to use safeguards governing programs developed under the three processes.

Task 9: Present preliminary findings on Environmental & social risks and gaps

Present preliminary findings on Environmental & Social risks and gaps from the assessment work and analytical work undertaken. The preliminary findings will be presented to the stakeholders to stimulate a discussion and further enrich the document.

Task 10: Enhanced and targeted stakeholder consultation

The consultants should seek to carry out targeted consultations on the REDD+ strategy options for Ethiopia, paying particular attention to the forest dwellers and the under-served populations. These consultations should be culturally appropriate, taking into account the diversity of Ethiopia people, regions and languages. These consultations should target all relevant stakeholders, including in the Woredas, and Kebeles.

4. METHODOLOGY

According to the scope of work, the ToRs outline a SESA process which should be followed in delivering the required work. The SESA process includes six stages, namely,

1. Preparation for the SESA;
2. Collecting and analyzing baseline;
3. Scoping;
4. Developing alternatives;
5. Assessing the alternatives;
6. Developing management and monitoring plans.

The Six stages of the SESA process may have to be followed in an iterative manner. However, the SESA Task Team shall maintain all assessment activities systematically and consistently.

1. Preparation for the SESA;

Preparation works include finalizing the SESA ToR; securing the support from relevant government agencies and the National REDD+ Steering Committee; setting the objectives of the SESA; and identifying stakeholders and interested

groups. During this stage, the SESA Task Force and SESA consultants should also be able to establish a basic understanding of the current situation regarding REDD+ policies/strategies in Ethiopia, their linkages with other relevant policies/regulations, as well as environmental and social development objectives.

2. Collecting and analyzing baseline data

Based on the understanding of the context, the consultants/firm will start collecting and analyzing the baseline information that is necessary to identify the relationship between REDD+ policies and land use; existing environmental and social issues related to REDD+ policies; policy and institutional gaps; and key stakeholders that are associated with these issues. This can be achieved by reviewing all previous studies carried out or other sources identified by the SESA Task Team, including the study on the drivers of forest deforestation and degradation.

3. Scoping

The scoping process is to establish pertinent (key) issues for the next detail assessment i.e. SESA, identify relevant criteria for assessment, and conduct stakeholder analysis/mapping. At this stage, extensive consultations shall be held with key stakeholders and interested groups. A scoping report should be prepared to record these findings to inform the remaining stages of assessment.

4. Developing alternatives and proposing mitigation measures

With the input from scoping and adverse issues/risks identified, work at this stage will identify alternatives for the REDD+ policies/ strategies and proposing mitigation measures where alternatives may not be feasible.

5. Assessing the alternatives and mitigation measures

This stage will conduct scenario analysis for the alternatives identified. The purpose of the analysis of these possible options is to inform the formulation of REDD+ policies/strategies by identifying opportunities to enhance benefits for local communities. This will also involve summarizing the key challenges/gaps in implementing new REDD+ policies/strategies, and discussing possible

trade-offs. The SESA Task Team will propose recommendations on the institutional capacity needed, formulation and implementation of REDD+ policies/strategies.

6. Developing management and monitoring plans

This stage will formulate an ESMF that will be implemented to follow up on the recommendations and issues/risks found from the preceding stages. By the end of this stage, the SESA process report, which includes the ESMF, will be formulated and consulted.

PART II. Terms of Reference of Environmental and Social Management Framework (ESMF)

1. BACKGROUND

For all REDD+ activities, it will be important to ensure that potential negative environmental and social impacts are minimized, while striving to enhance benefits for local communities and the environment. The Environmental and Social Management Framework (ESMF) will help to provide a comprehensive framework on how to address potential adverse social and environmental impacts for future UNFCCC, FCPF and WB-financed REDD+ activities.

The ESMF will describe the risks and potential impacts associated with projects and activities and will include adequate safeguard measures.

While preparing the R-PP Assessment Note for Ethiopia, several World Bank (WB) safeguards were highlighted in the Integrated Safeguard Data Sheet (ISDS) to be triggered by the REDD+ activities in Ethiopia:

- Environmental Assessment (OP/BP 4.01)
- Natural Habitats (OP/BP 4.04)
- Forests (OP/BP 4.36)
- Pest Management (OP 4.09)
- Physical Cultural Resources (OP/BP 4.11)
- Involuntary Resettlement (OP/BP 4.12)
- OP/BP 4.10

2. PRINCIPLES AND OBJECTIVES

The ESMF supports an examination of the risks and potential impacts associated with one or more projects or activities that may occur in the future. The Framework 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 projects, activities, policies and /or regulations

The ESMF incorporates procedures for:

- (i) In-depth voluntary consultations with concerned stakeholder groups to seek their broad support;
- (ii) culturally-appropriate capacity building measures;
- (iii) Environmental and social impact screening, assessment, and monitoring; and
- (iv) The inter-institutional arrangements for the preparation of time-bound action plans for mitigating adverse impacts.

ESMF will provide the overall framework for addressing social and environmental risk management issues in REDD+ activities that are implemented beyond the readiness preparatory work. The measures recommended by the ESMF apply to future REDD+ interventions financed by the World Bank as well as by the Government or other Donors willing to use World Bank safeguards.

3. Scope of the work

Task 1. Development of an Environmental and Social Management Framework (ESMF), and a Resettlement Policy Framework

The consultants will use the information produced by the SESA to describe the potential risks and safeguard issues for future REDD+ investments. In particular, it will include a description of:

- a) Indicative REDD+ strategy option(s), its main social and environmental considerations, and the various risks involved in its implementation;

- b) legislative, regulatory, and policy regime (in relation to forest resources management, land use, indigenous rights, etc.) that the REDD+ strategy options will be implemented within;
- c) potential impacts, both positive and negative, deriving from future activities associated with the implementation of the emerging strategy, and the spatial distribution of these impacts;
- d) Arrangements for implementing the specific activities.
- e) Prepare a Resettlement Policy Framework to indicate how the cases of resettlement (including restriction of access to natural resources) should be dealt with. This should be a stand-alone document from the ESMF.

Task 2. An outline of capacity building actions for the entities responsible for implementing the ESMF

The consultants will present a 'Learning Plan' that provides a detailed capacity-building strategy with measures to ensure that the ESMF can be effectively implemented. The consultants 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.

Task3. Required technical assistance

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

Task 4. Outline of the budget for implementing the ESMF

The consultants shall provide 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 consultants 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.

Task 5. Provisions for Monitoring and Evaluation

The consultant will design monitoring and evaluation system for the social and environmental impacts of the REDD+ process, with monitoring indicators and a corresponding evaluation procedures and methodology.

Task 6. Dispute resolution mechanism

The SESA process should identify key environmental and social risks that need to be addressed using a grievance mechanism that is accessible transparent, and culturally designed to consider local, and existing mechanisms in Ethiopia. A feedback and grievance redress mechanisms will be developed for REDD+ program in Ethiopia.

Task 7. Preparation of a final draft ESMF and the Resettlement Policy Framework

The final draft will have to be consistent with and contain specific sections addressing the requirements of applicable safeguard policies. These sections will draw on information generated by the SESA and will take the form of free-standing chapters within the ESMF that will resemble the frameworks provided for in the policies themselves, including:

1. **Environmental Management Framework (EMF)** to address any potential environmental impacts and necessary mitigation measures;
2. **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

A stand-alone Resettlement Policy Framework (RPF) should be prepared to address any potential land acquisition and/or physical relocation and restriction to access to natural resources, as required by the World Bank Involuntary Resettlement policy (OP 4.12);

Public consultations on the ESMF and RFP will be integrated into the FCPF consultation processes in the country. Consultations should extend from the national level to the lowest level where site-specific projects and activities, if any, will be proposed, and implemented.

III. 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.

IV. Consultant Qualifications and Expected Level of Effort

Consultant qualifications

The consultant for SESA/ESMF 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 consultant 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 SESA and ESMF documents.

The experts who involve 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.

SESA/ESMF the consultant firm should have members who are knowledgeable about Ethiopia forest and have knowledge and experience in developing ESMF, SESA, SEA and EIA.

Coordination with Ethiopia REDD+ Secretariat

The REDD+ secretariate will provide a contact person 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 consultant firm and the REDD+ secretariat. The Consultant firm will meet the REDD+ secretariat once a month to discuss the progress of work, any outstanding issues and prepare an intended timeline for subsequent work.

Past Experience in conducting Environmental and Social Assessment in Ethiopia.

Process/approach considerations

Building on from what exists

The Oromia Welfare state is already in the process of designing an Emissions Reductions program. The National REDD+ process, will heavily borrow, and learn from that process, as a pilot to inform the SESA process in the National program.

In addition to international best practices, there are also various examples within Ethiopia that will be used as starting point in creating a safeguards system for REDD+. The Federal Environmental Protection Authority (FEPA) has developed a set of environmental impact assessment guidelines which will be reviewed to assess which aspects are relevant and can be adapted to a REDD+, SESA, ESMF.

The Government of Ethiopia and the donor partners of the, including the World Bank, have undertaken an Environmental Impact Assessment (EIA) on various projects and programs including the Humbo Natural Regeneration project, which is a CDM project. This included social aspects with the aim of generating lessons to build sustainable community assets. In addition to this there are various EIA and social impact studies from different projects which will also be reviewed.

Of more direct relevance to REDD+ are a number of studies in the Bale Mountains on the feasibility of forest carbon activities. These studies included elements of social and environmental impact assessments and have been completed as part of a REDD+ pilot project development by the implementing NGO: Farm Africa/ SOS Sahel. This pilot project has carried out a legal due diligence report including information on the ownership of emission reductions. This NGO has also undertaken feasibility studies for the Bale REDD project for which they modeled household use of forests (e.g. biomass needs) so that a baseline for social impacts can be developed.

The Humbo project, run by the local community and mediated by World Vision Ethiopia and supported by the World Bank, and a grass land carbon sequestration project, ran by Save the Children US, both conducted various environmental and social feasibility assessments. This has generated many useful lessons -- not only in terms of the findings of the social and environmental impact assessments, but also with regards to designing and implementing appropriate mechanisms for impact assessment.