

Signatura: EB 2014/113/R.14/Rev.1
Tema: 8
Fecha: 21 de noviembre de 2014
Distribución: Pública
Original Inglés

S



Invertir en la población rural

Gestionar los riesgos para crear oportunidades

Procedimientos del FIDA para la evaluación social, ambiental y climática

Nota para los representantes en la Junta Ejecutiva

Funcionarios de contacto:

Preguntas técnicas:

John McIntire

Vicepresidente Adjunto encargado del
Departamento de Administración de
Programas
Tel.: (+39) 06 5459 2419
Correo electrónico: j.mcintire@ifad.org

Envío de documentación:

Deirdre McGrenra

Jefa de la Oficina de los Órganos Rectores
Tel.: (+39) 06 5459 2374
Correo electrónico: gb_office@ifad.org

Sheila Mwanundu

Especialista Técnica Principal
Tel.: (+39) 06 5459 2142
Correo electrónico:
s.mwanundu@ifad.org

Junta Ejecutiva — 113º período de sesiones
Roma, 15 y 16 de diciembre de 2014

Para examen

Índice

Resumen

ii

Apéndices

Gestionar los riesgos para crear oportunidades: Procedimientos del FIDA para la evaluación social, ambiental y climática

Resumen

Compromiso del FIDA para promover el desarrollo sostenible

1. En su calidad de institución de desarrollo, el FIDA lleva muchos años dedicándose a diversas cuestiones sociales y ambientales. Los Procedimientos del FIDA para la evaluación ambiental y social fueron examinados por la Junta Ejecutiva en abril de 2009.¹ En dichos procedimientos se enuncian los principios rectores y se definen las medidas que hay que adoptar para evaluar los riesgos ambientales y sociales en los proyectos. En este documento se presentan los Procedimientos para la evaluación social, ambiental y climática revisados.

¿Por qué ha revisado el FIDA sus procedimientos ambientales y sociales?

2. Se necesitan procedimientos revisados para: i) aplicar las enseñanzas extraídas en los cinco años de aplicación de los Procedimientos del FIDA para la evaluación ambiental y social ii) armonizar en mayor medida dichos procedimientos con otras normas y prácticas de salvaguardia similares empleadas por las instituciones financieras multilaterales, como los estándares del Fondo para el Medio Ambiente Mundial, y iii) incorporar una serie de políticas e iniciativas nuevas que se han desarrollado en el FIDA a partir de 2009, como la Política del FIDA de gestión de recursos naturales y medio ambiente² (2011), la Estrategia del FIDA sobre el cambio climático³ (2010) y otras políticas pertinentes,⁴ entre ellas, un nuevo compromiso de realizar una detección integral de los riesgos climáticos conforme al plan de 10 puntos del FIDA para la integración sistemática del cambio climático en todas las operaciones.⁵ Los prestatarios y receptores y las partes en los proyectos aplican estos procedimientos y normas a la ejecución de programas y proyectos de conformidad con la sección 7.01 a) v) de las Condiciones Generales para la Financiación del Desarrollo Agrícola. Los principales destinatarios de este documento son el personal técnico o los gerentes de programas en los países, quienes suelen ser los responsables de elaborar los proyectos y programas financiados por el FIDA y de supervisar su ejecución.
3. Estos nuevos procedimientos establecen un proceso mínimo de evaluación de riesgos con el que se reconoce la heterogeneidad necesaria de las respuestas dadas según los diferentes países y las circunstancias de las comunidades. Gracias a una mejor detección de riesgos, estos procedimientos se proponen evitar los daños ambientales o sociales y, además, crear un espacio para hacer el bien. Los procedimientos no son una expresión de la totalidad de los ambiciosos esfuerzos del FIDA por incorporar los aspectos sociales, ambientales y climáticos en sus actividades, ni representan tal empeño. Los esfuerzos más generalizados del Fondo respecto de estos temas transversales fundamentales se enuncian en el Marco Estratégico del FIDA (2011-2015) y en los diferentes documentos de políticas antes mencionados.
4. Los procedimientos están diseñados para que el FIDA pueda: i) mejorar su proceso de adopción de decisiones y promover la sostenibilidad de los resultados de los proyectos; ii) garantizar una mayor armonización con procedimientos similares de otras instituciones financieras multilaterales y con su propia política de gestión del medio ambiente y los recursos naturales y su estrategia sobre el cambio climático, y iii) seguir teniendo acceso a financiación para el cambio climático y el medio ambiente, como la del Fondo para el Medio Ambiente Mundial y la del Fondo Verde para el Clima

¹ <http://www.ifad.org/qbdocs/eb/96/s/EB-2009-96-R-7.pdf>

² <http://www.ifad.org/events/enrm/index.htm>

³ <http://www.ifad.org/climate/climate.htm>

⁴ Entre otras las políticas de focalización (2006), igualdad de género y empoderamiento de la mujer (2012), pueblos indígenas (2009), disponibles en: <http://www.ifad.org/operations/policy/policydocs.htm>

⁵ Véase el párrafo 38 del programa de trabajo de la FIDA10, <https://webapps.ifad.org/members/repl/10/2/docs/IFAD10-2-R-4.pdf>

5. Los procedimientos son el producto de un amplio proceso de consulta en el que han intervenido el personal del FIDA y expertos seleccionados de organismos de desarrollo bilaterales y multilaterales.

¿Cuáles son los principales cambios de procedimiento?

6. En el cuadro que figura a continuación se presenta un resumen de las principales medidas y los cambios introducidos en los procedimientos.

Medidas y cambios principales en los Procedimientos del FIDA para la evaluación social, ambiental y climática

<i>Medidas principales</i>	<i>Cambios principales en los procedimientos</i>
Mejorar la integración sistemática de los aspectos sociales, ambientales y relacionados con el cambio climático.	<ul style="list-style-type: none"> • Descripción clara y detallada de los pasos, los puntos de entrada y las responsabilidades en el ciclo de los proyectos para mejorar la calidad y el impacto de los proyectos y programas financiados por el FIDA. • Atención a las oportunidades de adaptación en las inversiones para promover la resistencia al cambio climático. • Uso de estudios preparatorios para los programas sobre oportunidades estratégicas nacionales, cuando sea necesario. • Detección de los riesgos climáticos en los proyectos en una fase temprana del diseño^a • Referencia a los principales productos de conocimientos sobre adaptación.
Reiterar el compromiso respecto de los principios de transparencia y rendición de cuentas, y respaldar la resolución de reclamaciones por el presunto incumplimiento de las normas y políticas sociales y ambientales del FIDA.	<ul style="list-style-type: none"> • Divulgación de los borradores de las evaluaciones sobre el impacto social y ambiental y otros documentos pertinentes (borradores de planes de reasentamiento, borradores de planes y marcos de mitigación, documentación relativa al proceso de consulta con los pueblos indígenas) en la fase de garantía de la calidad. • Procedimiento de reclamación del FIDA para responder ante los presuntos incumplimientos de sus políticas sociales y ambientales y de aquellos aspectos de obligado cumplimiento estipulados en los procedimientos. • Orientaciones claras respecto de las consultas con las comunidades y los interesados directos que puedan verse afectados por operaciones financiadas por el FIDA y cumplimiento del principio de consentimiento libre, previo e informado siempre que se considere pertinente.
Hacer hincapié en un enfoque preventivo respecto del reasentamiento, los recursos físicos y culturales, hallazgos accidentales, ^b seguridad de presas pequeñas y subproyectos	<ul style="list-style-type: none"> • Aclaración de la definición de reasentamiento físico y económico y nuevas orientaciones sobre detección de riesgos • Nuevas orientaciones sobre detección de riesgos relacionados con los recursos físicos y culturales • Nuevas orientaciones sobre detección de riesgos para garantizar la seguridad de las presas pequeñas • Nuevas orientaciones sobre detección de riesgos asociados con los subproyectos ejecutados por proveedores de servicios financieros
Reforzar la clasificación de los riesgos sociales, ambientales y climáticos de los proyectos y adoptar las medidas necesarias.	<ul style="list-style-type: none"> • Lista indicativa revisada en cada una de las categorías; se incorporarán criterios para clasificar los proyectos con posibles cuestiones relacionadas con el reasentamiento físico y económico y los recursos físicos y culturales. • Aclaración de las ocho etapas de la evaluación de los procedimientos. • Una nueva clasificación de riesgo climático de "alto", "moderado" y "bajo" en las actividades de detección de riesgos sociales y ambientales de los proyectos.

Notas.

^a La detección del riesgo climático se pondrá a prueba en 2015 y se aplicará plenamente en 2016.

^b En el caso de que se descubra posteriormente patrimonio cultural, ya sea durante la construcción o las operaciones.

7. Algunos de los aspectos previstos en los procedimientos son de obligado cumplimiento (marcados con *), y algunas secciones se presentan como orientación técnica. Los objetivos establecidos en los procedimientos son los siguientes:
- i) Estudios preparatorios sobre aspectos sociales, ambientales y climáticos que se pueden realizar durante la elaboración de los programas sobre oportunidades estratégicas nacionales cuando se considere necesario.
 - ii) *Selección de las evaluaciones sociales, ambientales y climáticas en la fase conceptual o en etapas tempranas de formulación de todos los programas y proyectos.
 - iii) *Evaluaciones del impacto social y ambiental en la fase de formulación de los proyectos clasificados en la categoría "A". Los proyectos de informe pertinentes se darán a conocer de manera oportuna y accesible en la etapa de garantía de la calidad como parte del proceso de consentimiento libre, previo e informado.
 - iv) *Análisis de riesgo climático en la fase conceptual o en la formulación temprana de proyectos y programas clasificados como "alto" riesgo.
 - v) Cláusulas y/o disposiciones sociales y ambientales, entre ellos el principio de consentimiento libre, previo e informado, en los acuerdos de financiación, según se considere necesario.
 - vi) Seguimiento de los aspectos sociales, ambientales y climáticos durante la etapa de ejecución de los programas y proyectos.
 - vii) Evaluación *ex post* del impacto ambiental y social al término de los programas y proyectos clasificados como de categoría "A".
 - viii) *El prestatario o receptor de la donación habrá obtenido el consentimiento libre, previo e informado en aquellas intervenciones que puedan afectar al acceso a la tierra y los derechos de uso de la tierra de las comunidades.
8. Los procedimientos comprenden nueve directrices revisadas y cuatro nuevas. Estas últimas son la orientación operativa 12 sobre financiación rural, la orientación operativa 8 sobre seguridad de las presas pequeñas, la orientación operativa 9 sobre los recursos culturales y físicos y la orientación operativa 13 sobre reasentamiento físico y económico. Estas directrices se han elaborado para ayudar en la formulación de los proyectos y programas, y su número se limita a lo que se requiere para lograr los objetivos y un funcionamiento óptimo de los procedimientos de que se trata.
9. Los procedimientos están integrados en los procesos de mejora de la calidad y garantía de la calidad del FIDA y en los puntos de entrada. Los procedimientos están diseñados para permitir que los equipos de gestión de los programas en los países, los gobiernos, las comunidades, las organizaciones de productores y los asociados en el desarrollo con los que el FIDA colabora cumplan los objetivos ambientales, sociales y de adaptación al cambio climático que comparten.
10. Los procedimientos y las orientaciones operativas son documentos en constante evolución que estarán sujetos a un mejoramiento⁶ continuo a medida que se desarrollen los conocimientos y la experiencia y que vayan cambiando sus políticas y prioridades.

⁶ Lo que se hará en estrecha coordinación con las dependencias encargadas de la ejecución de los proyectos del Departamento de Administración de Programas y con los asociados de desarrollo, especialmente las instituciones financieras internacionales y los países clientes.

Managing Risks to Create Opportunities: IFAD's Social, Environmental and Climate Assessment Procedures

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS

CONTEXT

Chapter 1. SOCIAL, ENVIRONMENTAL, AND CLIMATE ASSESSMENT IN PROJECTS AND PROGRAMMES

- 1.1. Introduction
- 1.2. Reasons for applying social, environmental, and climate risk assessments
- 1.3. Process for Implementation of SECAP
 - 1.3.1. Responsibility for preparing SECAP COSOP Preparatory studies and Project Assessments
 - 1.3.2. Financing of SECAP assessments
 - 1.3.3. Projects initiated by co-financing institutions
 - 1.3.4. Projects involving financial service providers
 - 1.3.5. Consultation and participation in the SECAP process
 - 1.3.6. Disclosure of documentation related to the SECAP process
 - 1.3.7. IFAD's grievance and redress mechanism
- 1.4. Incorporation of SECAP Assessments into IFAD's Project Cycle
- 1.5. The eight steps in the SECAP for projects and programmes
 - 1.5.1. Step 1: Initial SECAP Assessment to screen all projects
 - 1.5.1.1. Environmental and social categorization and criteria
 - 1.5.1.2. Climate risk classification
 - 1.5.1.3. Nature and of project location
 - 1.5.1.4. Magnitude of impacts
 - 1.5.2. Step 2: Environment and Social Impact Assessment
 - 1.5.3. Step 3: Climate Risk Analysis
 - 1.5.4. Step 4: ESIA review and recommendations
 - 1.5.5. Step 5: Loan negotiations
 - 1.5.6. Step 6: Executive Board approval
 - 1.5.7. Step 7: Project supervision and implementation
 - 1.5.8. Step 8: Project completion and *ex post facto* ESIA

Chapter 2. INTEGRATING SOCIAL, ENVIRONMENTAL, AND CLIMATE ASSESSMENTS INTO COSOPs

- 2.1. Introduction

- 2.2. Supporting the design of COSOPs
- 2.2.1. The four steps for the SECAP preparatory study
- 2.3. SECAP COSOP Preparatory Study

LIST OF TABLES

- Table 1. What is IFAD's approach to social, environmental, and climate issue?
- Table 2. The use of SECAP COSOP Preparatory Studies and Project Assessment
- Table 3. SECAP Process Mainstreamed in the Project
- Table 4. Basic Principles for the conduct of an SECAP COSOP preparatory study
- Table 5. Key Futures of the SECAP preparatory study

LIST OF FIGURES

- Figure 1. IFAD entry points for mainstreaming social, environmental, and climate considerations in its operations
- Figure 2. The eight steps of the SECAP assessment
- Figure 3. SECAP Project Assessment – screening and categorization
- Figure 4. Steps in the development of a full preparatory study for COSOPs

LIST OF BOXES

- Box 1. SECAP Values and Principles
- Box 2. Characteristics of a good ESIA

LIST OF ANNEXES

- Annex 1.0. Glossary
 - Annex 1.1. SECAP Review Note (Outline)
 - Annex 1.2. Guiding Questions for Climate Risk Screening
 - Annex 1.3. Model Terms of Reference for Environmental and Social Impact Assessment for (name of Country)
 - Annex 1.4. Recommended Format for Environmental and Social Impact Assessment (ESIA)
 - Annex 1.5. Technical Review of ESIA
 - Annex 1.6. Model Terms of Reference for a detailed Climate Risk Analysis

 - Annex 2.1. Model TOR for SECAP Preparatory Study for COSOPs
 - Annex 2.2. Suggested Structure and Contents of the SECAP Preparatory Study Report
 - Annex 2.3. Generic Checklist: Question for SECAP Preparatory Study for COSOPs
 - Annex 2.4. Checklist for Climate Change related issues to be examined In the SECAP Preparatory Study
- #### REFERENCES

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AFDB	African Development Bank
ASAP	Adaptation for Smallholder Agriculture Programme
CI	Conservation International
COSOP	Country Strategic Opportunities Paper
COSOP	Country Strategic Opportunities Programme
CPMT	Country Programme Management Team
CVA	Climate Vulnerability Analysis
DBSA	Development Bank of South Africa
DRM	Disaster Risk Management
EB	Executive Board
ECCA	Environmental and Climate Change Assessment
ECD	Environment and Climate Division
ENRM	Environment and Natural Resources Management
ESIA	Environment and Social Impact Assessment
ESIS	Environmental and Social Impact Statement
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
FAO	Food and Agriculture Organization of the United Nations
FPIC	Free Prior and Informed Consent
FSP	Financial Service Provider
GEF	Global Environment Facility
GS	Guidance Statements
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFDC	International Centre for Soil Fertility and Agricultural Development
ILRI	International Livestock Research Institute
IPP	Indigenous Peoples Plan
IUCN	International Union of Conservation and Nature
LDCF	Least Developing Countries Fund
MFI	Multilateral Financial Institution
NRM	Natural Resource Management
OECD	Organisation for Economic Co-operation and Development
OSC	Operational Strategy and Policy Guidance Committee
PB	President's Bulletin
PCR	Physical Cultural Resources
PDR	Project Design Report
PMP	Pest Management Plan
PPP	Policy, Plan and Programme
PRSP	Poverty Reduction Strategy Paper
PTA	Policy and Technical Advisory Division

QA	Quality Assurance
QE	Quality Enhancement
RAF	Resettlement Action Framework
RAP	Resettlement Action Plan
RIMS	Results and Impact Management System
SECAP	Social, Environmental, and Climate Assessment Procedures
SSCF	Special Climate Change Fund
UNIDO	United Nations Industrial Development Organisation
WB	World Bank
WSSD	World Summit on Sustainable Development
WWF	World Wildlife Fund

CONTEXT

IFAD's Commitment to Advancing Sustainable Development

IFAD tagline "Investing in rural people"

1. As a development institution, IFAD has been involved in addressing environmental and social issues for many years. IFAD's Environmental and Social Assessment Procedures (ESAP, PB/2008/23) were reviewed by the Executive Board in April 2009¹. The 2009 Procedures established the guiding principles and set forth a course of action to assess environmental and social risks in projects. This document sets out revised Social, Environmental, and Climate Assessment Procedures (SECAP).
2. Revised procedures are needed to (i) apply lessons learned over five years' of implementing ESAP, (ii) better align with similar safeguard practices and standards across Multilateral Financial Institutions, and (iii) reflect a range of new policies and initiatives in IFAD since 2009: the Environment and Natural Resource Management Policy² (2011), Climate Change Strategy³ (2010), and other relevant policies⁴ - including a new commitment of comprehensive climate risk screening in IFAD's 10 Point Plan for Climate Mainstreaming [footnote Programme of Work listing paragraph number reference]. The primary audience for this document is technical staff and/or country portfolio managers who would typically be responsible for developing and supervising the implementation of IFAD-supported programmes and projects.

¹ <http://www.ifad.org/qbdocs/eb/96/e/EB-2009-96-R-7.pdf>

² <http://www.ifad.org/events/enrm/index.htm>

³ <http://www.ifad.org/climate/climate.htm>

⁴ Including but not restricted to policies on Targeting (2006), Gender Equality and Women's Empowerment (2012), Indigenous Peoples (2009) available at: <http://www.ifad.org/operations/policy/policydocs.htm>

Box 1: Guiding Values and Principles for SECAP

Values and principles in many of IFAD's policies and strategies are relevant to these procedures, for example:

A. Address the vulnerability and adaptation priorities of rural people. Examine the cause-effect relationship between rural poverty, environmental degradation, and climate change. Ensure the efficient use of natural resources, subject to their regenerative capacity. Promote approaches to (re)build social cohesion and good governance of natural resources. Respect and make use of endogenous knowledge & gender-sensitive technologies drawing especially on the unique knowledge of women and Indigenous Peoples. [ENRM Policy and Climate Change Strategy]

B. Promote the sustainable use of natural resources and protection of key ecosystems in an integrated manner. Ensure that IFAD operations do not lead to natural or cultural resource degradation, including clearing of tropical forests, unsustainable use of natural resources, the threat/loss of biodiversity or threats to resources of historical, religious or cultural significance. This applies especially to agricultural intensification activities and value chain development. [ENRM Policy]

C. Incorporate externalities and minimize social costs. Avoid or mitigate any potential diseconomies imposed by an IFAD-financed operation on the environment external to the project boundaries. Where possible, address the affected areas through joint projects (which may constitute an entire command area or watershed) and partnerships to minimize social, economic and environmental costs in the affected area and, where possible, to incorporate the externalities. [ENRM Policy]

D. Implement participatory approaches, with special emphasis on the participation of and benefits to women and youth. Strengthen local institutions including user groups, essential for promoting environmental sustainability and social cohesion. Promote appropriate incentive systems at all levels and maximize the opportunities for local grassroots organizations and clients, with special emphasis on equal participation of women and youth in project/programme design and implementation, as well as in cost recovery and delivery systems. [Gender and Targeting Policy]

E. Promote the development of Indigenous Peoples and other marginalized groups. Enhance their livelihoods: secure ownership/access to ancestral land and territories; strengthen their institutions; promote free, prior and informed consent; and value indigenous knowledge systems. Apply the principles and procedures in the IFAD Engagement with Indigenous Peoples Policy. [Indigenous People's Policy]

F. Avoid involuntary resettlement wherever possible. While working on 'doing good', IFAD will adhere to a 'do no harm' principle at all times, so as to minimize physical and potential economic impacts. Explore viable alternative project designs to address risks, restore livelihoods to improve the standards of living of affected persons. The approach and level of measures taken will be proportional to the range of IFAD's operations. [Land Policy]

G. Promote sound agricultural and manufacturing processes. These include traditional, indigenous, and climate-smart technologies, integrated pest management, and use of biological control. When the use of agrochemicals is necessary, ensure (through enhanced environmental awareness, farmer training, improved field extension services, etc.) that their application, storage, and disposal is in line with international standards. Encourage clients to promote safe and healthy working conditions. [ENRM Policy].

H. Promote SECAP compliance monitoring. Focus on projects identified as 'at risk' or in 'sensitive areas' to ensure continued diligence in pursuing the project's development objectives. [ENRM Policy]

I. Ensure stakeholder consultation, transparency and accountability in programme/project operations. Engage the full range of stakeholders in formulation, implementation and monitoring of programmes/projects. Maintain transparency and accountability by disclosing draft environmental and social assessments and other relevant documents (at Quality Assurance stage) to stakeholders and by responding to their concerns/complaints in a timely manner. [Disclosure Policy]

3. These new procedures set out a minimum risk assessment process that recognizes the necessary heterogeneity of responses given widely different country and community circumstances. Through better risk identification they aim to avoid environmental or social harm and also create space for doing good. The procedures are not an articulation of, nor represent, the entirety of IFAD's ambitious social, environment, and climate mainstreaming efforts. Our wider efforts on these key cross-cutting themes are set out in the Strategic Framework and various IFAD policy documents mentioned above.
4. The Procedures are designed to enable IFAD to: (i) improve its decision-making and promote the sustainability of project outcomes; (ii) ensure greater harmonization with similar procedures of other multilateral financial institutions and with IFAD's Environment and Natural Resources Management Policy and Climate Change Strategy; and (iii) help IFAD continue to access GEF resources and other climate financing such as the Green Climate Fund resources.
5. The imperative to recognize and act upon the linkages between poverty, environmental, climate, and social issues in IFAD's operations is particularly strong, given the generally adverse evolution of the world's ecosystems. As a specialized agency of the United Nations, IFAD actively embraces the principles of sustainable development by: (i) adopting good international practices, including on climate change; (ii) working towards greater convergence and harmonization of safeguard practices among Global Environmental Facility (GEF) agencies, MFIs and other development partners; (iii) improving internal processes and capacity; and (iv) mobilizing environmental and climate finance.
6. As a GEF agency, IFAD has played a key role in dealing with threats to the global environmental commons, such as biodiversity loss, deteriorating international waters, climate change, desertification and land degradation, which endanger the livelihoods of nearly one billion poor rural people around the globe. Climate variability and change will further increase uncertainty and exacerbate weather-related disasters, biodiversity loss, and land and water scarcity. These threats present new and urgent challenges, especially to extremely poor rural communities, many of which (about three quarters of them) are dependent on agriculture and related activities for their livelihoods. The Fund's commitment to sustainable development is also illustrated in its Strategic Framework,⁵ wherein a balance of economic growth, social cohesion and equity, agricultural productivity/production, environmental protection and sustainable natural resource management is considered fundamental to its core mandate of rural poverty reduction. Through these efforts, the Fund has built up a portfolio of investments devoted to environmental issues, climate resilience and rural poverty reduction, and continues to make progress in "mainstreaming" environmental, social and climate adaptation objectives into its operations (loans, grants and policy dialogue). IFAD will take a proactive and innovative approach to promote projects and initiatives that are specifically designed to deliver significant environmental, social and climate adaptation benefits. It is about good business.
7. The Procedures draw on lessons learned from the experiences of IFAD and other partners on environmental and climate change issues. They are informed by the Framework for Advancing Environmental and Social Sustainability in the UN System⁶, reflect IFAD's commitment to meeting GEF minimum standards on environmental and

⁵ <http://www.ifad.org/sf/index.htm>

⁶ <http://www.unemg.org/index.php/a-framework-for-advancing-environmental-and-social-sustainability-in-the-un-system>

social safeguards⁷ respond to a changing global context and take into account current realities that influence environmental and social sustainability, such as: (i) the links between poverty reduction and sustainable natural resource management; (ii) the increased role of community participation, including Indigenous Peoples, in decision-making and governance processes; (iii) significant advances in refining approaches to risk management and development effectiveness; (iv) the changing roles of the private and public sectors, and civil society; (v) generating local and global environmental benefits and opportunities to address challenges such as climate change and desertification; (vi) country-level environmental and climate analysis to inform both country strategies and dialogue; (vii) innovative markets and mechanisms for global environmental public goods; and (viii) application of best practices and standards of the international community.

8. IFAD will monitor and evaluate the performance of its projects on a continuing basis and provide staff with appropriate training on the procedures. Table 1 presents an overview of the elements introduced in the new procedures and the tools/instruments required to put them into effect.

⁷ <http://www.thegef.org/gef/content/environmental-and-social-safeguards>

Table 1: What is IFAD's approach to social, environmental, and climate issues?

Key Elements	Actions	IFAD Tools/Instruments
<p>Lessons learned</p> <ul style="list-style-type: none"> ▪ Build on field-impact realities ▪ Set realistic targets ▪ Focus on community ownership 	<ul style="list-style-type: none"> ▪ Analyze poverty-environment-climate links ▪ Encourage climate risk analyses when necessary ▪ Focus on evidence-based innovative approaches and scaling up ▪ Promote institutional strengthening 	<ul style="list-style-type: none"> ▪ Country diagnostic studies ▪ How-to notes ▪ Guidance statements ▪ Portfolio reviews
<p>Changing context</p> <ul style="list-style-type: none"> ▪ Globalization ▪ Increasing role of public/private partnership ▪ Green growth ▪ Stronger role of regional organizations and civil society ▪ Increasing role of research ▪ Improved environmental governance ▪ Environmental and social safeguards ▪ Accountability and transparency 	<ul style="list-style-type: none"> ▪ Manage risks associated with climate change, physical and economic resettlement, small dams, physical and cultural resources and subprojects ▪ Build on comparative advantage and strategic partnerships ▪ Promote multiple-benefit approaches (best practices and policy dialogue) ▪ Promote stakeholder consultation ▪ Capitalize on international good practices and standards 	<ul style="list-style-type: none"> ▪ SECAP COSOP preparatory studies ▪ Earth observation tools ▪ Scaling-up approach ▪ Compliance with relevant international codes of conduct (i.e. distribution and use of pesticides) ▪ Complaints procedure ▪ Disclosure Policy
<p>Changing IFAD</p> <ul style="list-style-type: none"> ▪ Ten ENRM⁸ core principles ▪ Eleven ENRM best-practice statements ▪ Risk management ▪ Focus on quality at entry ▪ Focus on women, youth and Indigenous Peoples ▪ Focus on sustainable 	<ul style="list-style-type: none"> ▪ Focus on maximizing local and global environmental opportunities ▪ Support innovative environment and carbon financing mechanisms ▪ Focus on supervision and implementation support ▪ Develop integrated 	<ul style="list-style-type: none"> ▪ Adaptation for Smallholder Agriculture Programme (ASAP) ▪ ENRM Policy¹⁰ and Climate Change Strategy¹¹ ▪ Results and Impact Management System (RIMS) ▪ Impact assessments ▪ Integrated social,

⁸ Environment and Natural Resources Management: <http://www.ifad.org/events/enrm/policy/>

¹⁰ http://www.ifad.org/climate/policy/enrm_e.pdf

¹¹ <http://www.ifad.org/climate/strategy/e.pdf>

Key Elements	Actions	IFAD Tools/Instruments
agriculture intensification <ul style="list-style-type: none"> ▪ Focus on fragile states 	social, environmental, and climate screening <ul style="list-style-type: none"> ▪ Emphasize staff updates and training ▪ Introduce classification of climate risk⁹ ▪ Emphasize sustainable natural resource management ▪ Focus on involuntary resettlement ▪ Focus on climate issues 	environmental, and climate screening <ul style="list-style-type: none"> ▪ Institutional strengthening including Community-Based Natural Resource Management ▪ Household and Gender analysis¹² ▪ Risk/vulnerability assessments ▪ Participatory tools ▪ Free, prior and informed consent

9. Some elements of SECAP are mandatory, and some sections are provided as technical guidance. It is mandatory: (i) to subject all projects entering the pipeline to environmental, social and climate screening at the concept or early formulation stages and for CPMTs to develop the resultant SECAP review note; and (ii) for projects with an environmental and social category 'A' to have an ESIA and/or Resettlement Action Plan/Framework, and (iii) for projects with a classification of climate risk 'High' to conduct a more in-depth climate risk analyses to assess how to reduce these risks to the project success. It is also mandatory to disclose draft ESIA and relevant documents (IP frameworks/plans, mitigation plans for natural habitats, pest management, any resettlement related plans, Physical Cultural Resources, any dam related draft reports, etc.) in a timely manner at the project Quality Assurance stage. In line with good practice, SECAP encourages stakeholder consultation with communities and stakeholders as early as possible during design, especially in High-risk projects. It is mandatory that consultation recognize "free, prior and informed consent" as provided in the Land Policy.

10. The procedures include additional guidance material to further assist in project design and implementation. These include Terms of Reference and a set of guidance statements. And, for COSOP designs, CPMTs may choose to conduct a SECAP preparatory study to provide a better understanding of the environmental, social and climate change risks that might potentially affect the proposed IFAD programme.

11. The Procedures are the product of a broad consultation process that has involved staff from IFAD and selected resource persons from multilateral and bilateral development agencies. The consultations have played an important role in shaping these Procedures and in order to align them with those of other MFIs and country priorities, and to ensure their consistency with IFAD's new Quality Enhancement (QE) and Quality Assurance (QA) processes. Continuous communication and collaboration with borrower countries, partners and IFAD staff in the Programme Management Department, as well as systematic monitoring and assessment of the effectiveness of the Procedures, are essential to successful implementation and improvement. We

⁹ Climate risk screening will be piloted in 2015 and fully implemented in 2016

¹² See IFAD toolkit on targeting and gender in the project cycle

expect that this approach will continuously result in further updating the Procedures to enhance quality-at-entry in IFAD operations.

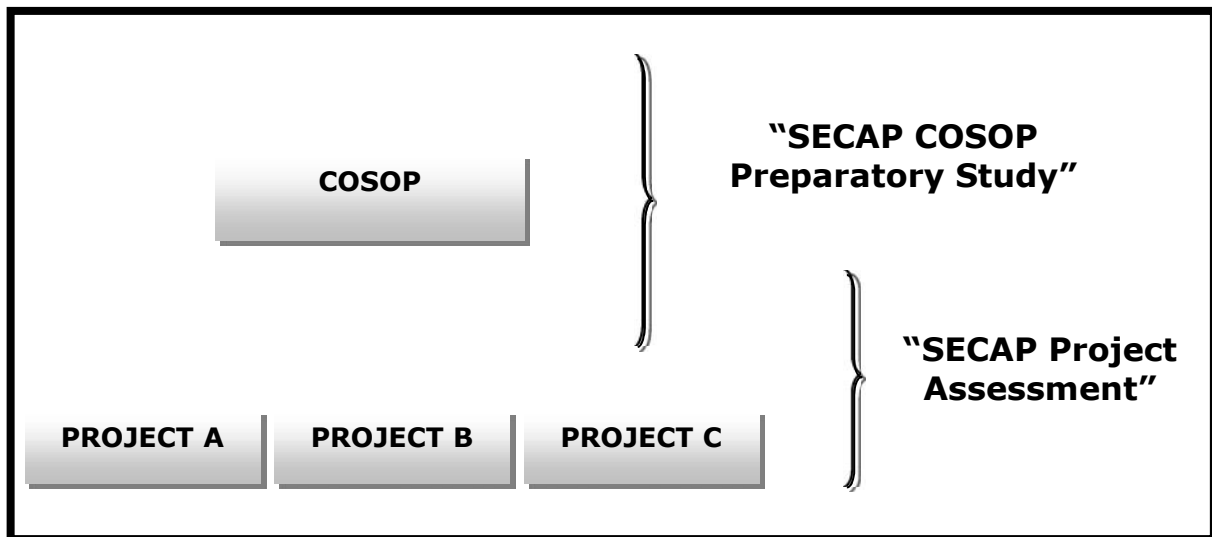
12. There are six main parts to the Procedures. The first and second parts are the Executive Summary and Context respectively. The third part is Chapter I, which provides information necessary to formalize IFAD's approach to Social, Environmental, and Climate Assessment in the quality enhancement and programme/project decision-making processes, and a set of supporting materials that will guide IFAD missions in introducing the necessary social, environmental, and climate dimensions systematically into all IFAD operations. The fourth part is Chapter II, which provides information on integrating Environment, Social and Climate issues in COSOPs including suitable entry points and supporting tools for the use of SECAP preparatory studies (as deemed necessary) in the design of Country Strategic Opportunities Papers (COSOPs). The fifth part is a Glossary, and finally, the sixth part which consists of a set of Guidance Statements (GSs) designed to assist in social, environmental, and climate screening/scoping of projects and programmes, as well as to provide guidance for strengthening the respective designs.

Chapter 1. SOCIAL, ENVIRONMENTAL, AND CLIMATE ASSESSMENT IN PROJECTS AND PROGRAMMES

1.1. Introduction

13. These Procedures set minimum standards for the assessment of social, environmental, and climate change risks in IFAD projects. This is represented schematically in Figure 1 below.

Figure 1: IFAD entry points for mainstreaming social, environmental, and climate considerations in its operations



1.2 Reasons for applying social, environmental, and climate risk assessments

14. IFAD’s overall objective is for full mainstreaming of environmental, social and climate issues throughout the project cycle. Clear procedures on risk assessment are one important element of this endeavour, to: (i) provide information and analysis that strengthen the social, environmental, and climate dimensions of projects and programmes; (ii) maximize social, environmental, and climate change adaptation benefits, and avoid or minimize negative impacts; and (iii) increase the consistency, transparency and accountability in decision-making concerning these dimensions of IFAD’s COSOPs, projects and programmes in a timely fashion.

15. There are two main stages for project origination– the COSOP and the project design. For COSOPs, the use of (voluntary) SECAP COSOP preparatory studies is set out below to ensure that key social, environmental, and climate change issues are appropriately addressed at the earliest stages of COSOP design and decision-making processes (see Chapter II). This will help create an overall social, environmental, and climate change management framework to inform the COSOP design. For projects, the use of (mandatory) SECAP project assessments will identify and address

programme/project-specific environmental and social issues, informed by the considerations raised in the SECAP COSOP preparatory study, and incorporate appropriate preventive actions and/or mitigation measures into the respective programme/project design. The use of project assessments and SECAP COSOP preparatory studies is explained in Table 2 below.

Table 2: The use of SECAP Preparatory Studies and Project Assessments

SECAP COSOP Preparatory Studies	SECAP project Assessments
Is pro-active and informs development proposals	Is reactive to a development proposal
Is used to assess the effect of the existing environmental, climate change and socio-economic conditions on development opportunities and constraints	Is used to assess the effect of a proposed development on the environment and socio-economic conditions and assess the vulnerability/sensitivity of the proposed development to climate risks.
Relates to areas, regions or sectors of development	Relates to a specific programme/project
Enables the development of a framework against which positive and negative impacts can be measured	Enables the identification of programme/project-specific impacts and/or measures to manage climate risks
Is a process for developing a sustainability framework to inform continuous decision-making over a period of time	Has a well-defined beginning and end and focuses on informing a specific decision at a particular point in time
Is focused on maintaining a chosen level of environmental quality, adaptation to climate change and socio-economic conditions (e.g. through the identification of sustainability objectives and limits of acceptable change)	Is focused on the minimization of negative impacts and the enhancement of positive impacts
Has a wide perspective and includes a low level of detail to provide a vision and overall framework	Has a narrow perspective and includes a high level of detail
Inherently incorporates consideration of cumulative impacts	Is a limited review of cumulative impacts, often limited to phases of a specific programme/ project

(Source: Adapted from DEAT, 2004 and OECD, 2006)

16. It is expected that the use of SECAP COSOP preparatory studies and project assessments in IFAD operations will help Country Programme Management Teams

(CPMTs) continue to ensure high-quality risk assessment of social, environmental, and climate change considerations as an integral part of their work.

17. IFAD's approach with respect to applying these procedures may be subject to further modifications by the Associate Vice President/Programme Management Department and supplementary guidelines; further or amended Guidance Statements (GS) to guide the SECAP process may also be issued.

1.3 Process for Implementation of SECAP

1.3.1 Responsibility for preparing SECAP COSOP preparatory studies and Project Assessments

18. Any assessments required during programme/project design are the responsibility of the borrower country, as is the case for programme/project preparation in general and any further assessment deemed necessary during the implementation phase. In both cases IFAD will support the process to ensure that both IFAD and borrower procedures are met.

1.3.2 Financing of SECAP studies and assessments

19. The costs of the preparatory studies during the preparation of COSOPs and programmes/projects respectively will be part of IFAD's regular budget. For assessments – such as ESIA, Resettlement Action Framework/Plans, Indigenous Peoples Plans - undertaken during programme/project implementation, the associated costs are to be included in the loan provision, including any additional cost of ensuring full community participation.

1.3.3 Projects with co-financing institutions

20. In the spirit of harmonization, for projects initiated by GEF agencies with their own sound standards – such as the AfDB, ADB, CI, DBSA, EBRD, FAO, IDB, IUCN, UNDP, UNEP, UNIDO, WB and WWF – IFAD will apply the environmental and social requirements of the initiating institution. In these cases: (i) the initiating institution will support the SECAP process and ensure that borrower requirements are met; and (ii) IFAD will seek to collaborate with the initiating co-financer and agree on a common approach to project appraisal, project requirements and monitoring. The respective Terms of Reference of the assessments and draft project design will be shared with IFAD and go through the QE/QA processes. Unless otherwise specified, IFAD will perform additional due diligence only to the extent necessary to complete the social and environmental assessment to meet its own requirements. Where SECAP requirements differ from the regulations and safeguard requirements of the borrower and other co-financiers, IFAD will make efforts to collaborate with the borrower/cofinancier and agree on specific measures to ensure that IFAD SECAP requirements are fully complied with. The applicability of the initiating institutions' and other co-financiers' guidelines in projects (co-)financed by IFAD is reflected in the respective Social, Environmental, and Climate Assessments.

1.3.4 Projects involving financial service providers

21. IFAD outlines the instances in which due diligence should be conducted on a potential partner financial service provider (FSP) and its loan portfolio in attached Guidance Statement 12 on Rural Finance. The due diligence exercise aims to ensure that the FSP and activities being financed through its loans in the framework of the IFAD-financed project or programme meet IFAD's environmental and social policies, comply with applicable national laws and regulations, and adhere to the prohibited investment activities list produced by the International Finance Corporation^[1]. Focus will be on the capacity and commitment of the FSP to implement or adopt an effective environmental and social management system. The specific requirements pertaining to FSPs will be determined by IFAD on a case-by-case basis taking into account the nature, scale and risks of the FSP's current and likely future loan portfolio, recognizing that the type and operations of FSPs partnering in IFAD-financed programmes and projects vary considerably and in some cases may pose minimal environmental and social risk.

1.3.5 Consultation and participation in the SECAP process

22. In conformity with IFAD's emphasis on participation in programme/project design and implementation, greater consultation by communities (especially the marginalized poor) and stakeholders that are likely to be affected by IFAD's operations will continue to be sought during the respective programme/project cycle. The objective of such consultation is to receive feedback on the draft Environmental and Social Impact Assessment (ESIA) report and other relevant documents, ensure broad community support to the project (especially a Category A project or one that is highly sensitive to climate risks), and see that affected people endorse the proposed mitigation/ risk reduction and management measures. Consultation, leading to consent, should be initiated as early as possible during design and the results will be adequately reflected in SECAP assessments (and other relevant documents) reports. IFAD's policies on targeting, gender equality and women's empowerment, improving access to land and tenure security, and engagement with indigenous peoples contain guidance on appropriate consultation mechanisms.

1.3.6 Disclosure of documentation related to the SECAP process

23. IFAD's policy on the disclosure of documents, approved in 2010, is based on the principle of "presumption of full disclosure"¹³. The sharing of draft ESIA's and other relevant documents¹⁴ with programme/project stakeholders and interested parties will be subject to the above-mentioned principle and the procedures as outlined in IFAD's disclosure policy. The draft documents will be disclosed in a timely manner prior to project appraisal at the QA stage in an accessible place in the project/programme-affected area and on IFAD's website, in a form and language understandable to stakeholders and other interested parties, for the purposes of keeping them informed and obtaining their feedback.

^[1] IFC Exclusion List: <http://www.ifc.org/ifcext/disclosure.nsf/Content/IFCExclusionList>

¹³ <http://www.ifad.org/qbdocs/eb/100/e/EB-2010-100-R-3-Rev-1.pdf>

¹⁴ (draft resettlement plans, draft mitigation plans and frameworks, documentation of the IP Consultation process)

1.3.7 IFAD's grievance and redress mechanism

24. IFAD has established a Complaints Procedure to receive and facilitate resolution of concerns and complaints with respect to alleged non-compliance of its environmental and social policies and the mandatory aspects of its Social, Environmental and Climate Assessment Procedures in the context of IFAD-supported projects. The procedure allows affected complainants to have their concerns resolved in a fair and timely manner through an independent process. Although IFAD normally addresses potential risks primarily through its enhanced QE/QA process and by means of project implementation support, it remains committed to: (i) working proactively with the affected parties to resolve complaints; (ii) ensuring that the complaints procedure is responsive and operates effectively; and (iii) maintaining records of all complaints and their resolutions.

1.4 Incorporation of SECAP Assessments into IFAD's Project Cycle

25. The SECAP process is fully incorporated into IFAD's QE process for IFAD-financed programmes/projects (PB/2008/01 'Guidelines for project design, for internal project review and for quality assurance'). CPMTs and particularly Country Portfolio Managers (with the support of the Environment and Climate Division) are assigned the central role of overseeing the implementation of SECAP with respect to their COSOPs and project proposals. The intensity of action required at each step will depend on the nature and complexity of the project and the geographical location.

26. The integration of SECAP into IFAD's project cycle is represented schematically in Table 3 below.

Table 3: SECAP process mainstreamed in the project cycle

Project stage	Modality	Reference	Purpose	Main contents	Responsibility
COSOP phase	SECAP COSOP preparatory study - if considered necessary	COSOPs (contains pipeline with indicative ly three proposals) Project Life File	- Integrate environmental and climate change considerations into policy and planning - Evaluate the inter-linkages with economic/social considerations - Guide IFAD's strategic orientation and/or investment priorities in a country	Diagnostic evaluation of environment and climate change issues Strategic priorities to enable the COSOP to effectively respond to NRM, climate adaptation	CPMT/ Env and Climate Division (ECD)

Project stage	Modality	Reference	Purpose	Main contents	Responsibility
Project Concept (within the COSOP, or Concept Note for countries without a COSOP)	SECAP Project Review Note – to screen all projects (preliminary note and rating at concept stage)	COSOP Mission report Concept Note Project Life File	<ul style="list-style-type: none"> - Collect environmental, climate-related and disaster risk management (DRM) information on proposed activities - Suggest environmental enhancement for “greening” the project - Screening and preliminary categorization (environment and climate risk) 	Government policies; institutions addressing environment, climate change adaptation and DRM; country’s environmental and adaptation regulatory framework; main site characteristics; major environmental and climate-vulnerability concerns Linked poverty, environment and adaptation indicators	CPMT/E CD
Early Project Design	Finalisation of SECAP Review Note for all projects. If necessary conduct ESIA, RAP/RAF, and Climate Risk Analysis as required for Category ‘A’ and/or ‘High’, projects respectively . Disclose draft ESIA and other relevant documents	Project Design Report (PDR) Mission report Project Life File Relevant Guidance Statements	<ul style="list-style-type: none"> - Confirm social, environmental, and climate category - Identify magnitude and detail likely environmental and social impacts, propose alternatives, preventive actions, mitigation measures and any design changes required - Carry out a climate risk analysis and, propose adaptation 	Project description, issues in NRM, potential social and environmental impacts and risks, climate change and DRM challenges Recommended features of project design to improve NRM and mitigate environmental concerns, build beneficiaries’ resilience to climate shocks Monitoring aspects, components (if any) including the justification of category assigned	CPMT/E CD

Project stage	Modality	Reference	Purpose	Main contents	Responsibility
	at the QA stage.		responses - Develop the management plan ¹⁵ (based on the ESIA, climate risk analysis and SECAP project assessment)		
Final Project Design (includes loan negotiation)	SECAP Review Note completed for all projects. ESIA report and other relevant documents, such as the ESIA, ESMP, RAP/RAF for category A projects	PDR Project Life File	- Integrate design changes, describe climate change context, propose environmental, adaptation and DRM plans, if any, into the Project Design Report	Description of environmental/NRM, adaptation related activities in the project, description of modifications to project design, environmental, climate adaptation and DRM plan details, monitoring and evaluation, conditions in financing agreements, outstanding risks	CPMT/E CD
Implementation (includes supervision)	Analysis of social, environmental, and climate change issues during supervision and implementation support	Project Supervision and progress reports Project Life File	- Monitor and/or supervise implementation of activities specified in the Management Plan	Analysis of environmental impacts and climate change in the local context, performance of the environmental, climate adaptation and DRM monitoring plan according to objectively verifiable indicators	CPMT/co-financiers
Completion	Ex post ESIA for Category A projects	Completion Reports Completion	- Assess activities specified in the Management	Assess project outcomes, and results of the environmental adaptation and DRM	CPMT/co-financiers

¹⁵Develop a Management Framework instead when uncertainty remains on the project component or exact location. The Framework establishes a mechanism to determine future social, environmental, and climate impacts.

Project stage	Modality	Reference	Purpose	Main contents	Responsibility
		on Reports Project Life File	Plan	monitoring according to objectively verifiable indicators.	

1.5 The eight steps in the SECAP for projects and programmes

27. The eight basic steps of IFAD’s SECAP process are described in the text that follows.

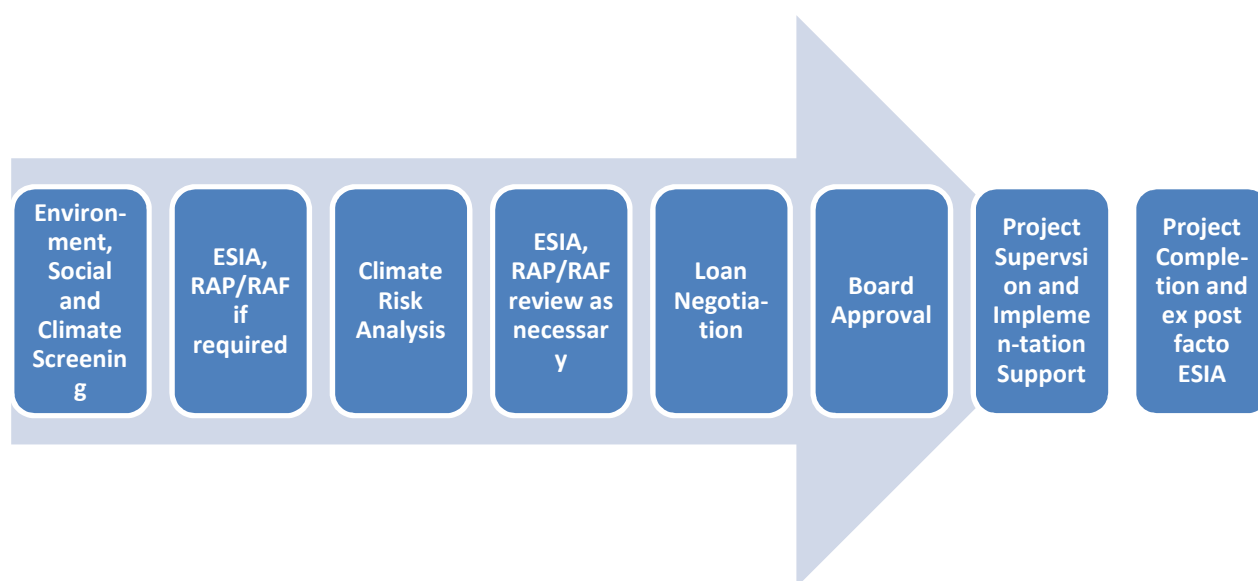


Figure 2: The eight steps of the SECAP assessment

1.5.1 Step 1: Initial SECAP Assessment to screen all projects

28. The first step in the SECAP assessment process is an initial project screening that outlines the social, environmental, and climate issues that are likely to be associated with an IFAD-supported project. The exercise will be conducted on a preliminary basis at project concept stage for consideration at the OSC review stage, and then finalized in advance of QE review. The purpose of this screening is to identify the main social, environmental, and climate risks¹⁶ associated with a potential project and define the necessary steps for further analysis. For example, this exercise allows IFAD to identify and avoid programmes/projects that may involve any involuntary taking or restriction on the use of land that may result in physical or economic displacement (see “do-no-harm principle” in the Land Policy), identify programmes/projects that may involve or affect indigenous peoples (see Policy on Engagement with Indigenous Peoples), and identify programmes/projects that may damage or destroy physical resources of historic, religious or cultural significance (see Guidance Statement 9 on Physical Cultural Resources). With a view on climate risks, this scoping exercise allows IFAD to highlight investments with a higher probability of losses and damages

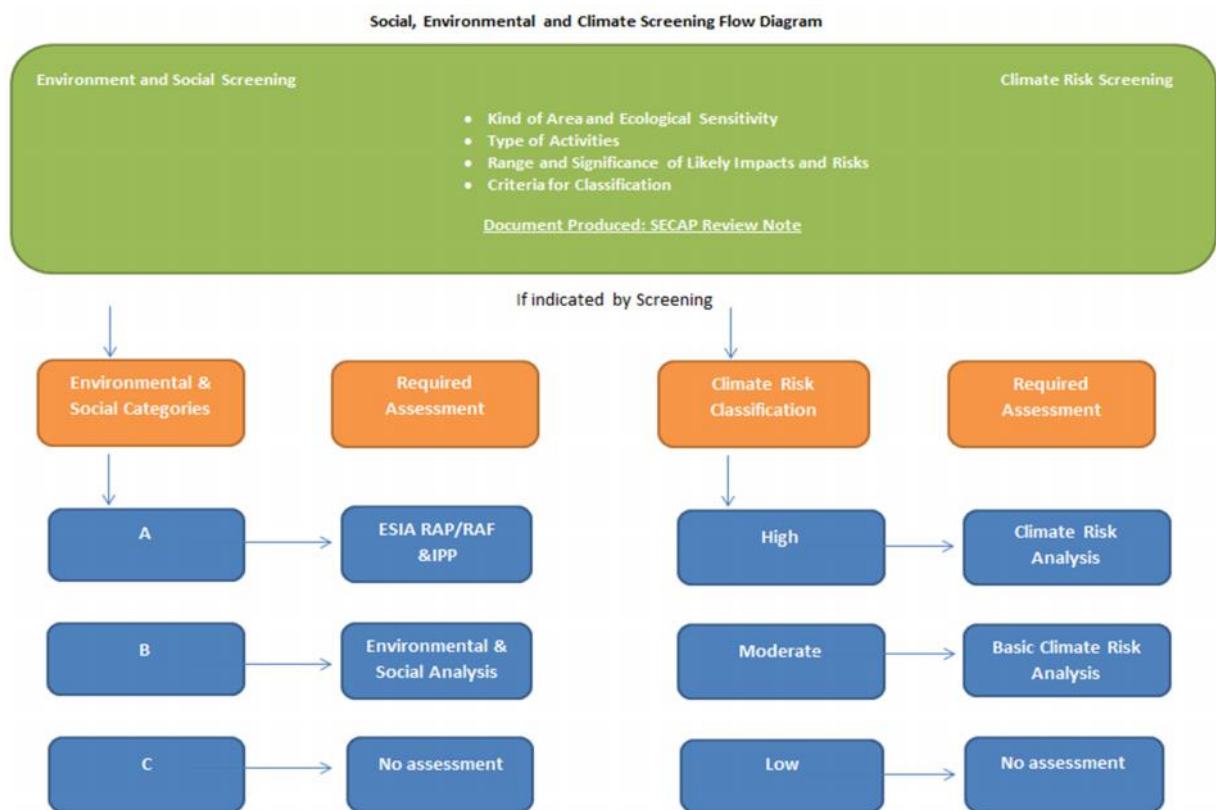
¹⁶ Climate risk screening will be piloted in 2015 and fully implemented in 2016

from climate-related events, which can also help IFAD make a case for the allocation of additional climate finance.

29. The SECAP project screening exercise is a twin process incorporating (a) the environment and social aspects and (b) the climate risk aspects. The screening will result in a proposed environmental categorization and climate risk classification for the project.

30. Where feasible, the exercise should draw on and be informed by the issues raised in the SECAP COSOP preparatory study and other climate-related studies. The exercise culminates in the preparation of the SECAP review note, which is part of the Project Life File. This is set out in Figure 3 below:

Figure 3: SECAP Project Assessments – screening and categorization



31. A template for the SECAP project Review Note is set out in Annex 1.1. The note should contain the following (simply cross-referencing the project document where the issues are addressed in there):

- (i) A preliminary overview of the main environmental/NRM and social issues in the programme/project area and identification of any significant impacts (positive and negative) and social concerns likely to be associated with the programme/project (clearly indicating any community concerns). The overview should be informed by a rapid appraisal of environmental, social and climate issues to determine if an in-depth environmental and social impact assessment and/or climate risk analysis is warranted. The screening is considered a minimum requirement for all projects, including those which do not warrant

further analysis (i.e. where the environmental/social and/or climate risk of the programme/ project is Category C or low, respectively).

- (ii) A justification for the environmental category (A, B, C) and Climate Risk Classification¹⁷ (High, Moderate, Low) assigned to the programme/project proposal on a preliminary basis, with references to country social and environmental policies, legislation and institutions, as well as the social, environmental, and climate change screening requirements of any co-financer. (See Section 1.5.1.1 to 1.5.1.4 below for more details.) For programmes/projects initiated by the co-financer, this includes a description of the social, environmental, and climate requirements of the co-financing agency and the extent to which they satisfy IFAD requirements (see 1.3.3 above).
 - (iii) An identification of the specific requirements for future project processing, including: (i) preliminary indications of the scope of the Environmental and Social Impact Assessment, Climate Risk Analysis and Resettlement Action Plan and corresponding ESMP likely to be required during project formulation for Categories A and High climate risk project proposals, or the type of additional environmental analysis required for Categories B and Moderate climate risk proposals; (ii) any consultation requirements on the environmental and social dimensions of the project proposal (and if available, views of interested parties on these dimensions of the proposal); and (iii) budgetary requirements.
32. To ensure an integrated approach to environmental management, the relevant Guidance Statements, and IFAD how-to-do notes (such as on Free Prior and Informed Consent, and Community-based Natural Resource management) should be consulted. Annex 12 of the PDR "Compliance with IFAD Policies", the QE Memo and the QE Panel Report shall all refer to how the project is aligned to the procedures. An annotated outline of an SECAP review note is provided in Annex 1.1 below.

1.5.1.1 Environmental and social categorization and criteria

33. The three categories (A, B, C) are defined according to the likely significance of environmental and social concerns in relation to criteria laid out below:
34. **Category A:** The programme/project may have significant adverse environmental and/or social implications that: (i) are sensitive, irreversible or unprecedented; (ii) affect an area broader than the sites or facilities subject to physical interventions; and (iii) are not readily remedied by preventive actions or mitigation measures. For Category A programmes/projects a formal ESIA is required for the whole programme/project or for one or more components with ESMP elaboration¹⁸.
35. Projects supporting/inducing the following activities would normally be considered Category A (although this will depend on the location and magnitude of impacts):
- Construction or rehabilitation of rural roads in ecologically sensitive or hazard-prone areas;
 - Conversion of significant areas of natural forests or other wild lands;

¹⁷ Climate risk screening of projects will start in 2016.

¹⁸ Where significant resettlement or economic displacement may occur, a Resettlement Action Plan will also be required, see Guidance Statement 13.

- Loss of natural habitat and loss of biodiversity or environmental services provided by a natural ecosystem;
 - Wetland development,
 - Groundwater-based development where there is reason to believe that significant depletion may occur from the effects of climate change or from overutilization;
 - Fisheries development in situations where little information exists on sustainable yield;
 - Significant increased use of agrochemicals;
 - Risk of destruction and pollution as a result of climatic or geophysical hazards (storms, flooding, landslides, earthquakes);
 - Conversion and loss of physical cultural resources; and
 - Projects which may result in significant social adverse impacts to local communities (including Indigenous People) or other project-affected parties.
36. In addition, although not currently financed by IFAD, projects supporting/inducing the following would be considered Category A:
- Significant resettlement or economic displacement¹⁹;
 - Large-scale dam/reservoir construction (more than 15m high, or 5-15 m high with a reservoir exceeding 3 million m³);
 - Large-scale irrigation schemes;
 - Production forestry;
 - Drainage or correction of natural water bodies (e.g. glacier lake drainage, river training);
 - Industrial plants (other than small-scale artisanal production); and
 - Manufacture and transportation of hazardous and toxic materials.
37. **Category B:** The programme/project may have some adverse environmental and/or social impacts on human populations or environmentally significant areas, but the impacts: (i) are less adverse than those for Category A; (ii) are site-specific and non-irreversible in nature; and (iii) can be readily remedied by appropriate preventive actions and/or mitigation measures. While no formal ESIA is required for Category B programmes/projects, in many cases further environmental analysis could be undertaken during project preparation or implementation. Category B operations usually require an ESMP, which may be a stand-alone document or an output from an environmental analysis²⁰.

¹⁹ More than 100 people potentially or more than 1% of the targeted people potentially affected, whichever is lowest; with an expectation that specific additional measures will be required to address the possible negative impacts of those affected.

²⁰ Where limited resettlement or economic displacement may occur, the ESMP and Project Design Document will indicate the consultation processes for reaching agreement with those affected and mitigation and monitoring measures required to ensure that those affected will not be negatively impacted - see Guidance Statement 13.

38. Projects supporting/inducing the following activities would be considered Category B:

- Construction or rehabilitation of rural roads in “non-sensitive areas”²¹;
- Small-scale irrigation and drainage projects, and water impoundment including small dams (except in wetlands);
- Agricultural intensification and/or expansion of cropping area in “non-sensitive areas”;
- Rangeland and livestock development;
- Artisanal fisheries where there is information on sustainable yield;
- Aquaculture and mariculture;
- Watershed management or rehabilitation;
- Large-scale soil and water conservation measures;
- Small and micro enterprise development projects;
- Projects involving credit operations through financial service providers,²² including credit for pesticide/other agrochemicals, livestock purchasing, irrigation, etc.;
- Natural resources-based value chain development; and
- Projects involving operations that might have minor adverse impacts on physical cultural resources.
- Limited resettlement or economic displacement²³

39. **Category C:** The programme/project will have negligible or no environmental or social implications²⁴ – no further environmental analysis is required.

40. Projects in Category C generally do not require additional environmental analysis because the activities have positive environmental impacts, or negligible or minimally adverse environmental impacts:

- Technical assistance grants for agricultural research and training;
- Grants to generate global environmental impacts;
- Research;
- Extension;
- Health;
- Nutrition;

²¹ See section 1.5.1.3

²² It should be noted that credit operations and small and medium enterprise development components present unique problems during screening because the details of the sub-components may not be known at the time of project screening. In addition, financial intermediation projects present challenges because activities to be financed through credit may be difficult to anticipate accurately.

²³ Less than 100 people potentially or less than 1% of the targeted people potentially affected, whichever is lowest; with an expectation that those affected would be readily compensated within the project either by being provided alternative land and accommodation within their community or readily being able to move into other economic activities as a result of the project interventions.

²⁴ Note that gender inequalities tend to be perpetuated unless active measures are taken to engage and empower women, so that even though an intervention is considered Category C, gender analysis and related actions will still be necessary.

- Education; and
- Institutional building.

1.5.1.2 Climate risk classification

41. The Screening exercise is also used to determine the exposure of the project objectives to climate-related risks (High, Moderate or Low), based on available information about historic climate hazard occurrences, current climate trends and future climate change scenarios. The screening will also assess the likelihood of the project/programme increasing the vulnerability of the expected target populations to climate hazards. In addition, the screening should examine the potential opportunities that arise from a better integration of climate issues. The classifications²⁵ for climate risk are defined as follows:
42. **High Risk:** The project/programme can be expected to be highly vulnerable to climate-related hazards and thus would benefit from an in-depth Climate Risk Analysis as part of design or initial implementation stage. This analysis should present recommendations for risk management – i.e. practical climate risk management measures that can be integrated into the project design and implementation phases, and could be used to mobilize climate finance for the co-financing of targeted risk reduction and adaptation measures. Some examples of high risk projects include:
- Projects that promote agricultural activity on marginal and/or highly degraded areas (such as on hillsides, deforested slopes or floodplains);
 - Projects that make investments in low-lying coastal areas or glaciated mountain areas
 - Projects that establish infrastructure in areas with a track record of extreme weather events (e.g. a cassava processing plant in a landslide-prone area; a dairy plant in a floodplain; a grain storage silo in a zone that is prone to tropical storms).
 - Projects in areas in which rural development projects have experienced weather-related losses and damages in the past
43. **Moderate Risk:** The project/programme can be expected to be moderately sensitive to climate risks and thus requires a basic integration of climate issues to be undertaken during the project design phase. This process should result in practical adjustments under the project to reduce losses and damages from climate hazards to IFAD's client group, and capitalize on opportunities to strengthen local risk management capacities. Examples of a moderate risk project are:
- Projects that make use of climate-sensitive resources, but do not focus on these resources as a main commodity (e.g. irrigated farming systems, projects which have temperature-sensitive crops in a larger, diversified bundle of commodities)).

²⁵ More practicable criteria for classifying climate sensitivity will be developed by the end of 2015.

- Projects which are investing in infrastructure which is not directly exposed to extreme weather events, but has potential to become more resilient through the adoption of green technologies (such as renewable energy, water efficiency, re-use/recycling of waste products)
- Projects which focus on institutional development and capacity building objectives for rural institutions (such as farmer groups, cooperatives) in climatically heterogeneous areas, where opportunities exist to strengthen indigenous climate risk management capabilities
- Projects which focus on policy dialogue to improve agricultural sector strategies/policies, where opportunities exist to integrate climate resilience aspects

44. **Low Risk:** The project/programme is not likely to be vulnerable to climate risks and thus voluntary measures could be incorporated into the detailed design and implementation phases based on the SECAP project assessment recommendations. These projects generally focus on investments which do not have a direct physical or geographical interface with climate hazards (such as the development of a micro-finance institution).

45. In practice, the environmental, social and climate risk categorization of each project will depend of the nature and extent of the: (i) nature and sensitivity of project location; and (ii) magnitude of impacts as mentioned below. Where impacts are uncertain or unclear, precautionary principles should be applied. This includes specific environmental and social assessments during project implementation, when necessary.

1.5.1.3 Nature and of project location

46. The selection of an environmental and social category will depend substantially on the project setting, as the "significance" of potential impacts is partly a function of the natural and socio-cultural surroundings. This is particularly true for IFAD, which tends to finance a large number of projects in marginal and ecologically fragile areas. "Sensitive areas" include: protected areas (national parks, wildlife/nature reserves, biosphere reserves); areas of global significance for biodiversity conservation; habitats depended on by endangered species; natural forests; wetlands; coastal ecosystems, including coral reefs and mangrove swamps; small island ecosystems; areas most vulnerable to climate change and variability; lands highly susceptible to landslides, erosion and other forms of land degradation²⁶; and areas that include physical cultural resources (of historical, religious, archeological or other cultural significance). When the proposed location of a project is in an area where tangible cultural heritage is likely to be found, chance-finds procedures are included in the IMP. Projects located in such "sensitive areas" may be considered for Category A classification and should involve extensive community consultations because of their potentially serious negative impacts on ecosystems and livelihoods of their poorer constituents.

²⁶ May include arid and semi-arid areas

1.5.1.4 Magnitude of impacts

47. There are a number of ways in which the magnitude of impacts can be measured, such as: the *absolute amount* of a resource or ecosystem affected, the *amount affected relative to the existing stock* of the resource or the viability of the ecosystem, and the *intensity* of the impact and its *timing* and *duration*. In addition, the *probability of occurrence* for a specific impact and the *cumulative impact* of the proposed action and other planned or on-going actions should be considered. For example, conversion of 50 hectares of wetlands differs markedly in significance depending on its size relative to the total area of wetlands in the country or region. In addition, impact can also be measured in social terms – by the number of rural communities or villages (including livelihoods) affected positively and negatively by a proposed project (in areas which support multiple livelihoods, an intervention which might benefit a large number of crop producers might lead to a smaller number of livestock herders, fishers, hunters, etc. losing their livelihoods). Data should be disaggregated by sex, as well as by age and wealth where appropriate.
48. Other current and proposed development activities within the project area, spontaneous activities spurred by a project (e.g. migration of people into or increased charcoal production in an area opened by a road project), and externalities beyond the project boundary must be taken into account. Such *cumulative* or *induced impacts* may sometimes be the primary determinant of the appropriate level of environmental analysis.
49. For community, demand-driven projects, it may be difficult to pre-determine the potential adverse impacts until project implementation. Although the magnitude of impacts would depend on the scale of such activities, a cautious approach to the concern of cumulative impacts is considered essential. In such cases, the necessary environmental and social analysis and associated budget should be incorporated into project design. Such projects may be considered for Category B.

1.5.2 Step 2: Environment and Social Impact Assessment

50. The second step in the process involves the preparation of either or a combination of ESIA, Resettlement Action Plan (RAP)/Resettlement Action Framework (RAF), and IPP, for all programmes/projects classified as Category A. In some cases, a study may be required for some components of Category B projects as identified in the SECAP project assessment. The characteristics of a good ESIA are presented in Box 2 below.

Box 2: Characteristics of a good ESIA

A good ESIA:

1. Starts early in project development and does not delay project processing;
2. Identifies data requirements based on a defined scope that focuses on likely impacts and excludes those that are irrelevant;
3. Combines environmental, climate change, economic and social analysis;
4. Involves key stakeholders and affected people from the outset of the process in a meaningful way;
5. Provides information for decision-making in a clear and usable manner, taking into account the views and concerns of affected parties, local communities and relevant agencies;
6. Recommends, in coordination with the programme/project design team, feasible changes in design and implementation which are both sustainable and cost-effective, while enhancing the resilience of (rural) livelihoods to weather-related events and other shocks and stresses through the sustainable use and management of natural assets along with social protection measures;
7. Includes an Environmental and Social Management Plan (ESMP) with mitigation and monitoring actions and the institutional responsibilities for implementing them clearly presented for each significant impact.

51. Generic requirements for the ESIA are given in Annex 1.3. However, the precise nature of the assessment to be undertaken will depend primarily on the nature, scale and complexity of the issues to be addressed. Ultimately it is important that the assessment focus on the issues identified as significant in the SECA project assessment (consult the relevant Guidance Statements and relevant IFAD guidelines and how-to-do notes).

52. The ESIA (and relevant studies) is undertaken as early as possible and completed well in advance of the early design stage so that the results can be fully reflected in the final PDR. It is the responsibility of the CPMT to ensure that the ESIA is undertaken in a manner that meets the expectations of both IFAD and the borrower. ESIA reports are cleared by the relevant Regional Director after technical judgment has been provided by the Environment and Climate Division.

1.5.3 Step 3: Climate Risk Analysis

53. The third step of the SECAP assessment process is to conduct an in-depth (for projects with high climate risk) or a basic climate risk analysis (for projects with moderate climate sensitivity). The approach taken is determined by the CPMT (with support from regional climate and environmental specialists) based on the results of

the screening exercise. The climate risk analysis should be undertaken prior to the full design of a project/ programme in order to inform the design and decision-making processes. In justified cases, such as large geographic areas and areas with lack of baseline data, an in-depth climate risk analysis can be initiated during the design period and completed during the inception phase of a project.

54. For projects with moderate climate risk (see 1.5.1.2.), a basic climate integration can help to respond to the general types and trends of climate hazards in the project area and delineate adjustments in project design to help avoid losses and damages from these hazards to IFAD's target beneficiaries. An important approach with this type of projects is to capitalize on possible opportunities to strengthen climate-resilient development by 'doing things differently' within the available financing envelope – e.g. by improving land-use planning, adjusting the content of capacity-building actions, or adopting more robust building codes.
55. For projects with high climate risk, a detailed climate risk analysis can help to examine the nature of climate and disaster hazards in the geographical location of the project/programme, and examine the exposure and sensitivity of project-relevant communities, ecosystems and critical infrastructure to these hazards. Based on this analysis, practical risk management and adaptation measures can be defined that can be integrated with the project design. These can include technical innovations, such as climate information or early warning systems, or the expansion of landscape-level approaches to create natural buffer zones. Based on the high climate sensitivity of this project design, additional financing may be required from dedicated funds (such as the Adaptation Fund, ASAP, GEF, LDCF, SCCF) to finance these complementary actions.

1.5.4 Step 4: ESIA review and recommendations

56. The fourth step in the SECAP project assessment is a review of the draft ESIA (and other relevant draft documents such as climate risk analysis reports and Resettlement Action Plans or Frameworks) and incorporation of their recommendations into the project design documentation. Prior to appraisal, the draft of the ESIA report and other relevant documents should be made available at a public place, accessible to affected groups and local non-governmental organizations for review and feedback in a timely manner (see sections 1.3.5 and 1.3.6). The Appraisal Mission should review all the comments and recommendations of the draft ESIA and climate risk analysis reports (and other relevant documents), including any outstanding issues identified by the QE Panel (see Annex 1.5 for questions to be answered in the technical review of the ESIA), and discuss these with the government and all interested parties, especially affected rural communities.
57. The CPM in conjunction with the CPMT will ensure that the recommendations have been adequately addressed in the final PDR. This may include alterations to the project design, incorporation of additional preventive actions and/or mitigation measures, suggested loan covenants, supervision requirements, necessary institutional capacity-building for environmental management, and any specific monitoring and evaluation requirements. The applicability of international standards, such as those of the World Commission on Dams and FAO guidelines on pesticides, dams and other relevant safeguard issues, is typically an integrated part of the issues

addressed by the respective CPMT and project QE. The ESIA, RAP/RAF, and Climate Risk Analysis Reports (and other relevant documents) are part of the Project Life File.

1.5.5 Step 5: Loan negotiations

58. The fifth step in the process involves negotiation of the Financing Agreement for the project, which takes place between IFAD and the government. To enhance environmental and social sustainability, the financing agreement may include clauses/covenants/provisions specifying appropriate actions that the government commits to taking (such as compliance with international standards, implementation of the project ESMP and any other management instruments such as Resettlement Action Plans (RAP), environmental and social approvals, local permits, resettlement compensations) in the context of the implementation phase, as necessary.

1.5.6 Step 6: Executive Board approval

59. The sixth step in the SECAP project assessment process involves review and approval of project documentation by IFAD's Executive Board. The Executive Board reviews the *President's Report and Recommendations* on the project proposal. For Category A projects, the final ESIA report (and relevant documents) is made available as per IFAD Policy on Disclosure of Documents. In cases where the Executive Board raises specific environment and/or social-related concerns that have not been addressed adequately, both the President's Report and the PDR should be revised to take these issues into account.

1.5.7 Step 7: Project supervision and implementation

60. The seventh and critical step in the process is implementation of the project by the Borrower/Recipient and IFAD's role in supervision. This would ensure that recommended social, environmental, and climate adaptation actions/measures contained in the Management Plan, resettlement action plan, Indigenous Peoples plan and other relevant loan covenants are effectively implemented. This includes monitoring and reporting compliance with IFAD's environmental and social policies as appropriate. In the event of non-compliance with IFAD requirements or the emergence of serious environmental and social issues/risks during project implementation, the CPMT in collaboration with relevant national authorities and project staff, must ensure that appropriate ameliorative action is undertaken to implement preventive and corrective measures, and follow up on these actions to ensure their effectiveness.

1.5.8 Step 8: Project completion and *ex post facto* ESIA

61. The eighth and final step in the process is project completion reporting and *ex post facto* evaluation of project environmental and social impacts. Completion-related reports of all projects should provide a specific analysis of the impact of social, environmental, and climate issues arising from project implementation. The completion report will also highlight critical issues in relation to climate risk management and disaster preparedness. The analysis should take special note of views expressed by rural beneficiaries.

62. For Category A projects, an *ex post facto* ESIA may be undertaken as part of project completion, as appropriate. Such an exercise will address environmental and social impacts of the project, including GHG emissions and other impacts on climate, and also climate change impacts on the project. In addition, the adequacy of the ESIA and climate risk analysis and the effectiveness of any preventive actions and/or mitigation measures included in project design will be assessed. The exercise should include extensive community consultations leading to consent.

Chapter 2. INTEGRATING SOCIAL, ENVIRONMENTAL, AND CLIMATE ISSUES INTO COSOPs

2.1 Introduction

1. IFAD's country programmes serve as an operational platform for the Fund to help partner countries in identifying what works - be it an international or local innovation or a known good practice - and how together to bring it to the desired scale. The Country Strategy and Opportunities Programme (COSOP) is the strategic document that IFAD and partner countries use to describe the way they plan to collaborate in the medium term and how they will deploy their resources to achieve agreed objectives and results. In addition to defining strategic objectives and targets, COSOPs specify the thematic focus of the country programme and the way in which cross-cutting issues will be addressed. For this reason, COSOPs are considered critical instruments for integrating social, environmental, and climate considerations in IFADs country programmes.
2. In the last decade, several multilateral and bilateral funding agencies have increasingly promoted the use of Strategic Environment Assessments (previously referred to as Environmental and Climate Change Assessments in IFAD) or similar strategic assessments to complement and, usually precede, project based Social, Environmental, and Climate Assessments²⁷. The preparation of a COSOP therefore represents a unique opportunity to conduct, if necessary, the SECAP preparatory study and integrate the findings into an overall strategy aiming at increasing a country's development outcomes.
3. The Guidelines and Sourcebook for the preparation of COSOPs were revised in 2014 and therein recognise that the integration of social, environmental, and climate considerations in a country's growth and poverty reduction strategy (including its agriculture sector strategy) would improve the quality of IFAD's response. For this reason, the Sourcebook refers to the Social, Environmental, and Climate Assessment Procedures (SECAP).

2.2 Supporting the design of COSOPs

4. IFAD's approach for integrating social, environmental, and climate issues in COSOPs has been developed on the basis of practical experience and established 'good practice' emerging from eighteen environmental and climate change assessments²⁸ conducted in the period from 2009 to 2013. These assessments were coordinated by the environment and climate division and financed by Finnish supplementary funds and IFAD's Adaptation for Smallholder Agriculture Program (ASAP). A compendium of

²⁷ Which are more effective in addressing environmental threats and opportunities of specific projects.

²⁸ Azerbaijan, Bangladesh, Bosnia, Cambodia, Egypt, Guatemala, Haiti, Honduras, Kenya, Madagascar, Mali, Nicaragua, Niger, Nepal, Pacific, Rwanda, Sudan and Vietnam.

these assessments is found on IFAD's website²⁹. Lessons learned from the use of Environment and Climate Change Assessments (ECCA) show that the programming of such studies needs to be closely linked with the respective COSOP planning and budgeting process and, where feasible, with other preparatory studies which influence the design of COSOPs.

5. Going forward, ECCAs have been simplified and renamed as "SECAP Preparatory Study for COSOPs". Such a preparatory study can be executed (if required) in conjunction with or in parallel to the preparatory studies that usually feed each new COSOP design. It is important to highlight that a SECAP preparatory study does not substitute for a project-specific social, environmental, and climate change assessment. However, it can reduce the need and limit the scope of the latter particularly when conducted at COSOP preparation stage when the project pipeline is planned. Given the relatively limited resources IFAD has at its disposal, the SECAP preparatory study can be tailored to country circumstances and the scope and depth of the exercise should be proportionate to the nature of IFAD's planned interventions in the proposed COSOP cycle.

2.2.1 The four steps for the SECAP preparatory study

6. First step: Assess the need for the preparatory study. In some cases, the Country Programme Management Team (CPMT) in charge of the COSOP preparation may decide that extra research and work are needed to ensure that the environment, social, and climate dimensions affecting the development of a country are fully understood to inform COSOP design. This has been the case for the above-mentioned eighteen COSOPs developed in the last five years. Where sufficient country information already exists, the CPMT may consider to conduct a light desk study.
7. Second step: Plan the preparatory study. Lessons learned from past ECCAs show that the planning and budgeting process of such studies needs to be closely linked with that revised for the preparation of the COSOP and, in particular and where feasible, with that of other preparatory studies expected to feed the design of a COSOP. ECD will endeavor to provide technical and financial support as necessary (see section 1.3.2 above).
8. Further, given the relatively limited resources IFAD has at its disposal for SECAP preparatory study and COSOP designs, it is important to highlight that the scope and depth of such studies can be tailored to country circumstances and be proportionate to the nature of IFAD's planned interventions in the proposed country. Where feasible, the previous ECCA can be validated and amended as necessary. A new full-fledged preparatory study may be required only if dramatic changes have occurred. Annex 2.1 provides the Model TOR for an SECAP preparatory study. Tables 4 and 5 below provide the Basic Principles and Key Features respectively of the SECAP preparatory study.

²⁹

<https://xdesk.ifad.org/sites/gef/knowledge management/studiesandreviews/ECCA/Forms/AllItems.aspx>

9. Third step: Assess the scope of the preparatory study. A key lesson from past ECCAs was the diversity of country programme 'needs'. A flexible approach is recommended; some COSOPs require a full background study, others require only a specialist to join the COSOP design process without the need for a separate study while others may not need additional expertise at all³⁰ and require only the IFAD review process. SECAP allows the CPMT to decide freely on how such needs can be best met.
10. Supporting materials for the preparatory studies can be found in Annex 2.2 to 2.4. Screening is carried out to decide whether it is appropriate to conduct³¹ an SECAP Preparatory Study. An important part of this exercise is the identification of clear objectives and what would be the role of the study. During screening, it is encouraged to identify and engage with key stakeholders including the proposed target groups, as necessary.
11. Fourth step: Prepare the preparatory study report. A key lesson is to provide an in-depth understanding of the social, environmental, and climate change risks that might potentially affect the proposed IFAD programme. The study should propose measures to mitigate adverse impacts and optimise positive effects, and include monitoring and evaluation indicators of desired outcomes. The study should benefit from evaluation findings of the respective country programme. The results of the study should be presented as an appendix to the COSOP report. Table 4 below provides the basic principles of an SECAP COSOP Preparatory Study.

2.3 SECAP COSOP preparatory study.

Table 4. Basic Principles for the conduct of an SECAP COSOP preparatory study

To assure a good contribution to the quality of a COSOP, the study should:

- have a clear definition of its scope and objectives;
- make reference to existing country policies and planning structures;
- be conducted in a way that fits the COSOP design process well;
- assess the potential impacts and risks of the interventions that the COSOP proposes;
- identify the development opportunities and constraints that the environment, social, and climate change present in the specific country context;
- address the linkages and trade-offs between social, environmental, and economic considerations and identify preferred options;
- encourage the involvement of key stakeholders and the broader public in its preparation. Special efforts should be made to involve the rural communities themselves, if possible, and, in particular, rural women, the youth, the elderly, ethnic minorities, marginalized groups, and Indigenous People);
- be transparent throughout its preparation process, while its funding should be well communicated;

³⁰ Existing reports and studies may already provide much of the information needed for integrating social, environmental, and climate issues in the COSOP design. This could include reports from on-going IFAD and other projects, and studies carried out by other donors and research organizations.

³¹ http://www.iaia.org/publicdocuments/special-publications/What%20is%20IA_web.pdf

be cost-effective by combining missions and pooling expert resources ;
include indicators to monitor the influence of its findings and recommendation on the country programme development;
build staff and stakeholder capacities to make the best use of the study findings to inform COSOP design.

(Source: adapted from OECD, 2006)

12. SECAP COSOP preparatory studies can help strengthen country programme performance through the following:

- Promote ownership among key ENRM and CC actors at the country level;
- Influence shift towards clean, green and resilient development;
- Enhance policy dialogue, e.g. on transboundary issues;
- Strengthen institutional capacity for ENRM;
- Facilitate scaling up of proven ENRM and adaptation practices solutions;
- Highlight guidance to both the SECAP assessment and the climate risk analysis at the project level; and
- Identify opportunities for investment that could be financed by ASAP³², GEF, LDCF and SCCF for enhanced results and impact.

13. Table 5 below illustrates key features of SECAP Preparatory Studies can be tailored to specific circumstances and IFAD's needs. The earlier the identification of the need of a preparatory study, the more effective it will be in orienting the COSOP design.

³² For more information, consult the ASAP webpage <http://www.ifad.org/climate/asap/>

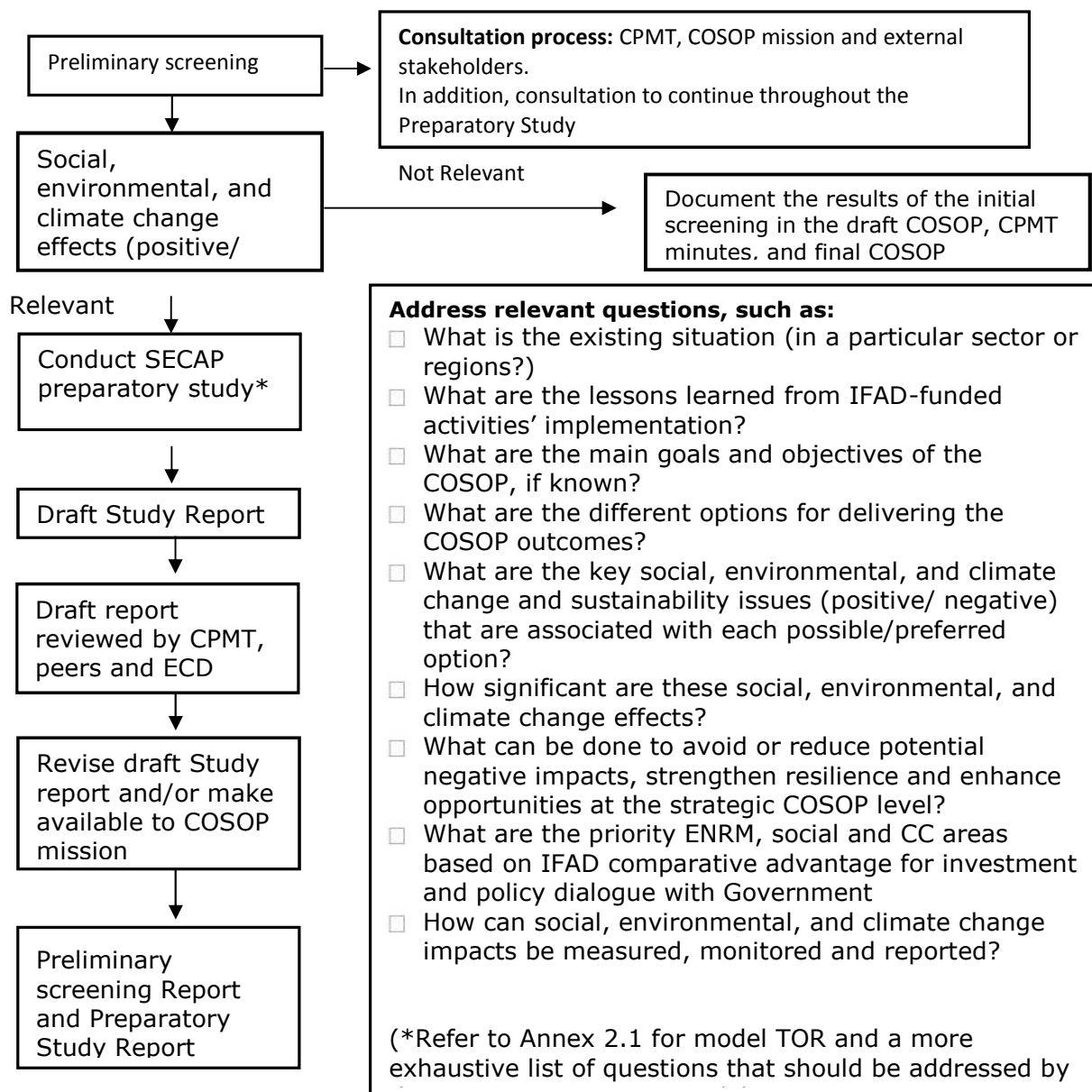
Table 5. Key Features of a SECAP preparatory study

Who does it?	CPMTs with the support of the Regional Climate and Environmental Specialists.
Objectives	To ensure that strategic social, environmental, and climate change considerations including opportunities are integrated in COSOP design.
Measures of success	<p>Social, environmental, and climate change considerations are systematically addressed throughout the COSOP document.</p> <p>Social, environmental, and climate issues are reflected in the COSOP strategic objectives.</p> <p>Lessons learned regarding environmental and climate issues from IFAD-funded activities are scaled up in future investments.</p>
Level of effort and costs	Vary on the basis of available information and assessments as well as the characteristics of interventions that the new COSOP proposes.
Process/steps/inputs	<p>Identify and analyze key environmental, climate change, and social dimensions, including development opportunities, risks of potential negative impacts, and institutional arrangements for risk management. Recommendations/suggestions on these aspects would be included in COSOPs and also flag gaps in information that project level assessments need to fill in.</p> <p>Identify investment opportunities to be financed through ASAP, GEF, LDCF and SCCF.</p> <p>Put in place mechanisms to ensure that stakeholders (especially IFAD target groups) are fully engaged in consultation processes and their inputs and concerns are addressed.</p> <p>Assess related SECAP knowledge & application capacity within the country.</p> <p>Raise SECAP awareness at all levels.</p> <p>Seek information and/or feedback from government, key partners at country level (UNCT, UNDAF, etc.), undertake studies relevant to scale or scope of investment proposals in question.</p> <p>Make available results including investment options early enough to influence decision-making and inspire future planning.</p> <p>Identify indicators for measuring progress and identify accountabilities as part of COSOP Results Framework, and RIMS.</p> <p>Allocate and include in the COSOP design, the cost of proposed activities (environment, social, and climate related activities).</p> <p>Review of COSOP recommendations to determine level of integration of environmental and climate change considerations from the Environment, Social, and Climate issues from the SECAP Preparatory Study.</p> <p>Monitor environmental and climate change-related activities over longer term to improve future IFAD support.</p>

(Source: adapted from OECD, 2006)

14. Figure 4 below provides the process that are typically taken in identifying the need for a SECAP preparatory study.

Figure 4: Process in the development of a full SECAP preparatory study³³ for COSOPs



³³ The UNDAF³³ process could provide a starting point for understanding donor priorities of the various sectors as well as offer opportunities for synergies with ongoing initiatives in the respective country. Important basic sources of information are Country Environmental Analysis (CEA), National Adaptation Programmes on Adaptation (NAPA), National Poverty and Vulnerability Assessments, National Communications to the UNFCCC. Active cooperation with other development partners during the development of the COSOP is encouraged.

Annex 1.0

Glossary

Baseline data: data that describe issues and conditions at the inception of the ECCA. Serves as the starting point for measuring impacts, performance, etc., and is an important reference for evaluation. (OECD, 2006)

Biodiversity: the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems (CBD, 1992)

Chance Find: the discovery of previously unknown cultural heritage resources, particularly archaeological resources, that are encountered during project construction or implementation.

Critical Habitat: A subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value, including habitat required for the survival of critically endangered or endangered species; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or that are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic, or cultural importance to local communities.(ADB, 2009)

Cumulative effects/impacts: incremental impact of an action when added to other past, present or reasonably foreseeable actions regardless of what agency or person undertakes such actions. Cumulative impact can result from individually minor but collectively significant actions taking place over a period of time (OECD, 2006).

Economic Displacement: Loss of land, assets, access to assets, income sources, or means of livelihoods. (ADB, 2009)

Ecosystem Approach: The ecosystem approach is a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way. It is based on the application of appropriate scientific methodologies focused on levels of biological organization which encompass the essential processes, functions and interactions among organisms and their environment. It recognizes that humans, with their cultural diversity, are an integral component of ecosystems **(CBD)**.

Ecosystem services: The benefits people obtain from an ecosystem. Ecosystem services include all outputs from agricultural activities, including outputs as diverse as food production and climate regulation.

Environment: Environment is considered to include biophysical resources and conditions on which rural communities and their activities depend, and which in turn they influence.

Social, Environmental, and Climate Assessment (SECA): the process of examining the social, environmental, and climate risks and benefits of proposals. Interpretations of the scope of SECA also vary, particularly regarding the social and climate dimensions. It is usual to consider the physical/biological impacts of development on directly affected groups (e.g. Impacts on downstream water supply, displacement, and local communities or vulnerable groups). The relative importance of the different dimensions varies depending on the issue involved; in the case of a dam it is increasingly routine in SECA to consider both physical/ecological, social and climate impacts.

Environmental and Social Impact Assessment (ESIA): a process, applied mainly at project level, to improve decision making and to ensure that development options under consideration are environmentally and socially sound and sustainable. ESIA identifies, predicts and evaluates foreseeable impacts, both beneficial and adverse, of public and private development activities, alternatives and mitigating measures, and aims to eliminate or minimise negative impacts and optimise positive impacts. (OECD, 2006)

Environmental Services: qualitative functions of natural non-produced assets of land, water and air (including related ecosystem) and their biota. There are three basic types of environmental services: (a) disposal services which reflect the functions of the natural environment as an absorptive sink for residuals; (b) productive services which reflect the economic functions of providing natural resource inputs and space for production and consumption, and (c) consumer or consumption services which provide for physiological as well as recreational and related needs of human beings.

Innovation: The development of improved and cost-effective ways to address problems/opportunities faced by the rural poor. These encompass institutional and technological approaches as well as pro-poor policies and partnership.

Involuntary Resettlement: Considered when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement. (World Bank, 2014)

Mainstreaming: For the purposes of these Procedures, mainstreaming is "the process of systematically integrating IFAD's Environment and Social Values and Principles into all domains of the Fund's operations to promote both specific and general development outcomes of rural poverty reduction". It implies the integration of environmental and social approaches and tools in the Programme/project cycle in order to better harmonise economic, environmental, climate and social concerns.

Multiple-Benefit Approach: Multiple-benefit approaches to sustainable agriculture seek to reduce risk and build climate resilience through more diversified landscapes, while at the same time reducing poverty, enhancing ecosystems and biodiversity, increasing yields and reducing greenhouse gas emissions.

Physical Cultural Resources (PCR): Also known as 'cultural heritage', 'cultural patrimony', 'cultural property' are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. These may be located in urban or rural settings, and may be above or below ground, or under water. Physical cultural resources are important as sources of valuable scientific and historical information, as assets for economic and social

development, and as integral parts of a people's cultural identity and practices. (World Bank, 2006)

Physical Displacement: Refers to relocation, loss of residential land, or loss of shelter. (ADB, 2009)

Resilience: Amount of change a system can undergo without changing state. (IPCC, 2001)

Risk: The probability of harmful consequences, or expected losses, resulting from interactions between hazards and vulnerable conditions.

Scoping: a procedure for narrowing the scope of an assessment and ensuring that the assessment remains focused on the truly significant issues or impacts.

Social: Refers to people, their wellbeing, livelihoods and their institutions, including policies. Specifically covers gender equality and women's empowerment, youth and indigenous peoples as well as other socio-economic determinants of poverty, vulnerabilities and capacities, in the framework IFAD's policies on (i) Gender Equality and Women's Empowerment (2012), Targeting (2006) Engagement with Indigenous Peoples (2009) and Youth Policy Brief (2013).

Screening: a process to determine the nature and extent of the Social, Environmental, and Climate analyses to be carried out.

Sensitivity: The degree to which a system is affected, either adversely or beneficially, by climate related stimuli. The effect may be direct (e.g., a change in crop yield in response to a change in the mean, range, or variability of temperature) or indirect (e.g., damages caused by an increase in the frequency of coastal flooding due to sea level rise).

Stakeholders: those who may be interested in, potentially affected by, or influence the implementation of a PPP. In the context of an ECCA applied to development co-operation, stakeholders may include: (i) internal staff (environment and non-environment) in donor agency and other departments in the donor country, (ii) the partner country government, (iii) other donor agencies, (iv) NGOs, and (v) civil society. (OECD, 2006).

Sustainable Land Management (SLM): Can be defined as conservation and utilisation of land resources such as soils, water, animals and plants to meet the material, aesthetic and spiritual needs of humankind today, while ensuring the future productive potential of these resources, as well as the maintenance of their environmental functions (Shanthikumar, S.R. 2002. Modified from WB, 2000)

Vulnerability: The characteristics and circumstances of a system (e.g. gender and social exclusion, household, community, ecosystem, value chain) that make it susceptible to the damaging effects of a hazard. (Adapted from UNISDR 2007)

Annex 1.1

SECAP Review Note (Outline)

The screening exercise of each project should be undertaken by the design team while in-country in order to allow for data collection to inform the findings and the resultant recommendations. The earlier the results are made available and integrated closely with the economic, financial, institutional, social, and technical analyses of a proposed project, the more effective they will be. It should be an integral part of Appendix 12 "Compliance with IFAD Policies" to the PDR and should follow the outline contained in the box below.

All elements of the SECAP Project Assessment should ideally be embedded in the project concept then the PDR. In this case, the Review note simply needs to cross-reference the relevant paragraph in the accompanying document(s). If the concept and PDR documents do not address the issues below, cross-referencing is obviously not possible and these will need to be covered in the SECAP Review Note.

With regard to the social dimensions, cross-referencing should be consistent with the PDR Annex 2 on Targeting and Gender. Specifically, the analysis of social risks and proposed risk management measures, as well as the different roles and priorities of women/ men and youth, should form the basis of the proposed measures described in the targeting and gender checklists. It may be appropriate to cross-reference the SECAP Project Assessment with these checklists. Similarly, where the proposed project area is home to indigenous peoples, issues should be expanded upon in IFAD's checklist for indigenous peoples.

Annotated SECAP Review Note

Overall length – up to 5 pages maximum

Title of Programme/Project: XXX

1. Major landscape characteristics and Issues (Natural resources, social and climate)

Describe the existing socio-cultural context (poverty, gender issues, vulnerability, migration patterns, etc.) and those types of land and water aspects that characterize the project area (make cross-references to PDR and annexes). Include (i) whether any of these represent untapped environmental, climate change and social impacts and/or opportunities or (ii) whether any might be a determinant in the design and delivery of results/impacts of the intervention. Include information on physical cultural resources, climate, prediction of impact, vulnerability, and how they relate to specific types of farming systems and livelihoods.

Identify and discuss up to five issues (environmental, climate change, and social) that are of key importance in the project area. Provide baseline information to capture the existing status of NRM, including vulnerability of NR and livelihoods, and physical cultural resources, in order to measure project results. For example, assess the availability of NR and their potential for exploitation; indicate ongoing land degradation/desertification and/or unsustainable agricultural practises (including fisheries, forestry, livestock, etc.)

that exceed the ecosystem carrying capacity. Make explicit reference to observed and expected national and sub-national climate risks, indicating whether the project area and specific target groups have been experiencing increased frequency and intensity of extreme weather events and/or are prone to the effects of future climate change and variability; women, men, and indigenous peoples are likely to have different experiences and their perspectives should be highlighted. Topics to consider also include health concerns such as HIV/AIDS, resettlement issues, land tenure rights and conflicts over use of resources, trans-boundary issues, as well as institutional capacity for NRM and the role of women, youth and indigenous peoples.

Environmental and social opportunities for investment should be explored on the basis of existing national policies, strategies and regulations related to environmental protection, water management and carbon sequestration. Consultation³⁴ with local communities, especially the marginalised poor and women, and other key stakeholders will improve the accuracy of this section.

2. Potential projects social, environmental, and climate change impacts and risks

Identify the key potential impacts³⁵ (positive, negative, direct, indirect, cumulative, externalities) that implementation of the interventions³⁶ may have on the physical, natural and social environment. Assess potential social, environmental, and climate risks with attention to ecologically sensitive or biodiversity-rich areas, along with related risk management measures. Highlight potential risks and opportunities with regard to women/ men, youth and marginalized groups. Factor climate variables and variability into project activities and elaborate on potential adaptation measures for long-term sustainability. Building on existing opportunities, describe how the interventions will address them in an integrated manner. If the project is on agricultural development, for example, indicate whether soil and water conservation, good agricultural practices, appropriate selection of crops and agrochemicals, associated public health concerns (i.e. HIV/AIDS, water-related diseases) and community environmental education, advisory and extension services have been envisaged.

3. Environmental and social category

Provide the justification for classifying the proposed project into one of the three categories, depending on the type, location, risk, and scale of the project and the nature and magnitude of its potential environmental and climate impacts and opportunities. Make reference to the country's relevant social, environmental, and climate change policies, ratification of relevant conventions, MEAs³⁷, relevant ministries and agencies, country environmental legislation, relevant national strategic frameworks, and any specific social, environmental, and climate priorities/guidances of co-financiers). An assessment of borrower capacity to plan and ensure environmental due diligence and build resilience to climate change should be discussed, if not previously done under 2 above.

³⁴ See IFAD's Gender Equality and Women's Empowerment Policy for best practice statements regarding natural resources, land, water, energy, biodiversity and climate change. For the Fund's consultation and approach to indigenous peoples, see IFAD 'Policy on Engagement with Indigenous Peoples'

³⁵ Refer to the respective Guidance Statements and relevant IFAD guidelines

³⁶ if the specific activities are unknown and issues that cannot be assessed at this stage of design (and particularly if likely to include Categories A and specific B subprojects), the proponent may be required to carry out individual Environmental and Social Assessments for approval by the relevant Government agency.

³⁷ UNFCCC, CBD, UNCCD, RAMSAR, CITES, etc.

4. Climate risk category

Summarise the rationale for the classification proposed for the climate risk of the project/ programme based on the screening responses. Indicate where information is not available and any assumptions that have been made.

5. Further information required to complete screening, if any

Highlight additional information or studies (includes climate risk) needed to take better advantage of the opportunities offered by the environmental and social context to: (i) influence the necessary changes in project location, design, technologies, objectives, etc (which may alter the project inputs once these factors are taken into consideration); and (ii) prevent, eliminate or mitigate the environmental, social and climate concerns, including risks that the project intervention(s) may create.

6. Recommended features³⁸ of project design and implementation

Introduce changes and/or measures to the design to eliminate or reduce potential adverse environmental, climate change, and social impacts, or make better use of opportunities³⁹ and synergies/complementarities between relevant national frameworks/environmental conventions/key actors. Explore opportunities to promote green growth and multiple-benefit approaches for production, poverty reduction and the environment, including maintaining ecosystem services and biodiversity, reducing emissions and building climate resilience. Identify a range of incentives as tangible benefits for relinquishing unsustainable practises (farming, processing etc.), reducing risk, and helping smallholders adopt adaptation and mitigation measures, including funding.

7. Discuss the various alternatives including environmental objectives and reasons for choosing the best option. Identify suitable participatory approaches/tools to draw on local understanding of local problems and potential solutions. For example, if addressing adaptation planning, introduce the use of climate risk and local resource maps, climate vulnerability assessment tools, early warning systems, DRR/DRM plans, climate resilience infrastructure, community timeline history, etc. for the planning of village development plans, as necessary. Identify areas of conflict between key actors and over use of resources and include suitable measures (financial and non-financial incentives, empowerment mechanisms, etc.) that will allow achievement of environmental objectives. For example, if the proposed activity will introduce irrigation, relocate people or promote the use of agrochemicals, the local environment will be affected. The strategy, in this case, will help to design an environmental management plan with specific targets to address salinisation, water pollution, fair compensation, integrated pest management occupational safety and health, and build the necessary institutional capacities⁴⁰ with clearly defined responsibilities.

³⁸ Guidelines as to what constitutes ENRM Core Principles and Best-Practice Statement can be found in IFAD 'Environment and Natural Resource Management Policy' (2011)

³⁹ In light of the environmental issues (impacts resulting from a diverse array of small interventions) which tend to be associated with value chains development and income-generating activities (IGAs), a self-defining process to identify critical entry and exit points for the necessary capacity building (including skills training on cleaner technologies and good agricultural practices) is essential. An example is EUGAP control points which applies to the production and processing of fresh produce. The Procedures also contains provisions relating to labour standards and the lowering of pesticide use, essential for the long-term improvement and sustainability of agricultural production.

⁴⁰ For example, Ministries of Agriculture, Environment and Planning, focal points for UNCCD, CBD and so on.

8. Analyse the environmental decision-making chain of command to also include other sectors that are key actors in environmental management. Identify who would be responsible for the various activities. Identify community environmental education and training needs and if applicable, consider the need for project support to establishing a grievance mechanisms or strengthening the existing one. Include elements for linking the loan to ASAP⁴¹, GEF, LDCF and SCCF funding for enhanced results and impact.

This section should also describe capacity building recommendations. Identify community and other stakeholder capacity building needs, supported by effective information, education and communication activities. Include specific training (ENRM and/or climate-related issues), supervision and reporting needs, including measures (i.e environmental approvals, local permits, compliance with specific international guidelines and standards, compensation, grievance mechanisms, etc.) to be considered in the Financing Agreements

9. This section should include M&E recommendations. Describe how participatory environmental, social and adaptation monitoring will be ensured and provide specific indicators with special emphasis on the linkage between poverty, environment and climate change. Focus on the identification of third level indicators to adequately capture the impact of project activities on the environment. IFAD encourages the collection of GPS coordinates of all interventions so as to enhance monitoring, impact assessments and overall accountability of actions. As the activities will be incorporated into the various project and programme components, monitoring should be aligned to the project M & E system.

10. This section should also identify the estimated timeframe and budgetary guidance for the ESIA and/or further climate risk analysis. Provide estimated timeframe and budgetary guidance for preparation of the ESIA and/or climate risk analysis (see 4 above).

11. Record of consultations with beneficiaries, civil society, general public etc.
Specify details of consultations with marginalized poor sections of the communities including women's groups, identifying the key comments provided and how the responses to those comments have been incorporated into project design for effective implementation.

⁴¹ For more information, consult the ASAP Concept Note.

Annex 1.2

Guiding Questions for Climate Risk Screening

Question	Yes	No	Additional Explanation of 'Yes' response
Is the target group of the project dependent on climate-sensitive natural resources (such as drought-prone crops, rainwater-fed agricultural plots, migratory fishstocks)?			
Has the project area been subject to extreme weather events in the past, such as flooding, drought, tropical storms, or heat waves?			
Could changes in temperature, rainfall, or extreme weather affect the project impact, sustainability or cost over its lifetime?			
Will climate variability likely affect agricultural productivity within the project (crops/livestock/fisheries) or incidence of pests and diseases?			
Would weather-related risks or climatic extremes adversely impact upon key stages of identified value chains in the project (from production to markets)?			
Does the project have potential to integrate climate resilience measures without extensive additional costs (such as applying improved building codes; expanding capacity building programmes; or including climate risk issues in policy processes)			
Would the project benefit from a more detailed climate risk and vulnerability analysis to identify the most vulnerable rural population, improve targeting and identify additional complementary investment actions to manage climate risks?			

Annex 1.3

Model Terms of Reference for Environmental and Social Impact Assessment for (name of Country)

The model TOR provided in the box below is intended for an Environmental and Social Impact Assessment (ESIA) to be prepared in the framework of the formulation of a project or programme which has an environmental classification of **Category A**. The TOR can also be adapted to be used as guidance during ex-post facto ESIA for **Category A** projects. Explanations and sections to be completed according to country conditions are highlighted in italics.

Model TOR for the ESIA

A. Background Information

Include a brief summary of the poverty-environment nexus and its impact on the rural livelihoods. Also include details of the project area including target groups and highlight that special focus will be on indigenous people, women and youth as well as other vulnerable groups within the above categories.

Objectives of the Environment and Social Impact Assessment Study

The objectives of the ESIA study are to: (i) identify key linkages between rural poverty and environmental management and assess the potential environmental and social impacts of the proposed project on the natural resource base and livelihoods of communities in the target areas; (ii) explore and identify key options for advancing environmental and social sustainability; and (iii) recommend key opportunities to influence IFAD support towards environmental sustainability and climate smart development. This Study is intended to provide options that would inform and thus improve decision making of the (title of project) design.

The key environmental, climate change and social issues to be addressed include: (i) challenges faced to meet its rural development and food security goals; (ii) the major environmental, climate change and social issues that have a bearing on IFAD operations in the country; (iii) the direct impact and multiplier effect the mentioned issues have on the resilience of ecosystems and productivity of land and crops, natural resource management and rural livelihoods; (iv) the scale of volatility and risks resulting from climate variability and change; and (v) regulatory frameworks which are related to rural development and environmental issues.

The expected results of the ESIA are: (i) an assessment of the environmental (and social/economic/institutional) issues particularly in the agricultural and rural development sector; (ii) the identification of links with relevant ongoing initiatives; (iii) the provision of specific measures, recommendations including opportunities to optimize adaptation, environmental management and resource use; in the project

area. These results will shed light on the important opportunities available to build resilience and adaptive capacity in the programme/project under development.

The IFAD Climate Change Strategy (2010) calls for the Fund to more systematically respond to increasing demands from our clients for technical support and innovation to better respond to climate change. This means analysing and addressing climate change challenges during the early stages of programme and project design to build resilience and adaptive capacity.

The IFAD Environment and Natural Resource Management (ENRM, 2011) Policy stresses that project designs present new opportunities to improve systematic integration and scaling up of ENRM of the portfolio. Such integration can help IFAD to engage in new and strengthened partnerships with specialized entities for enhanced and effective responses to issues associated with natural resources and, climate variability and change. The Policy provides ten Core Principles and eleven Best Practice Statements to guide IFAD interventions.

Key Principles to guide the ESIA

- (i) Look beyond the traditional "do no harm" safeguards approach to mitigating environmental, climate change and social risks towards "doing good" through greater focus on sustainability and management of environmental (rehabilitating degraded lands, seizing adaptation/mitigation opportunities and transforming the underlying inequalities that undermine inclusive development, etc.) and social impacts and risks;
- (ii) Begin the ESIA with a scoping exercise with the objectives of identifying as much as possible the relevant social, environmental, and climate change issues, so that baseline data collection and impact assessment can focus on them and not expend unnecessary resources on issues that are irrelevant.
- (iii) Place strong emphasis on identifying opportunities and develop an appropriate management plan to enhance results and impact;
- (iv) Identify and compare alternative scenarios to recommend realistic proposals for design mission consideration;
- (v) Identify capacity needs required to effectively implement the environmental and social management plan; and
- (vi) Produce a realistic monitoring plan, including appropriate change management processes.
- (vii) Engage affected communities and other interested stakeholders throughout the ESIA process, from scoping to review and comment on the final draft report prior to decision-making.

B. Scope of work

The ESIA study will consider economic, natural, and social aspects in an integrated way. The study will take into account obligations of the country pertaining to project activities under relevant (country) laws and international agreements and standards, best practices, and realities of the institutional capabilities related to environment, climate change and social aspects. Specifically, this will involve: (i) engaging a broad range of stakeholders at the national, regional and communal levels, involving as much as possible vulnerable groups wherever possible; (ii) identifying and addressing cross-border issues, as necessary; (iii) identifying environmental, climate change and social opportunities and constraints; (iv) ensuring integration with national policy and planning structures; and (v) including an effective system for monitoring of climate, environmental and social issues. Mainly secondary information and qualitative methods will be used for conducting the ESIA study.

On the basis of data drawn from: (i) IFAD reports, Government studies and documentation from other development partners; (ii) field visits and meetings with relevant stakeholders in the country; and (iii) making use of the suggested questions and ENRM Best Practice Statement on ENRM (see Annex 1 and 2), the consultants will perform the following key tasks:

Task 1: Determining the Scope of the ESIA. Based on the Environmental Review Note, preliminary investigation of the project area, consultation with affected communities and concerned, knowledgeable groups or agencies, identify the project-affected area, determine the scope of the ESIA, and prepare a Scoping Report. Following review by the implementing agency (ies) and IFAD, the Scoping Report will be disclosed in accessible locations for comment by interested and affected parties.

Task 2: Description of the environmental conditions of the project area.

Guided by the Scoping Report, assemble, evaluate and present all relevant baseline data on the relevant environmental, climate change and social characteristics of the project area. This should include rates of forest and other natural resources degradation, physical cultural resources, river flow and sedimentation rates, pollution sources and levels. Data should be relevant to decisions about project location, design, operation, or mitigatory measures.

Physical Environment: topography, climate, soils, rainfall, infrastructure etc.

Biological Environment: flora, fauna, endangered species, sensitive sites and significant natural sites.

Socio-Cultural environment: (population dynamics, land use, poverty trends, community structure and capacities, sources of livelihoods, distribution of income, cultural heritage, goods and services, level of community environmental awareness on issues such as poverty and environment, biodiversity loss and climate change, and extent of community dependence on natural resources for livelihoods.

Task 3: Legislative and regulatory considerations. Review current national policies, legislation and legislative instruments governing environmental management, climate change (mitigation and adaptation) and governance with their

implementation structures, identify challenges, and recommend appropriate changes for effective implementation. Review and summarize relevant international treaties and conventions to which the country is a signatory.

Task 4: Determination of the potential environmental, climate and social impacts and risks of the proposed project. Identify and analyse (quantitatively where possible) opportunities, potential positive and negative impacts (i.e. associated with development of small dams), direct and indirect impacts and immediate and long term impacts of the proposed project on the natural resource base and livelihoods. Include an assessment of the potential cumulative impacts of the proposed project or programme and other activities that are ongoing, planned or can reasonably be foreseen to occur in the affected area. Assess environmental, climate adaptation and social costs of these impacts.

Task 5: Analyse alternatives and recommend modifications to the project design. Recommend feasible and cost-effective measures to prevent or reduce negative impacts.

Task 6: Development of an environmental and social management plan:

Formulate an integrated plan to avoid, minimize, mitigate or compensate for the significant potential environmental and social impacts and to avoid or mitigate climate change risks. Prepare a detailed plan to monitor environmental and social impacts and implementation of mitigation plans developed. The plans should specify the actions to be taken for each impact, identify the entity responsible for taking the action, the timing according to the stages of the project, and the estimated cost.

Review capacities of institutions at national, provincial, county and sub-county levels to implement recommended activities and propose ways to strengthen them in order to effectively manage and implement mitigation and monitoring plans proposed. This should include responsibilities, staffing, equipment and training guidance.

Identify and recommend preventive measures to mitigate climate change risks and adverse environmental and social impacts of the project as well as who will implement them and mitigation costs.

Task 7. Assist in Inter-Agency Coordination and Public/NGO Participation.

Assist in coordinating the environmental and social assessment with other government agencies, in disclosure of documents in accessible locations in appropriate form and language, in obtaining the views of local NGOs and affected groups (especially the marginalized poor), and in keeping records of meetings and other activities, communications, and comments and their disposition.

Personnel: The assignment will be undertaken by a team (add the resource persons) of international experts, with wide experience in conducting Environmental and Social Impact Assessments; and local counterparts (preferably) with good knowledge of environmental and natural resources issues, as well as social and targeting issues, in the project area.

Schedule: The assignment is planned to be undertaken over (to be determined depending on scope of work) ____ days between (provide timeline).

Report: The ESIA report should be concise, and limited to environmental and social issues including emerging issues. The main body of the report should be limited to findings, conclusions and recommendations supported by data collected and literature cited. Other documents used should be presented in annexes or appendixes.

For the purpose of public consultation, the ESIA documentation should be translated into material that is accessible, in form and language, to local population.

The ESIA report will be disclosed in accordance with IFAD's Disclosure Policy.

List of Data Sources (include others):

- IFAD Climate Change Strategy (2010)
- IFAD Environment and Natural Resource Management Policy (2011)
- IFAD Environment and Social Assessment Procedures (Chapter 1)
- Disaster Risk Management Guidelines
- IMI climate change checklist
- Country Evaluation Report

Annex 1.4

Recommended Format for Environmental and Social Impact Assessment (ESIA)

Environmental and Social Impact Assessment (ESIA) is a management tool used for better programme/project planning and design and can be considered an overall process within which an actual ESIA study itself is carried out. As such, the term ESIA can be used in several ways as follows:

- a process which enables both environmental, climate change and social issues to be taken into account during all stages of programme/project design and implementation;
- a formal procedure for providing environmental, climate, economic, and social information for decision makers who authorise the programme/project; and
- a study which identifies, predicts and evaluates the potential environmental, climate, and social impacts and risks of programmes/projects in a systematic and objective way, recommends appropriate preventive actions and mitigating measures, and maximizes environmental opportunities. The results of the ESIA study are presented in the form of a report (includes the environmental and social Management Plan) as an appendix to the PDR.

While EIA/ESIA legislation differs among countries, the general process involves a standard sequence of steps.

The steps in IFAD's ESIA process can be presented in generalized form as follows:

A. PRE-ESIA

- (i) Screening⁴² and Scoping⁴³
- (ii) ORGANIZATION OF STUDY⁴⁴

B. ESIA STUDY⁴⁵

- (i) Describe the proposed project actions and their goals
- (ii) Describe the initial state of the environment and of local communities to establish a baseline for future reference
- (iii) Identify potential impacts (environmental, social and climate)

⁴² The Environmental, Social and Climate Screening and Scoping exercise determines whether the programme/project requires an ESIA or some subsidiary form of investigation. This form of screening generally relies on the use of criteria and Guidance Statements (see criteria in 1.5.1.1 to 1.5.1.4 above and the attached Guidance Statements). Only Category A projects go through the next stage of the ESIA process.

⁴³ **Scoping.** This stage comprises the identification of issues that should be considered in the study and in what depth, by whom, how, and by when. Initial scoping is carried out on the basis of the preliminary assessment and other information available on the project proposal. In some countries, procedural guidelines for scoping exist as do requirements for the format and content of ESIA's.

⁴⁴ **Organization of Study.** If after the review of the preliminary assessment, the competent authority determines that a full ESIA study is required, the organizational modalities for the study are worked out.

⁴⁵ **The ESIA Study** is the centrepiece of the ESIA process. The ESIA study culminates in the preparation of an Environmental and Social Impact report which also addresses climate change issues. The report (includes the Environmental and Social Management Plan) will highlight the major impacts and possible mitigation measures as well as alternatives to the proposal. It also forms the basis for the review and decision-making steps outlined below.

- (iv) Describe alternatives considered⁴⁶
- (v) Predict likely impacts, including direct, indirect, reversible, irreversible, and cumulative effects
- (vi) Evaluate significance and likelihood of impacts (positive and negative), and comparison of alternatives
- (vii) Identify opportunities to maximize benefits and appropriate preventive actions to eliminate, reduce or mitigate negative impacts
- (viii) Prepare an environmental, social and climate management plan
- (ix) Design an environmental, social and climate monitoring and evaluation program.
- (x) Design a capacity building program for strengthening programme/project environmental, social and climate resilience issues

c. POST-ESIA STUDY

- (i) Review of the ESIA report, including public participation consultation⁴⁷
- (ii) Decision-making (should project proceed or not? should project design and implications be modified?)⁴⁸
- (iii) Implementation of the environmental, social and climate management plan
- (iv) Post-study audit⁴⁹, as necessary

Depending on the ESIA procedures adopted in a particular country, the exercise generally involves an independent authority which has the responsibility of ensuring that the guidances of the ESIA process are met in a satisfactory manner. These tasks generally include: ensuring that ESIA studies are carried out for relevant projects according to pre-established screening mechanisms, controlling the quality of ESIA studies, and making decisions concerning whether a project may proceed and, if so, what mitigation measures are required. The actual carrying out of the study in compliance with legislated guidances is generally the responsibility of the proposing agency.

The ESIA should focus on the significant environmental, social and climate issues identified by the environmental, social and climate screening and scoping exercise. The ESIA report should be concise; the level of detail and sophistication being commensurate with the potential impacts identified in the Review Note. The target audience are the project design team, implementing agencies, borrowers, affected populations and relevant IFAD staff in the respective regional division and Environment and Climate

⁴⁶ **Alternatives considered** should include the proposed action and no action alternatives. Among the possible alternatives, the report should clearly show which alternatives were considered in detail and the rationale for that choice. Unfortunately, many ESIA reports are deficient in the consideration of true alternatives to the proposed action. Identification of potential impacts should be done for all alternatives considered in detail.

⁴⁷ **Review of the draft ESIA report.** The report is reviewed to ensure that it provides the necessary information for decision-making. Depending on the legislative or procedural context, review may entail scrutiny by an independent body or the environmental authority in charge of the ESIA process. The draft report is also reviewed by the CPMT. There will be provisions for public review and comment prior to appraisal. The review stage may result in revisions being made to the ESIA before it is submitted to the decision-making authority and/or design team.

⁴⁸ **Decision-Making.** The ESIA report is submitted to **the respective Regional Division** for consideration by the project design team or to other competent decision-making authority. In some jurisdictions, the ESIA report may be attached to some statutory Government decision on the project. Conditions for accepting the proposal are decided upon based on the recommendations of the ESIA.

⁴⁹ **Post-Study Audit.** This will be carried out to ascertain whether the provisions contained in the ESIA study were adhered to or whether the predictions contained in the ESIA study were accurate.

Change division. The statement/report submitted to IFAD should be prepared in any of the UN official languages. The final ESIA statement/report which is attached as an appendix to the PDR should include the following items (see the box below):

Outline of the ESIA Report

Executive Summary. Concise discussion of significant findings and recommended actions.

Introduction. Rationale for ESIA, based on ESCS exercise. Concise discussion of significant findings and recommended actions. Mention the approach and methodology taken which may include climate vulnerability assessment.

Policy, legal, and Administrative Framework. Discussion of the policy, legal, and administrative framework within which the ESIA is prepared. The guidance of the country related to environment and climate change, and of any co-financiers should be explained, and emphasis should be given to the project relevance to these frameworks. The obligations of the country under relevant international treaties and conventions should be summarized.

Project Description. Concise description of the project and its geographical, climate, ecological, social, and temporal context, with particular emphasis on specific project components which are the subject of the ESIA – i.e., likely to cause positive or negative impacts -- in line with the Environment, Social and Climate Screening and Scoping exercise.

Baseline Data. Assessment of the dimensions of the study area and description of relevant physical observed changes and prediction of climate change, biological, and socioeconomic conditions (including level of community environmental awareness), including any changes anticipated before the programme/project commences. Current and proposed development activities within the project area and chance find (but not directly connected to the project) should also be taken into account. Where data are lacking or unreliable, specific reference must be made on this point. The baseline should describe the environmental, social and climate context in a quantitative style to allow measuring of project results.

Anticipated socio-economic impacts/risks and mitigation measures. Assessment of positive and negative social and economic impacts likely to result from the proposed project or project component. Specific attention should be given to maximizing opportunities, avoiding involuntary resettlement⁵⁰, enhancing gender equality and women's empowerment and reducing vulnerability to risks/effects of climate change

⁵⁰ , identifies, assesses, and addresses the potential economic and social impacts of the project that are caused by involuntary taking of land (e.g. relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, whether or not the affected person must move to another location) or involuntary restriction of access to legally designated parks and protected areas. Special attention should be paid to (i) establishing a deadline for property claims, (ii) evaluating pre-resettlement living standards and assets, (iii) appropriately compensating individuals and villages that are physically or economically displaced by the said project and (iv) conducting a fair and equitable resettlement operation.

and variability. In any case, emphasis should also be on involving key stakeholders especially vulnerable groups and marginalized⁵¹ poor communities in project design and implementation, and addressing public health concerns (i.e. HIV/AIDS)

Anticipated environmental impacts/risks and mitigation measures (includes climate change). Identification and assessment of the positive and negative impacts likely to result from the proposed project or project component and vice versa (Preventive actions and/or mitigation measures, and any residual negative impacts that cannot be mitigated should be identified). Opportunities for building resilience to climatic shocks and enhancing environmental issues⁵², including promotion of global environmental benefits, should be explored. The analysis and elaboration of climate change associated risks on the project area should be undertaken to ensure that appropriate adaptation measures are included among the interventions, and in the project risk analysis for long-term sustainability of results. The extent and quality of available data, key data gaps, and uncertainties associated with predictions should be identified/estimated. Topics that do not require further attention should be specified. Confirm the environmental and social Category of the project.

Assessment of Cumulative Impacts. The potential positive and negative environmental and social impacts of the project or programme together with those of relevant ongoing or planned activities or activities that may reasonably be foreseen should be identified. Effects of those other activities on the project's vulnerability to climate change should be considered. The ESIA should explain the extent to which the project's implementing agency can maximize opportunities and avoid, minimize, mitigate or compensate for cumulative impacts, and, for significant impacts beyond the control of the implementing agency, the ESIA should identify the actions necessary to be taken by others.

Analysis of Alternatives. Systematic comparison of the proposed investment and design, site, technology, and operational alternatives in terms of their potential environmental, resilience and social impacts; capital and recurrent costs; suitability under local conditions; and institutional, training, and monitoring guidance. For each of the alternatives, the environmental, adaptation and social costs and benefits should be quantified to the extent possible, and economic values should be attached where feasible -attention should be given to cost-effectiveness. The basis for the selection of the alternative proposed for the project design must be stated. Where possible, expand the programme's approach and initiative to address issues associated with climate change adaptation, mitigation and DRM.

Recommendations for Changes to Programme/Project Design. Identification of feasible and cost-effective measures that may reduce climate vulnerability, potentially significant adverse environmental impacts to acceptable levels, and estimation of the potential environmental impacts; capital and recurrent costs; and institutional, training, and monitoring guidance of those measures. Consider providing details on proposed work programmes and schedules. Such details help ensure that the proposed changes in project design can be executed in phase with previously planned activities throughout implementation. Compensatory measures should be considered if mitigation measures are not feasible or cost-effective.

⁵¹ For IFAD's approach to indigenous peoples and land, see IFAD Policies on Engagement with Indigenous Peoples and Land respectively.

⁵² Global environmental issues include climate change, ozone-depleting substances, international waters, land degradation and adverse impacts on biodiversity.

Institutional Aspects. Assessment of the existence, role, capacity and capability of formal and informal institutions for climate change and natural resources management, including official environmental units on-site (at the agency and ministry level), and informal and community-level institutions. Agencies responsible for management of social impacts should be included in this assessment; examples are public health departments, museum or antiquities commissions, ministries of social welfare, women's affairs, or cultural affairs, and agencies dealing with land issues. Explore opportunities for policy dialogue/reform and green growth. Based on these findings, recommendations should be made concerning the strengthening, establishment and/or expansion of such units, and the training tailored to the identified target groups, to the point that ESIA recommendations can be implemented.

Grievance Procedure. This section describes the complaints procedure (both informal and formal channels), indicating the time frame and processes for resolving complaints about the project's environmental and social performance.

Environmental and Social Management Plan (includes implementation arrangements). Identification of the preventive actions and/or mitigation measures recommended to eliminate, reduce or mitigate climate risks and the potential adverse environmental and social impacts of the programme/project, as well as the responsible parties for implementing such actions/measures, the timing of activities in relation to stages of the programme/project, estimated costs involved, poverty-environment indicators, etc. Consider the use of climate proofing of investments.

Monitoring Plan (includes performance indicators). Specification of the type of monitoring (i.e., early warning systems, participatory, environmental quality, implementation of environmental measures), who would do it, how much it would cost, and what other inputs (e.g. personnel, training, GIS, field and/or laboratory equipment, supervision arrangements) are necessary.

GENERAL CONCLUSIONS AND RECOMMENDATIONS

Appendices

- (i) Composition of ESIA mission – individual(s) and organizations.
- (ii) *References* – written materials used in study preparation. This list is especially important given the large amount of unpublished documentation often used.
- (iii) *Record of Consultations* – The record of consultations for obtaining the informed views of the affected people and local NGOs should be included. The record should document the fate of public consultation outcome, in terms of influence on project design and/or implementation. The record should specify any means other than consultations that were used to obtain the views of affected groups and local NGOs. (List community individuals and organizations consulted.)

Annex 1.5

Technical Review of ESIA

The Environment and Climate Division will review the adequacy of the ESIA report, checking especially the questions shown in the box below.

Questions for the Technical Review of ESIA

- Is the Executive Summary adequate with recommendations clearly stated? Including significant impacts (unavoidable or irreversible); cumulative effects of impacts; probability of predicted and evaluated impacts; appropriate mitigation measures and monitoring activities.
- Are cost-effective alternatives to project interventions (location, design, technology, etc.) described and have their impacts and costs been evaluated appropriately?
- Is the poverty-environment nexus adequately addressed and linked to analysis?
- Does the baseline section give an overall picture of present conditions and trends (including climate change predictions), and include ongoing and proposed development activities in the study area? Does it provide comments on the quality of the data and the completeness of the database? Is the baseline study adequate for decision-making?
- Does the report take into account existing risks, the degree of exposure and vulnerabilities of the target groups and their livelihoods, current climate variability and/or the potential future impacts of climate change? Is there inclusion of appropriate adaptation and disaster risk reduction measures to address potential climate change impacts?
- Is there adequate consideration for building on existing capacities, such as endogenous, community-based coping strategies and adaptive responses? Does the report explore the potential for the project to capitalize on on-going adaptation and mitigation efforts by other development actors through partnerships?
- Do mitigating measures appear adequate to both control all significant adverse impacts and enhance project benefits? Are the institutional arrangements for implementing and monitoring the measures defined? Are the costs of implementing and monitoring all recommendations adequately budgeted in the cost tables?
- In case of direct project impacts on land/property, have the affected people/communities been properly identified, their needs evaluated, free, prior and informed consent processes conducted, and proper compensation mechanisms been set and settled?
- Have the consultation process/public participation (especially with the rural poor, indigenous peoples and women) and other statutory guidance (e.g. national ESIA guidance) been met?
- Is there adequate documentation of community involvement (especially of the

marginalized poor, women, youth and Indigenous Peoples), including an overview of the issues raised and their disposition? Are proposed solutions socially acceptable to target groups? Do arrangements comply with the IFAD Policy for Engagement with Indigenous Peoples

- Do the recommendations comply with IFAD Social, Environmental, and Climate Assessment Procedures?
- Where existing databases, planning studies, other ESAs, scientific papers, etc., are used as information sources, are the references for these sources given and are technical terms defined where they occur?
- Has the ESIA been reviewed and accepted/approved by the cognizant national environmental agency?

Annex 1.6

Model Terms of Reference for a detailed Climate Risk Analysis

1. Background

- 1.1 The International Fund for Agricultural Development (IFAD) is an international financial institution and a specialized United Nations agency dedicated to eradicating poverty and hunger in the rural areas of developing countries. Working with poor rural people, governments, donors, nongovernmental organizations and other partners, IFAD is one of the largest sources of development financing for agriculture and rural development in many developing countries.
- 1.2 IFAD acknowledges climate-related risks as one of the factors affecting rural poverty and as one of the challenges it needs to address. While climate change is a global phenomenon, its negative impacts are more severely felt by poor people in developing countries who rely heavily on the natural resource base for their livelihoods. As the most vulnerable and marginalized people in rural societies, smallholder farmers and herders are especially exposed to climate change. They inhabit some of the most vulnerable and marginal landscapes, such as hillsides, deserts and floodplains. They often lack secure tenure and resource rights, relying directly on climate-affected natural resources for their livelihoods.
- 1.3 Responding to this prioritization, the IFAD Strategic Framework 2011-2015 proposes as overarching goal to enable poor rural people to improve their food security, raise their incomes and strengthen their resilience. Consistent with this approach, the IFAD's Policy for Environment and Natural Resource Management also recommends greater attention to climate-related risks and resilience in order to manage environment- and natural resource related shocks.
- 1.4 For investment projects with a projected high sensitivity to climate hazards, IFAD is requesting a climate vulnerability analysis which can help to improve the targeting of investment actions to include the most vulnerable and least resilient target groups:
 - Improve the robustness of development investments from climate-related hazards;
 - Increase the resilience of development Outcomes; and
 - Avoid investment actions which inadvertently increase vulnerability to climate hazards over the longer term

2. Description of services provided

Objective

The objective of the consultancy is to analyse:

- the occurrence of climate-related hazards in the prospective target area of the project (including a historical analysis of hazard types, intensities, frequencies and associated losses and damages);
- the physical exposure of livelihoods, ecosystems and critical infrastructure in different locations to the most prevalent climate hazards ('hot spots' mapping)
- the key properties that determine the susceptibility of livelihoods, ecosystems and critical infrastructure in the target area to the most prevalent climate hazards (sensitivity analysis);

In addition to this basic vulnerability analysis, the consultancy is expected to summarize

- projected climate change impacts in the target area, based on representative ensembles of climate models and scenarios
- preliminary recommendations on how climate risks in the target area can be addressed in a larger investment programme

3. Supervision

The consultants will work under the joint responsibility of IFAD's Regional Climate and Environment Specialist and the Country Programme Manager.

4. Tasks, Results and Deliverables

The consultants will undertake the following tasks:

- Collection and synthesis of available biophysical and socio-economic maps and data at the targeted level (national, provincial or district):
- Surface topography
- Surface hydrology (drainage patterns, catchment areas, wetness index)
- Flood risk areas
- Vegetation cover (including woody and herbaceous layers) and –if available - vegetation cover trends (min. 250m resolution)
- Rainfall variables (number of days with precipitation, rainfall aggressiveness, mean annual precipitation)
- Temperature variables (annual temperature ranges, min/max temperatures)
- Infrastructure (road networks, irrigation systems, rural roads at flood or/and erosion risk)
- Collection and analysis of historical meteorological data to delineate hazard trends and occurrences

- Collection and analysis of loss and damage data in relation to climate-related hazards
- As necessary, ground-truthing of findings through discussions with local stakeholders in climate risk hot spots

The consultancy is expected to achieve the following results:

- (i) A set of geo-referenced and GIS-compatible baseline maps outlining the exposure and sensitivity of vulnerable livelihood systems in the target area to prevalent climate shocks and stresses;
- (ii) An analysis of available future climate scenarios for the project area. As necessary, this can be based on the development of regional climate models at a scale of less than 50km, based on statistical or dynamic downscaling. The analysis of climate change impacts should be based on a representative ensemble of climate models and focus on implications for the programming context (e.g. climate change impacts and implications on production, harvesting, post-harvesting, access to markets, wider landscape characteristics)
- (iii) Recommendations to reduce risks to extreme events and adapt to climate variability and change. These recommendations are expected to include specific practices and technologies to increase climate resilience of the targeted farming or value chain systems, and should be verified by consultations with key stakeholders *in situ* to solicit bottom-up recommendations and validate the findings from the analysis

Based on the above work and analysis, the consultants will provide IFAD with the following deliverables:

- (i) A **vulnerability map** with a preliminary assessment of the locations within the project area that are particularly vulnerable under present climate variability and projected climate change. This map should enable prioritisation of geographic areas for IFAD interventions. The set of baseline maps used for the production of this vulnerability map need to be annexed to the analysis.
- (ii) A **technical report** explaining how the maps were produced, including key data sources, modelling assumptions, consultations undertaken and limitations of the methodology.
- (iii) A short (max 10 pages) **analytical report** with a set of preliminary recommendations on the measures that are proposed to reduce climate risks and vulnerabilities in the proposed project context.

5. Timing

The activities will be carried out in a time period of 8 weeks between [insert dates], including documentation, a field mission [insert dates], consultations and validation activities, writing and editing. The final version of the report must be submitted no later than [insert dates].

6. Responsiveness

Timely responses to inquiries from IFAD are a part of the Contractor's standard client service. IFAD will be kept informed on an on-going basis of any significant developments that occur at the Contractor, which may affect the provision of Services.

Contractor's staff will respond to all enquiries within 24 hours through the use of the most appropriate communication channel as agreed between the Contractor and IFAD. If further investigation is required, the Contractor will promptly notify IFAD that further action is required with periodic updates on the status of the enquiry.

7. Profile of the service provider

- Proven experience in disaster risk reduction, climate risk management, climate change adaptation or environmental and natural resource management
- Relevant university degree or higher education
- In-depth understanding of climate and disaster risks in country X, including existing risk management policies, frameworks and strategies
- Previous experience in conducting risk and vulnerability assessments
- Previous experience with participatory, community-based consultation methods
- Experience with GIS-based mapping and the management of geo-referenced data
- Familiarity with climate change concepts, models and scenarios
- Proven track record in related consultancy work
- Excellent writing and editing skills (in the relevant language)
- Good analytical and strategic thinking
- Ability to work under pressure and meet deadlines

Annex 2.1

Model TOR for SECAP Preparatory Studies for COSOPs

Note: This model TOR is intended for a Social, Environmental, and Climate preparatory study (hereafter referred to as SECAP study) undertaken in the framework for the formulation of the Country Strategic Opportunities Programme. They can also be adapted to be used as guidance to enhancing COSOP design missions and mid-term evaluations. Explanations and sections to be completed according to country conditions are highlighted in italics.

Title: Terms of Reference for the SECAP Preparatory Study for COSOP (name of Country)

Background

- 1 The aim of the social, environmental, and climate preparatory study is to provide analytical underpinning for environmental sustainability through the provision of options that would be a vital input into COSOP development and decision making process. The SECAP study does not substitute for project-specific environment, social and climate assessment, but it can reduce the need and limit the scope of the latter. The programming of assessment needs to be closely linked with the respective country COSOP planning and budgeting process.
2. A priority of COSOPs will be to support outcome –driven national development strategies and systems on ENRM (such as ecosystem-based approaches) as reflected in poverty reduction strategy programmes (PRSPs) and relevant national strategic frameworks (e.g. national adaptation programmes of action, national action plans/programmes, etc.). The latter include sustainable national development strategies, climate change strategies, civil society activities and the encouraging of policy dialogue among all stakeholders.
3. **The objectives of the SECAP study are to:** (i) identify key linkages between rural poverty and environment; (ii) provide key environmental and social opportunities and actions to influence IFAD support to (name country) rural development efforts towards environmental sustainability and climate smart development; (iii) identify priority ENRM, social and CC issues based on IFAD’s comparative advantage for policy dialogue with the Government; and (iv) identify an opportunity for an ASAP and/or GEF intervention. **The expected results are** (i) an assessment of the environmental (and social/economic/institutional) issues with focus on agriculture and food security; (ii) the identification of links with the other sector policies, strategies and plans; and (iii) the provision of specific measures to optimise climate adaptation, environmental management, and resource use in the new COSOP period for (*name of country*). The above will shed light on important opportunities available to build resilience and adaptive capacity of the agricultural and rural development sectors in the country.
4. Provide summary of country’s agriculture, climate, social and ENRM conditions. Includes: (i) challenges faced to meet its rural development and food security goals; (ii)

the major environmental and social trends and issues that have a bearing on IFAD operations in the country; (iii) the direct impact and multiplier effect the mentioned issues have on the resilience of ecosystems and productivity of land and crops, natural resource management and rural livelihoods; (iv) the scale of volatility and risk resulting from climate change; and (v) institutional and regulatory frameworks related to rural development and environmental issues.

5. The IFAD Climate Change Strategy (2010) and ASAP priorities call for the Fund to more systematically respond to increasing demands from our clients for help and innovation on responding to climate change. This means analysing and addressing climate change considerations during the early stages of country programme and project design, rather than as an overly compliance-driven approach in the final approval stages for COSOPs program. and programmes/projects.

6. The IFAD Environment and Natural Resource Management (ENRM, 2011) Policy further stresses that COSOPs are a key entry point for upstream analysis and assessment of how IFAD can help partners manage natural resources sustainably and respond to climate change. The Policy provides ten Core Principles and eleven Best Practice Statements to guide IFAD interventions.

Principles to guide the SECAP study

- (a) Early integration of ENRM, social and climate change issues in the conceptual and design stages of the RB-COSOP for (the country);
- (b) Focus on broader environmental, social and climate issues rather than on site-specific impacts in order to resolve issues that cannot be addressed at the project level;
- (c) Identify and compare alternative scenarios to exploit scale up opportunities; and
- (d) Coordination with national and local donor development partners and stakeholders is particularly important from the perspective of harmonization.

Approach and methodology

The Preparatory study is composed of two phases: a **screening exercise** and the actual **study**, as described below:

The **screening exercise**, which will typically be undertaken early in COSOP design, will identify and analyse the issues to be addressed in the SECAP preparatory study considering (i) the specific context (including sector and wider institutional and legislative framework and its alternatives) in which the country programme is likely to be implemented and (ii) the likely implications for IFAD's work. This should be based on a review of the key pertinent documents and consultation with relevant stakeholders. The screening should result in impact identification and evaluation methodologies to be used in the SECAP study. These methodologies may include the use of tools such as checklists, problem analysis trees, matrices, etc., depending on those found appropriate to the specific context. The preliminary key issues are discussed and validated in a stakeholders' workshop.

The SECAP Study **assesses all key issues from the screening stage in detail, and options are identified to address them.** The study will also try to address cumulative impacts, especially in the case of natural resources or sensitive ecosystems. The

assessment will consider international prescriptions and standards, national laws and best practises and will take cognizance of the realities of the institutional setup in the country. More specifically, the assessment will: (i) engage with a broad range of stakeholders (e.g. relevant Government institutions, civil society and indigenous people's organizations, and bi- and multi-lateral donors and institutions) *at the national, regional and communal levels, involving as much as possible vulnerable groups*; (ii) identify and address cross-border issues (e.g. forest and water resources), as necessary; (iii) identify and assess win-win-win solutions and innovations to support scaling up; (iv) ensure integration with national development strategies and systems; and (v) include an effective system for monitoring of climate, environmental and social issues.

Mainly secondary information and qualitative methods will be used for the SECAP preparatory study. The use of a range of qualitative tools and methods, such as 'SWOT' analysis, climate modelling, focused stakeholder consultations and over-lay mapping, should be considered in developing strategic objectives, alternatives and options to maximize the value-added to the decision-making process for the COSOP design and to ensure adequate monitoring. Selected field visits will be made in close coordination with Government or IFAD country project coordinator, in order to verify issues at a local level, capture lessons learned and engage in local level stakeholder consultations. An important means of enhancing country ownership of the SECAP study and its recommendations is to involve Government officials, local experts and institutions as an integral part of the assessment exercise. A second workshop should be held to discuss the proposed strategic objectives and options and to reach agreement on the priorities to be included in the assessment. The draft SECAP Preparatory Study report will be shared with key stakeholders for comments prior to its finalization. The document should not exceed a length of 25 pages, excluding the Annexes.

Scope of work

On the basis of (i) data obtained from IFAD reports and development partners; and (ii) field visits and meetings with relevant stakeholders in the country, considering the "Updated Guidelines and Source Book for Preparation and Implementation of an COSOP", the consultant(s) will perform the following key tasks (see annex Annexes 2.2, 2.3, 2.4 for details):

- (a)** *Analyse the social, environmental, and climate and economic trends/problems in the country (particularly in the agriculture, water and biodiversity domains) priorities and themes linked with growth and rural poverty reduction. Provide information on the spatial (using relevant maps) and temporal scope of the SECAP assessment taking into consideration short/medium/long-term effects and risks. Also analyse how climate change exacerbates existing environmental and development challenges in the country;*
- (b)** *Develop relevant environmental, economic and social objectives that should be considered in the country programme; evaluate the response at national level and potential areas of IFAD intervention; evaluate how both the proposed development objective and proposed actions of IFAD's proposed country strategy (if already identified) relate to these objectives and suggest modification or proposals for IFAD support;*
- (c)** *Analyse individual and cumulative environmental (and social/economic) impacts of the proposed IFAD interventions in (the country) and suggest any relevant*

modifications for consideration by the COSOP design team. Where the proposed IFAD interventions are not yet identified, make recommendations for the design team with respect to integrating environmental and social/economic considerations into the future COSOP design;

- (d)** *Analyse adequacy of existing policy and institutional frameworks (Government, key donors, civil society), implementation arrangements and monitoring plan (whether they provide for realistic monitoring and analysis of key environmental, social, economic and climate impacts during implementation of the COSOP timeframe) and suggest options for improvement, as necessary. Depending upon the context of preparation, this can focus on analysis of environmental implications of sector policies, take into account the policy and regulatory framework, analysis of the institutional and governance issues linked with a particular theme or priority, and/or economic analysis to weigh and prioritize different interventions in a sector (for instance through use of cost benefit analysis);*
- (e)** *Develop specific strategic and technical measures/options (including assumptions) and indicators generated by the SECAP study with key authorities and stakeholders, preferably in a workshop. These are to be based on existing lessons learned and good practises which are ready for scaling up. Stakeholders include some or all of the following: farmer groups, government ministries (environment, agriculture livestock and fisheries health, social and economic planning) Regional/Municipal authorities, CSOs, academic organisations; business groups and the donor community. Compile interim and final reports from the SECAP study and present them to the COSOP design team.*
- (f)** *Draft a set of investment concept notes for future projects interventions (ASAP, GEF) that incorporate climate change adaptation, and associated mitigation measures, Disaster Risk Reduction (DRR), Sustainable Land Management (SLM) etc. Identify national and provincial implementation arrangements (government, research institutions, and line agencies) that would be ideal in carrying forward the interventions that have been identified. Analyse the interventions proposed by the COSOP design team and, if necessary, suggest environmental enhancements for "greening" the project ideas. Propose a knowledge management methodology for facilitating evidence-based policy making and transferring knowledge back to project level implementation.*

Expected outputs

- (a)** The **SECAP preparatory study report**, which is concise and consistent with the provisions of the IFAD Social, Environmental, and Climate Assessment Procedures, the IFAD Climate Change Strategy and the ENRM Policy, and is grounded in relevant national strategies and priorities. The report will include the approach and methodology and be supported by summaries of the data collected and citations for any references used in interpreting those data. It will also include a table which provides an overview of the key issues (technical and systemic), indicating the rationale for their selection and a synthesis of associated specific recommendations and proposed indicators. Although all recommended actions specific to a particular issue are considered important, some specific actions deserve special attention. It is recommended that the actions be categorised according to those that should be: (i) continued; (ii) reinforced; (iii) modified; and

(iv) introduced for the first time. In addition, their level of priority (high, medium or low) should also be indicated. See annex 2 for the indicative outline of the SECAP preparatory study report.

- (b) A **set of investment concept notes** grounded in country specific analysis for ensuring that the COSOP and its investments are both climate sensitive and environmentally sustainable. Provide the key SECAP Study findings to the COSOP design team and ensure that they are reflected in the final COSOP document. This will require writing up sections of the COSOP including enhancing project concepts proposed by the other team members.
- (c) A **two-page (maximum) note** outlining rationale and elements for IFAD consideration of an intervention to enhance climate adaptation in the country; and.
- (d) **Summaries of the workshop** presentations, synthesis of stakeholder meetings (as necessary) and outcomes of the consultations.

Timeframe

The SECAP preparatory study needs to be planned sufficiently ahead of time to be able to provide meaningful input into the COSOP development process. Two or three consultants (as necessary) will be recruited on a retained basis for a period of (*estimated at 20 days each for a total of 40 days*). The draft SECAP preparatory study report should be **submitted no later than (date)** to the CPM/ (*name of country*) with copies to the Country Programme Manager, the Regional Climate and Environment Adviser (ECD) and the Senior Technical Adviser-Environment and Natural Resource Management (ECD). The final SECAP preparatory study report should be submitted by cob (provide date).

Required Expertise and Guidances of the Consultant(s)

The SECAP study will be conducted by specialist(s) with expertise in (i) Environment and natural resource Management and (ii) Climate Change, both in relation to the agricultural sector. An additional consultant to address social and institutional issues may be considered necessary. The consultant(s) should have a minimum of 10 years of experience (project implementation and evaluation) in environmental and rural development policy, sustainable land, forest and water management practices, land use planning, socio-economics, climate change, as well as, be fully conversant with development work at the strategic level. Other resource persons (including IFAD staff) may be involved in the exercise to evaluate specific issues as deemed necessary. The consultants must be familiar with the country situation and have the ability to think broadly and interact orally.

FEES

The consultant's fee rate will be determined according to an assessment of the consultant's C.V. by IFAD's Personnel department. All travel expenses including DSA will be covered.

Reporting

The work of the consultant will be coordinated by the CPM for (*name of country*) and supervised by (*name of RCES or STA*), (ECD).

Relevant IFAD documents

- (i) Climate Change Strategy
- (ii) Environment and Natural Resource Management Policy
- (iii) Updated Guidelines and Source Book for Preparation and Implementation of an COSOP
- (iv) Disaster Risk Management Guidelines
- (v) IMI climate change checklist
- (vi) Country portfolio evaluation
- (vii) IFAD Policies (Targeting; Gender equality and women empowerment; Improving access to land and tenure security; Engagement with indigenous peoples)
- (viii) Other documents which include relevant country strategic frameworks

Annex 2.2

Suggested Structure and Contents of the SECAP Preparatory Study Report for COSOPs

Structure of report	Information to include
Executive Summary	<p>Summary of the SECAP preparatory study process (purpose, objectives);</p> <p>Summary of the likely significant effects of the proposed COSOP interventions</p> <p>Statement on the value addition of the SECAP preparatory study to the COSOP design process</p> <p>SECAP study recommendations</p>
SECAP Preparatory Study Approach and Methodology used	<p>SECAP study objectives</p> <p>Study Approach and Methodology adopted assessment preparation and how it fits in the COSOP development process</p> <p>Description of the process to involve different government agencies and CSO organizations (Who was consulted, and when)</p> <p>Assumptions, uncertainties, constraints, as well as challenges encountered in compiling information or carrying out the assessment</p>
National Context	<p>Description of physical and biological environment, related baselines, and socio-cultural context</p> <p>Main environmental and CC challenges, causes and effects on agriculture development and rural poverty, particular focus on water, soil, forests, fisheries and agriculture</p> <p>Role of NR in livelihoods (focus on agriculture, food security and rural development)</p> <p>Observed impacts of CC and projections on key agricultural and rural development sectors</p> <p>Related policy, regulatory and institutional frameworks, including ENRM, CC, agriculture and rural development strategies</p> <p>Country priorities and links to regional and international PPPs</p>
Impact identification, evaluation and lessons learned in IFAD Programmes	<p>Opportunities to build resilience of rural livelihoods to CC</p> <p>Comparison of the environmental/adaptation costs and benefits of the alternatives, with description of how environmental issues were considered in choosing the preferred strategic investment proposals.</p> <ul style="list-style-type: none"> ▪ Lessons learned from partner experiences, IFAD Programmes and previous COSOP implementation, and rationale for prioritizing ENRM and adaptation

Structure of report	Information to include
Recommendations to enhance environmental and climate resilience in the agriculture and rural development sectors	<p>Analysis of strategic orientation for the COSOP – include specific objectives and required results to optimize environmental management and resilience to CC in the agricultural sector and rural development</p> <p>Actions proposed (institutional strengthening, budgetary issues, etc.)</p> <p>Links to other tiers of plans and programmes and the project level (ESIA, project design cycle, etc.)</p> <p>Proposals of activities to access ASAP, GEF and other sources of funds</p> <p>Proposals for monitoring and feedback mechanism –include indicators</p>
Appendices	<p>Table on existing ENRM and CC stakeholders and initiatives</p> <p>Table on promising lessons learned and good practices for scaling up</p> <p>Summary of stakeholder consultations</p> <p>SECAP assessment Terms of Reference</p> <p>Bibliography and references</p>

Annex 2.3

Generic Checklist: Questions for SECAP Preparatory Studies for COSOPs

Principles and scope

Have adequate principles, criteria and indicators been defined for the SECAP study?

Has the spatial and temporal scope of the SECAP study been adequately defined?

Is there a need/opportunity for donor co-ordination in the conduct of the SECAP study?

Have alternatives (to the proposed COSOP interventions) been identified and considered?

Stakeholder engagement

Have all relevant stakeholders had an opportunity to engage in the SECAP preparatory study process and to identify potential impacts and management measures?

Have the views of civil society, particularly affected communities (men, women, youth, indigenous peoples), being included? What has been their influence in the development of the proposed PPP? Is there adequate environmental education of public? What is the level of public awareness of "SECAP preparatory study"? (especially among rural communities)

Linkage to other strategies, policies and plans

Have all relevant strategies, policies and plans – at national to local levels – been reviewed (e.g. PRS, NAPA, NBS, MDG – based strategy, district plan, national expenditure reviews) and is the assessed PPP supportive of and consistent with their goals? Have any conflicts been taken into account in the design of the proposal?

Generic questions and decisions/activities

How can sustainable management of natural resources be pro-actively built into proposed programmes and projects?

What are the opportunities for support to climate change, environment and NRM?

What are other development agencies doing to strengthen climate resilience, environment and NRM?

If sector wide approaches or other forms of basket funding are included, is there a need for complementary analysis or initiatives to minimize possible climate change risks and negative environmental and social effects?

Linkages/Impacts

What are the key environmental and climate change issues and opportunities and

their relation to rural poverty? How is climate change predicted to affect this?

What are the linkages between climate change, environment and other important development themes such as public health (including HIV/AIDS), education, human rights and democracy, land tenure, gender, conflicts and vulnerability?

What is the importance of environment and climate resilience for pro-poor growth, environmentally sustainable economic development and attaining the MDGs?

What are the partner country's commitment⁵⁹ to and actual implementation of the Multilateral Environmental Agreements?

How are environmental and climate change concerns addressed in key partner country strategies, such as the PRSP, trade policies and sector strategies, and how are they reflected in the national budget?

Effects

Have the potential direct, indirect and cumulative negative and/or positive effects (short-, medium- and long-term; environmental, climate and social) of the proposed PPP been predicted and analysed?

Have relevant environmental externalities been identified and internalized?

Have relevant, specific measures been identified and included to counteract/mitigate these? Alternatively, is it made clear how other national policies/programmes are mitigating the potential negative effects?

Taking into account differences in power relations, climate risks and environmental vulnerability, who would be the winners and losers for each course of action?

Is there potential for enhancing positive effects? Have these opportunities been maximised?

Has the quality of the assessment been independently reviewed?

Capacity

Is there an institutional framework to manage environmental and climate risks/impacts and major environmental policy and institutional failures?

Has the level of awareness of "SECAP assessment" among Govt. Staff & Other Stakeholders been assessed? Has there been an effort to educate all stakeholders including Govt. Ministers on "SECAP preparatory study"? Is there sufficient capacity within institutions and agencies, at national and sub national levels, to implement the specific PPP (e.g. to enable them to apply an environmental management framework for sub-elements); and to manage, regulate and be accountable for use of natural resources and improved climate resilience? How can these institutions be strengthened?

Institutional/Implementation

What is the institutional capacity at the national level to integrate environment and

⁵⁹ Especially with regard to Community Empowerment, Community participation in Natural Resource Management, etc.

climate change considerations into planning processes?

What donor harmonisation mechanisms are in place to ensure environment is part of donor coordination?

What are the challenges and opportunities for civil society organisations and the private sector in relation to climate resilience, environment and NRM? What is their level of awareness of the "SECAP assessment" process?

Influence of SECAP preparatory study

Are there specific points in the process to develop the PPP where the SECAP study can have influence over decision making?

Data, information and monitoring

Are there significant data and information deficiencies and gaps (i.e. weather information, climate modeling, maps)? How can these be filled?

Are measures proposed for monitoring? Are these clear, practicable and linked to the indicators and objectives used in the SECAP preparatory study? Are responsibilities clear?

Source: Adapted from OECD, 2006

Annex 2.4

Checklist for Climate Change related issues to be examined in the SECAP preparatory study for COSOPs

Changes in weather patterns observed over the last 20-30 years

What trends can be observed in the Seasonal variation in temperature and rainfall (literature review of existing data, climate scenarios and assessment)?

Have extreme weather events (frequency and severity of drought, floods, storms) been experienced during this time horizon?

Which are the climate-related risks of the existing/planned IFAD's Programmes in the country?

Current and expected vulnerability to climate variability and change

What are the latest available estimates of climate impact on local communities, poor rural people, agriculture, ecosystems and biodiversity, land resources, coastal areas?

How is current climate variability affecting indigenous peoples' communities, smallholder farmers, the landless, women and unemployed youth?

How is the productive capacity of the people and land being affected?

What has been IFAD's past experience on climate-related work in the country and potential for scaling up?

Community coping strategies and adaptation responses

What measures have local communities been undertaking to cope and adapt to climate variability?

Which groups are better able to respond to climate variability?

How have local communities been coping with weather related disasters?

What disaster prevention, Early Warning System and preparedness plan exist at local level?

Building resilience of rural livelihoods in the face of climate variability and change

Which are the national CC and Disaster Risk Reduction/Disaster Risk Management strategies as delineated in the UNFCCC National Communications, and National Mitigation and Adaptation Frameworks and how these can guide IFAD's investments?

Which are the priorities for the agricultural and rural development sectors?

What are the 'low-hanging fruits' in terms of no-regrets interventions that can be implemented in the short-medium term?

Which technical, institutional and capacity needs at local and national levels should be addressed for increase local communities' adaptation and resilience?

What policies would assist in promotion of robust adaptation measures?

Which are the major national actors/initiatives supporting adaptation?

How can the IFAD best collaborate with these to ensure coherency/complementarity in building resilience?

Selected relevant resources:

Web-based tools and platforms for knowledge sharing CC related data and information:

IPCC Web site

<http://www.ipcc.ch/index.htm>

UNFCCC Web site

<http://unfccc.int/2860.php>

Global Facility for Disaster Reduction and Recovery

<http://www.gfdr.org/gfdr/>

UNDP, University of Oxford CC Country Profile

<http://www.geog.ox.ac.uk/research/climate/projects/undp-cp/>

World Bank CC Knowledge Portal

<http://sdwebx.worldbank.org/climateportal/index.cfm>

Adaptation Learning Mechanism (UNDP, GEF, UNFCCC, WB, UNEP)

<http://www.adaptationlearning.net/>

We Adapt

<http://weadapt.org/>

Spatial datasets:

Local Climate Estimate Tool

www.fao.org/nr/climpag/data_5_en.asp

World Bank Global Climate Data

http://sdwebx.worldbank.org/climateportal/index.cfm?page=climate_data

CC Vulnerability Analysis and Climate Proofing Tools

Participatory Vulnerability Analysis (Action Aid)

www.actionaid.org.uk/doc/lib/108_1_participatory_vulnerability_analysis_guide.pdf

Climate Vulnerability and Capacity Analysis (CARE)

www.careclimatechange.org/index.php?option=com_content&view=article&id=25&Itemid=30

Community-based Risk Screening Tool – Adaptation and Livelihood (CRYSTAL, IISD, SEI, IUCN, Inter Cooperation). <http://www.iisd.org/cristaltool/>

References

- Canadian International Development Agency (CIDA) (2004). *Strategic Environmental Assessment of Policy, Plan, and Program Proposals: CIDA Handbook*. Canadian International Development Agency. Quebec: CIDA.
- Dalal-Clayton B and Sadler B (2005). *Strategic Environmental Assessment: a Sourcebook and Reference Guide to International Experience*. Earthscan, UK.
- Department of Environmental Affairs and Tourism (DEAT) (2004). *Strategic Environmental Assessment*. Integrated Environmental Management, Information Series 10. Pretoria: DEAT.
- Inter-American Development Bank (IADB) (2006). *Environment and safeguard compliance policy*. Washington, DC: IADB.
- International Finance Corporation (IFC) (2012). *IFC Performance Standards on Environmental and Social Sustainability*.
- Office of the Deputy Prime Minister (ODPM) (2005). *A Practical Guide to the SEA Directive*. Crown Copyrights, UK: ODPM.
- Organization for Economic Co-operation and Development (OECD) (2006). *Applying Strategic Environmental Assessment*. DAC Guidelines and Reference Series. Paris: OECD.
- United Nations Development Programme (UNDP) (1992). *Handbook and Guidelines for Environmental Management and Sustainable Development*. New York: UNDP.
- World Bank (1993). *Sectoral Environmental Assessment, Environmental Assessment Sourcebook Update 4*. Environment Department. Washington DC: World Bank.
- World Bank (1996). *Regional Environmental Assessment, Environmental Assessment Sourcebook Update 15*. Environment Department. Washington DC: World Bank.
- World Bank (2001). *Making Sustainable Commitments: an Environment Strategy for the World Bank*. Washington DC: World Bank.

WEBSITES

- World Bank Environmental Assessment in Operational Policy 4.01:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/EXTENVASS/0,,menuPK:407994~pagePK:149018~piPK:149093~theSitePK:407988,00.html>
- World Bank Strategic Environmental Assessment:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/0,,contentMDK:20274476~menuPK:549265~pagePK:148956~piPK:216618~theSitePK:244381,00.html>
- OECD Environmental Policy Tools and Evaluation:
http://www.oecd.org/topic/0,3373,en_2649_34281_1_1_1_1_37465,00.html
- International Association for Impact Assessment: <http://www.iaia.org>